NEWS RELEASE

Results for the 3 months ended April 30, 2021

5/19/2021

STRONG Q3 REVENUE AND TRADING PROFIT

US$ millions	Q3 2021	Q3 2020 (restated)1	Change
Revenue	5,916	4,750	+24.5%
Trading profit	579	350	+65.4%
Less impact of IFRS16	(19)	(17)	
Underlying trading profit	560	333	+68.2%
Trading days	65	64	
Adjusted EBITDA2	603	374	+61.2%
Net debt to Adjusted EBITDA3	0.4x	1.0x	

Third quarter highlights

− Strong revenue growth of 24.5%, including 20.1% organic growth in the USA, boosted by sequentially increasing sales price inflation and easing prior year revenue comparatives.

− US market demand accelerated through the quarter as the US economy continued to re-open.

− Gross margins of 30.9% were 110 bps ahead of last year driven by our ability to pass through price in a period of acute inflation and channel mix improvement.

− Good cost control ensured excellent underlying trading profit delivery of $560 million up $227 million.

− Solid operating cash generation in Q3 and strong balance sheet with 0.8x pro-forma leverage.4

− Completed $140 million of $400 million share buy back program in the period.

Kevin Murphy, Group Chief Executive, commented:

“Ferguson has brought forward its Q3 announcement as we delivered strong revenue and profit growth ahead of expectations. Our associates continued to provide outstanding service and support to our customers in the face of increasing supply chain pressures leading to product availability concerns. We were pleased with the strong earnings growth and margin expansion arising from continued operating efficiencies and pass through of acute price inflation as the US economy re-opens. We thank our 30,000 associates for their exceptional contribution to these results.

“Revenue picked up strongly through the quarter continuing into early May and we are pleased with the momentum in our business. Given the better than expected Q3 results, we are revising our outlook for FY2021 upwards as we expect to continue to outperform strong end markets in Q4. Based on our latest view of the operating environment we expect to generate Group trading profit in FY2021 (including the impact of IFRS 16) in the range of $2,000 million to $2,100 million.

“We are well positioned to manage through the near term though we are mindful of the ongoing effect of inflation on sales and gross margins and its potential adverse impact on operating costs. Looking ahead, we are confident in our strategy and we remain committed to investing in our talented associates, world class supply chain and digital capabilities to better serve our customers.”

1) The Group disposed of its UK operations on January 29, 2021. Pursuant to IFRS requirements, the UK results have been reclassified to discontinued operations and the prior year comparative results have been restated.

2) Continuing operations only, excludes the impact of IFRS16. Adjusted EBITDA contribution from discontinued operations in the three month period to April 30, 2021, was $nil (three months to April 30, 2020 restated: $5 million loss)

3) Net debt excludes lease liabilities. Leverage ratio utilizes a trailing twelve months adjusted EBITDA for both continuing and discontinued operations and excludes the impact of IFRS 16.

4) Pro-forma leverage adjusted to include the $567 million cash flow impact relating to the interim and special dividends paid on May 11, 2021 plus the $260 million remaining outstanding on the share buy back announced on March 16, 2021.

The person responsible for arranging for the release of this announcement on behalf of Ferguson plc is Graham Middlemiss, Group Company Secretary.

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
Brian Lantz, Vice President IR and Communications — Mobile: +1 224 285 2410

Media Enquiries
Mike Ward, Head of Corporate Communications — Mobile: +44 (0) 7894 417060
Nina Coad, David Litterick (Brunswick) — Tel: +44 (0) 20 7404 5959
Jonathan Doorley (Brunswick) — Tel: +1 (917) 459 0419

Investor conference call and webcast

A call with Kevin Murphy, Group Chief Executive, and Bill Brundage, Group Chief Financial Officer, will commence at 12:00 pm UK time (07:00 ET) today. The call will be recorded and available on our website after the event at **www.fergusonplc.com**.

Dial in number
United Kingdom +44 (0) 330 336 9105
United States +1 323 701 0225

Ask for the Ferguson call quoting 8160759 .
To register for the webcast please click **here**.