



FY2022

Fourth Quarter & Year End Results Presentation

RESULTS TO JULY 31, 2022

Legal Disclaimer

Cautionary note on forward-looking statements

Certain information included in this presentation and discussed on the conference call that this presentation accompanies is forward-looking, including within the meaning of the Private Securities Litigation Reform Act of 1995, and involves risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied by forward-looking statements. Forward-looking statements cover all matters which are not historical facts and speak only as of the date on which they are made. Forward-looking statements can be identified by the use of forward-looking terminology, including terms such as "believes", "estimates", "anticipates", "expects", "forecasts", "guidance", "intends", "continues," "plans", "projects", "goal", "target", "aim", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology and other similar references to future periods. Examples of forward-looking statements include, among others: statements or guidance regarding or relating to our future capabilities or financial position, results of operations and growth. Many factors could affect our actual financial results or results of operations and could cause actual results to differ materially from those in such forward-looking statements, including but not limited to: weakness in the economy, market trends, uncertainty and other conditions in the markets in which we operate, and other factors beyond our control, including any macroeconomic or other consequences of the current conflict in Ukraine; failure to rapidly identify or effectively respond to direct and/or end customers' wants, expectations or trends; decreased demand for our products as a result of operating in highly competitive industries and the impact of declines in the residential and non-residential markets, as well as the repair, maintenance and improvement ("RMI") and new construction markets; changes in competition, including as a result of market consolidation; failure of a key information technology system or process as well as exposure to fraud or theft resulting from payment-related risks; privacy and protection of sensitive data failures, including failures due to data corruption, cybersecurity incidents or network security breaches; ineffectiveness of or disruption in our domestic or international supply chain or our fulfillment network, including delays in inventory, increased delivery costs or lack of availability; failure to effectively manage and protect our facilities and inventory; unsuccessful execution of our operational strategies; failure to attract, retain and motivate key associates; exposure of associates, contractors, customers, suppliers and other individuals to health and safety risks; inherent risks associated with acquisitions, partnerships, joint ventures and other business combinations, dispositions or strategic transactions; regulatory, product liability and reputational risks and the failure to achieve and maintain a high level of product and service quality; inability to renew leases on favorable terms or at all, as well as any remaining obligations under a lease if we close a facility; changes in, interpretations of, or compliance with tax laws in the United States, the United Kingdom, Switzerland or Canada; our indebtedness and changes in our credit ratings and outlook; fluctuations in foreign currency and product prices (e.g., commodity-priced materials, inflation/deflation); funding risks related to our defined benefit pension plans; legal proceedings as well as failure to comply with domestic and foreign laws and regulations or the occurrence of unforeseen developments such as litigation; risks associated with the relocation of our primary listing to the United States and any volatility in our share price and shareholder base in connection therewith; the costs and risk exposure relating to environmental, social and governance matters; adverse impacts caused by the COVID-19 pandemic (or related variants); and other risks and uncertainties set forth in our Annual Report and Accounts 2021 under the heading "Principal risks and their management", in our Annual Report on Form 20-F filed with the Securities and Exchange Commission ("SEC") on September 28, 2021 under the heading "Risk Factors", and in other filings we make with the SEC in the future. Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Other than in accordance with our legal or regulatory obligations, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Information

This presentation contains certain financial information that is not presented in conformity with U.S. generally accepted accounting principles ("U.S. GAAP"). These non-GAAP measures include adjusted operating profit, adjusted operating margin, adjusted diluted earnings per share, adjusted EBITDA, adjusted effective tax rate, return on capital employed, net debt to adjusted EBITDA ratio and free cash flow. The Company believes that these non-GAAP financial measures provide users of the Company's financial information with additional meaningful information to assist in understanding financial results and assessing the Company's performance from period to period. Management believes these measures are important indicators of operations because they exclude items that may not be indicative of our core operating results and provide a better baseline for analyzing trends in our underlying businesses, and they are consistent with how business performance is planned, reported and assessed internally by management and the Board of Directors. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names. These non-GAAP financial measures should not be considered in isolation or as a substitute for results reported under U.S. GAAP. These non-GAAP financial measures reflect an additional way of viewing aspects of operations that, when viewed with U.S. GAAP results, provide a more complete understanding of the business. The Company strongly encourages investors and shareholders to review Company financial statements and publicly filed reports in their entirety and not to rely on any single financial measure. Except as otherwise noted, see our earnings announcement dated September 27, 2022 for more information and a reconciliation of each non-GAAP measure to the most comparable U.S. GAAP measure.

