NEWS RELEASE

Trading Update

7/24/2020

Ferguson is announcing today a pre-close period update on the trading for the period from 1 May 2020 to 21 July 2020 which includes a further update on the impact of the COVID-19 outbreak.

Protecting our associates

Our immediate priority remains to safeguard the health and wellbeing of our associates and customers. Since May, we have reopened all of our customer facing locations where it is safe to do so and in adherence with guidance given by state and local government authorities. This has included:

Allowing customers to transact inside at our trade counters in specified locations with additional protective measures in place.

Reopening our showroom network with enhanced social distancing requirements.

New signage, reconfigured workspaces and altered schedules to encourage social distancing.

Health assessments and temperature checks in hot spot locations, in particular across our supply chain network.

Maintaining hygiene and implementing sanitization protocols at all sites recommended by the CDC including disinfecting customer high-touch surface areas regularly.

Current trading

Group trading in the period from 1 May 2020 to 21 July 2020 has improved steadily since April with revenue trends through May, June and July sequentially improving. Further details of the financial performance and market conditions in the Group's businesses are set out below:

Revenue growth %	% revenue contribution[1]	April 2020[2]	1 May 2020 to 21 July 2020[2]
USA	88%	(9.3%)	(0.6%)
Canada	5%	(33.6%)	(8.0%)
Ongoing Group	93%	(10.5%)	(1.1%)
UK (non-ongoing)	7%	(60.2%)	(29.1%)
Continuing operations	100%	(15.3%)	(3.6%)

1 During period from 1 May 2020 to 21 July 2020.
2 Number of trading days was the same in the current and prior year period.

In the US, our counter locations were open by mid-June. We continue to encourage customers to use our e-commerce tools where possible and customer adoption rates have been very strong during the pandemic with increased user activity of our mobile experience for trade customers. While showrooms continue to operate virtual appointments, all of our bricks and mortar sites are now open for pre-booked appointments only. We are rapidly putting in place measures to support walk-in customers and to date about 50 per cent of the network has been converted.
Blended Branches revenue declined 4.6 per cent in the period from 1 May 2020 to 21 July whilst Waterworks and HVAC grew by 1.8 per cent and 12.7 per cent respectively. Our standalone eBusiness continued to grow well with revenues 30.4 per cent ahead of last year.
Revenue trends have improved in both Canada and the UK as widespread lockdown restrictions have started to be eased. In the UK recent revenue trends have been more encouraging as

lockdown measures have been eased.

We also continue to implement cost reduction measures across the businesses to ensure we are well positioned for the medium-term operating environment.

Robust financial position

Ferguson remains in a strong financial position with long-term committed debt facilities. We expect the ratio of net debt to the last 12 months adjusted EBITDA to be below 1.0 times as at 31 July 2020.

Kevin Murphy, Group Chief Executive, commented

“Despite the challenges of COVID-19, our trading improved in the fourth quarter driven by the commitment of our associates to serve our customers and as we re-opened our counter and showroom locations. Safeguarding the health and wellbeing of our associates and customers remains critical and we continue to follow appropriate CDC guidelines.

“Our actions to reduce the cost base will ensure that the business is better positioned for the medium-term economic environment. Ferguson has a strong balance sheet with good liquidity and the Group remains well positioned to deliver consistent outperformance.”

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