



NEWS RELEASE

## Results for the half year ended January 31, 2021

3/16/2021

US\$ millions	H1 2021	H1 2020 (restated) <sup>1</sup>	Change
Statutory financial results			
Revenue	10,309	9,893	+4.2%
Profit before tax	739	628	+17.7%
Basic earnings per share	271.1c	202.7c	+33.7%
Interim dividend per share	72.9c	-	
Alternative performance measures <sup>2</sup>			
Gross margin	30.0%	30.2%	(0.2%)

Trading profit	875	781	+12.0%
Less impact of IFRS16	(38)	(35)	
Underlying trading profit	837	746	+12.2%
Headline earnings per share	269.3c	235.1c	+14.5%
Adjusted EBITDA <sup>3</sup>	918	828	+10.9%
Net debt : Adjusted EBITDA <sup>4</sup>	0.6x	1.1x	

- Strong operational delivery in the first half:
  - Revenue 4.2% ahead of last year, despite one fewer trading day.
  - Gross margin down 0.2% driven by business and channel mix.
  - Excellent cost control ensured good underlying trading profit delivery up 12.2%, or \$91 million.
  - Good operating cash generation and very strong balance sheet with 1.0x pro-forma leverage<sup>5</sup>.
- Invested \$224 million primarily in four acquisitions in the first half.
- UK disposal completed in the period. Special dividend of 180 cents per share (approximately \$400 million) will be paid in May 2021.
- Interim dividend increased to 72.9c per share, will be paid in May 2021.
- New \$400 million share buy back announced today.
- Additional US listing delivered and trading commenced on the New York Stock Exchange on March 8, 2021.

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) The Group uses Alternative Performance Measures ("APMs") which are not defined or specified under IFRS, to provide additional insight into financial performance. These are described in the Consolidated Financial Statements and are consistent with how the Group reports its performance. For a more detailed description of our policy, purpose, definitions and reconciliations to equivalent IFRS statutory measures see note 2 on pages 47 to 29.

3) Continuing operations only, excludes the impact of IFRS16. Adjusted EBITDA contribution from discontinued operations in the period was \$57 million (2020 restated: \$48 million)

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

5) Pro-forma net debt adjusted to include the impact of \$400 million special dividend and \$400 million share buy back.

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Kevin Murphy, Group Chief Executive, commented:

“Ferguson delivered good top-line growth in the first half and despite challenging personal and professional circumstances, our associates continued to deliver for our customers. We continued to carefully manage the cost base to ensure excellent profit growth and solid cash flow generation. We remain confident in our strategy and are optimistic about our prospects in 2021 and beyond.”

“Since the start of the third quarter, we have continued to trade well, generating high single digit organic revenue growth. While the outlook for the second half remains very uncertain, we expect to generate above market revenue growth in good residential markets aided by increasing inflation. However, we expect this to be partially offset by increasing supply chain pressures, transportation costs and the reversal of temporary cost reduction actions taken during the initial stages of the lockdown starting in April of last year. We are well positioned to manage through this environment and we will continue to invest in talented associates and digital capabilities to serve our customers and take advantage of market opportunities.”

For further information please contact

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Ferguson plc

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## Investor conference call and webcast

A call with Kevin Murphy, Group Chief Executive and Bill Brundage, Group Chief Financial Officer will commence at 1200 UK time (0800 ET) today. The call will be recorded and available on our website after the event at

[www.fergusonplc.com](http://www.fergusonplc.com)

Dial in number

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Ask for the Ferguson call quoting 877426

To register for the webcast please click [here](#).

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