FERGUSON

FY2023

Second Quarter Results Presentation

RESULTS TO JANUARY 31, 2023

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", ”potential”, "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 and statements regarding our expectations for US residential and non-residential long term growth drivers. 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, including costs and potential problems associated with new or upgraded information technology systems; 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 under the heading "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended July 31, 2022 as filed with the Securities and Exchange Commission ("SEC") on September 27, 2022, 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

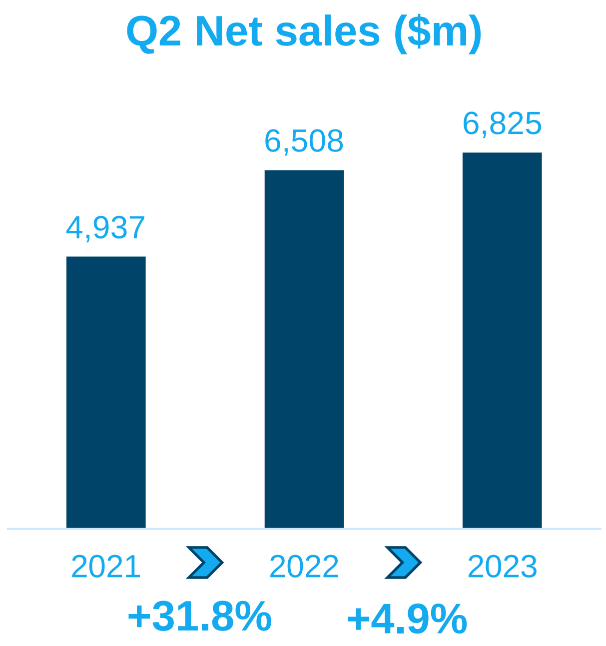
This presentation contains certain financial information that is not presented in conformity with U.S. generally accepted accounting principles ("U.S. GAAP"). These non-GAAP measures include adjusted operating profit, adjusted operating margin, adjusted net income, adjusted earnings per share – diluted, adjusted EBITDA, adjusted effective tax rate, net debt, net debt to adjusted EBITDA ratio and free cash flow. The Company believes that these non-GAAP 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 the appendix to this presentation for more information and a reconciliation of each non-GAAP measure to the most comparable U.S. GAAP measure.

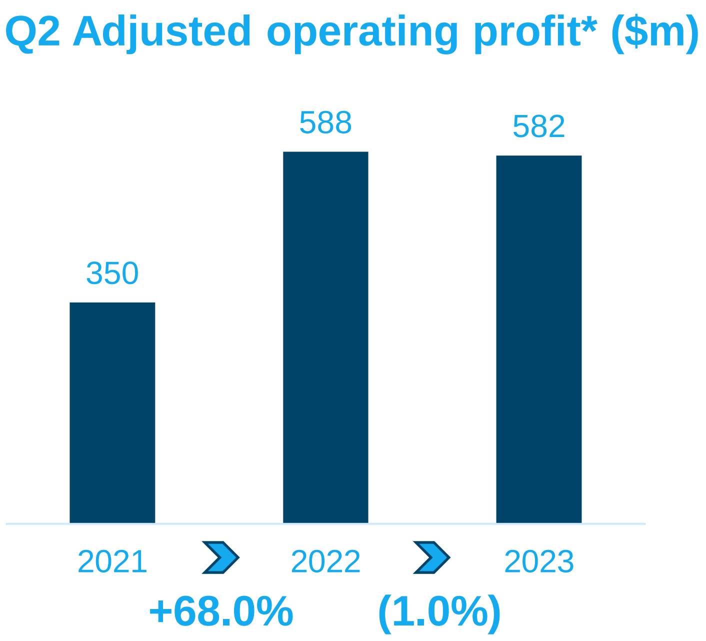
The Company does not provide a reconciliation of forward-looking non-GAAP financial measures to the most directly comparable U.S. GAAP financial measures on a forward-looking basis because it is unable to predict with reasonable certainty or without unreasonable effort non-recurring items, such as those described in our earnings announcement dated March 7, 2023, that may arise in the future. The variability of these items is unpredictable and may have a significant impact.

