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# Third Quarter Results Presentation

Quarter Ended September 30, 2026

# 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,” “poised”, “positions,” “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 financial position, results of operations and growth, plans and objectives for the future including our capabilities and priorities, expectations regarding global and regional economic, market and political conditions, ability to manage supply chain challenges, ability to manage the impact of product price fluctuations, the overall performance of, including demand levels for, the markets in which we operate, the expected synergies and financial impact of recent acquisitions, capital deployment strategy, including the amount and timing of our dividends and share repurchases, investments and capital expenditures, and other statements concerning the success of our business and strategies.

Many factors could affect our actual financial results or results of operations and could cause actual results to differ materially from those contained 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 the macroeconomic impact of factors beyond our control (including, among others, inflation/deflation, recession, labor and wage pressures, trade restrictions such as tariffs, sanctions and retaliatory countermeasures, interest rates, and geopolitical conditions); 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 or our ability to timely deploy new omni-channel capabilities; 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 and our ability to effectively manage inventory as a result; changes in competition, including as a result of market consolidation, new entrants, vertical integration or competitors responding more quickly to emerging technologies (such as generative or agentic artificial intelligence ("AI")); failure of a key information technology system or process as well as payment-related risks, including exposure to fraud or theft; privacy and protection of sensitive data failures, including failures due to data corruption, cybersecurity incidents, network security breaches or the use of AI; ineffectiveness of or disruption in our domestic or international supply chain or our fulfillment network, including delays in inventory availability at our distribution facilities and branches, increased delivery costs or lack of availability due to loss of key suppliers; failure to effectively manage and protect our facilities and inventory or to prevent personal injury to customers, suppliers or associates, including as a result of workplace violence; unsuccessful execution of our operational strategies, including the failure to quickly adapt our strategy to emerging technologies; failure to attract, retain and motivate key associates; exposure of associates, contractors, customers, suppliers and other individuals to health and safety risks and fleet incidents; risks associated with acquisitions, partnerships, joint ventures and other business combinations, dispositions or strategic transactions; risks associated with sales of private label products, including regulatory, product liability and reputational risks and the adverse impact such sales may have on supplier relationships and rebates; the failure to achieve and maintain a high level of product and service quality or comply with responsible sourcing standards; inability to renew leases on favorable terms or at all, as well as any remaining obligations under a lease when we close a facility; changes in, interpretations of, or compliance with tax laws and accounting standards; our access to capital, indebtedness and changes in our credit ratings and outlook; fluctuations in product prices/costs (e.g., including as a result of the use of commodity-priced materials, inflation/deflation, trade restrictions and/or failure to qualify for or maintain supplier rebates) and foreign currency; funding risks related to our defined benefit pension plans; legal proceedings in the ordinary course of our business as well as any failure to comply with domestic and foreign laws, regulations and standards, as those laws, regulations and standards or interpretations and enforcement thereof may change; the occurrence of unforeseen developments such as litigation, investigations, governmental proceedings or enforcement actions; our failure to comply with the obligations associated with being a public company listed on the New York Stock Exchange and the costs associated therewith; the costs and risk exposure relating to sustainability matters and disclosures, including regulatory or legal requirements and disparate stakeholder expectations; and other risks and uncertainties set forth under the heading “Risk Factors” in our Transition Report on Form 10-KT for the five-month transition period ended December 31, 2025 filed with the Securities and Exchange Commission (“SEC”) on February 27, 2026 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.

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**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 financial measures include, but are not limited to, 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 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 Company's 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 the Company's 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 financial 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 November 9, 2026, that may arise in the future. The variability of these items is unpredictable and may have a significant impact.

# Introduction and Q3 Highlights

**Kevin Murphy, CEO**



# Third quarter financial highlights

**Net sales**
**$9.0B**
+9.5% vs Q3 CY25*

Strong execution and share gains

Organic growth **+7%**

Acquisition growth **+2.7%**

**Adj. operating profit****
**$962M**
+8.9% vs Q3 CY25

Strong gross margin, productivity and disciplined cost management

Adjusted operating margin** of **10.7%**, flat compared to Q3 CY25

Adjusted diluted EPS** of **$3.43**, **up 7.9%**

**Capital deployment*****
**$2.0B**

Completed 3 acquisitions during the quarter deploying **$1.7B**

Capex of **$108M**, dividends of **$172M**

Balance sheet remains strong with net debt to adjusted EBITDA** of **1.7x**

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* Net sales growth rate of 9.5% vs Q3 CY25 includes 0.2% offset from a divestment in Canada.
** 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.
***Capital deployment includes cash outflow from capital expenditures, dividends, acquisitions and share repurchases.

