



NEWS RELEASE

# Final Results for the year ended 31 July 2020

9/29/2020

STRONG AND RESILIENT PERFORMANCE DURING HIGHLY CHALLENGING PERIOD. CONTINUED ROBUST FINANCIAL POSITION.

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USDm	2020	2019	Change
Statutory financial results			
Revenue	21,819	22,010	(0.9%)
Profit before tax	1,261	1,324	(4.8%)
Total basic earnings per share	427.5c	481.3c	(11.2%)
Total ordinary dividend per share	208.2c	208.2c	-
Alternative performance measures <sup>1</sup>			



Ongoing revenue	19,940	19,549	+2.0%
Ongoing gross margin	30.0%	30.0%	-
Ongoing trading profit	1,663	1,532	+8.6%
Less impact of IFRS 16	(68)	-	
Ongoing underlying trading profit	1,595	1,532	+4.1%
Headline earnings per share	511.6c	517.4c	(1.1%)
Adjusted EBITDA2	1,802	1,793	+0.5%
Net debt: adjusted EBITDA2	0.6x	0.7x	

## Highlights

- Ongoing revenue 2.0% ahead of last year with continued market share gains in the US.
- US revenue growth of 2.7% and underlying trading profit growth of 5.2%.
- Good gross margin and cost control ensured trading profit growth outpaced revenue growth.
- Total basic earnings per share 11.2% lower due to higher effective tax rate from previously announced tax reform and exceptional discontinued disposal gains in the prior year.
- Excellent operating cash generation and the Group has maintained a strong balance sheet and liquidity position.
- Invested \$351 million in 6 acquisitions before pausing activity in March.
- Taking into account the Group's prospects and strong financial position restoring total ordinary dividend to same level as 2018/19 of 208.2 cents per share.
- Bill Brundage, current CFO of Ferguson Enterprises to succeed Mike Powell as Group CFO on November 1, 2020 as announced separately today. Mike will step down on October 31, 2020.

1. The Group uses Alternative Performance Measures ("APMs"), which are not defined or specified under IFRS, to provide additional helpful information. These measures are not considered to be a substitute for IFRS measures and are consistent with how business performance is planned, reported and assessed internally by management and the Board. For further information on APMs, including a description of our policy, purpose, definitions and reconciliations to equivalent IFRS statutory measures see note 2.

2. Net debt excludes lease liabilities and Adjusted EBITDA excludes the impact of IFRS 16.

### Kevin Murphy, Group Chief Executive, commented:

"We have delivered a strong performance in 2020, which given the global pandemic has highlighted the resilience of

our business model. Early in the crisis we moved decisively to protect the health and wellbeing of our associates while continuing to serve our customers supporting critical infrastructure. We have rapidly adjusted our ways of working to adapt to this new operating reality while taking action to lower the cost base. We have also managed working capital and capital expenditure which alongside the strong profit delivery has led to an excellent cash performance.

“On an ongoing basis we delivered Group revenue growth and grew trading profit ahead of revenue despite lockdowns in the second half. I would like to thank all of our 34,000 associates for their dedication and commitment during this challenging period. They have demonstrated a remarkable ability to adapt to an unprecedented change in their personal and professional lives while still delivering outstanding service to our customers.

“We have the necessary safeguards in place to protect our associates and support our customers and the majority of our colleagues are now back at work. We continue to execute our strategy of developing the business through organic growth and given recent better than expected trading we are now proposing to reinstate ordinary dividends.

“It is impossible to predict the future progress of the virus, or its economic impact and we expect the current levels of uncertainty to continue for the foreseeable future. However, the fundamental aspects of our business model remain attractive and since the start of the new financial year Ferguson has generated low single digit revenue growth in the US in flat markets overall. While we remain cautious on the outlook for the year as a whole, the business is in good shape and well prepared to address any further market related disruption.”

**For further information please contact**

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A live analyst and investor presentation will be webcast at 1200 UK time (0700 ET) today. This event will be available on [www.fergusonplc.com](http://www.fergusonplc.com) and we recommend you register at 1145 UK time (0645 ET).

To join the presentation by call please use the following dial in details:

United Kingdom: +44 (0)20 3936 2999

United States: +1 646 664 1960

Participant access code: **868057**

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