

## FY17 Half Year Results

3/28/2017

Results for the half year ended 31 January 2017

£m	H1 2017	H1 2016(2)	Change	Change (at constant exchange rates)	Like-for-like Change(3)
Revenue	8,461	6,795	+24.5%	+6.7%	+3.2%
Trading profit(1)	515	412	+25.0%	+5.0%	
Impairment and exceptional charges	(124)	(1)			
Profit before tax	328	367			
Headline earnings per share (1)	141.0p	111.3p	+26.7%		
Net debt	1,297	1,253			
Interim dividend per share	36.67p	33.28p	+10.2%		

1. Before exceptional items and the amortisation and impairment of acquired intangible assets and with respect to headline earnings per share before non-recurring tax items and non-controlling interest.

2. Trading profit and headline earnings per share for the half year to 31 January 2016 have been restated to exclude £2 million of restructuring costs classified as exceptional.

3. The increase or decrease in revenue excluding the effect of currency exchange, acquisitions and disposals, trading days and branch openings and closures.

## Financial highlights

- Revenue 6.7% ahead of last year at constant exchange rates with like-for-like growth of 3.2%.
- Changes in foreign exchange rates increased revenue by £1,131 million.
- Gross margin of 28.6%, 0.3% ahead of last year.
- Trading profit of £515 million, 5.0% ahead of last year at constant exchange rates. Commodity deflation reduced trading profit by £17 million in the USA.
- Net debt of £1,297 million.
- Interim dividend of 36.67 pence per share, an increase of 10.2%.

## Operating highlights

- US revenue growth of 9.9% at constant exchange rates.
- US residential and commercial markets were good, the industrial market improved slightly.
- UK transformation program on plan and trading held up well in the first half.
- Strong e-commerce growth with sales of £1.4 billion, now 17% of Group revenue.
- Completed eight bolt-on acquisitions for total consideration of £271 million and two further acquisitions since the period end.

## Corporate highlights

- Decision to exit the Nordics announced today.
- Agreement to merge Tobler with Walter Meier in Switzerland as previously announced.
- Group to change name to Ferguson plc.
- Presentational currency to change to US dollars from 1 August 2017.
- Frank Roach to retire on 31 July 2017 and Kevin Murphy to succeed him as US CEO as announced separately today.
- As previously announced Mike Powell will join the Company on 1 June 2017 as Group CFO.

## John Martin, Chief Executive, commented:

“The Group delivered a good trading performance in the first half driven by Ferguson. In the US, residential and commercial markets remained good and industrial markets improved but were still negative. Commodity price deflation reduced US revenue growth by 1.8 per cent in the first half.

“The UK transformation programme has started well and we are making good progress clarifying our customer

propositions and simplifying our logistics network. We have concluded our review of the Nordic operating strategy and identified a clear and executable plan to return the business to profitable growth. However, there are few synergies with the rest of the Group's plumbing and heating businesses and we have initiated a process to exit our business in the region. We have excellent opportunities to generate attractive returns in our other businesses and we will focus resources there in the future.

"Ferguson now accounts for 84 per cent of Group trading profit and we have decided to align the Group's name with our most significant brand in our largest market. Whilst the Group will be known as Ferguson plc going forward we will continue to use the Wolseley name in the UK and Canada where it has strong local recognition.

"Like-for-like revenue growth since the end of the period has been about 4.5 per cent for the Group and 5.5 per cent in the USA. Commodity deflation has been negligible in this period. We continue to execute our strategy of investing in profitable growth and expansion where appropriate while keeping tight control of the cost base. We expect the Group to make further progress in the second half."

FULL INTERIM MANAGEMENT STATEMENT

**Download the full pdf**

For further information please contact

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There will be an analyst and investor presentation at 0830 (UK time) today at the London Stock Exchange, 10 Paternoster Square, London EC4M 7LS. A live video webcast and slide presentation of this event will be available on [www.wolseley.com](http://www.wolseley.com). We recommend you register at 0815 (UK time). Photographs are available at [www.newscast.co.uk](http://www.newscast.co.uk).