FERGUSON

FY2023

First Quarter Results Presentation

RESULTS TO OCTOBER 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, 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, 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.

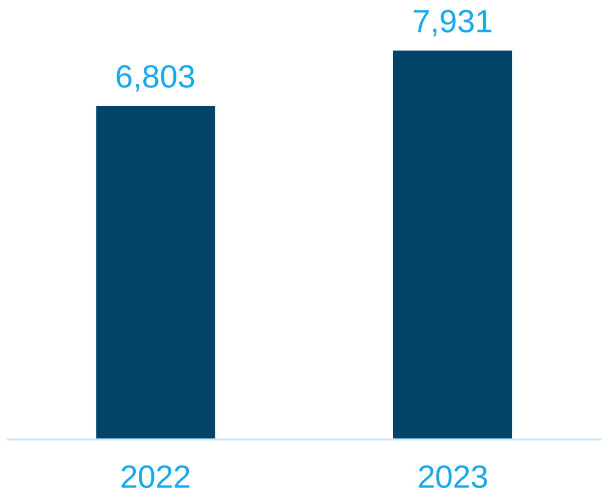
The Company does not provide a reconciliation of forward-looking non-GAAP financial measures to the most directly comparable U.S. GAAP financial measures on a forward-looking basis because it is unable to predict with reasonable certainty or without unreasonable effort non-recurring items, such as those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

01 Highlights and Introduction

Kevin Murphy, CEO

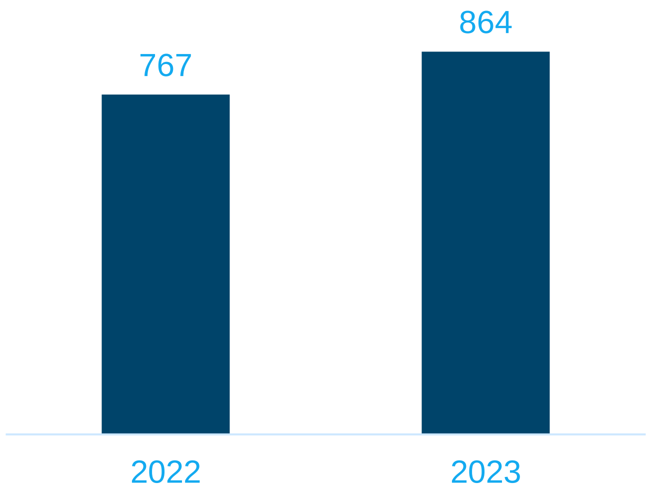
First Quarter Financial Highlights

Net sales ($m)



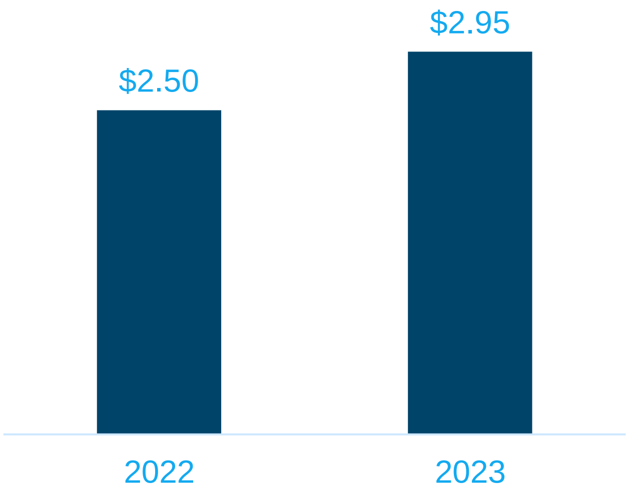
+16.6%

Adjusted operating profit* ($m)



+12.6%

Adjusted EPS – diluted*



+18.0%

* 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 end markets

	% of US revenue*	Q1 FY2023 US revenue growth
Residential	54%	+15%
Non-residential	46%	+20%
- Commercial	32%	+18%
- Civil/Infrastructure	8%	+27%
- Industrial	6%	+22%
	100%	**+17.4%**

Broad based revenue growth

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

USA First Quarter Net Sales Growth

Customer Group	% of US net sales*	Q1 2023 Total growth
Residential Trade	19%	+15%
Residential Building and Remodel	14%	+21%
Residential Digital Commerce	9%	+1%
HVAC	11%	+18%
Commercial / Mechanical	13%	+6%
Waterworks	21%	+27%
Other**	13%	+25%
USA	**100%**	**+17.4%**

Growth across all customer groups despite challenging comparables

* For year ended July 31, 2022.

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

02 Financial Review

Bill Brundage, CFO

First Quarter Financial Highlights

$m (except per share amounts)	Q1 2023	Q1 2022	Change
Net sales	7,931	6,803	+16.6%
Gross margin	30.5%	31.3%	(80) bps
Adjusted operating profit*	864	767	+12.6%
Adjusted operating margin*	10.9%	11.3%	(40) bps
Adjusted earnings per share – diluted*	$2.95	$2.50	+18.0%
Adjusted EBITDA*	$912	$814	+12.0%
Net debt : Adjusted EBITDA*	1.0x	0.6x	

Continued execution delivers strong start to fiscal year

* 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.

