Fourth Quarter & Year End Results Presentation

RESULTS TO JULY 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,” “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 financial position, results of operations and growth, plans and objectives for the future including our capabilities and priorities, statements including our expectations for U.S. residential and non-residential growth drivers 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 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 disruption in the financial markets and any macroeconomic or other consequences of the current conflict in Ukraine or potential conflict between China and Taiwan; 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, as well as the repair, maintenance and improvement (“RMI”) and new construction markets; changes in competition, including as a result of market consolidation or competitors responding more quickly to emerging technologies (such as generative artificial intelligence (“AI”)); 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 availability at our distribution facilities and branches, increased delivery costs or lack of availability; 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; 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 when 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 product prices (e.g., commodity-priced materials, inflation/deflation) and foreign currency; funding risks related to our defined benefit pension plans; legal proceedings as well as failure to comply with domestic and foreign laws, regulations and standards, as those laws, regulations and standards or interpretations and enforcement thereof may change, or the occurrence of unforeseen developments such as litigation; our failure to comply with the obligations associated with being a U.S. domestic issuer and the costs associated therewith; the costs and risk exposure relating to environmental, social and governance (“ESG”) matters, including sustainability issues, regulatory or legal requirements, and disparate stakeholder expectations; adverse impacts caused by a public health crisis; and other risks and uncertainties set forth under the heading “Risk Factors” in our Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2023 as filed with the Securities and Exchange Commission (“SEC”) on June 7, 2023, our Annual Report on Form 10-K for the fiscal year ended July 31, 2022 as filed with the 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 financial 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 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 September 26, 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

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FY2023 Financial highlights

+4.1%
Net sales

(1.2%)
Adjusted operating profit*

+0.8%
Adjusted EPS – diluted*

$2.7b
Net cash provided by operating activities

$1.6b
Shareholder returns**

8
Number of acquisitions

1.0x
Net debt : adjusted EBITDA*

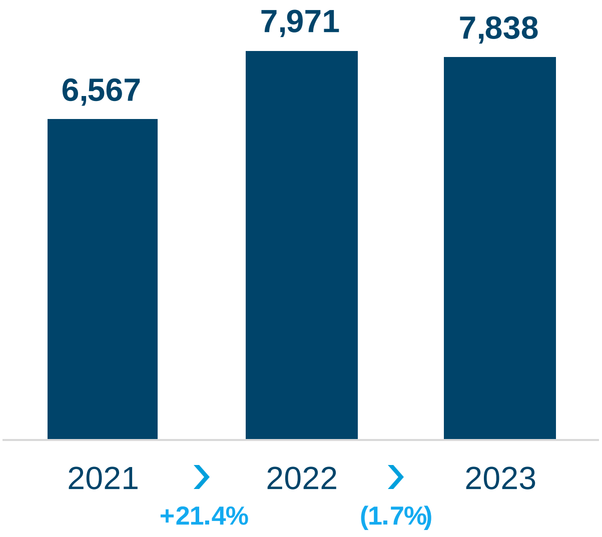
34.6%
Return on capital employed*

Strong performance in challenging end markets

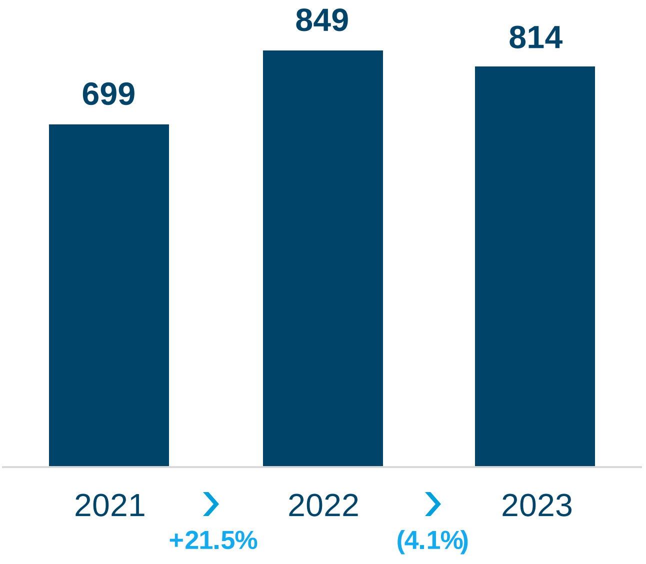
*This is a non-GAAP measure. See the appendix to this presentation for more information and a reconciliation of the non-GAAP measure to the most comparable U.S. GAAP measure.
** Shareholder returns includes dividends paid and shares repurchased under our share repurchase program.

