

# Why invest in Ferguson?

Largest plumbing and heating distributor in the world

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

Market leading positions (74 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 operating 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\***

**7.4%**  
+0.1%  
Trading margin

**Excellent returns on capital\***

**26.2%**  
+3.5%  
Return on gross capital employed

**Dependable and progressive ordinary dividends\***

**208.2c**  
+10%  
Total ordinary dividend

\* FY 2019