The Company does not provide a reconciliation of forward-looking non-GAAP financial measures to the most directly comparable U.S. GAAP financial measures on a forward-looking basis because it is unable to predict with reasonable certainty or without unreasonable effort non-recurring items, such as those described in our earnings announcement dated September 27, 2022 or in this presentation as non-GAAP adjustments, that may arise in the future.

01 Highlights and Introduction

Kevin Murphy, CEO

FY2022 Financial Highlights

25.3%

Net Sales growth

+41.1%

Adjusted operating profit* growth

44.6%

Adjusted EPS – Diluted* growth

40.4%

Return on capital employed*

17

Number of acquisitions

\$2.1b

Shareholder returns**

+15%

Proposed total dividend increase

1.0x

Net debt : adjusted EBITDA*

* This is a non-GAAP measure. See our earnings announcement dated September 27, 2022 for more information and a reconciliation of the non-GAAP measure to the most comparable U.S. GAAP measure. A reconciliation of return on capital employed can be found in the appendix of this presentation.

** Shareholder returns includes dividends paid and shares repurchased under our share repurchase program.

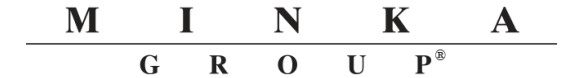
Acquisitions

Geographic Bolt-ons



\$650m invested in acquisitions in FY2022

Capability



Approx. \$750m annualized revenue

* In FY2022, the Company acquired two independent Safe Step tub dealers: Safe Step California; and Safe Step Canada and Pacific Northwest

Fourth Quarter Highlights

- Net sales grew **21.4%**
- Adjusted operating margin* of **10.7%**
- Adjusted diluted EPS* of **\$2.85**, increased **20.3%**
- Completed **7** acquisitions
- Share repurchases of **\$627m** in the fourth quarter

* This is a non-GAAP measure. See our earnings announcement dated September 27, 2022 for more information and a reconciliation of the non-GAAP measure to the most comparable U.S. GAAP measure. Adjusted operating margin is calculated as adjusted operating profit divided by net sales.



Executing our strategy
to deliver strong
operating performance

Market Update: US End-Market Revenue Growth

		FY2022	FY2022
	% of US revenue	Estimated market growth*	US organic revenue growth**
Residential	54%	Approx. 17%	+20%
Non-residential	46%	Approx. 25%	+30%
	100%	Approx 20-21%	+24.2%

Continued market outperformance

* Derived from management estimates

** For further details regarding organic revenue growth, visit www.fergusonplc.com on the Investors & Media page under 'Analyst Consensus and Resources'.

02 Financial Review

Bill Brundage, CFO

Fourth Quarter Financial Highlights

\$m (except per share amounts)	Q4 2022	Q4 2021	Change
Net sales	7,971	6,567	+21.4%
Gross margin	30.5%	31.4%	(90) bps
Adjusted operating profit*	849	699	+21.5%
Adjusted operating margin*	10.7%	10.6%	+10 bps
Adjusted earnings per share – diluted*	\$2.85	\$2.37	+20.3%
Adjusted EBITDA*	896	742	+20.8%

Strong sales and operating margins against tough comparables

* This is a non-GAAP measure. See our earnings announcement dated September 27, 2022 for more information and a reconciliation of the non-GAAP measure to the most comparable U.S. GAAP measure. Adjusted operating margin is calculated as adjusted operating profit divided by net sales.

USA Fourth Quarter

\$m	Q4 2022	Q4 2021	Change
Net sales	7,539	6,176	+22.1%
Organic revenue growth	+19.8%	+23.8%	
Adjusted operating profit*	829	688	+20.5%
Adjusted operating margin %	11.0%	11.1%	(10) bps

Continued growth from share gains and ability to manage price inflation

Operating cost leverage delivered strong operating margins

Consistent market outperformance

* The Company uses adjusted operating profit as a measure of segment profit under U.S. GAAP.

