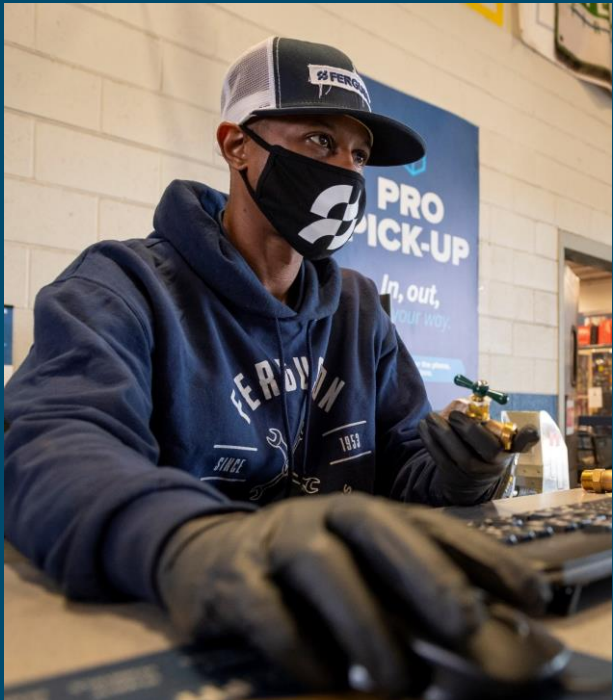


**FERGUSON**

# Ferguson plc Baird Global Industrial Conference

**Kevin Murphy, Group CEO**



# Ferguson is a leading value added distributor of plumbing and heating products

Ongoing revenue (+2.0%)

**\$19,940m**

Ongoing underlying trading profit (+4.1%)

**\$1,595m**

Continuing adjusted EBITDA (+0.5%)

**\$1,797m**

Headline EPS (-1.1%)

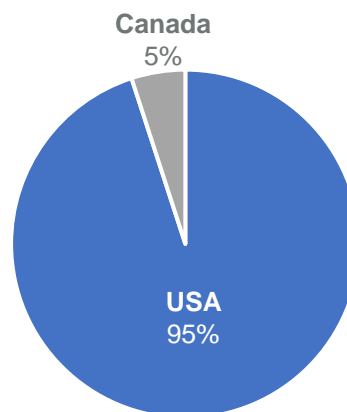
**511.6c**

Underlying operating cash flow (+18.3%)