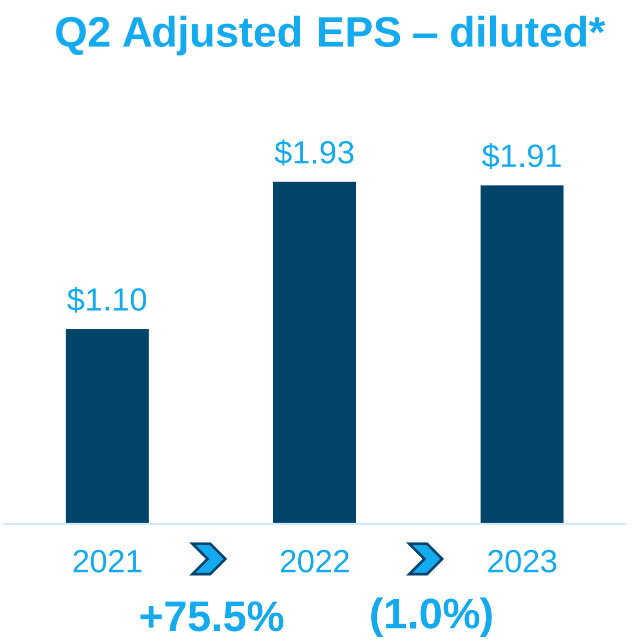
01 Highlights and Introduction

Kevin Murphy, CEO

Second Quarter Financial Highlights







Solid performance, year progressing as expected

* This is a non-GAAP measure. See the appendix to this presentation for more information and a reconciliation of the non-GAAP measure to the most comparable U.S. GAAP measure.

Balanced approach to attractive US end markets

	% of US revenue*	Q2 2023 US revenue growth
Residential	54%	+1%
Non-residential	46%	+11%
- Commercial	32%	+9%
- Civil/Infrastructure	8%	+7%
- Industrial	6%	+24%
	100%	**+5.4%**

Continued growth in non-residential end markets while residential slowed meaningfully

* Residential / Non-Residential proportions derived from management estimates as of FY2022.

USA Second Quarter Net Sales Growth

Customer Group	% of US net sales*	Q2 2023 Total growth
Residential Trade	19%	(5%)
Residential Building and Remodel	14%	+12%
Residential Digital Commerce	9%	(10%)
HVAC	11%	+10%
Waterworks	21%	+6%
Commercial / Mechanical	13%	+8%
Other**	13%	+17%
USA	**100%**	**+5.4%**

Non-residential customer groups demonstrated greater strength

* For year ended July 31, 2022.

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

02 Financial Review

Bill Brundage, CFO

Second Quarter Financial Highlights

$m (except per share amounts)	Q2 2023	Q2 2022	Change
Net sales	6,825	6,508	+4.9%
Gross margin	30.2%	30.6%	(40) bps
Adjusted operating profit*	582	588	(1.0%)
Adjusted operating margin*	8.5%	9.0%	(50) bps
Adjusted earnings per share – diluted*	$1.91	$1.93	(1.0%)
Adjusted EBITDA*	$630	$648	(2.8%)
Net debt : Adjusted EBITDA*	1.1x	0.8x	

Consistent execution delivers solid performance

* This is a non-GAAP measure. See the appendix to this presentation 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. Net debt : Adjusted EBITDA is provided on a rolling 12 month basis.

USA Second Quarter

$m	Q2 2023	Q2 2022	Change
Net sales	6,504	6,172	+5.4%
Organic revenue growth*	+2.6%	+29.4%	
Adjusted operating profit**	579	576	+0.5%
Adjusted operating margin %	8.9%	9.3%	(40) bps

Compounding revenue growth against very strong comparables

* For further details regarding organic revenue growth, visit www.corporate.ferguson.com on the Investors menu under 'Analyst Consensus and Resources'.