Fourth quarter financial highlights

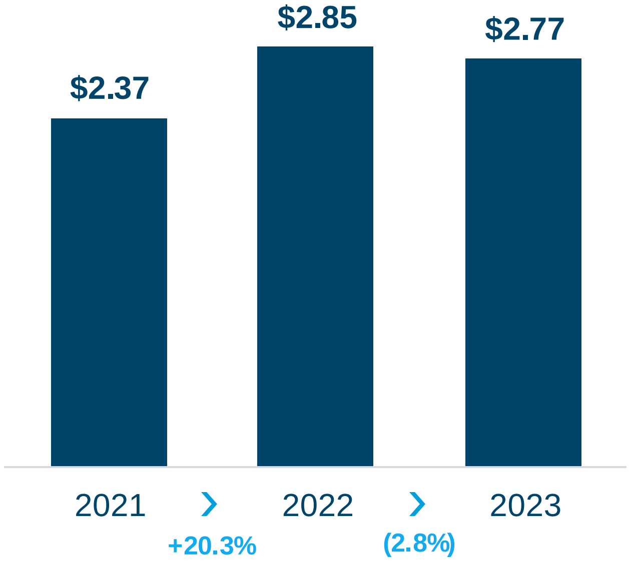
Q4 Net sales ($m)



Q4 Adjusted operating profit* ($m)



Q4 Adjusted EPS – diluted*



Our teams executed well to drive 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.

Balanced approach to attractive US end markets

	% of US net sales*	Q4 2023 US net sales growth
Residential	**52%**	**(4%)**
Non-residential	**48%**	**+2%**
Commercial	33%	+1%
Civil/Infrastructure	8%	Flat
Industrial	7%	+8%
	100%	**(1.5%)**

Intentional balanced business mix continues to serve us well

* Residential / Non-residential proportions derived from management estimates as of FY2023

USA fourth quarter net sales growth

Customer group	% of US net sales*	**Q4 2023 net sales growth**	Q4 2022 net sales growth
Residential Trade Plumbing	18%	(11%)	+21%
HVAC	11%	+4%	+18%
Residential Building and Remodel	14%	+2%	+21%
Residential Digital Commerce	8%	(9%)	+3%
Waterworks	21%	(1%)	+36%
Commercial / Mechanical	13%	(1%)	+17%
Other (Fire & Fabrication, Facilities Supply, Industrial)	15%	+6%	+27%
USA	**100%**	**(1.5%)**	**+22.1%**

Non-residential customer groups continue to outperform residential

* For year ended July 31, 2023.

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Market update: Full year US end-market revenue growth

	% of US net sales*	FY2023 Estimated market growth**	FY2023 US organic revenue growth***
Residential	52%	Approx. (6%)	(3%)
Non-residential	48%	Approx. +3%	+7%
	100%	Approx. (2%)	+1.5%

Continued market outperformance

* For year ended July 31, 2023.
** Derived from management estimates.
*** For further details regarding organic revenue growth, visit corporate.ferguson.com on the Investors menu page under 'Analyst Consensus and Resources'.