USA First Quarter

$m	Q1 2023	Q1 2022	Change
Net sales	7,532	6,418	+17.4%
Organic revenue growth*	+13.0%	+25.2%	
Adjusted operating profit**	845	752	+12.4%
Adjusted operating margin %	11.2%	11.7%	(50) bps

Continued growth from share gains and ability to manage price inflation

Cost base well controlled, delivering strong adjusted operating margin

Agile business model continued to deliver

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

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

Canada First Quarter

$m	Q1 2023	Q1 2022	Change
Net sales	399	385	+3.6%
Organic revenue growth*	+8.2%	+13.9%	
Adjusted operating profit**	33	34	(2.9%)
Adjusted operating margin %	8.3%	8.8%	(50) bps

Solid organic revenue growth against strong comparables

Adverse foreign exchange movements impacted adjusted operating profit by $2 million

Good performance against strong comparables

* For further details regarding organic revenue growth, visit www.fergusonplc.com on the Investors & Media page under ‘Analyst Consensus and Resources’.
** The Company uses adjusted operating profit as a measure of segment profit under U.S. GAAP.

Cash Flow – First Quarter

$m	Q1 2023	Q1 2022
Adjusted EBITDA*	912	814
Working capital	(357)	(767)
Interest and tax	(86)	(68)
Other items	32	12
Net cash provided by (used in) operating activities of continuing operations	501	(9)
Capex	(95)	(54)
Proceeds from the sale of assets and divestitures	2	1
Free cash flow*	408	(62)

Solid cash generation and continued investment in the quarter

* 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

- Net investment in WC **$357m**

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

- **3** completed since Aug 1st
- **~$270** million annualized revenues

4 Surplus Capital Returns

- **~$0.4 billion** share repurchases completed during first quarter
- **~3.0 million** shares repurchased in first quarter
- **~$0.6 billion** remaining under current share repurchase program

1.0x Net debt : Adjusted EBITDA*

at October 31, 2022

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 (unchanged)

- 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 Strategy and closing remarks

Kevin Murphy, CEO

Executing our strategy to create long term value through…

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 large, growing and fragmented markets

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Continued value creation

Additional growth from acquisitions

Geographic acquisitions

- Consolidate fragmented markets
- Associate expertise
- Customer relationships
- Leverage our market-leading capabilities

Capability acquisitions

- New products and solutions
- Leverage across existing platform
- Associate expertise
- Customer relationships

Underpinned by cultural fit and aligned values

HVAC Acquisitions

- Airefco
  - A leading regional HVAC distributor serving customers in the Pacific NW across 11 locations
  - Strong vendor relationships, principally with Carrier
  - Long track record and strong customer relationships supported by knowledgeable associates
- Guarino
  - 5 locations across New Orleans metro and Gulf Coast
  - Vendor relationships including ICP / Carrier and Mitsubishi
  - Balanced equipment and parts business

AIREFCO INC.

GDC Guarino Distributing Co.

Closing Remarks

Thank you to our associates.

1. Strong start to the fiscal year
2. Balanced business mix
3. Flexible business model
4. Underpinned by a strong balance sheet

Join us for
Q&A

04 Appendix

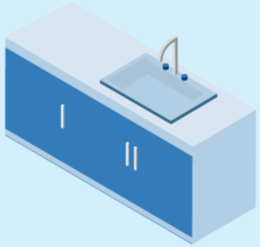
Leading positions in highly fragmented North American markets

