

Quarter Ended October 31, 2025 Results Presentation



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, projected interest in and ownership of our common stock by investors including as a result of inclusion in North American market indices, plans and objectives for the future including our capabilities and priorities, risks associated with changes in global and regional economic, market and political conditions, ability to manage supply chain challenges, ability to manage the impact of product price fluctuations, our financial condition and liquidity, legal or regulatory changes 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 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; 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 London 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 Annual Report on Form 10-K for the fiscal year ended July 31, 2025 filed with the Securities and Exchange Commission (“SEC”) on September 26, 2025, 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, 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 December 9, 2025, 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

 **FERGUSON**

Quarter ended October 31, 2025 financial highlights

Net sales

\$8.2b

+5.1% vs 2024

Growth driven by consistent market outperformance

Organic growth **+4.2%**

Acquisition growth **+1.0%** less **0.1%** from FX and other

Adj. operating profit*

\$808m

+14.4% vs 2024

Solid gross margin and disciplined cost management

Adjusted operating margin* of **9.9%**, **up 80 bps**

Adjusted diluted EPS* of **\$2.84**, **+15.9%**

Capital deployment**

\$511m

Declared quarterly dividend of **\$0.89**, a **7%** increase over prior year

Completed **1** acquisition during the quarter

Returned **\$372m** to shareholders via share repurchases and dividends

Balance sheet remains strong with net debt to adjusted EBITDA* of **1.1x**

Balanced approach to US end markets

	% of US net sales*	Three months ended October 31, 2025 US net sales growth/(decline)	Three months ended October 31, 2024 US net sales growth/(decline)
Residential	50%	(1%)	Flat
Non-residential	50%	+12%	+1%
	100%	+5.3%	+0.5%

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

US net sales

Three months ended October 31,

Customer group	% of US net sales*	2025 net sales growth/(decline)	2024 net sales growth/(decline)**
Waterworks	25%	+14%	+3%
Ferguson Home	21%	+1%	(3%)
Residential Trade Plumbing	14%	(4%)	+1%
HVAC	11%	(6%)	+9%
Commercial / Mechanical	15%	+21%	+1%
Fire & Fabrication	3%	+6%	(13%)
Facilities Supply	4%	+5%	(6%)
Industrial	7%	+2%	+4%
US	100%	+5.3%	+0.5%

* For quarter ended October 31, 2025.

** 2024 customer group allocations recast for Ferguson Home.

02 Financial review

Bill Brundage, CFO



Financial highlights

	Three months ended October 31,		
\$m (except per share amounts)	2025	2024	Change
Net sales	8,169	7,772	+5.1%
Gross margin	30.7%	30.1%	+60 bps
Adjusted operating profit*	808	706	+14.4%
Adjusted operating margin*	9.9%	9.1%	+80 bps
Adjusted earnings per share – diluted*	\$2.84	\$2.45	+15.9%
Adjusted EBITDA*	867	758	+14.4%
Net debt : adjusted EBITDA*	1.1x	1.2x	

Strong execution drives outperformance

*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

Three months ended October 31,			
\$m	2025	2024	Change
Net sales			
US	7,757	7,369	+5.3%
Canada	412	403	+2.2%
Total net sales	8,169	7,772	+5.1%
Adjusted operating profit*			
US	806	697	+15.6%
Canada	16	23	(30.4%)
Central and other costs	(14)	(14)	
Total adjusted operating profit	808	706	+14.4%

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

Cash flow

	Three months ended October 31,	
\$m	2025	2024
Adjusted EBITDA*	867	758
Working capital	(440)	(376)
Interest and tax	(84)	(74)
Other items	87	37
Operating cash flow	430	345
Capex	(118)	(77)
Proceeds from the sale of assets	13	6
Free cash flow*	325	274

* 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

Capex investments

- Invested **\$118m** in the quarter
- Supply chain network optimization
- Technology
- Branch expansion and refurbishment

2. Dividends

- Paid **\$164m** of dividends during the quarter
- Declared quarterly dividend of **\$0.89** per share, an increase of 7% over the prior year

3. Acquisitions

- Completed one acquisition during the quarter
- Pipeline remains healthy

4. Surplus capital returns

- **\$208m** share repurchases completed during the quarter
- **~0.9m** shares repurchased during the quarter
- Share repurchase program has outstanding balance of approx. **\$800m***

**1.1x Net debt :
adjusted EBITDA****
at October 31, 2025

1-2x
Target net leverage range

* Share repurchase program balance shown as at October 31, 2025.