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

Canada Second Quarter

$m	Q2 2023	Q2 2022	Change
Net sales	321	336	(4.5%)
Organic revenue growth*	+3.0%	+13.8%	
Adjusted operating profit**	14	23	(39.1%)
Adjusted operating margin %	4.4%	6.8%	(240) bps

Foreign exchange movements had a 6.3% adverse impact on revenue growth and a $2 million adverse impact on adjusted operating profit.

Solid performance in seasonally weakest quarter

* For further details regarding organic revenue growth, visit www.corporate.ferguson.com on the Investors menu under 'Analyst Consensus and Resources'.

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

Half Year Financial Highlights

$m (except per share amounts)	H1 2023	H1 2022	Change
Net sales	14,756	13,311	+10.9%
Gross margin	30.4%	30.9%	(50) bps
Adjusted operating profit*	1,446	1,355	+6.7%
Adjusted operating margin*	9.8%	10.2%	(40) bps
Adjusted earnings per share – diluted*	$4.87	$4.43	+9.9%
Adjusted EBITDA*	$1,542	$1,462	+5.5%

Strong first half performance

* This is a non-GAAP measure. See the appendix to this presentation 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 – Half year

$m	H1 2023	H1 2022
Adjusted EBITDA*	1,542	1,462
Working capital	115	(841)
Interest and tax	(502)	(417)
Other items	20	25
Net cash provided by operating activities of continuing operations	1,175	229
Capex	(242)	(122)
Proceeds from the sale of assets and divestitures	3	2
Free cash flow*	936	109

Strong cash generation with further progress on working capital

* This is a non-GAAP measure. See the appendix to this presentation 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 (used in) operating activities of continuing operations less capital expenditures plus proceeds from the sale of assets and divestitures, and the reconciliation is shown above.

Capital Allocation

1 Organic Growth

Working Capital

- Positive cash flow impact of **$115m** from working capital during the first half

Capex investments

- Market Distribution Centers
- Technology
- Branch expansion and refurbishment

2 Dividends

- Quarterly dividend of **$0.75** per share, implies annualized increase of **9%** over the prior year.

3 Acquisitions

- Five completed since August 1st
- **~$330** million annualized revenues

4 Surplus Capital Returns

- **~$0.6 billion** share repurchases completed during first half
- **~4.6 million** shares repurchased in first half
- **~$0.4 billion** remaining under current share repurchase program

1.1x Net debt : Adjusted EBITDA*

at January 31, 2023

1-2x

Target net leverage range

* This is a non-GAAP measure. See the appendix to this presentation for more information and a reconciliation to the most comparable U.S. GAAP measure.

FY2023 Guidance

Net sales growth and adjusted operating margin guidance remain unchanged

- Net sales growth of low single digits
  - Driven by market outperformance, completed acquisitions and one additional sales day.
- Adjusted operating margin* of 9.3% to 9.9%
- Interest expense of $185 - $205 million
- Adjusted effective tax rate* of approximately 25%
- Capital expenditures of $400 - $450 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 Strategy and closing remarks

Kevin Murphy, CEO

Leading positions in large, growing and fragmented markets

Additional growth from bolt-on acquisitions

Why Ferguson?