Balanced approach to attractive end markets

~$340b North American Opportunity

54%
RESIDENTIAL

46%
NON-RESIDENTIAL



60%
RMI

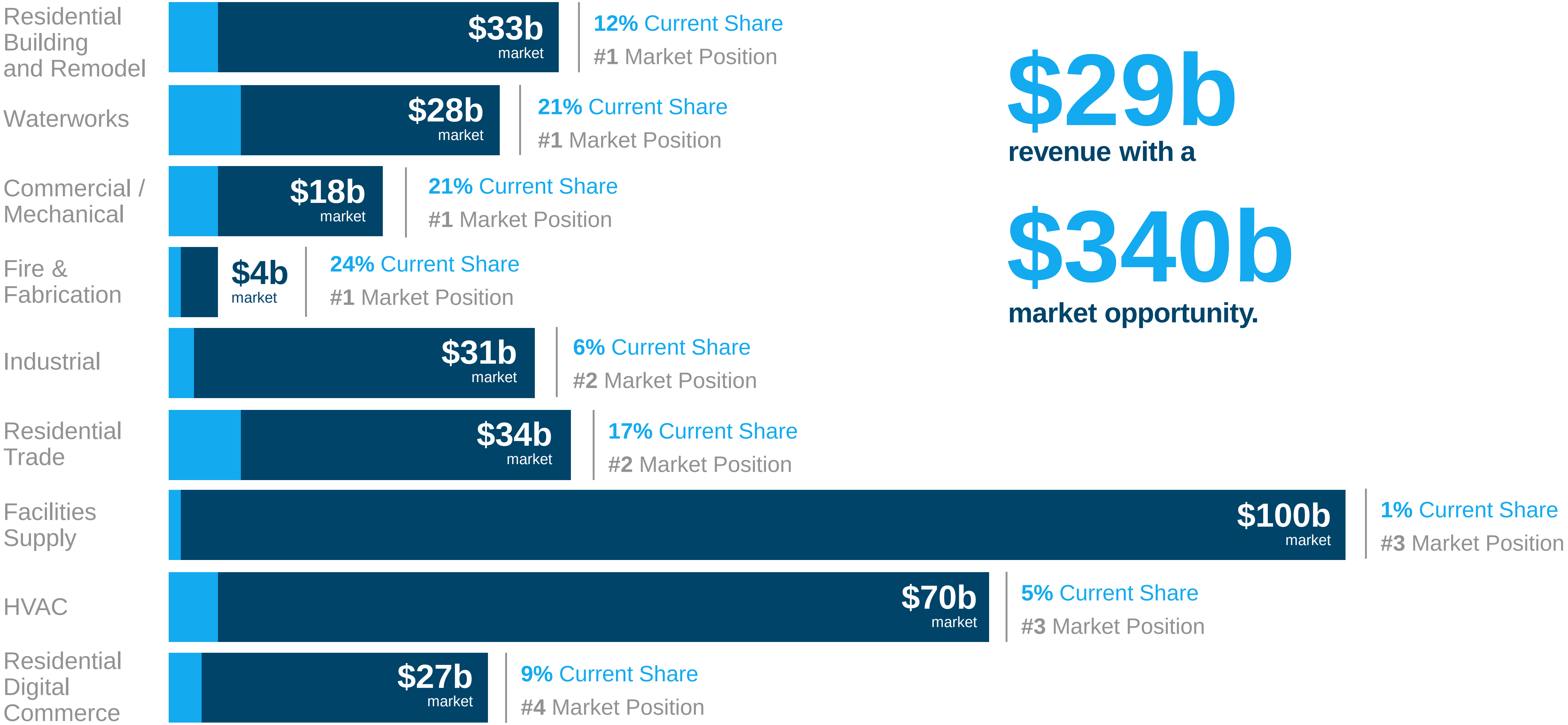
40%
NEW CONSTRUCTION

$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



$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

	Three months ended October 31,	
(In millions)	**2022**	**2021**
Net income	$595	$560
Income from discontinued operations (net of tax)	—	(25)
Provision for income taxes	197	176
Interest expense, net	41	27
Other (income) loss	(2)	1
Non-GAAP adjustments[(1)]	—	1
Amortization of acquired intangibles	33	27
Adjusted Operating Profit	864	767
Depreciation & impairment of PP&E	37	36
Amortization & impairment of non-acquired intangibles	11	11
Adjusted EBITDA	$912	$814

(1) For the three months ended October 31, 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 October 31,	
(In millions)	**2022**	**2021**
Long-term debt[1]	$3,759	$2,255
Short-term debt[2][3]	38	1,356
Derivative liabilities (assets)	21	(19)
Cash and cash equivalents[3]	(638)	(2,166)
Net debt	$3,180	$1,426

(1) The increase in long-term debt as of October 31, 2022 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 October 2021.

(2) Includes bank overdrafts of $38 million and $1.1 billion as of October 31, 2022 and 2021, respectively.

(3) Bank overdrafts are recorded in equal and offsetting amounts within cash and cash equivalents and other current liabilities in the Company's Condensed Consolidated Balance Sheet. Such amounts generally relate to the Company's cash pooling arrangements that are presented on a gross basis.

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 October 31, 2022**	**Twelve months ended October 31, 2021**
Net income	$2,157	$1,697
Loss from discontinued operations (net of tax)	2	152
Provision for income taxes	630	302
Interest expense, net	125	97
Other income	(2)	(9)
Non-GAAP adjustments[1]	16	6
Depreciation and amortization	323	304
Adjusted EBITDA	$3,251	$2,549
Net Debt: Adjusted EBITDA	1.0x	0.6x

(1) For the twelve months ended October 31, 2022 and 2021 , the non-GAAP adjustments 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 October 31, 2022	Three months ended October 31, 2021
Net Income	$595	$560
Income from discontinued operations (net of tax)	—	(25)
Income from continuing operations	595	535
Non-GAAP adjustments[1]	—	1
Amortization of acquired intangibles	33	27
Tax impact of non-GAAP adjustments[2]	(8)	(6)
Adjusted Net Income	$620	$557
Adjusted earnings per share:		
Basic	$2.97	$2.52
Diluted	$2.95	$2.50
Weighted average number of shares outstanding:		
Basic	208.7	221.4
Diluted	209.8	222.7

(1) For the three months ended October 31, 2021, non-GAAP adjustments related to the incremental costs of the Company’s listing in the United States.

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

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