USA Fourth Quarter Net Sales Growth

Customer Group	% of US net sales*	Q4 2022 Total growth
Residential Trade	19%	+21%
Residential Building and Remodel	14%	+21%
Residential Digital Commerce	9%	+3%
HVAC	11%	+18%
Commercial / Mechanical	13%	+17%
Waterworks	21%	+36%
Other**	13%	+27%
USA	100%	+22.1%

Broad growth across all customer groups

* For year ended July 31, 2022.

** Comprises Fire and Fabrication, Facilities Supply and Industrial.

Canada Fourth Quarter

\$m	Q4 2022	Q4 2021	Change
Net sales	432	391	+10.5%
Organic revenue growth	+14.2%	+20.1%	
Adjusted operating profit*	35	28	+25.0%
Adjusted operating margin %	8.1%	7.2%	+90 bps

Good revenue growth against tough comparables

Solid cost control delivered strong operating leverage

Significant improvement in adjusted operating margin

*The Company uses adjusted operating profit as a measure of segment profit under U.S. GAAP.

FY2022 Financial Highlights

\$m (except per share amounts)	FY2022	FY2021	Change
Net sales	28,566	22,792	+25.3%
Gross margin	30.7%	30.6%	+10 bps
Adjusted operating profit*	2,951	2,092	+41.1%
Adjusted operating margin*	10.3%	9.2%	+110 bps
Adjusted earnings per share – diluted*	\$9.76	\$6.75	+44.6%
Adjusted EBITDA*	3,153	2,259	+39.6%
Net debt : Adjusted EBITDA*	1.0x	0.5x	

Record sales and adjusted operating profit

* This is a non-GAAP measure. See our earnings announcement dated September 27, 2022 for more information and a reconciliation of the non-GAAP measure to the most comparable U.S. GAAP measure. Adjusted operating margin is calculated as adjusted operating profit divided by net sales

Cash Flow

\$m	FY2022	FY2021
Adjusted EBITDA*	3,153	2,259
Working capital	(1,271)	(492)
Interest and tax	(764)	(508)
Other items	31	78
Net cash provided by operating activities of continuing operations	1,149	1,337
Capex	(290)	(241)
Proceeds from the sale of assets and divestitures	4	18
Free cash flow*	863	1,114

Continued investment in organic outperformance

* This is a non-GAAP measure. See our earnings announcement dated September 27, 2022 for more information and a reconciliation of adjusted EBITDA to the most comparable U.S. GAAP measure. Free cash flow is calculated as net cash provided by operating activities of continuing operations less capital expenditures plus proceeds from the sale of assets and divestitures, and the reconciliation is shown above.

Balance Sheet and Capital Allocation

1. Invest in above market organic growth
2. Sustainably grow the ordinary dividends
3. Invest in bolt-on geographic and capability acquisitions
4. Return of surplus cash to shareholders

Consistent capital allocation strategy to drive shareholder value

* This is a non-GAAP measure. See our earnings announcement dated September 27, 2022 for more information and a reconciliation of the non-GAAP measure to the most comparable U.S. GAAP measure.

1.0x Net debt :
Adjusted EBITDA*
at July 31, 2022

1-2x
Target net leverage range

Balance Sheet and Capital Allocation

1 Organic Growth

Working Capital

FY2022 Cash flows \$m

Inventory (927)

Receivables (780)

Payables +436

Net investment in WC (1,271)

Capex investments

- Market Distribution Centers
- Technology
- Branch expansion and refurbishment

2 Dividends

- **\$538** million dividends paid in FY2022
- **15%** increase in proposed final dividend
- Move to quarterly interim dividends in **FY2023**

3 Acquisitions

- **17** completed in FY2022
- **8** Geographic bolt-ons
- **9** Capability acquisitions
- **\$650** million invested in FY2022
- **~\$750** million annualized revenues

4 Surplus Capital Returns

- **\$1.5 billion** share repurchases completed during year*
- **11.4 million** shares repurchased*

\$0.5 billion

outstanding at year end

+

\$0.5 billion

additional top-up announced today

\$1.0 billion

outstanding share repurchase program

* Includes shares purchased under our share repurchase program, excludes shares bought by the Company's Employee Benefit Trusts.