Scale delivers sustainable market outperformance

Long-term track record of outperformance and cash generation

Continued value creation

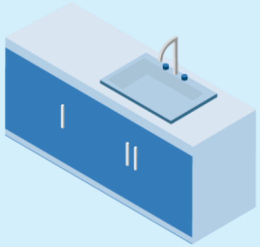
Leading positions in highly fragmented North American markets

Balanced approach to attractive end markets

~$340b North American Opportunity

54%
RESIDENTIAL

46%
NON-RESIDENTIAL



60%
RMI

40%
NEW CONSTRUCTION

$29b Revenue in FY2022

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

US residential long term growth drivers

1. Undersupply of homes
   - Undersupply of ~2-4 million units with rental vacancy rates at historic lows
2. Age of housing stock
   - Median home is ~40 years old
3. Remodel investment
   - ~190 million housing starts since the Great Recession
   - Over half of remodel projects involve a professional

While residential end markets face near term pressure, we believe they are attractive over the longer term

Source: (1) FannieMae (2022); Urban Institute Housing Supply Chartbook (December 2021). (2) National Association of Realtors (2022). (3) FRED Economic Data (sourced from U.S. Census Bureau, U.S. Dept. of Housing and Urban Development); National Association of Realtors, 2019 Remodeling Impact Report: D.I.Y.

US non-residential long term growth drivers

- Mega projects
  - Non-residential projects over $400 million represent a growing number of starts (currently ~30% of starts).
  - 348 projects in excess of $400 million scheduled over the next 5 years with average project size of ~$1.9 billion.
  - Key areas include:
    Chip and semi-conductor manufacturing, electric vehicle and battery plants, biotech facilities and waterworks plants.

Mega projects in excess of $400m expected to generate **~$650 billion** of construction activity over the next 5 years

Source: Dodge Data & Analytics (December 2022) and management estimates as of Q2 FY2023. "Mega projects" defined to include projects classified by Dodge Data & Analytics as non-residential projects over $400 million.

US non-residential long term growth drivers

- Legislative Acts
  - Infrastructure Investment and Jobs Act - $1.2 trillion package including support for core waterworks infrastructure.
  - CHIPS and Science Act - $39 billion of manufacturing incentives.
  - Inflation Reduction Act - $0.5 trillion package including support for non-residential and HVAC.

Legislative acts are expected to generate over **$1.5 trillion** of support in coming years.

Source:
Infrastructure Investment and Jobs Act (Public Law No: 117-58), enacted November 15, 2021, 135 Stat 429
CHIPS and Science Act of 2022 (Public Law No: 117-167), enacted August 9, 2022, 136 Stat 1366
Inflation Reduction Act of 2022 (Public Law No. 117-169), enacted August 16, 2022, 136 Stat 1818

US non-residential long term growth drivers

- Aging infrastructure
  - Average age of US commercial buildings is over 50 years old.
  - Average age of US drinking water and wastewater pipes is ~45 years old
  - Majority of wastewater treatment plants are designed to have an average lifespan of 40-50 years.
  - Utilities companies replacing less than 5% of drinking water pipelines per annum (suggesting >20 years to replace all).

Aging infrastructure presents a structural market tailwind with a mix of repairs, maintenance and larger overhaul investment.

Source: 2021 SMR Research Corporation Study, 2021 ASCE Wastewater Report Card and 2021 ASCE Drinking Water Report Card

Closing Remarks

Thank you to our associates.

