FERGUSON

NEWS RELEASE

Results for the year ended 31 July 2014

9/30/2014

£m	2014	2013 Restated (3)	Change	Change (at constant exchange rates)	Like-for-like Change (4)
Revenue	Ongoing businesses(1)	12,773	12,496	+2.2%	+6.1%
	Closed, sold or held for sale	357	658		
		13,130	13,154		
Trading profit (2)	Ongoing businesses(1)	761	731	+4.1%	+8.6%
	Closed, sold or held for sale	(6)	(6)		
		755	725		
Profit before tax		698	460		
Headline earnings per share (2)		196.2p	178.5p	+9.9%	
Net debt		711	411		
Ordinary dividend per share		82.5p	66.0p	+25.0%	

Financial highlights

- Revenue of the ongoing businesses 6.1% ahead of last year at constant exchange rates, including like-for-like growth of 4.2%.
- Gross margin of the ongoing businesses of 28.1%, 20 basis points ahead of last year.
- Trading profit of the ongoing businesses £761 million, 8.6% ahead of last year at constant FX rates.
- Foreign exchange rate movements adversely impacted trading profit by £30 million.
- Headline earnings per share of 196.2 pence, 9.9% ahead of last year.
- Strong cash generation with net debt of £711 million (2013: £411 million) after ordinary and special dividend payments of £489 million over the last year.
- Proposed final dividend of 55.0 pence per share, bringing the total for year to 82.5 pence per share, 25.0%

ahead of last year, including a rebasing of 15.0% announced at the half year results.
- £250 million share buyback programme announced.

Operating and corporate highlights

- Continued strong growth in the USA; Europe and Canada remained subdued.
- Good flow-through of incremental ongoing revenue to trading profit of 10.8%.
- Trading margin for the ongoing businesses up to 6.0%.
- Invested £194 million in eight bolt-on acquisitions with annualised revenue of £444 million.
- Good progress on investments supporting the development of new business models.
- Continued strong growth of e-commerce.

(1) “Ongoing businesses” excludes businesses that have been disposed of, closed or classified as held for sale.
(2) Before exceptional items, the amortisation and impairment of acquired intangibles and with respect to headline earnings per share before non-recurring tax items.
(3) Restated for IAS 19 (Revised) “Employee benefits”.
(4) The increase or decrease in revenue excluding the effect of currency exchange, acquisitions and disposals, trading days and branch openings and closures.

Ian Meakins, Chief Executive, commented:

“The Group delivered a good overall result. The stand-out performance was the USA where we achieved a record 7.7 per cent trading margin and where our major businesses continued to strongly out-perform their markets. Like-for-like revenue was flat in the UK as we focused on protecting gross margins. We faced headwinds in Continental Europe and have continued to take actions to protect profitability.”

“We are committed to generating attractive returns for shareholders by maintaining strong capital discipline. This year we have increased the dividend by 25 per cent, including a rebasing of 15 per cent announced at the half year, and the Board is recommending a final dividend of 55 pence per share which brings the total dividend for the year to 82.5 pence per share. Wolseley continues to be highly cash generative and we have adequate resources to fund future investment in the business, including bolt-on acquisitions and growth in ordinary dividends. We are today announcing a £250 million share buyback programme which reflects the Group’s strong financial position and management’s confidence in the business.”

Commenting on the outlook, Ian Meakins said:

“The overall like-for-like revenue growth rate for the Group since the beginning of the new financial year has been broadly in line with Q4. Overall we expect the Group’s like-for-like revenue growth rate for the next six months to be about 5 per cent.”

FULL RESULTS

Download the full FY14 Final Results announcement PDF (1.14Mb)