



# First Quarter Results Presentation

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Quarter Ended March 31, 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; our ability to manage supply chain challenges; our ability to manage the impact of product price fluctuations and changes in demand for our products and services; the overall performance of, including demand levels for, the markets in which we operate; our acquisition pipeline and ability to achieve potential benefits from future acquisitions; capital deployment strategy, including the amount and timing of our dividends and share repurchases; investments and capital expenditures; plans regarding stock exchange listings; 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 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 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 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 May 5, 2026, that may arise in the future. The variability of these items is unpredictable and may have a significant impact.

# Introduction and Q1 Highlights

Kevin Murphy, CEO



# First quarter financial highlights

Net sales

**\$7.5b**

+3.6% vs Q1 CY25

**+3.6%** growth driven by market outperformance

Organic growth **+2.8%**

Acquisition growth **+0.8%**

Adj. operating profit\*

**\$647m**

+8.4% vs Q1 CY25

Strong gross margin, productivity and disciplined cost management

Adjusted operating margin\* of **8.7%**, **+40 bps**

Adjusted diluted EPS\* of **\$2.28**, **+9.1%**

Capital deployment\*\*

**\$512m**

Completed **2** acquisitions during the quarter

Share repurchases of **\$236m** and dividends of **\$174m**

Balance sheet remains strong with net debt to adjusted EBITDA\* of **1.0x**

# Balanced approach to US end markets

Three months ended March 31,

	% of US net sales*	2026 US net sales growth/(decline)	2025 US net sales growth/(decline)
Residential	~50%	(1%)	Flat
Non-residential	~50%	+8%	+6%
	<b>100%</b>	<b>+3.5%</b>	<b>+3.1%</b>

# US first quarter net sales

Three months ended March 31,

Customer group	% of US net sales*	2026 US net sales growth/(decline)	2025 US net sales growth/(decline)
Waterworks	23%	+5%	+11%
Commercial / Mechanical	16%	+18%	+9%
Industrial	7%	+10%	+1%
Facilities Supply	4%	+3%	(3%)
Fire & Fabrication	3%	(6%)	(5%)
Ferguson Home	21%	(2%)	Flat
Residential Trade Plumbing	15%	(2%)	(4%)
HVAC	11%	+1%	+5%
<b>US</b>	<b>100%</b>	<b>+3.5%</b>	<b>+3.1%</b>

# Financial Review

Bill Brundage, CFO



# First quarter financial highlights

Three months ended March 31,

**\$m (except per share amounts)**

	2026	2025	Change
Net sales	7,472	7,213	+3.6%
Gross margin	31.0%	30.7%	+30 bps
Adjusted operating profit*	647	597	+8.4%
Adjusted operating margin*	8.7%	8.3%	+40 bps
Adjusted earnings per share – diluted*	\$2.28	\$2.09	+9.1%
Adjusted EBITDA*	711	651	+9.2%
Net debt : adjusted EBITDA*	1.0x	1.1x	

Solid performance in challenging markets

# Segment financial highlights

Three months ended March 31,

\$m

Net sales

US

Canada

Total net sales

Adjusted operating profit\*

US

Canada

Central and other costs

Total adjusted operating profit

	2026	2025	Change
Net sales			
US	7,146	6,904	+3.5%
Canada	326	309	+5.5%
Total net sales	7,472	7,213	+3.6%
Adjusted operating profit*			
US	656	611	+7.4%
Canada	5	6	(16.7%)
Central and other costs	(14)	(20)	
Total adjusted operating profit	647	597	+8.4%

# Cash flow – first quarter

Three months ended March 31,

\$m

Adjusted EBITDA\*

Working capital

Interest and tax

Other items

Operating cash flow

Capex

Proceeds from the sale of assets

Free cash flow\*

	2026	2025
Adjusted EBITDA*	711	651
Working capital	176	481
Interest and tax	(100)	(199)
Other items	(15)	(59)
Operating cash flow	772	874
Capex	(92)	(73)
Proceeds from the sale of assets	8	12
Free cash flow*	688	813

# Capital allocation

## 1. Organic growth

### Working capital

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

### Capex investments

- Invested **\$92m** into capex in fiscal quarter
- Supply chain network optimization
- Technology
- Branch expansion and refurbishment

## 2. Acquisitions

- Completed **two** acquisitions during the first quarter, **one** subsequent to quarter-end and signed definitive purchase agreements on another **three**.
- Pipeline remains healthy

## 3. Dividends

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

## 4. Surplus capital returns

- **\$236m** share repurchases completed in fiscal year to date
- New **\$2 billion** share repurchase program authorization