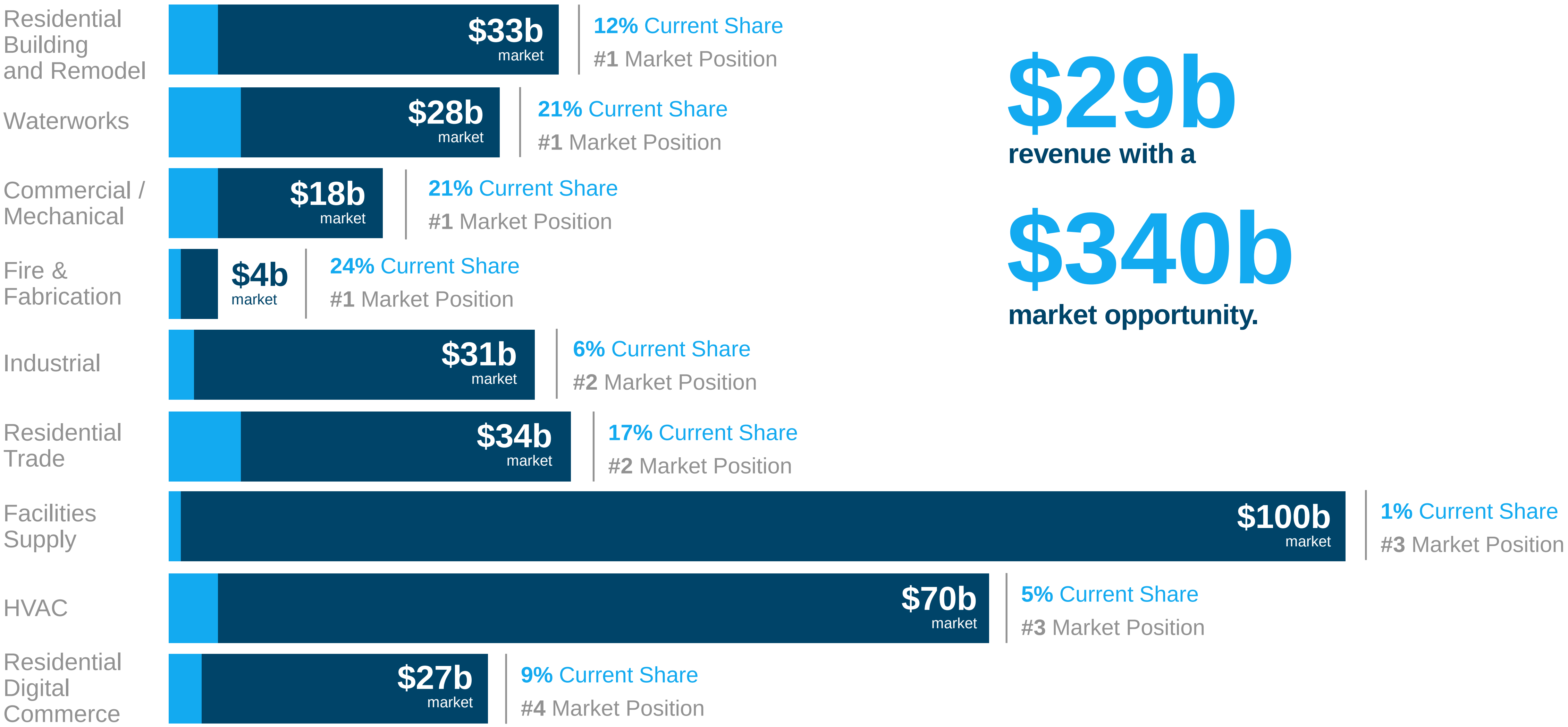
1. Strong first half execution
2. Balanced market exposure and flexible business model positions us well for near term uncertainties
3. Our scale and advantaged platform positions us to capture growth from emerging structural trends in our end markets
4. Underpinned by strong balance sheet and cash generation

Join us for
Q&A

04 Appendix

Leading positions in highly fragmented North American markets

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



$29b

revenue with a

$340b

market opportunity.

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

Reconciliation of Net Income to Adjusted Operating Profit and Adjusted EBITDA

(In millions)	Three months ended January 31, 2023	2022	2021	Six months ended January 31, 2023	2022	2021
Net income	$374	$436	$94	$969	$996	$429
Income from discontinued operations (net of tax)	—	—	183	—	(25)	164
Provision for income taxes	121	96	21	318	272	127
Interest expense, net	47	22	22	88	49	50
Other expense, net	7	1	(1)	5	2	(1)
Operating profit	549	555	319	1,380	1,294	769
Corporate restructurings(1)	—	6	(1)	—	7	5
Amortization of acquired intangibles	33	27	32	66	54	60
Adjusted Operating Profit	582	588	350	1,446	1,355	834
Depreciation & impairment of PP&E	36	34	33	73	70	65
Amortization & impairment of non-acquired intangibles	12	26	8	23	37	16
Adjusted EBITDA	$630	$648	$391	$1,542	$1,462	$915

(1) For the three and six months ended January 31, 2023, 2022, and 2021, corporate restructuring costs related to the incremental costs of the Company’s listing in the United States.

