



NEWS RELEASE

## Results for the year ended July 31, 2021

9/28/2021

### STRONG PROFIT GROWTH DEMONSTRATES THE AGILITY OF OUR BUSINESS MODEL

US\$ millions	2021	2020 <sup>1</sup>	Change
Statutory financial results			
Revenue	22,792	19,940	+14.3%
Profit before tax	1,891	1,292	+46.4%
Total basic earnings per share	674.7c	427.5c	+57.8%
Total ordinary dividend per share	239.4c	208.2c	+15.0%

## Alternative performance measures<sup>2</sup>

Gross margin	30.6%	30.0%	+0.6%
Trading profit	2,176	1,660	+31.1%
Less impact of IFRS 16	(77)	(68)	
Underlying trading profit	2,099	1,592	+31.8%
Headline earnings per share	688.1c	508.0c	+35.5%
Adjusted EBITDA <sup>3</sup>	2,266	1,760	+28.8%
Net debt: adjusted EBITDA <sup>4</sup>	0.6x	0.6x	

## Highlights

- Revenue 14.3% ahead of last year with accelerated market share gains.
- Gross margins of 30.6% were 60bps ahead of last year driven primarily by our ability to service our customers while managing price inflation.
- Good cost control ensured strong underlying trading profit delivery of \$2,099 million, up \$507 million and significantly outpacing revenue growth with profit before tax increasing to \$1,891 million.
- Cash generation was solid and the balance sheet remains strong with 0.6x leverage.
- Continued to consolidate our markets, investing \$335 million in seven acquisitions.
- \$1.4 billion returned to shareholders during the year via dividends and share buy backs.
- Final dividend of 166.5c per share, bringing total dividend to 239.4c per share, an increase of 15%.
- New \$1.0 billion share buy back announced today.
- UK disposal completed in January 2021 with operations now focused on North America.
- Additional US listing on the NYSE established in March 2021. On track for shareholder vote on

US primary listing, Spring 2022.

- Virtual investor day scheduled for December 9, 2021.

1. The Group disposed of its UK business 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 performance indicators. These measures and the associated financial statements are presented on the pages and are consistent with APMs, including a description of our policy, purpose, definitions and reconciliations to equivalent IFRS statutory measures. See note

3. Continuing operations only, excludes the impact of IFRS16. Adjusted EBITDA contribution from discontinued operations in the period was \$57 million (2020 restated: \$42 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.

**Kevin Murphy, Group Chief Executive, commented:**

"We would like to express our sincere thanks to our 31,000 associates for their dedication and commitment, delivering outstanding service and accelerated market share gains amid a backdrop of COVID-19 and industry supply chain pressures. We were pleased with earnings growth that significantly outpaced revenue growth to deliver robust operating leverage and margin, demonstrating the agility of our business model. Cash generation was solid, as we continued to invest in inventory availability to service our customers, while our balance sheet remains strong. We welcomed talented associates from seven acquisitions as we continued to consolidate our fragmented markets.

"The Group started the new financial year with strong momentum, with organic revenue growth at similar levels to Q4 2020/21. We expect a year of good growth overall but we anticipate a tapering in the second half on tougher prior year comparatives. We are mindful that the recent tailwinds from inflation on gross margins could moderate but for the full year ahead we expect operational improvements to broadly offset headwinds from inflation in the cost base. Given the strong momentum in the business and the agility of our business model, we are well positioned to have a year of good growth and the Board continues to look forward to the medium term with confidence."

For further information please contact

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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 (0700 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 United Kingdom: +44 (0)20 3936 2999

United States: +1 646 664 1960

Ask for the Ferguson call quoting access code 164368.

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

**Download announcement.**