Consolidating our fragmented markets

Eight acquisitions made during FY2023

- Included three HVAC and two Waterworks businesses
- $0.8b of incremental annualized revenue
- 57 new branch locations

- Bringing new talent into Ferguson
- Pipeline for further acquisitions remains healthy

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02 Financial review

Bill Brundage, CFO

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Fourth quarter financial highlights

$m (except per share amounts)	Q4 2023	Q4 2022	Change
Net sales	7,838	7,971	(1.7%)
Gross margin	30.6%	30.5%	+10 bps
Adjusted operating profit*	814	849	(4.1%)
Adjusted operating margin*	10.4%	10.7%	(30) bps
Adjusted earnings per share – diluted*	$2.77	$2.85	(2.8%)
Adjusted EBITDA*	858	896	(4.2%)
Net debt : adjusted EBITDA*	1.0x	1.0x	

Solid performance amid continued challenging end markets

*This is a non-GAAP measure. See the appendix to this presentation for more information and a reconciliation of thenon-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 fourth quarter

$m	Q4 2023	Q4 2022	Change
Net sales	7,428	7,539	(1.5%)
Organic revenue (decline) / growth*	(5.5%)	+19.8%	
Adjusted operating profit**	804	829	(3.0%)
Adjusted operating margin	10.8%	11.0%	(20) bps

Disciplined execution delivered strong adjusted operating margin

* For further details regarding organic revenue growth, visit 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 fourth quarter

$m	Q4 2023	Q4 2022	Change
Net sales	410	432	(5.1%)
Organic revenue (decline) / growth*	(2.7%)	+14.2%	
Adjusted operating profit**	22	35	(37.1%)
Adjusted operating margin	5.4%	8.1%	(270) bps

Continued investment through challenging markets

* For further details regarding organic revenue growth, visit 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.

FY2023 Financial highlights

$m (except per share amounts)	FY2023	FY2022	Change
Net sales	29,734	28,566	+4.1%
Gross margin	30.4%	30.7%	(30) bps
Adjusted operating profit*	2,917	2,951	(1.2)%
Adjusted operating margin*	9.8%	10.3%	(50) bps
Adjusted earnings per share – diluted*	$9.84	$9.76	+0.8%
Adjusted EBITDA*	3,105	3,153	(1.5%)

Strong performance for the year drove adjusted diluted EPS growth

* 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.

Cash flow – full year

$m	FY2023	FY2022
Adjusted EBITDA*	3,105	3,153
Working capital	410	(1,271)
Interest and tax	(838)	(764)
Other items	50	31
Operating cash flow	2,727	1,149
Capex	(441)	(290)
Proceeds from the sale of assets	9	4
Free cash flow*	2,295	863

Disciplined working capital management drove excellent cash flow

* 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 of continuing operations 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 of continuing operations is reflected as operating cash flow.

Capital allocation

1. Organic growth

Working capital

- Positive cash flow impact of **$410m** from working capital during the fiscal year

Capex investments

- Invested **$441m** into capex
- Market Distribution Centers
- Technology
- Branch expansion and refurbishment

2. Dividends

- Quarterly dividend of **$0.75** per share
- Full year of dividends amounts to **$3.00**, an increase of **9%** over the prior year

3. Acquisitions

- Invested **$616m** in eight acquisitions during the fiscal year
- **~$780m** annualized revenues

4. Surplus capital returns

- **$908m** share repurchases completed during fiscal year
- **~7.0m** shares repurchased during fiscal year
- Share repurchase program has outstanding balance of **$540m** at fiscal year end

1.0x Net debt : adjusted EBITDA*
at July 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.

