



NEWS RELEASE

# Results for the half year ended 31 January 2020.

3/17/2020

\$m	H1 2020	H1 2019	Change
<b>Statutory financial results</b>			
Revenue	10,966	10,847	+1.1%
Profit before tax	640	679	(5.7%)
Basic earnings per share	206.7c	254.5c	
Interim dividend per share	67.5c	63.1c	+7.0%
<b>Alternative performance measures<sup>1</sup></b>			
Ongoing revenue	9,893	9,489	+4.3%
Ongoing gross margin	30.2%	30.2%	
Ongoing trading profit	782	714	+9.5%
Less impact of IFRS16	(35)	-	
Underlying trading profit	747	714	+4.6%
Headline earnings per share	245.7c	241.9c	+1.6%
Net debt : Adjusted EBITDA	1.1x	1.1x	
Trading days	127	127	-

## Highlights

- Ongoing revenue 4.3% ahead of last year with continued market share gains in the US.
- US revenue growth of 5.0% and underlying trading profit growth of 5.7%.
- Good gross margin and cost control ensured trading profit growth outpaced revenue growth.
- Good operating cash generation and the Group has a strong balance sheet and liquidity position.



- Interim dividend of 67.5c up 7.0%
- Invested \$141 million in acquisitions in the first half, including S.W. Anderson and since the end of the period Columbia Pipe and Supply.
- The Board expects to make a further announcement on listing assessment later in the spring of 2020.
- UK demerger on track for completion this calendar year.

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 on pages 18 to 22.

Kevin Murphy, Group Chief Executive, commented:

“Our focus has remained on serving our customers and making their projects more successful because they worked with Ferguson. Given the markets we serve remained flat we were pleased with our progress in the first half and we continued to generate above market revenue growth in the major US business units. This, alongside continued operational delivery including tight cost control, ensured we delivered robust trading profit growth and good cash generation.

“In response to the outbreak of the Coronavirus (COVID-19) in recent weeks the Company is taking steps to mitigate any potential impacts. We are following the guidance of governmental health agencies including the World Health Organization and the Center for Disease Control. Our immediate priority is safeguarding the health and wellbeing of our associates, supporting our business and customers and helping the communities in which we operate.

“Given the strength of our first half results, we had intended to confirm our full-year trading profit outlook for 2020. However, due to the dynamic situation unfolding with COVID-19 it is too early to understand its impact on current trading. Recent government actions to contain the spread of COVID-19 and societal reactions, alongside any potential actions we will take to mitigate them are not reflected in existing market forecasts and it is too early to quantify them. Ferguson remains well positioned for long-term success operating in attractive and fragmented markets with a robust business model and backed by a strong balance sheet and liquidity position.”

**To view full announcement please click here**

For further information please contact

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In light of current restrictions on travel as a result of Coronavirus (COVID-19) Ferguson has decided to change its usual Half Year Results presentation to a conference call. The call hosted by Kevin Murphy, Chief Executive and Mike Powell, Chief Financial Officer will commence at 11:00 UK time (07:00 US EST) today. The call will be recorded and available on our website after the event [www.fergusonplc.com](http://www.fergusonplc.com).

## Dial in number

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Ask for the Ferguson call quoting 007088.

To register for the webcast please click **here**.