

FERGUSON

Corporate profile



About Ferguson

Ferguson plc is a leading value added distributor of plumbing and heating products to professional contractors principally operating in North America.



* Figures are for the year ended 31 July 2020

Ongoing revenue

\$19,940m

+2.0%

Ongoing underlying trading profit

\$1,595m

+4.1%

Ongoing gross margin

30.0%

In line with last year

Headline EPS

511.6c

(1.1%)

Revenue

USA

\$18,857m

Canada

\$1,083m

UK (non-ongoing)

\$1,879m

Why invest in Ferguson?

Leading value added distributor of plumbing and heating products to professional contractors

Benefits of scale in procurement, operations, supply chain and technology

Market leading positions (70 per cent of revenue generated through No.1 or No.2 market share positions)

Strong sales culture

Fragmented markets

Low risk bolt-on M&A opportunities

Quick, reliable payback from branch expansion

Sustained gross margins

Strong investment grade balance sheet

Little pension exposure and low level of leases

Strong free cash flow through the economic cycle

Strong people and service culture

Systematically driving performance

Best-in-class e-commerce

Constantly developing our business model to enhance service and margins

Great returns

Good trading profit margins*

8.0%

Ongoing underlying trading margin

Excellent returns on capital*

23.9%

Return on gross capital employed

Dependable ordinary dividends*

208.2c

Total ordinary dividend

* Figures are for the year ended 31 July 2020

USA profile

- Total revenue growth of 2.7%
- Underlying trading margin of 8.4%
- Continued market share gains across all end markets
- Five bolt-on acquisitions completed in the year

Revenue

\$18,857m

(86% of Group)

Underlying trading margin

8.4%

Branches

1,442

Underlying trading profit

\$1,587m

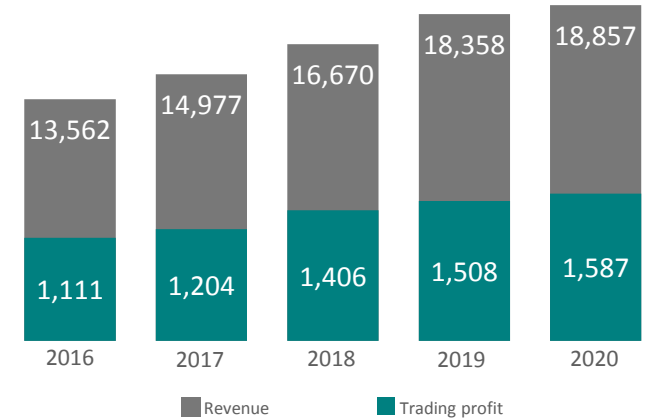
Customer groups

9

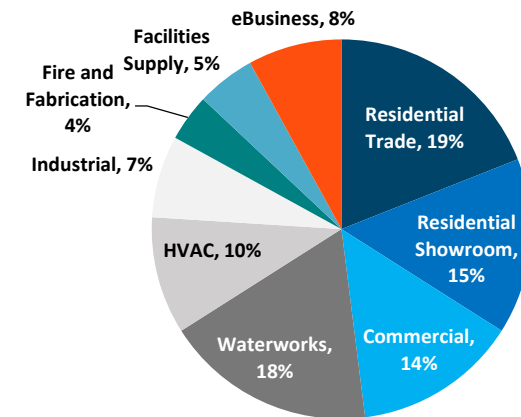
Associates

27,000

5-year Performance \$m



Revenue by customer group % of 2020 revenue



* Figures are for the year ended 31 July 2020

Canada profile (local currency)

- Total revenue decline of 7.5% in challenging markets
- Underlying trading profit of \$CAD 58 million, \$CAD 31 million lower than last year
- Cost base reduced for current operating environment

Revenue (\$CAD)

\$1,458m

(5% of Group)

Underlying trading margin

4.0%

Branches

210

Trading profit (\$CAD)