**1.0x Net debt :**  
**adjusted EBITDA\***  
at March 31, 2026

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

# Calendar 2026 guidance (unchanged)

	<b>Calendar 2026 Guidance</b> January 1 – December 31, 2026
Net sales	Low to mid-single digit growth
Adjusted operating margin*	9.4% - 9.8%
Interest expense	~\$200m
Capital expenditures	~\$350 - 400m
Adjusted effective tax rate*	~26%

# Closing Remarks

Kevin Murphy, CEO



# Closing remarks

## Thank you to our associates.

- Our associates delivered solid results to start the year, as they continued to serve our customers and execute our strategy in a challenging market environment.
- Our investments and focus on key growth initiatives continue to deliver market share gains and are yielding solid results.
- While we continue to operate in an uncertain environment, we remain confident in our residential and non-residential markets over the medium-term and continue to invest in scale and capabilities to support the complex project needs of our water and air specialized professional customers.

Join us for  
**Q&A**



# Appendix



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

Three months ended March 31,

(In millions)

## Net income

Provision for income taxes

Interest expense, net

Other expense (income), net

## Operating profit

Corporate restructuring expenses<sup>(1)</sup>

Business restructuring expenses<sup>(2)</sup>

## Adjusted EBIT

Amortization of acquired intangibles

## Adjusted Operating Profit

Depreciation and impairment of PP&E

Amortization and impairment of non-acquired intangibles

## Adjusted EBITDA

	2026	2025
<b>Net income</b>	<b>\$414</b>	<b>\$345</b>
Provision for income taxes	146	124
Interest expense, net	45	46
Other expense (income), net	7	(8)
<b>Operating profit</b>	<b>612</b>	<b>507</b>
Corporate restructuring expenses <sup>(1)</sup>	2	—
Business restructuring expenses <sup>(2)</sup>	—	51
<b>Adjusted EBIT</b>	<b>614</b>	<b>558</b>
Amortization of acquired intangibles	33	39
<b>Adjusted Operating Profit</b>	<b>647</b>	<b>597</b>
Depreciation and impairment of PP&E	58	47
Amortization and impairment of non-acquired intangibles	6	7
<b>Adjusted EBITDA</b>	<b>\$711</b>	<b>\$651</b>

# 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.

	As of March 31,	
(In millions, except ratios)	2026	2025
Long-term debt	\$3,979	\$3,500
Short-term debt	148	400
Bank overdrafts <sup>(1)</sup>	—	4
Derivative liabilities	2	4
Cash and cash equivalents	(820)	(596)
Net debt	\$3,309	\$3,312
Adjusted EBITDA	\$3,303	\$2,885
Net Debt / Adjusted EBITDA	1.0x	1.1x

# Adjusted EBITDA (rolling 12-month) reconciliation

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

	Twelve months ended March 31,	
(In millions, except ratios)	2026	2025
Net income	\$2,075	\$1,592
Provision for income taxes	600	691
Interest expense, net	189	184
Other expense (income), net	30	(5)
Restructuring activities <sup>(1)</sup>	25	63
Depreciation and amortization	384	360
<b>Adjusted EBITDA</b>	<b>\$3,303</b>	<b>\$2,885</b>
<b>Net Debt: Adjusted EBITDA</b>	<b>1.0x</b>	<b>1.1x</b>

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

Three months ended March 31,

(In millions, except per share amounts)

	2026		2025	
		<i>per share<sup>(1)</sup></i>		<i>per share<sup>(1)</sup></i>
<b>Net income</b>	\$414	\$2.13	\$345	\$1.73
Corporate restructuring activities <sup>(2)</sup>	2	0.01	—	—
Business restructuring activities <sup>(3)</sup>	—	—	51	0.26
Amortization of acquired intangibles	33	0.17	39	0.20
Discrete tax adjustments <sup>(4)</sup>	4	0.02	3	0.02
Tax impact on non-GAAP adjustments <sup>(5)</sup>	(9)	(0.05)	(23)	(0.12)
<b>Adjusted net income</b>	<b>\$444</b>	<b>\$2.28</b>	<b>\$415</b>	<b>\$2.09</b>
Diluted weighted average shares outstanding		<b>194.8</b>		<b>199.0</b>

1. Per share on a dilutive basis.

2. For the three months ended March 31, 2026, 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 March 31, 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 months ended March 31, 2026 and 2025, discrete tax adjustments were mainly related to interest on uncertain tax positions.

5. For the three months ended March 31, 2026, the tax impact on non-GAAP adjustments primarily related to the amortization of acquired intangibles. For the three months ended March 31, 2025, the tax impact on non-GAAP adjustments related to the restructuring expenses and the amortization of acquired intangibles.

 **FERGUSON**

Thank you

