FERGUSON

NEWS RELEASE

# Results for the year ended 31 July 2015

9/29/2015

| £m | | 2015 | 2014 Restated (3) | Change | Change (at constant exchange rates) | Like-for-like Change (4) |
|---|---|---|---|---|---|---|
| Revenue | Ongoing businesses(1) | | 13,300 | 11,952 | +11.3% | +10.1% |
| | Closed, sold or held for sale | | 32 | 319 | | |
| | | | 13,332 | 12,271 | | |
| Trading profit (2) | Ongoing businesses (1) | | 857 | 752 | +14.0% | +11.4% |
| | Closed, sold or held for sale | | (3) | - | | |
| | | | 854 | 752 | | |
| Profit before tax | | | 508 | 676 | | |
| Discontinued operations | | | (108) | 22 | | |
| Headline earnings per share (2) | | | 230.2p | 195.0p | +18.1% | |
| Net debt | | | 805 | 711 | | |
| Ordinary dividend per share | | | 90.75p | 82.50p | +10.0% | |

Financial highlights

- Revenue of the ongoing businesses 10.1% ahead of last year at constant exchange rates, including like-for-like growth of 7.1%.
- Trading profit of the ongoing businesses £857 million, 11.4% ahead of last year at constant exchange rates.
- Trading margin for the ongoing businesses up 10 basis points to a record 6.4%.
- Strong cash generation with net debt of £805 million (2014: £711 million) after £472 million cash outflow for dividends and share buybacks over the year.
- Proposed final dividend 10% ahead of last year.
- Further £300 million share buyback programme announced.

- Impairment and exceptional items of £242 million (2014: credit of £1 million) includes previously announced impairment charge of £234 million relating to the Nordics.

Operating and corporate highlights

- Continued strong growth and record trading margin of 8.2% in Ferguson (US).
- Strong growth of e-commerce, now 13% of Group revenue at £1.7 billion.
- Decent revenue growth in the UK in a challenging market.
- Improved performance in the Nordics with continuing focus on restoring profitability.
- Good progress on investments supporting the development of a more efficient business model.
- Completed 18 bolt-on acquisitions with annualised revenue of £220 million.
- Good progress towards disposal of the French building materials business.

(1) "Ongoing businesses" excludes businesses that have been closed, disposed of 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 to present the French businesses as discontinued operations under IFRS 5.
(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 highlight of these results was another great performance by Ferguson in the US where we achieved strong like-for-like revenue growth ahead of the market and a 50 basis point improvement in the trading margin to 8.2%, which is a record. We continue to face some challenging markets in the rest of the Group and remain focused on improving growth rates and protecting gross margins whilst keeping the cost base tight.

"Wolseley continues to be highly cash generative and we have adequate resources to fund our capital investment programme, bolt-on acquisitions and growth in ordinary dividends. We are also announcing a £300 million share buyback which reflects the Group's strong financial position and management's confidence in the business."

## Commenting on the outlook, Ian Meakins said:

"We expect to generate like-for-like revenue growth of about 4 per cent in the first half. In the US we expect continued good growth in Blended Branches, Waterworks, HVAC, B2C and Fire and Fabrication underpinned by decent Commercial and Residential markets. However, Industrial markets in North America, which account for about 15 per cent of revenue in the region, were challenging in the fourth quarter and we expect this to continue. We expect a continued steady recovery in Nordic markets, although the heating market in the UK is expected to

remain very competitive with little growth. Overall, we expect to make continued progress in 2016.”

FULL ANNOUNCEMENT

**Download the full FY15 Final Results announcement PDF (0.52Mb)**