\$58m

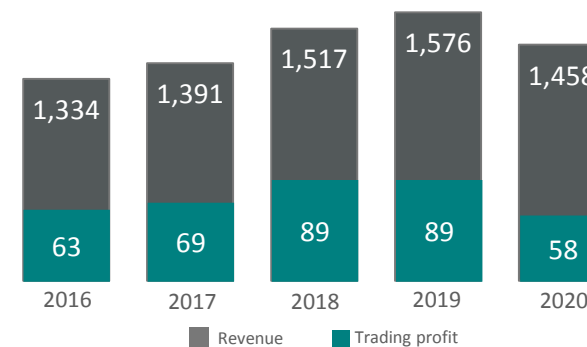
Customer groups

3

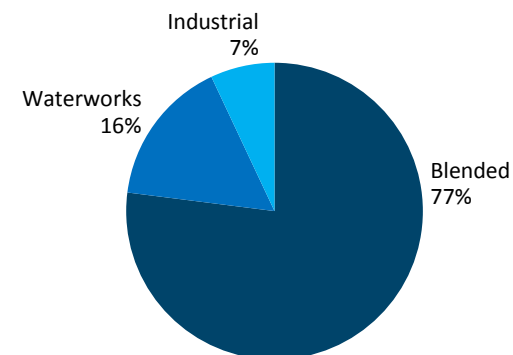
Associates

2,000

5-year Performance \$CADm



Revenue by customer groups % of ongoing 2020 revenue



* Figures are for the year ended 31 July 2020

UK profile (local currency)

- Total revenue decline of 13.6% in challenging markets
- UK trading profit £48 million lower than last year
- Business restructured for current operating environment
- Refocused business by separating out Blended Branches to better align to customer needs

Revenue (GBP)

£1,490m

(9% of Group)

Underlying trading margin

0.4%

Branches

542

Trading profit (GBP)

£6m

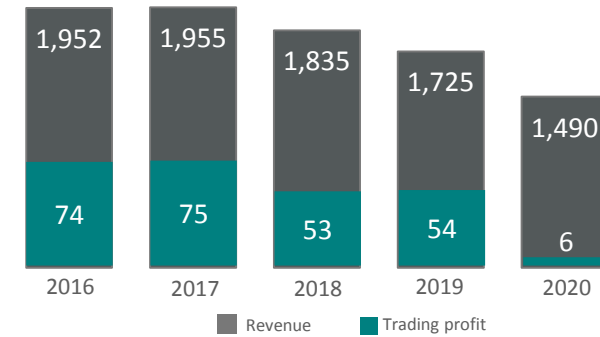
Customer groups

2

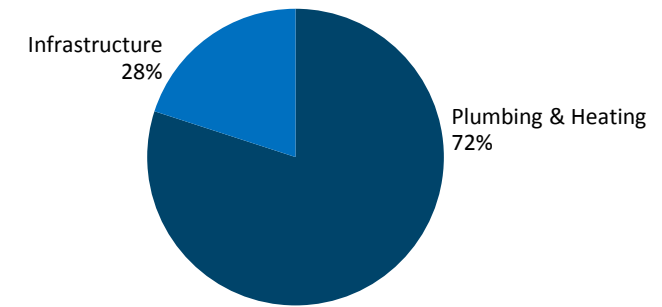
Associates

5,000

5-year Performance £m



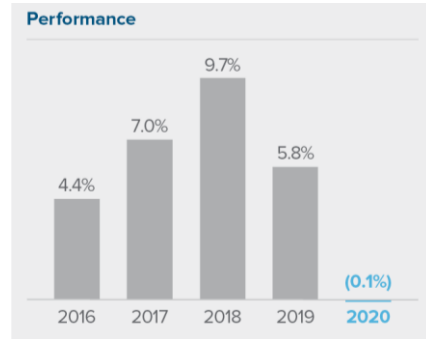
Revenue by customer groups % of 2020 revenue



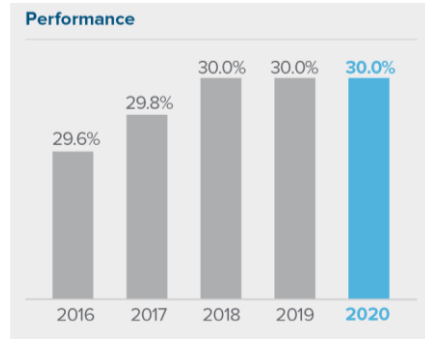
* Figures are for the year ended 31 July 2020