** 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 2025 Guidance

Updated Calendar 2025 Guidance January 1 – December 31, 2025

Net sales	~5% growth
Adjusted operating margin*	9.4% - 9.6%
Interest expense	~\$190m
Capital expenditures	~\$350m
Adjusted effective tax rate*	~26%

Prior Calendar 2025 Guidance January 1 – December 31, 2025

Mid-single digit growth
9.2% - 9.6%
\$180 - \$200 million
\$300 - \$350 million
~26%

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

03 Closing Remarks

Kevin Murphy, CEO



Closing remarks

Thank you to our associates.

1. Our teams continue to execute our growth strategy in a challenging market environment.
2. We are pleased with another quarter of double-digit non-residential revenue growth.
3. We are poised to deliver a strong calendar 2025 performance.
4. Strong balance sheet positions us well as we continue to invest in the business.
5. Despite a continuing uncertain environment, we will stay focused on leveraging multi-year structural tailwinds.

Join us for
Q&A



04 Appendix

Reconciliation of Net Income to Adjusted Operating Profit and Adjusted EBITDA

(In millions)	Three months ended	
	October 31,	
	2025	2024
Net income	\$570	\$470
Provision for income taxes	142	154
Interest expense, net	46	46
Other (income) expense, net	13	(5)
Operating profit	771	665
Corporate restructuring expenses ⁽¹⁾	2	3
Amortization of acquired intangibles	35	38
Adjusted Operating Profit	808	706
Depreciation & impairment of PP&E	52	44
Amortization of non-acquired intangibles	7	8
Adjusted EBITDA	<u>\$867</u>	<u>\$758</u>

- For the three months ended October 31, 2025 and 2024, 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.

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 October 31,	
	2025	2024
Long-term debt	\$4,124	\$3,447
Short-term debt	—	550
Bank overdrafts ⁽¹⁾	3	5
Derivative liabilities	3	6
Cash and cash equivalents	(526)	(601)
Net debt	\$3,604	\$3,407
Adjusted EBITDA ⁽²⁾	\$3,168	\$2,954
Net Debt / Adjusted EBITDA	1.1x	1.2x

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

(2) Adjusted EBITDA is on a rolling 12-month basis.

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	
	October 31,	
	2025	2024
Net income	\$1,956	\$1,686
Provision for income taxes	555	711
Interest expense, net	190	180
Other (income) expense, net	11	1
Corporate restructuring expenses ⁽¹⁾	6	31
Business restructuring expenses ⁽²⁾	73	—
Depreciation and amortization	377	345
Adjusted EBITDA	\$3,168	\$2,954
Net Debt: Adjusted EBITDA	1.1x	1.2x

1. For the rolling twelve months ended October 31, 2025 and 2024, corporate restructuring expenses primarily related to incremental costs in connection with establishing a new corporate structure to domicile our ultimate parent company in the United States, including transition activities following the domicile.
2. For the rolling twelve months ended October 31, 2025, business restructuring expenses 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.

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

(In millions, except per share amounts)	Three months ended			
	October 31,			
	2025		2024	
		<i>per share⁽¹⁾</i>		<i>per share⁽¹⁾</i>
Net income	\$570	\$2.90	\$470	\$2.34
Corporate restructuring expenses ⁽²⁾	2	0.01	3	0.01
Amortization of acquired intangibles	35	0.18	38	0.19
Discrete tax adjustments ⁽³⁾	(39)	(0.20)	(7)	(0.04)
Tax impact-non-GAAP adjustments ⁽⁴⁾	(9)	(0.05)	(10)	(0.05)
Adjusted net income	<u>\$559</u>	<u>\$2.84</u>	<u>\$494</u>	<u>\$2.45</u>
Diluted weighted-average shares outstanding		196.6		201.3

1. Per share on a dilutive basis.
2. For the three months ended October 31, 2025 and 2024, 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 months ended October 31, 2025, discrete tax adjustments mainly related to the release of uncertain tax positions following the lapse of statute of limitations and tax treatment of certain compensation items that are not material. For the three months ended October 31, 2024, discrete tax adjustments mainly related to the tax treatment of certain compensation items that are not material.
4. For the three months ended October 31, 2025 and 2024, the tax impact on non-GAAP adjustments primarily related to the amortization of acquired intangibles.