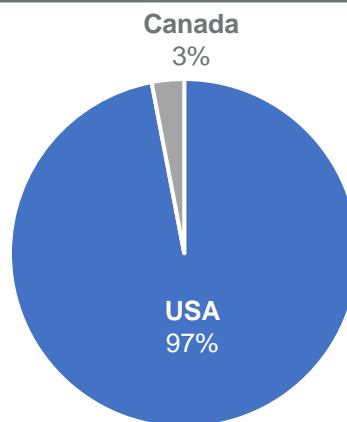
**\$1,904m**

## Geographic presence

Ongoing revenue\*

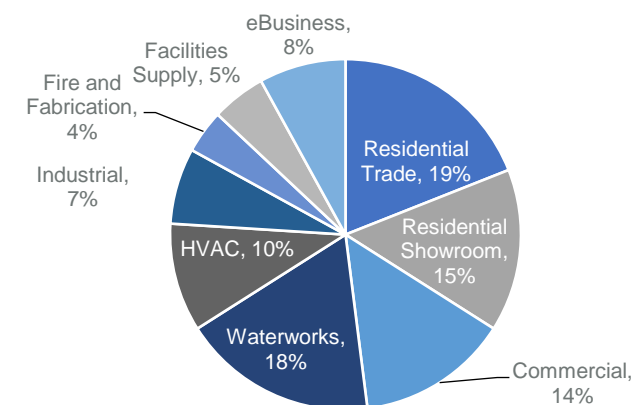


Ongoing underlying trading profit\*