FY2023 Guidance

- Net sales growth of low single digits driven by market outperformance and completed acquisitions
- Adjusted operating margin^{*} of 9.3% to 9.9%
- Interest expense of \$170 - \$190 million
- Adjusted effective tax rate^{*} of approximately 25%
- Capital expenditures of \$350 - \$400 million

* This is a non-GAAP measure. See slide 2 of this presentation for more information on forward-looking statements and non-GAAP financial information.

03 Closing Remarks

Kevin Murphy, CEO

Leading positions
in large, growing and
fragmented markets

Additional growth
from bolt-on
acquisitions

Executing our strategy to create long term value through...

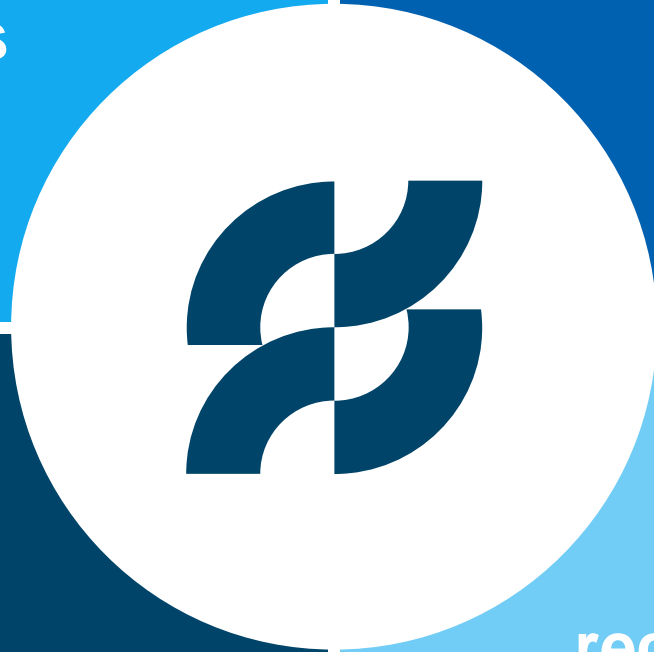
Scale delivers
sustainable market
outperformance