Disclaimer: All historical calendar year results contained in this presentation are unaudited, preliminary and subject to change. Accordingly, such information may be presented differently in future filings with the SEC. In addition, the Company is presenting select non-GAAP financial information to provide comparable reference periods in connection with the change in fiscal year-end from July 31 to December 31. See Legal Disclaimers on slide 2 for further information on non-GAAP financial information.

05 Historical Calendar Year Results



Calendar Year Financial Highlights

US\$ (In millions, except per share amounts)	Three months ended		
	March 31, 2025	June 30, 2025	September 30, 2025
Net sales	7,213	8,363	8,245
Gross profit	2,216	2,613	2,583
Gross margin	30.7%	31.2%	31.3%
Net income	345	634	638
Adjusted operating profit*	597	906	883
Adjusted operating margin*	8.3%	10.8%	10.7%
Adjusted earnings per share – diluted*	\$2.09	\$3.22	\$3.18
Adjusted EBITDA*	651	963	943

* This is a non-GAAP measure. See slides 24 to 25 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.

US\$ (In millions, except per share amounts)	Three months ended			Twelve months ended	
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	December 31, 2024
Net sales	7,001	7,847	7,736	7,234	29,818
Gross profit	2,147	2,352	2,397	2,148	9,044
Gross margin	30.7%	30.0%	31.0%	29.7%	30.3%
Net income	404	369	522	356	1,651
Adjusted operating profit*	622	766	768	549	2,705
Adjusted operating margin*	8.9%	9.8%	9.9%	7.6%	9.1%
Adjusted earnings per share – diluted*	\$2.13	\$2.66	\$2.65	\$1.88	\$9.33
Adjusted EBITDA*	671	813	820	601	2,905

Calendar Year Segment Results

US\$ (In millions)	Three months ended		
	March 31, 2025	June 30, 2025	September 30, 2025
Net sales:			
USA	6,904	7,947	7,821
Canada	309	416	424
Total net sales	7,213	8,363	8,245
Adjusted operating profit*:			
USA	611	899	875
Canada	6	23	22
Central and other costs	(20)	(16)	(14)
Total Adjusted operating profit*	597	906	883

US\$ (In millions)	Three months ended				Twelve months ended
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	December 31, 2024
Net sales:					
USA	6,695	7,439	7,337	6,878	28,349
Canada	306	408	399	356	1,469
Total net sales	7,001	7,847	7,736	7,234	29,818
Adjusted operating profit*:					
USA	630	766	756	545	2,697
Canada	4	20	19	17	60
Central and other costs	(12)	(20)	(7)	(13)	(52)
Total Adjusted operating profit*	622	766	768	549	2,705

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

Reconciliation of Net Income to Adjusted Operating Profit and Adjusted EBITDA

US\$ (In millions)	Three months ended		
	March 31, 2025	June 30, 2025	September 30, 2025
Net income	\$345	\$634	\$638
Provision for income taxes	124	156	153
Interest expense, net	46	49	47
Other (income) expense, net	(8)	3	6
Operating profit	507	842	844
Restructuring expenses ⁽¹⁾	51	25	3
Amortization of acquired intangibles	39	39	36
Adjusted operating profit	597	906	883
Depreciation and impairment of PP&E	47	49	53
Amortization of non-acquired intangibles	7	8	7
Adjusted EBITDA	<u>\$651</u>	<u>\$963</u>	<u>\$943</u>

1. For periods presented in 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.
2. For periods presented in 2024, restructuring expenses related to incremental costs in connection with establishing the new corporate structure to domicile our ultimate parent company in the United States as of August 1, 2024, and related transition activities thereafter.