FY2024 Guidance

- Net sales to be **broadly flat**
  - Assumes mid-single digit market decline with **continued Company market outperformance**, contribution from already completed acquisitions and one additional sales day.
  - Overall impact of **price inflation estimated to be broadly neutral** for the year.
- Adjusted operating margin* of **9.2% to 9.8%**
- Interest expense of **$190 - $210** 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

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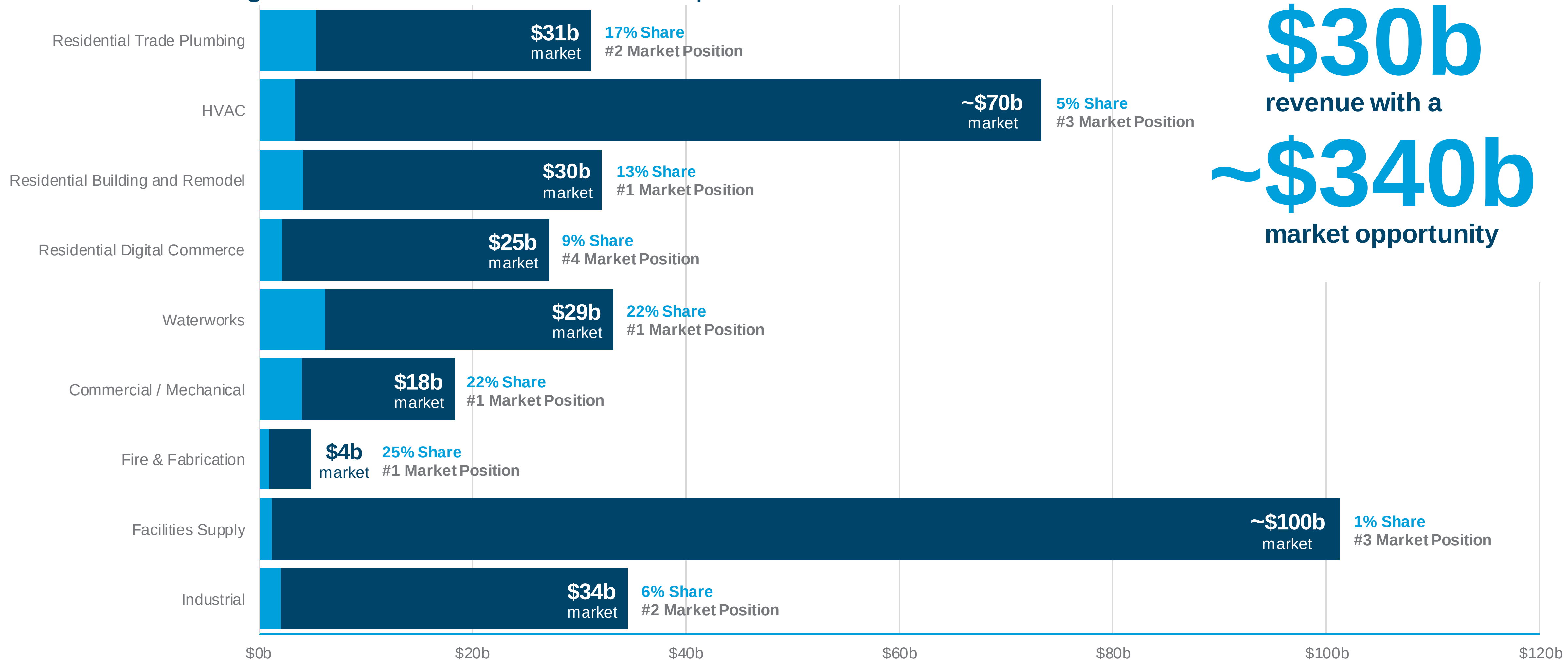
Leading positions in highly fragmented North American markets

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



$30b
revenue with a
~$340b
market opportunity

Market size, share and position are approximates derived from management estimates as of FY2023.

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We Are Ferguson

Bringing together our core strengths across customer groups to help make complex projects simple, successful and sustainable.

- The trade professional is our core customer.
- But we are expanding our role to influence the general contractor, developer, architect, engineer and owner.
- We are doing so by leveraging our core strengths, products and services across our customer groups and geographies.
- This uniquely sets us apart from our competitors and positions us as a project success partner.

