NEWS RELEASE

Disposal of Wolseley UK

1/4/2021

RNS Number : 3806K
Ferguson PLC
04 January 2021

January 4, 2021

FERGUSON PLC

Disposal of Wolseley UK

Ferguson plc today announces that it has entered into an agreement to sell Wolseley UK, its UK based heating and plumbing distribution business, to Clayton, Dubilier & Rice, a global private investment firm for net cash consideration of approximately £308 million (c. $420 million) (the "Disposal").

In the year ended July 31, 2020 Wolseley UK generated revenue of $1,879 million and underlying trading profit of $8 million on a pre-IFRS 16 basis. Gross assets at July 31, 2020 were $1,093 million. Following completion of the Disposal, future responsibility for the UK defined benefit pension scheme will be retained within the Ferguson plc Group. At July 31, 2020 the net pension liability was $27 million on an IAS 19 basis. The Wolseley UK business being

disposed will retain no ongoing liabilities in relation to the UK defined benefit pension scheme. Excluding the net pension liability, the net operating assets of Wolseley UK at July 31, 2020 were $378 million.

We expect the transaction will complete at the end of January 2021. Following completion of the Disposal, the Company will update shareholders on the use of the proceeds of sale. The Board's current intention is to make a return of substantially all of the net cash proceeds of sale to shareholders by way of a special dividend.

Rothschild & Co is acting as financial advisor to Ferguson plc in relation to the Disposal.

Kevin Murphy, Chief Executive of Ferguson, commented:

"Wolseley is a leading heating and plumbing distribution business in the UK and we are confident the business will benefit from working with its new owners, Clayton, Dubilier & Rice who will develop the business further by focusing on continued opportunities in the industry. We'd like to thank all our associates for their tireless hard work while they have been part of the Group, especially recently through the COVID-19 pandemic. We wish them all the very best for the future.

"The transaction further simplifies the Group and allows us to focus entirely on investing in and developing our business across North America where we have the greatest opportunities for profitable growth."

For further information please contact

Ferguson plc		
Bill Brundage, Group Chief Financial Officer	Tel:	+1 757 223 6092
Mark Fearon, Director of Corporate Communications and IR	Mobile:	+44 (0) 7711 875070
Media Enquiries		
Mike Ward, Head of Corporate Communications	Mobile:	+44 (0) 7894 417060
Nina Coad, David Litterick (Brunswick)	Tel:	+44 (0) 20 7404 5959

About Ferguson

Ferguson plc is a leading value added distributor of plumbing and heating products to professional contractors principally operating in North America. Ongoing revenue for the year ended July 31, 2020 was $19.9 billion and ongoing underlying trading profit was $1.6 billion. Ferguson plc is listed on the London Stock Exchange (LSE: FERG) and is in the FTSE 100 index of listed companies. For more information, please visit www.fergusonplc.com or follow us on Twitter **https://twitter.com/Ferguson_plc**.

About Clayton, Dubilier & Rice

Founded in 1978, Clayton, Dubilier & Rice is a private investment firm with a strategy predicated on building stronger, more profitable businesses. Since inception, CD&R has managed the investment of more than $30 billion in 95 companies with an aggregate transaction value of more than $150 billion. The Firm has offices in New York and London. CD&R has been investing in Europe for more than 20 years, acquiring 19 businesses representing more than $6 billion of capital. For more information, visit **www.cdr-inc.com**.

-ends-

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact **rns@lseg.com** or visit **www.rns.com**.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our **Privacy Policy**.

END

DISVXLFBFFLLBBE