US\$ (In millions)	Three months ended				Twelve months ended
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	December 31, 2024
Net income	\$404	\$369	\$522	\$356	\$1,651
Provision for income taxes	128	307	151	109	695
Interest expense, net	41	44	46	48	179
Other (income) expense, net	-	3	4	(4)	3
Operating profit	573	723	723	509	2,528
Restructuring expenses ⁽²⁾	14	4	8	-	26
Amortization of acquired intangibles	35	39	37	40	151
Adjusted operating profit	622	766	768	549	2,705
Depreciation and impairment of PP&E	42	39	45	44	170
Amortization of non-acquired intangibles	7	8	7	8	30
Adjusted EBITDA	<u>\$671</u>	<u>\$813</u>	<u>\$820</u>	<u>\$601</u>	<u>\$2,905</u>

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

US\$ (In millions, except per share amounts)	Three months ended					
	March 31, 2025		June 30, 2025		September 30, 2025	
	<i>per share⁽¹⁾</i>		<i>per share⁽¹⁾</i>		<i>per share⁽¹⁾</i>	
Net income	\$345	\$1.73	\$634	\$3.21	\$638	\$3.24
Restructuring expenses ⁽²⁾	51	0.26	25	0.12	3	0.02
Amortization of acquired intangibles	39	0.20	39	0.20	36	0.18
Discrete tax adjustments ⁽³⁾	3	0.02	(46)	(0.23)	(42)	(0.21)
Tax impact on non-GAAP adjustments ⁽⁴⁾	(23)	(0.12)	(16)	(0.08)	(9)	(0.05)
Adjusted net income	<u>\$415</u>	<u>\$2.09</u>	<u>\$636</u>	<u>\$3.22</u>	<u>\$626</u>	<u>\$3.18</u>
Diluted weighted average shares outstanding	199.0		197.5		196.9	

US\$ (In millions, except per share amounts)	Three months ended								Twelve months ended	
	March 31, 2024		June 30, 2024		September 30, 2024		December 31, 2024		December 31, 2024	
	<i>per share⁽¹⁾</i>		<i>per share⁽¹⁾</i>		<i>per share⁽¹⁾</i>		<i>per share⁽¹⁾</i>		<i>per share⁽¹⁾</i>	
Net income	\$404	\$1.99	\$369	\$1.82	\$522	\$2.59	\$356	\$1.78	\$1,651	\$8.18
Restructuring expenses ⁽⁵⁾	14	0.07	4	0.02	8	0.04	-	-	26	0.13
Amortization of acquired intangibles	35	0.17	39	0.20	37	0.18	40	0.20	151	0.75
Discrete tax adjustments ⁽⁶⁾	(10)	(0.05)	136	0.67	(22)	(0.11)	(10)	(0.05)	94	0.46
Tax impact on non-GAAP adjustments ⁽⁷⁾	(9)	(0.05)	(10)	(0.05)	(10)	(0.05)	(10)	(0.05)	(39)	(0.19)
Adjusted net income	<u>\$434</u>	<u>\$2.13</u>	<u>\$538</u>	<u>\$2.66</u>	<u>\$535</u>	<u>\$2.65</u>	<u>\$376</u>	<u>\$1.88</u>	<u>\$1,883</u>	<u>\$9.33</u>
Diluted weighted average shares outstanding	203.5		202.6		201.6		200.2		201.9	

1. Per share on a dilutive basis.

2. For periods presented in 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.

3. For the periods presented in 2025, discrete tax adjustments primarily related to the release of uncertain tax positions following the lapse of statute of limitations, as well as adjustments in connection with amended returns.

4. For the periods presented in 2025, the tax impact on non-GAAP adjustments related to the restructuring expenses and the amortization of acquired intangibles.

5. For periods presented in 2024, restructuring expenses related to incremental costs in connection with establishing the new corporate structure to domicile our ultimate parent company in the United States as of August 1, 2024, and related transition activities thereafter.

6. For the three months ended June 30, 2024, the discrete tax adjustments primarily related to non-recurring, non-cash deferred tax charges of \$137 million, resulting from the elimination of certain pre-existing U.K. tax attributes as part of the establishment of our parent company's domicile in the United States as of August 1, 2024. For each of the periods presented in 2024, discrete tax adjustments generally included the release of uncertain tax positions following the lapse of statute of limitations, adjustments in connection with amended returns and the tax treatment of certain compensation items, none of which were individually material.

7. For the periods presented in 2024, the tax impact on non-GAAP adjustments primarily related to the amortization of acquired intangibles.

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. 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.