Balanced end market exposure positions us well to leverage emerging multi-year structural tailwinds

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Customer Groups

Residential

Residential Trade Plumbing

HVAC

Residential Digital Commerce

Residential Building & Remodel

Waterworks

Waterworks serves both residential and non-residential end markets.

Non-residential

Commercial

Fire & Fabrication

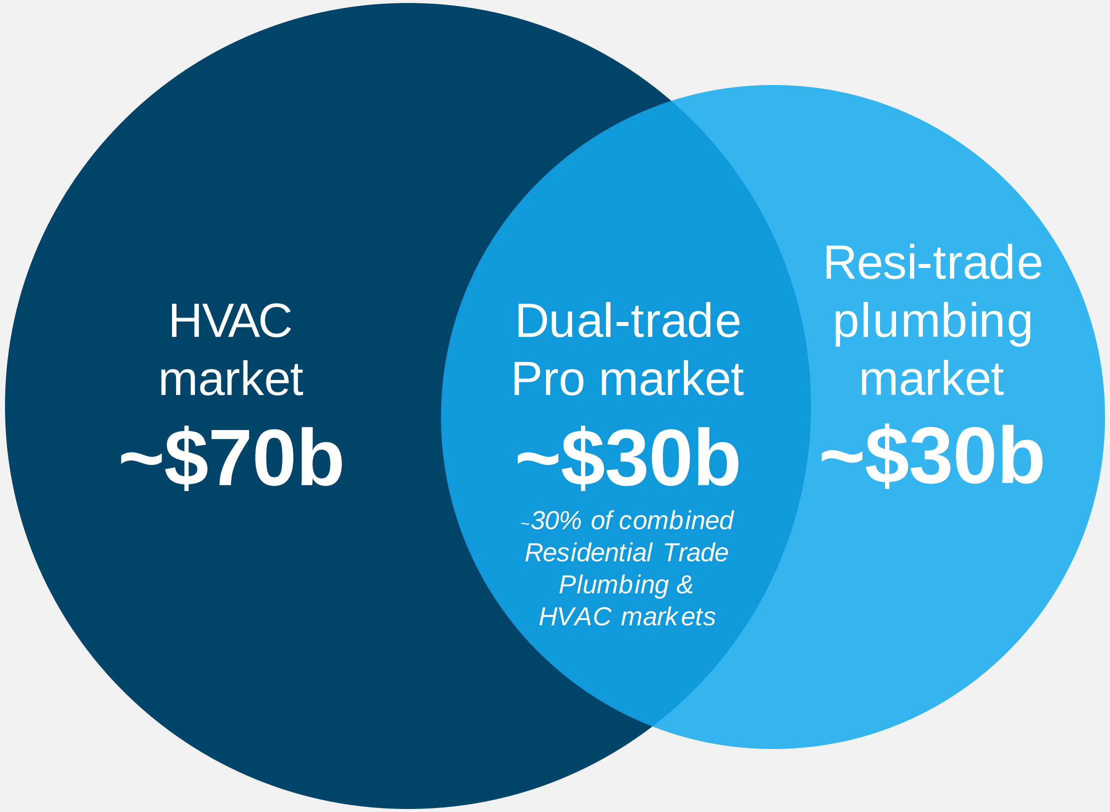
Facilities Supply

Industrial

Partnering with dual-trade professionals

Meaningful opportunity to further serve the dual-trade professional across plumbing and HVAC

- Our strengths across both plumbing and HVAC provide a competitive advantage to service the more than 65,000 dual-trade professionals in this market.
- Our associates provide deep knowledge and expertise across these customer groups.
- We are building our capabilities to offer:
  - Single point of service at our trade and HVAC locations
  - Harmonized pick-ups and deliveries
  - One account view, price and invoice



Leveraging our expertise in both plumbing and HVAC to drive efficiencies for our customers

Derived from management estimates as of FY2023.