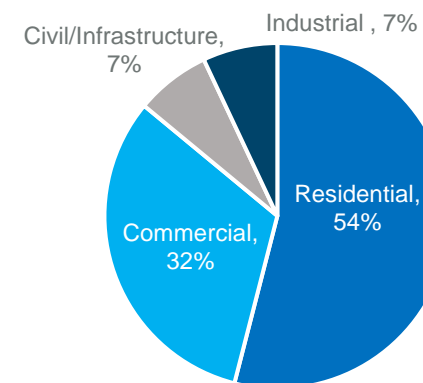


## USA key segments and end markets

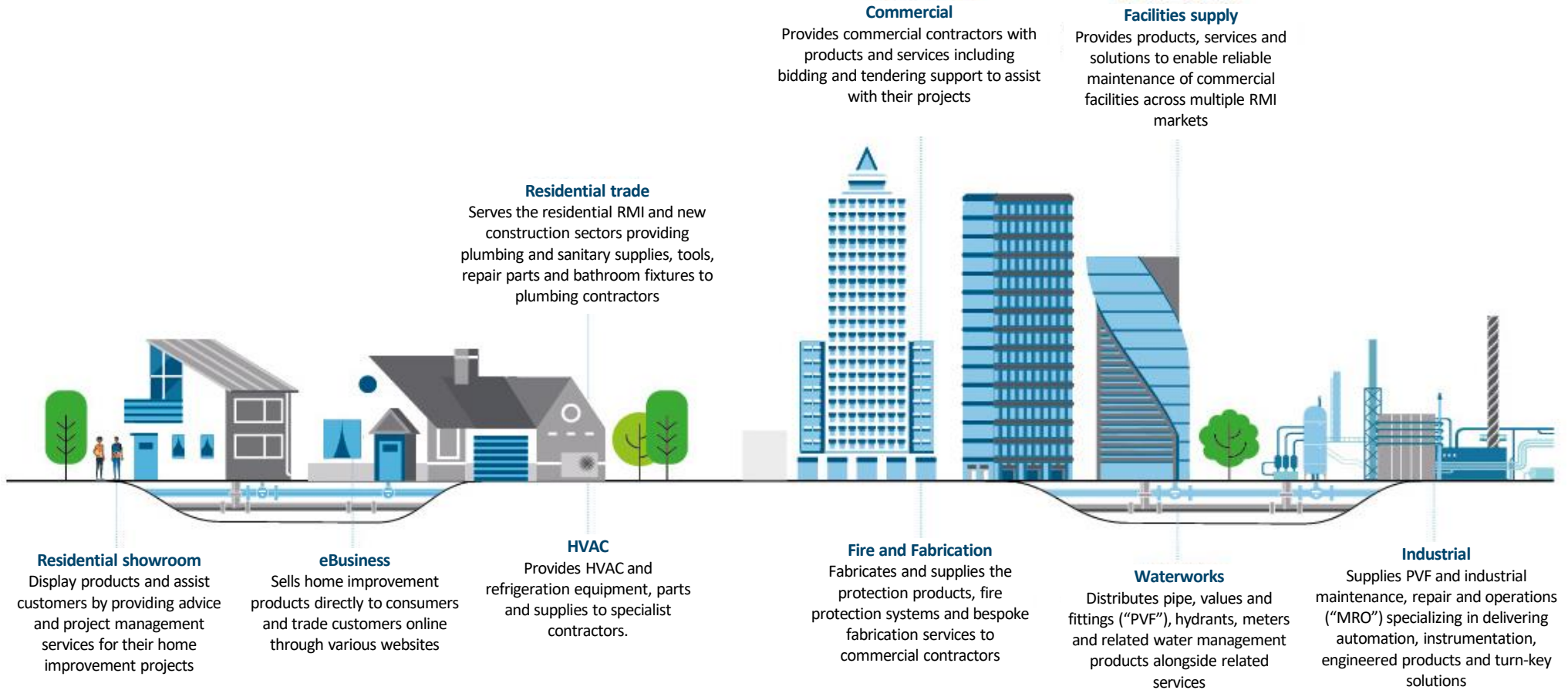
Revenue by customer group



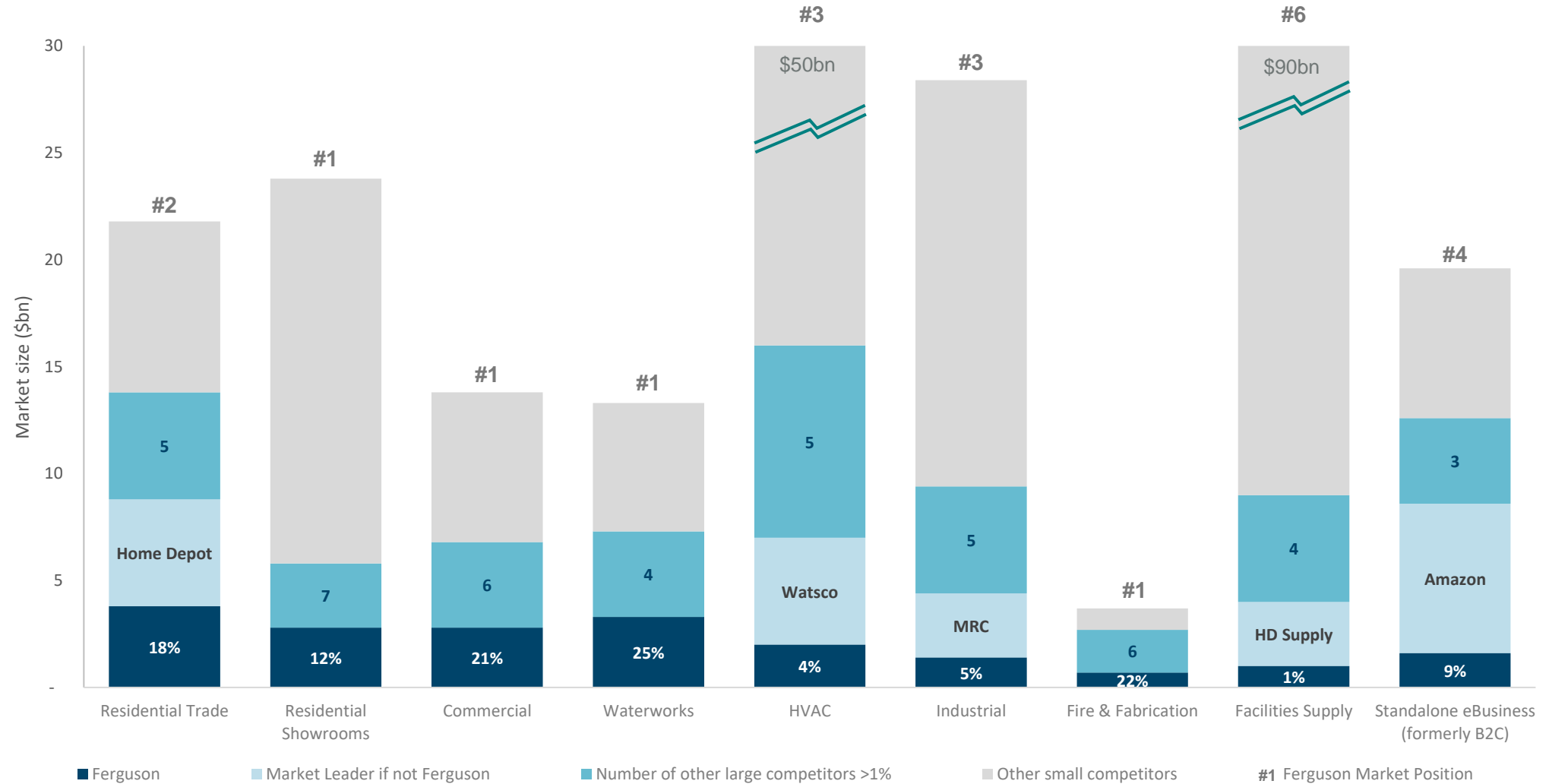