Long-term track
record of outperformance
and cash generation

Continued value creation

**Leading positions
in large, growing and
fragmented markets**

**Additional
growth from
acquisitions**



**Scale delivers
sustainable market
outperformance**

**Long-term track
record of outperformance
and cash generation**

Continued value creation

Leading positions in highly fragmented North American markets

Balanced approach to attractive end markets

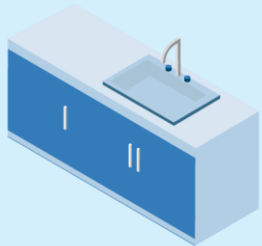
~\$340b North American Opportunity



54%
RESIDENTIAL



46%
NON-RESIDENTIAL



60%
RMI



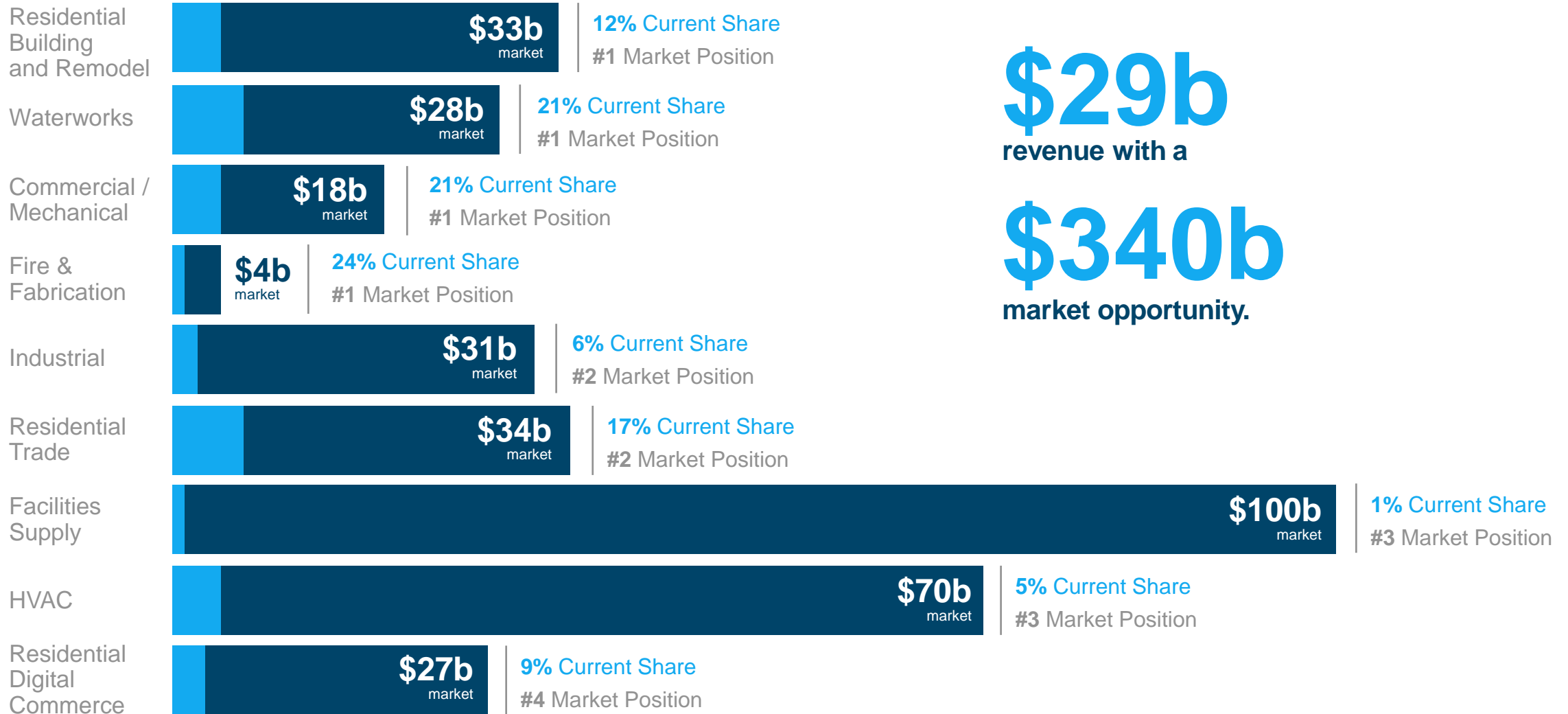
40%
NEW CONSTRUCTION

\$29b Revenue in FY2022

Residential / Non-Residential and RMI / New Construction proportions derived from management estimates as of FY2022..

Leading positions in highly fragmented North American markets

~75% of revenue generated from #1 or #2 market positions



Market size, share and position are approximates derived from management estimates as of FY2022.

Closing Remarks

Thank you to our associates.

1. Excellent financial performance in the quarter and full fiscal year
2. Balanced business mix
3. Flexible business model
4. Underpinned by a strong balance sheet



Join us for Q&A



04 Appendix

Return on Capital Employed Reconciliation FY2022

US\$ (In millions)	July 31, 2022	
Adjusted operating profit*	\$	2,951
Amortization, acquired intangible assets		(114)
Adjusted EBIT	\$	2,837
Depreciation, amortization & impairment		316
Adjusted EBITDA	\$	3,153
Net debt:		
Long-term debt	\$	3,679
Short-term debt		282
Derivative liabilities		4
Cash		(771)
Net debt	\$	3,194
Net debt : Adjusted EBITDA		1.0x
Shareholders' Equity		
Shareholders' Equity	\$	4,665
Net Assets Held for Sale		-
Average capital employed:		
Average net debt	\$	2,193
Average shareholders' equity	\$	4,834
Average net Assets held for sale	\$	-
Average capital employed	\$	7,027
Return on capital employed (ROCE)**		40.4%

* See reconciliation from net income to adjusted operating profit (a non-GAAP measure) in our earnings announcement dated September 27, 2022.

** ROCE is calculated as adjusted EBIT divided by average capital employed.

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