# Balanced approach to US end markets

| | | Three months ended September 30, | |
|---|---|---|---|
| | **% of US net sales*** | **2026** US net sales growth | **2025** US net sales growth |
| Residential | ~50% | +6% | +1% |
| Non-residential | ~50% | +15% | +13% |
| | **100%** | **+10.2%** | **+6.6%** |

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* Residential / Non-residential proportions derived from management estimates for the year ended December 31, 2025.

# US third quarter net sales

| Customer group | % of US net sales* | 2026 US net sales growth/(decline) | 2025 US net sales growth/(decline) |
|---|---|---|---|
| | | Three months ended September 30, | |
| Waterworks | 23% | +5% | +15% |
| Commercial / Mechanical | 16% | +17% | +24% |
| Industrial** | 9% | +55% | +1% |
| Facilities Supply | 4% | +6% | +6% |
| Fire & Fabrication | 3% | (8%) | +11% |
| Ferguson Home | 19% | +3% | +2% |
| Residential Trade Plumbing | 13% | +3% | (3%) |
| HVAC | 13% | +15% | (3%) |
| **US** | **100%** | **+10.2%** | **+6.6%** |

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* For three months ended September 30, 2026.
** Industrial growth in three months ended September 30, 2026, includes approximately 23% from acquired businesses.

# Financial Review

**Bill Brundage, CFO**



# Third quarter financial highlights

| $M (except per share amounts) | Three months ended September 30, 2026 | 2025 | Change |
|---|---|---|---|
| Net sales | 9,026 | 8,245 | +9.5% |
| Gross margin | 30.9% | 31.3% | (40) bps |
| Adjusted operating profit* | 962 | 883 | +8.9% |
| Adjusted operating margin* | 10.7% | 10.7% | Flat |
| | | | |
| Adjusted earnings per share – diluted* | $3.43 | $3.18 | +7.9% |
| Adjusted EBITDA* | 1,028 | 943 | +9.0% |
| Net debt : adjusted EBITDA* | 1.7x | 1.0x | |

Strong execution drives continued outperformance

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* 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.

# Segment financial highlights

| $M | Three months ended September 30, 2026 | 2025 | Change |
|---|---|---|---|
| Net sales | | | |
| US | 8,621 | 7,821 | +10.2% |
| Canada | 405 | 424 | (4.5%) |
| Total net sales | 9,026 | 8,245 | 9.5% |
| Adjusted operating profit* | | | |
| US | 952 | 875 | +8.8% |
| Canada | 23 | 22 | +4.5% |
| Central and other costs | (13) | (14) | |
| Total adjusted operating profit | 962 | 883 | +8.9% |

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

# Year-to-date financial highlights

| $M (except per share amounts) | Nine months ended September 30, 2026 | 2025 | Change |
|---|---|---|---|
| Net sales | 25,249 | 23,821 | +6.0% |
| Gross margin | 31.0% | 31.1% | (10) bps |
| Adjusted operating profit* | 2,541 | 2,386 | +6.5% |
| Adjusted operating margin* | 10.1% | 10.0% | +10 bps |
| | | | |
| Adjusted earnings per share – diluted* | $9.09 | $8.48 | +7.2% |
| Adjusted EBITDA* | 2,733 | 2,557 | +6.9% |
| Net debt : adjusted EBITDA* | 1.7x | 1.0x | |

Strong year-to-date performance

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* 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.

# Year-to-date cash flow

| $M | Nine months ended September 30, 2026 | 2025 |
|---|---|---|
| Adjusted EBITDA* | 2,733 | 2,557 |
| Working capital | (519) | (70) |
| Interest and tax | (726) | (566) |
| Other items | (16) | (37) |
| Operating cash flow | 1,472 | 1,884 |
| Capex | (342) | (247) |
| Proceeds from the sale of assets | 17 | 56 |
| Free cash flow* | 1,147 | 1,693 |

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* 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 operating activities less capital expenditures plus proceeds from the sale of assets and divestitures, and the reconciliation is shown above where net cash provided by operating activities is reflected as operating cash flow.