Revenue by end market



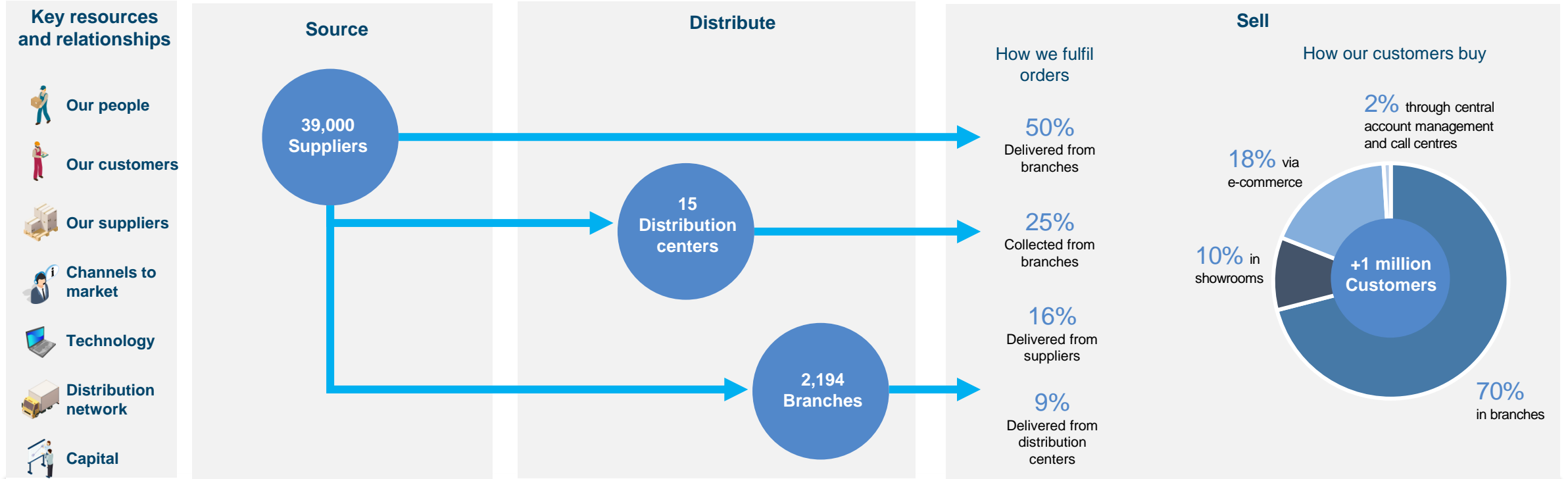
# Our specialist products and services are used in almost every stage of building and infrastructure development