Significant megaproject opportunity

Capturing growth “from the ground up”

- Large-scale, long-term and high-profile non-residential megaprojects expected to provide a multi-year tailwind to our markets.
- We believe the incremental total addressable market on megaproject related work is in excess of $30 billion over the next five years.*
- Key areas include: Chip and semiconductor manufacturing, electric vehicle and battery plants, biotech facilities and waterworks plants.
- Legislative Acts are expected to generate over $1.5 trillion of support in coming years.**

Uniquely positioned to deliver a multi-customer group offering across Waterworks, Commercial / Mechanical, Fire & Fabrication and Industrial.

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* Megaproject incremental total addressable market derived from management estimates as of July 2023, where “megaprojects” are defined as non-residential projects >$400 million in total estimated construction spend.
** Based on the aggregate of the 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; and Inflation Reduction Act of 2022 (Public Law No. 117-169), enacted August 16, 2022, 136 Stat 1818.

Closing remarks

Thank you to our associates.

1. Strong execution from our teams in Q4 with strong results for the year.
2. Balanced market exposure and agile business positions us well for continued outperformance.
3. Underpinned by a cash generative model and strong balance sheet.
4. We remain confident in our markets over the medium and longer term.
5. We will capitalize on emerging structural tailwinds such as non-residential megaprojects.

Join us for

Q&A

04 Appendix

Reconciliation of Net Income to Adjusted Operating Profit and Adjusted EBITDA

(In millions)	Three months ended July 31, 2023	2022	2021	Twelve months ended July 31, 2023	2022	2021
Net income	$584	$580	$674	$1,889	$2,122	$1,472
Loss (income), discontinued operations (net of tax)	—	2	(9)	—	(23)	158
Income from continuing operations	584	582	665	1,889	2,099	1,630
Provision for income taxes	146	193	(15)	575	609	232
Interest expense, net	48	40	20	184	111	98
Other expense (income), net	4	(1)	(9)	11	1	(10)
Operating profit	782	814	661	2,659	2,820	1,950
Business restructurings[(1)]	—	—	(1)	—	—	(11)
Corporate restructurings[(2)]	—	5	9	—	17	22
Impairments and other charges[(3)]	(2)	—	—	125	—	—
Adjusted EBIT[(4)]	780	819	669	2,784	2,837	1,961
Amortization of acquired intangibles	34	30	30	133	114	131
Adjusted operating profit	814	849	699	2,917	2,951	2,092
Depreciation and impairment of PP&E	37	35	33	148	140	130
Amortization and impairment of non-acquired intangibles	7	12	10	40	62	37
Adjusted EBITDA	$858	$896	$742	$3,105	$3,153	$2,259

(1) For the three and twelve months ended July 31, 2021, business restructuring reflects the release of provisions in connection with previously anticipated COVID-19 cost actions recorded in fiscal 2020.

(2) For the three and twelve months ended July 31, 2022 and July 31, 2021, corporate restructurings costs related to the incremental costs of the Company's listing in the United States.

(3) For the three months ended July 31, 2023, the benefit recorded in impairments and other charges related to a change in estimated impairment charges in connection with the closure of certain, smaller underperforming branches in the United States recorded in the third quarter of fiscal 2023. For the twelve months ended July 31, 2023, impairments and other charges related to the $107 million in software impairment charges and $18 million in charges associated with the closure of certain smaller, underperforming branches in the United States.

(4) Adjusted EBIT is defined as operating profit from continuing operations excluding certain non-recurring items (non-GAAP adjustments) and including the impact of acquisition related intangible amortization.

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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.

	As of July 31,	
(In millions)	**2023**	**2022**
Long-term debt	$3,711	$3,679
Short-term debt	55	250
Bank overdrafts[(1)]	17	32
Derivative liabilities	18	4
Cash and cash equivalents	(601)	(771)
Net debt	$3,200	$3,194
Adjusted EBITDA	$3,105	$3,153
Net Debt: Adjusted EBITDA	1.0x	1.0x

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

Return on capital employed

(In millions)	As of July 31, 2023
Average net debt[1]	$3,197
Average shareholders' equity[2]	4,851
Average capital employed	8,048
Return on capital employed (ROCE)[3]	34.6%

(1) Management employs the following averaging method: beginning balance net debt plus ending balance divided by two. See slide 27 for definition of net debt.