# Capital allocation

## 1. Organic growth

**Working capital**

- Inventory to support order volumes and growth initiatives
- Receivables to support sales growth

**Capex investments**

- Invested **$342M** into capex in fiscal year to date
- Supply chain network optimization
- Technology
- Branch expansion and refurbishment

## 2. Acquisitions

- Completed **3** acquisitions during the quarter and **1** subsequent to quarter-end
- Completed **11** acquisitions this year, investing a total of **$2.3B**
- Pipeline remains healthy

## 3. Dividends

- Quarterly dividend of **$0.89** per share

## 4. Surplus capital returns

- **$438M** share repurchases completed in fiscal year-to-date
- **~1.7M** shares repurchased in fiscal year-to-date
- We expect to resume share repurchases when leverage returns toward the lower end of our target range

**1.7x Net debt : adjusted EBITDA***
at September 30, 2026

**1-2x**
Target net leverage range

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* 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.

# Calendar 2026 guidance

| | **Prior calendar 2026 guidance**<br>January 1 – December 31, 2026 | **Updated calendar 2026 guidance****<br>January 1 – December 31, 2026 |
|---|---|---|
| Net sales | Mid-single digit growth | ~7% growth |
| Adjusted operating margin* | 9.5% - 9.8% | 9.6% - 9.8% |
| Interest expense | ~$200 million | ~$235 million |
| Capital expenditures | $375 - $425 million | ~$425 million |
| Adjusted effective tax rate* | ~26% | ~26% |



This is a non-GAAP measure. See slide 3 of this presentation for more information on forward-looking non-GAAP financial information.
** Updated guidance reflects latest performance and inclusion of the FloWorks acquisition that closed on August 31, 2026.