# USA: a diversified but connected business with attractive market structure



# We connect thousands of suppliers and customers with a unique business model



## What makes us different?

Best associates

Customers value scale

Differentiated service offering

## ...with supportive structural characteristics



Highly fragmented industry



Organic sales growth culture



Bolt-on acquisition opportunities

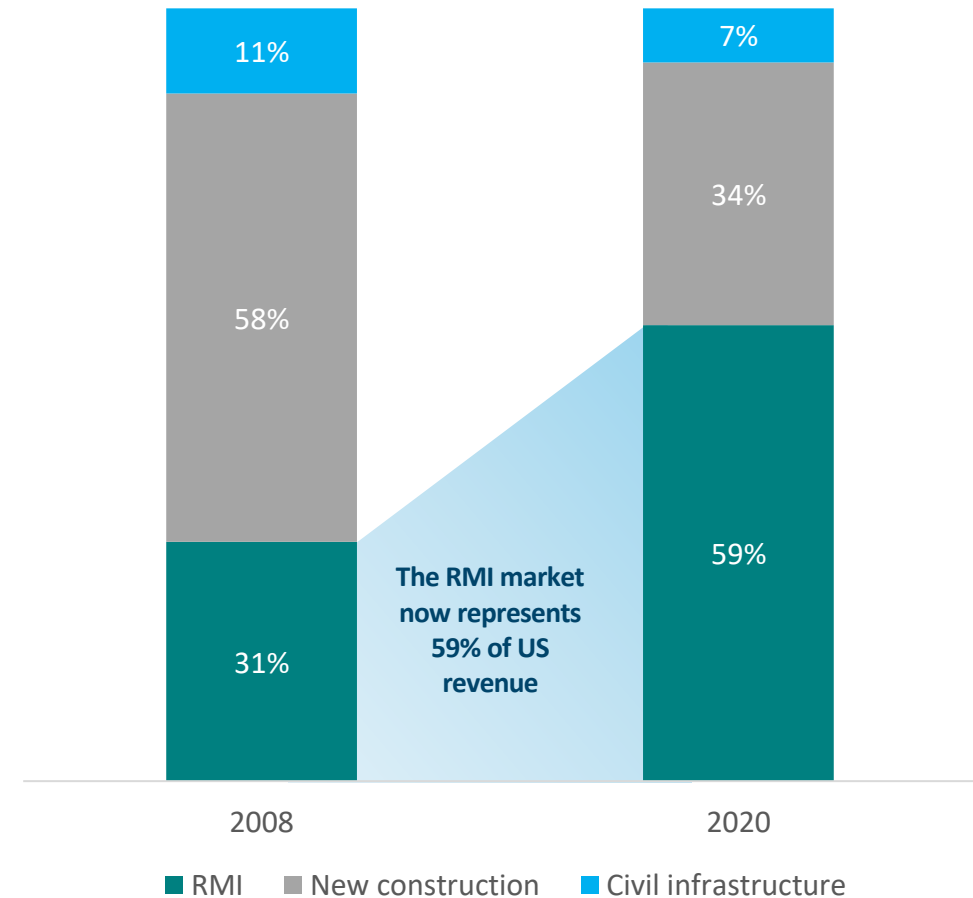


Benefits of scale

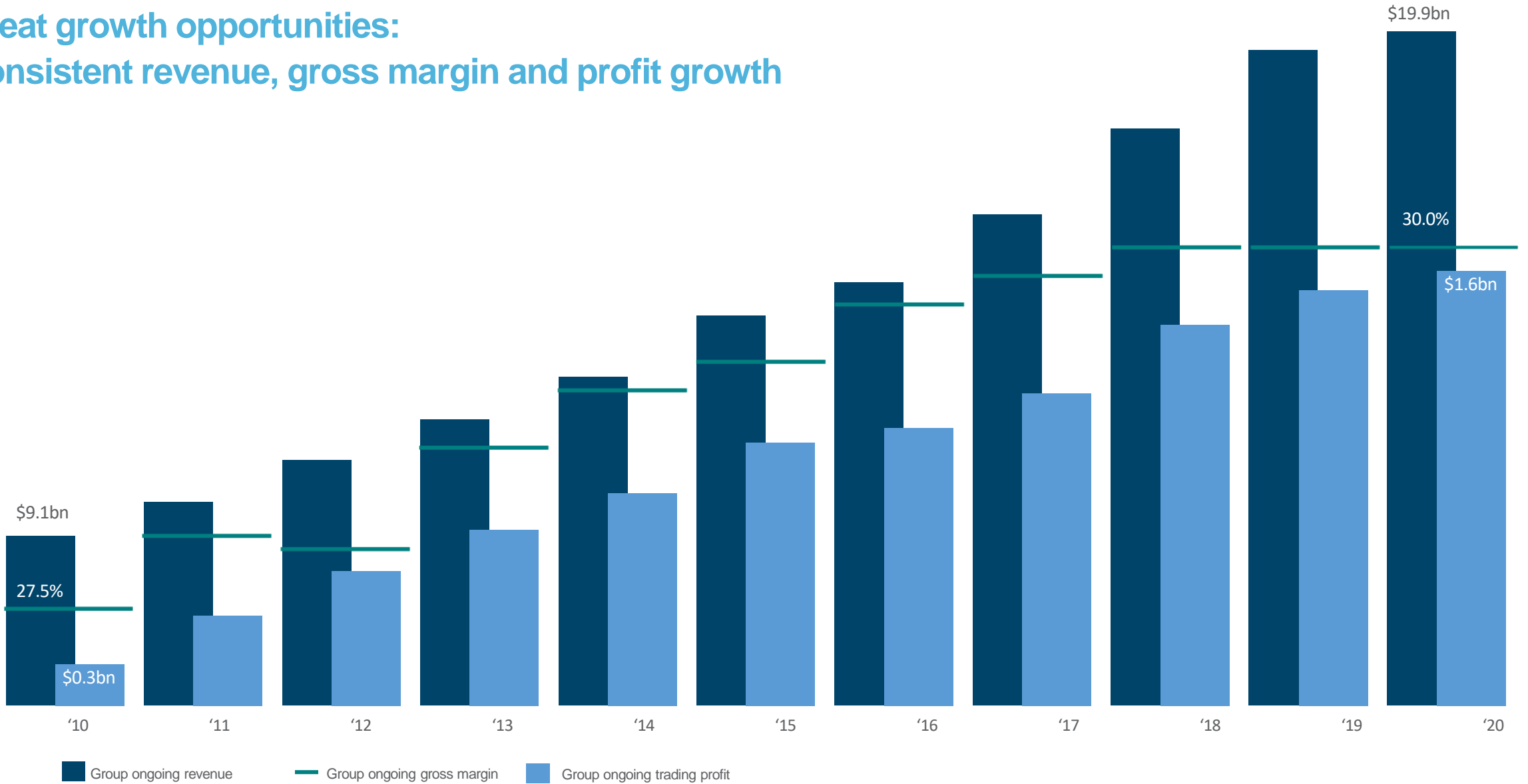


Customer relationships are local

RMI revenue accounts for 59% of total revenue



## Great growth opportunities: Consistent revenue, gross margin and profit growth



## Strategic update

### Key strategic themes – ‘How Tomorrow Works’

- Value added distributor
- As trusted supplier and partner, we provide innovative products and solutions to make our customers’ projects better
- Ensuring scale delivers customer benefits where and when they need
- Investing in technology to drive productivity for our business and our customers
- Innovating and always reimagining our business to serve our customers

**Our strategy is delivering – we’re firmly focused on execution**



# HOW TOMORROW WORKS

As trusted advisers, we provide innovative products and solutions to make our customers' projects better.

## Strategy

We will expand our role in the value chain to build durable competitive advantages to achieve profitable growth



## Where we invest

We will focus on key capabilities that lay the groundwork for our path to tomorrow

Culture of best associates	Innovation and Ferguson Ventures
Omni channel and digital capabilities	Technology and data capabilities
Supply chain and value added services	Salesforce evolution

### Changing landscape

- Changing customer expectations
- Shifting channels
- Industry disruptors
- Labor shortage
- Vertical integration

### Running a great business

- First in safety
- Customer service
- Strategic growth
- Gross margin improvement
- Operational leverage
- Capital discipline
- Environmental, social and governance



People



Safety



Integrity



Innovation



Service



Results

## Strategy: Expanding our role in the value chain



## Summary: 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\*\***

**24.9%**

Return on gross capital employed

**Dependable ordinary dividends\***

**208.2c**

Total ordinary dividend

\* Figures are for the year ended 31 July 2020

\*\* On a pre-IFRS 16 basis