Net Debt

Net debt comprises bank overdrafts, bank and other loans and derivative financial instruments, excluding lease liabilities, less cash and cash equivalents. Long-term debt is presented net of debt issuance costs.

	As of January 31,	
(In millions)	**2023**	**2022**
Long-term debt[1]	$3,936	$2,749
Short-term debt[2]	91	296
Derivative liabilities (assets)	17	(10)
Cash and cash equivalents	(597)	(828)
Net debt	$3,447	$2,207

(1) The increase in long-term debt as of January 31, 2023 primarily reflects the Company's $1 billion bond financing completed in April 2022, as well as the $500 million in term loans entered into in October 2022, net of other borrowings and repayments since January 2022.

(2) Includes bank overdrafts of $36 million and $46 million, respectively.

Adjusted EBITDA (Rolling 12-month)

Adjusted EBITDA is net income before charges/credits relating to depreciation, amortization, impairment and certain non-GAAP adjustments. A rolling 12-month adjusted EBITDA is used in the net debt to adjusted EBITDA ratio to assess the appropriateness of the Company's financial leverage.

(In millions, except ratios)	**Twelve months ended January 31,**	
	2023	**2022**
Net income	$2,095	$2,039
Loss from discontinued operations (net of tax)	2	(31)
Provision for income taxes	655	377
Interest expense, net	150	97
Other expense, net	4	(7)
Corporate restructurings[1]	10	13
Depreciation and amortization	317	318
Adjusted EBITDA	$3,233	$2,806
Net Debt: Adjusted EBITDA	1.1x	0.8x

(1) For the rolling twelve months ended January 31, 2023 and 2022, the corporate restructuring costs primarily related to incremental costs in connection with the Company's listing in the United States.

Reconciliation of Net Income to Adjusted Net Income and Adjusted EPS

(In millions, except per share amounts)	Three months ended January 31, 2023	2022	2021	Six months ended January 31, 2023	2022	2021
Net Income	$374	$436	$94	$969	$996	$429
Income from discontinued operations (net of tax)	—	—	183	—	(25)	164
Income from continuing operations	374	436	277	969	971	593
Corporate restructurings(1)	—	6	(1)	—	7	5
Amortization of acquired intangibles	33	27	32	66	54	60
Discrete tax adjustments(2)	(3)	(39)	(54)	(3)	(39)	(54)
Tax impact on non-GAAP adjustments(3)	(8)	(4)	(7)	(16)	(10)	(15)
Adjusted Net Income	$396	$426	$247	$1,016	$983	$589
Earnings per share - diluted(4)	$1.80	$1.97	$1.23	$4.64	$4.38	$2.63
Adjusted earnings per share - diluted	$1.91	$1.93	$1.10	$4.87	$4.43	$2.61
Weighted average number of shares outstanding - diluted	207.8	221.2	225.0	208.8	222.0	225.3

(1) For the three and six months ended January 31, 2022 and 2021, corporate restructuring costs related to the incremental costs of the Company's listing in the United States.

(2) For the three and six months ended January 31, 2023, discrete tax items primarily related to adjustments in connection with amended returns. For the three and six months ended January 31, 2022, the discrete tax adjustments primarily related to prior year tax adjustments, including amended tax return items. For the three and six months ended January 31, 2021, the discrete tax adjustments relate to the release of uncertain tax positions following the closure of tax audits.

(3) Represents the tax impact of non-GAAP adjustments, including the tax impact on the amortization of acquired intangibles.

(4) Presented in accordance with US GAAP on a continuing operations basis.

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