# Closing Remarks

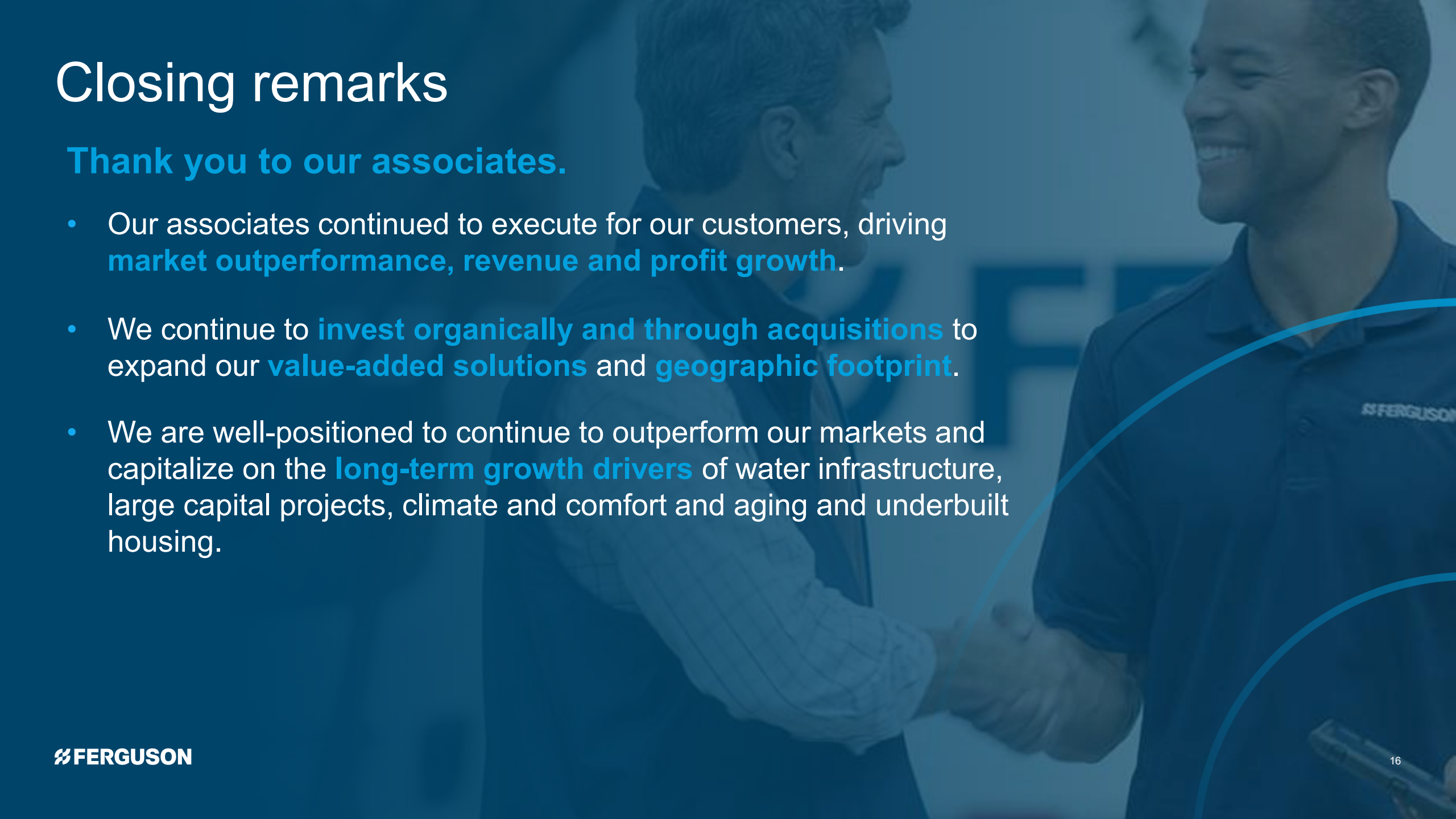
**Kevin Murphy, CEO**



# Closing remarks

## Thank you to our associates.

- Our associates continued to execute for our customers, driving **market outperformance, revenue and profit growth**.
- We continue to **invest organically and through acquisitions** to expand our **value-added solutions** and **geographic footprint**.
- We are well-positioned to continue to outperform our markets and capitalize on the **long-term growth drivers** of water infrastructure, large capital projects, climate and comfort and aging and underbuilt housing.



Join us for

# Q&A



# Appendix



# Reconciliation of Net Income to Adjusted Operating Profit and Adjusted EBITDA

| (In millions) | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| **Net income** | **$598** | **$638** | **$1,678** | **$1,617** |
| Provision for income taxes | 207 | 153 | 533 | 433 |
| Interest expense, net | 64 | 47 | 161 | 142 |
| Other expense, net | 16 | 6 | 18 | 1 |
| **Operating profit** | **885** | **844** | **2,390** | **2,193** |
| Corporate restructuring expenses[1] | 2 | 2 | 6 | 6 |
| Business restructuring expenses[2] | — | 1 | — | 73 |
| Acquisition and integration costs[3] | 25 | — | 25 | — |
| Amortization of acquired intangibles | 50 | 36 | 120 | 114 |
| **Adjusted Operating Profit** | **962** | **883** | **2,541** | **2,386** |
| Depreciation and impairment of PP&E | 60 | 53 | 174 | 149 |
| Amortization of non-acquired intangibles | 6 | 7 | 18 | 22 |
| **Adjusted EBITDA** | **$1,028** | **$943** | **$2,733** | **$2,557** |

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1. For the three and nine months ended September 30, 2026 and 2025, corporate restructuring expenses primarily related to incremental costs in connection with transition activities following the establishment of our parent company's domicile in the United States.
2. For the three and nine months ended September 30, 2025, business restructuring expenses primarily related to the Company's implementation of targeted actions to streamline operations, enhancing speed and efficiency to better serve customers and drive further profitable growth.
3. For the three and nine months ended September 30, 2026, acquisition and integration costs related to the Company's incremental costs in connection with the FloWorks acquisition.

# Net Debt : Adjusted EBITDA reconciliation

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. 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) | As of September 30, 2026 | 2025 |
|---|---|---|
| Long-term debt | $5,571 | $4,124 |
| Short-term debt | 599 | — |
| Bank overdrafts[1] | — | 3 |
| Derivative liabilities | 1 | 2 |
| Cash and cash equivalents | (476) | (832) |
| Net debt | $5,695 | $3,297 |
| Adjusted EBITDA | $3,419 | $3,158 |
| Net Debt : Adjusted EBITDA | 1.7x | 1.0x |

1. Bank overdrafts are included in other current liabilities in the Company's Consolidated Balance Sheets.

# Adjusted EBITDA (rolling 12-month) reconciliation

Adjusted EBITDA is net income before charges/credits relating to depreciation, amortization, impairment and certain non-GAAP adjustments.