Key performance indicators

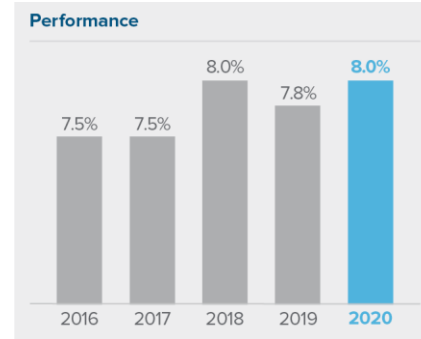
Ongoing organic revenue growth



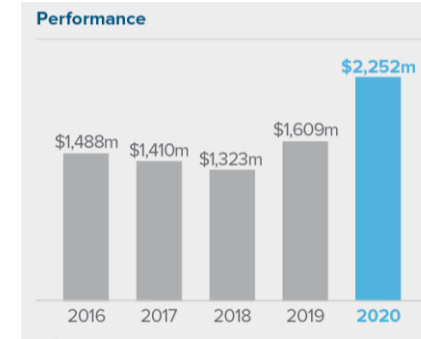
Ongoing gross margin



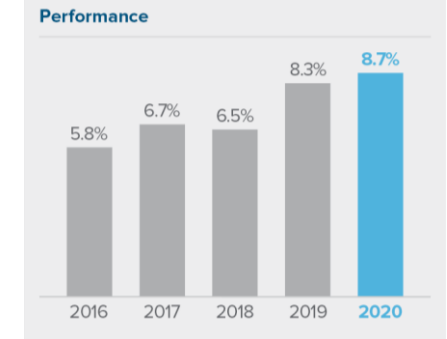
Ongoing underlying trading margin



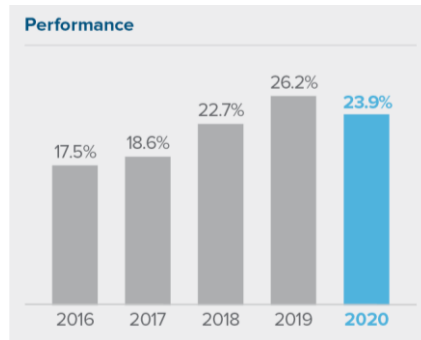
Operating cash flow



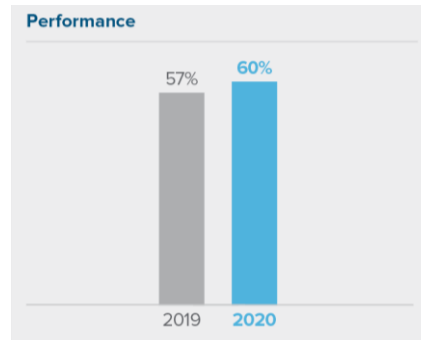
Own brand percentage of revenue



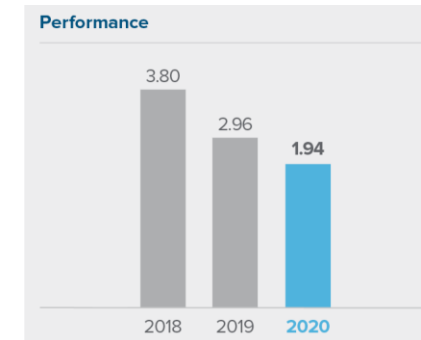
Return on gross capital employed



Customer Service



Group recordable injury rate



Associate engagement

Performance

The initial survey result in 2018/19 across the Group was 51 per cent. This sets a high bar as “engaged associates” must agree with all four engagement questions. This demanding score now acts as a baseline for performance moving forward but we unfortunately had to defer the 2019/20 engagement survey due to COVID-19. We will disclose the results of the next engagement survey in the Annual Report next year.

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