



Proposed demerger of Wolseley UK, CEO succession and listing structure

September 3, 2019

Proposed demerger of Wolseley UK

The Board of Ferguson today announces its intention to demerge its UK operations subject to shareholder approval. The decision marks the conclusion of a detailed review of the Group's assets over several years. On completion of the transaction Wolseley UK will become an independent listed Company serving residential and commercial trades people and customers. The separation will further simplify the Group and will enable Wolseley UK to focus exclusively on customers in the UK market. Following the demerger Ferguson will be wholly focused on serving customers in North America.

John Martin, Chief Executive of Ferguson plc said:

“The demerger will enable both Wolseley UK and Ferguson to focus on accelerating the execution of their independent plans, providing clear investment propositions for each business. Wolseley UK has a strong market position, leading customer propositions and an experienced management team with significant opportunities for development in the large and fragmented plumbing, heating and infrastructure markets. Ferguson will continue to execute its successful strategy, building on a strong track record of profitable growth, market outperformance and generating attractive returns for shareholders.”

CEO succession

The Company is also announcing today that John Martin, Group CEO, will step down on 19 November 2019. John joined the Board as CFO in 2010 before being appointed to the position of CEO in 2016 based in the UK. During his tenure the Group has been significantly simplified and strengthened, substantially improving its market positions and generating excellent returns for shareholders.

The Board is pleased to announce that Kevin Murphy will succeed John as Group CEO. Kevin is a US national based in Virginia who joined the Board in August 2017 when he was appointed CEO of Ferguson's US operations. Before that Kevin was Chief Operating Officer for 10 years after having joined Ferguson in 1999 following the acquisition of his family's business, Midwest Pipe and Supply. The business has generated strong, profitable growth and continued to take market share under Kevin's leadership and he has continued to rapidly execute Ferguson's successful strategy.

Gareth Davis, Chairman of Ferguson plc said:

“John's contribution to Ferguson over nearly 10 years has been outstanding, as is evident from the market-leading positions of our businesses, the strength of our management team and the excellent financial performance of the business over that period. He leaves the business in great shape and I would like to thank him for the significant contribution he has made to Ferguson.”

“I am delighted that Kevin Murphy will take over as Group CEO. Kevin is a very capable and highly respected leader, he has unparalleled experience of our industry and an excellent track record of delivery at Ferguson. The Board is confident that he will provide the strong leadership required to capitalise on the substantial opportunities in these large, attractive and fragmented markets.



Proposed demerger of Wolseley UK, CEO succession and listing structure (Cont'd)

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John Martin Chief Executive of Ferguson plc said:

“It has been a huge honour to serve Ferguson for nearly 10 years. I am extremely proud of the achievements of the Company which are wholly attributable to our talented and dedicated associates. I am also delighted that I will be succeeded by an executive as talented as Kevin Murphy, under whose leadership I am confident that the Company will continue to go from strength to strength.”

Listing structure

The Board has kept listing structure under review over several years. Following the significant simplification of the Group over that period and the demerger of Wolseley UK, Ferguson will be wholly focused on attractive markets in North America. In light of this, the Board is again considering the most appropriate listing structure for the Group going forward. A range of options and associated costs and benefits will be assessed and the Company will further consult with shareholders in due course.