| (In millions, except ratios) | Twelve months ended September 30, 2026 | 2025 |
|---|---|---|
| Net income | $2,067 | $1,973 |
| Provision for income taxes | 678 | 542 |
| Interest expense, net | 209 | 190 |
| Other expense (income), net | 32 | (3) |
| Restructuring activities[1] | 1 | 79 |
| Acquisition and integration costs[2] | 25 | — |
| Depreciation and amortization | 407 | 377 |
| **Adjusted EBITDA** | $3,419 | $3,158 |
| **Net Debt: Adjusted EBITDA** | 1.7x | 1.0x |

1. For the rolling twelve months ended September 30, 2026, restructuring activities primarily related to incremental costs in connection with transition activities following the establishment of our parent company's domicile in the United States, partially offset by a gain on the sale of a closed distribution center in November 2025 relating to previous business restructuring activities. For the rolling twelve months ended September 30, 2025, restructuring expenses primarily related to the Company's implementation of targeted actions to streamline operations, enhancing speed and efficiency to better serve customers and drive further profitable growth, as well as incremental costs in connection with transition activities following the establishment of our parent company's domicile in the United States.
2. For the rolling twelve months ended September 30, 2026, acquisition and integration costs related to the Company's incremental costs in connection with the FloWorks acquisition.

# Reconciliation of Net Income to Adjusted Net Income and Adjusted EPS - Diluted

| (In millions, except per share amounts) | Three months ended September 30, | | | | Nine months ended September 30, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2026 | | 2025 | | 2026 | | 2025 | |
| | | per share[1] | | per share[1] | | per share[1] | | per share[1] |
| **Net income** | $598 | $3.08 | $638 | $3.24 | $1,678 | $8.63 | $1,617 | $8.17 |
| Corporate restructuring expenses[2] | 2 | 0.01 | 2 | 0.01 | 6 | 0.03 | 6 | 0.03 |
| Business restructuring expenses[3] | — | — | 1 | 0.01 | — | — | 73 | 0.37 |
| Acquisition and integration costs[4] | 25 | 0.13 | — | — | 25 | 0.13 | — | — |
| Amortization of acquired intangibles | 50 | 0.26 | 36 | 0.18 | 120 | 0.62 | 114 | 0.58 |
| Loss on disposal of non-operating entity[5] | 9 | 0.05 | — | — | 9 | 0.05 | — | — |
| Discrete tax adjustments[6] | (4) | (0.02) | (42) | (0.21) | (38) | (0.20) | (85) | (0.43) |
| Tax impact on non-GAAP adjustments[7] | (16) | (0.08) | (9) | (0.05) | (34) | (0.17) | (48) | (0.24) |
| **Adjusted net income** | $664 | $3.43 | $626 | $3.18 | $1,766 | $9.09 | 1,677 | $8.48 |
| Diluted weighted-average shares outstanding | | 193.9 | | 196.9 | | 194.4 | | 197.9 |

1. Per share on a dilutive basis.
2. For the three months and nine months ended September 30, 2026 and 2025, corporate restructuring expenses primarily related to incremental costs in connection with transition activities following the establishment of our parent company's domicile in the United States.
3. For the three and nine months ended September 30, 2025, business restructuring expenses primarily related to the Company's implementation of targeted actions to streamline operations, enhancing speed and efficiency to better serve customers and drive further profitable growth.
4. For the three and nine months ended September 30, 2026, acquisition and integration costs related to the Company's incremental costs in connection with the FloWorks acquisition.
5. For the three and nine months ended September 30, 2026, the Company disposed of a non-operating entity at a loss. This loss is included in other expense, net in the Company's consolidated statement of earnings.
6. For the three and nine months ended September 30, 2026 and 2025, discrete tax adjustments primarily related to the release of uncertain tax positions due to lapses in statutes of limitations, the tax treatment of certain compensation items that were not individually significant, and, for the year-to-date periods, adjustments related to prior-year tax positions.
7. For the three and nine months ended September 30, 2026, the tax impact on non-GAAP adjustments primarily related to the amortization of acquired intangibles, and, to a lesser extent, certain costs related to the FloWorks acquisition. For the three and nine months ended September 30, 2025, the tax impact on non-GAAP adjustments primarily related to the amortization of acquired intangibles, along with the tax impact of certain restructuring expenses.

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# Thank You