(2) Management employs the following averaging method: GAAP total shareholders' equity beginning balance plus ending balance divided by two.

(3) ROCE is calculated as adjusted EBIT divided by average capital employed. See slide 26 for the definition and a reconciliation of adjusted EBIT.

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

	Three months ended July 31,						Twelve months ended July 31,					
	2023		2022		2021		2023		2022		2021	
(In millions, except per share amounts)		*per share*[1]		*per share*[1]		*per share*[1]		*per share*[1]		*per share*[1]		*per share*[1]
Net income	$584	$2.85	$580	$2.72	$674	$3.02	$1,889	$9.12	$2,122	$9.69	$1,472	$6.55
Loss (income) from discontinued operations (net of tax)	—	—	2	0.01	(9)	(0.04)	—	—	(23)	(0.10)	158	0.70
Income from continuing operations	584	2.85	582	2.73	665	2.98	1,889	9.12	2,099	9.59	1,630	7.25
Business restructurings[2]	—	—	—	—	(1)	—	—	—	—	—	(11)	(0.05)
Corporate restructurings[3]	—	—	5	0.02	9	0.04	—	—	17	0.08	22	0.10
Impairments and other charges[4]	(2)	(0.01)	—	—	—	—	125	0.60	—	—	—	—
Amortization of acquired intangibles	34	0.17	30	0.14	30	0.13	133	0.64	114	0.52	131	0.58
Discrete tax adjustments[5]	(32)	(0.16)	—	—	(149)	(0.67)	(36)	(0.17)	(72)	(0.33)	(203)	(0.90)
Tax impact on non-GAAP adjustments[6]	(16)	(0.08)	(9)	(0.04)	(25)	(0.11)	(73)	(0.35)	(21)	(0.10)	(51)	(0.23)
Adjusted net income	$568	$2.77	$608	$2.85	$529	$2.37	$2,038	$9.84	$2,137	$9.76	$1,518	$6.75
Diluted weighted average shares outstanding		205.1		213.4		223.3		207.2		218.9		224.8

(1) Per share on a dilutive basis.

(2) For the thee and twelve months ended July 31, 2021, business restructuring reflects the release of provisions in connection with previously anticipated COVID-19 cost actions recorded in fiscal 2020.

(3) For the three and twelve months ended July 31, 2022 and July 31, 2021, corporate restructurings costs primarily related to the incremental costs of the Company's listing in the United States.

(4) For the three months ended July 31, 2023, the benefit recorded in impairments and other charges related to a change in estimated impairment charges in connection with the closure of certain, smaller underperforming branches in the United States recorded in the third quarter of fiscal 2023. For the twelve months ended July 31, 2023, impairments and other charges related to the $107 million in software impairment charges and $18 million in charges associated with the closure of certain smaller, underperforming branches in the United States.

(5) For the three and twelve months ending July 31, 2023, discrete tax adjustments primarily related to the release of uncertain positions following the lapse of statute of limitations, as well as adjustments in connection with amended returns. For the three and twelve months ended July 31, 2022, the discrete tax adjustments primarily related to the release of uncertain tax positions following the closure of tax audits and prior year adjustments, including amended tax return items. For the three and twelve months ended July 31, 2021, the discrete tax adjustments primarily related to the release of uncertain tax positions following the closure of tax audits, as well as the impact of changes in tax rates.

(6) For the three and twelve months ended July 31, 2023, the tax impact on non-GAAP adjustments primarily related to the impairments and other charges and amortization of acquired intangibles. For the three and twelve months ended July 31, 2022 and July 31, 2021, the tax impact on non-GAAP adjustments primarily related to the amortization of acquired intangibles.

Thank you

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