	March 31,	June 30,	September 30,	December 31,
US\$ (In millions, except ratios)	2025	2025	2025	2024
Debt	3,908	3,989	4,129	4,328
Cash and cash equivalents	(596)	(407)	(832)	(722)
Net debt	3,312	3,582	3,297	3,606
Adjusted EBITDA ⁽¹⁾	2,885	3,035	3,158	2,905
Net Debt : Adjusted EBITDA ⁽¹⁾	1.1x	1.2x	1.0X	1.2x

- Adjusted EBITDA is on a rolling 12-month basis.

Condensed Consolidated Statement of Earnings

(In millions, except per share amounts)	Three months ended						Twelve months ended	
	March 31,		June 30,		September 30,		December 31,	December 31,
	2025	2024	2025	2024	2025	2024	2024	2024
Net sales	\$7,213	\$7,001	\$8,363	\$7,847	\$8,245	\$7,736	\$7,234	\$29,818
Cost of sales	(4,997)	(4,854)	(5,750)	(5,495)	(5,662)	(5,339)	(5,086)	(20,774)
Gross profit	2,216	2,147	2,613	2,352	2,583	2,397	2,148	9,044
Selling, general and administrative expenses	(1,565)	(1,476)	(1,650)	(1,539)	(1,640)	(1,577)	(1,547)	(6,139)
Restructuring expenses	(51)	(14)	(25)	(4)	(3)	(8)	-	(26)
Depreciation and amortization	(93)	(84)	(96)	(86)	(96)	(89)	(92)	(351)
Operating Profit	507	573	842	723	844	723	509	2,528
Interest expense, net	(46)	(41)	(49)	(44)	(47)	(46)	(48)	(179)
Other expense, net	8	-	(3)	(3)	(6)	(4)	4	(3)
Income before income taxes	469	532	790	676	791	673	465	2,346
Provision for income taxes	(124)	(128)	(156)	(307)	(153)	(151)	(109)	(695)
Net earnings	\$345	\$404	\$634	\$369	\$638	\$522	\$356	\$1,651
Earnings per share - Basic:	\$1.74	\$1.99	\$3.21	\$1.83	\$3.25	\$2.60	\$1.78	\$8.19
Earnings per share - Diluted:	\$1.73	\$1.99	\$3.21	\$1.82	\$3.24	\$2.59	\$1.78	\$8.18
Weighted average number of shares outstanding:								
Basic	198.8	202.9	197.4	202.0	196.5	201.1	200.0	201.5
Diluted	199.0	203.5	197.5	202.6	196.9	201.6	200.2	201.9

Condensed Consolidated Balance Sheet

(In millions)	As of	
	September 30, 2025	December 31, 2024
Assets		
Cash and cash equivalents	\$832	\$722
Accounts receivable, net	3,841	3,160
Inventories	4,751	4,363
Prepaid and other current assets	1,010	970
Assets held for sale	45	26
Total current assets	10,479	9,241
Property, plant and equipment, net	1,886	1,802
Operating lease right-of-use assets	1,835	1,616
Deferred income taxes, net	135	187
Goodwill	2,465	2,363
Other non-current assets	1,346	1,282
Total assets	\$18,146	\$16,491
Liabilities and stockholders' equity		
Accounts payable	3,782	3,111
Other current liabilities	2,091	2,132
Total current liabilities	5,873	5,243
Long-term debt	4,124	3,798
Long-term portion of operating lease liabilities	1,428	1,234
Other long-term liabilities	724	783
Total liabilities	12,149	11,058
Total stockholders' equity	5,997	5,433
Total liabilities and stockholders' equity	\$18,146	\$16,491

Condensed Consolidated Statements of Cash Flows

	Nine months ended September 30, 2025	Twelve months ended December 31, 2024
(In millions)		
Cash flows from operating activities:		
Net income	\$1,617	\$1,651
Other operating activities	267	420
Net cash provided by operating activities	1,884	2,071
Cash flows from investing activities:		
Purchase of businesses acquired, net of cash acquired	(276)	(297)
Capital expenditures	(247)	(328)
Other investing activities	55	10
Net cash used in investing activities	(468)	(615)
Cash flows from financing activities:		
Cash dividends	(493)	(637)
Other financing activities	(851)	(1,662)
Net cash used in financing activities	(1,344)	(2,299)
Change in cash, cash equivalents and restricted cash	72	(843)
Effects of exchange rate changes	19	(27)
Cash, cash equivalents and restricted cash, beginning of period	773	1,643
Cash, cash equivalents and restricted cash, end of period	\$864	\$773

Thank You

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