NEWS RELEASE

Assessment of listings structure - Outcome of shareholder consultation

4/15/2020

On 3 September 2019, the Board of Ferguson (the "Board") announced its intention, subject to shareholder approval, to demerge its UK operations ("Wolseley UK demerger"). This will result in Ferguson being wholly focused on its attractive North American markets. At the same time, the Board also announced that it was considering the most appropriate listing structure for the Group going forward.

Following the Wolseley UK demerger, Ferguson's Group CEO and operational management team will be based in North America and the entirety of the Company's revenues and profits will be generated there. In addition, there is a comparable set of peer companies listed in the US, some of whom compete directly with Ferguson. These companies have a large domestic investor following and are typically covered by a broad range of North American equity analysts.

The Board believes that it would now be beneficial to have direct access to this substantial incremental pool of capital in the US and, together with its advisers has been carefully assessing a range of options and the associated costs and benefits of amending its listing structure to allow access to these benefits. The Board believes that the US is the natural long-term listing location for Ferguson. It also recognizes the importance of acting in the interests of shareholders as a whole, many of whom, in the event of a primary US listing, have mandates that may restrict

continued long-term ownership.

On 4 February 2020 the Board announced that it was commencing a further consultation with institutional shareholders on two potential listing structures which would aim to facilitate greater North American domestic investment in Ferguson. Option 1 is to seek shareholder approval for an additional listing of ordinary shares in the US and Option 2 is to seek shareholder approval for a primary listing in the US. The key elements of each option were summarized in the 4 February announcement and are repeated in the appendix to this announcement.

Since the 4 February announcement, the Board has consulted with institutional shareholders representing approximately 70% of Ferguson's issued share capital and, together with its advisers, has carefully considered the feedback received. While there is majority shareholder support for Option 2, the Board does not believe that the required 75% majority in favor of Option 2 would be achieved.

Consequently, and taking into account the feedback received, the Board has decided to seek shareholder approval for Option 1 to enable an additional listing of ordinary shares in the US. Once the general uncertainty arising from the COVID-19 pandemic has lessened, a General Meeting will be convened to consider the necessary shareholder resolution and if approved, the additional listing is expected to take effect in the first half of calendar year 2021.

The Board expects that the additional US listing will facilitate increased ownership by domestic US funds and, accordingly, the Company will also initiate additional full-time investor relations support in the region. In addition, the Executive team will also undertake extensive additional investor marketing in the US. These actions will enhance understanding and awareness of Ferguson's business amongst this significant incremental pool of capital.

Within 12 months of the effective date of the additional US listing, or earlier should there be a meaningful change in ownership, the Board intends to put forward a further shareholder resolution to relocate the Company's primary listing to the US. The Board believes that this two-step process to transition to a full US primary listing would provide an appropriate period during which some shareholders that have mandates which may restrict their long-term ownership of the Company could sell their holdings in an orderly manner.

Geoff Drabble, Ferguson plc's Chairman commented:

"This is a complex topic for our shareholders and during the consultation process we have engaged widely and listened carefully to their views. The Board is recommending an additional listing of ordinary shares on a major US exchange which we will put to a vote once current market uncertainty has lessened and if approved is expected to take effect in the first half of calendar 2021. We believe that ultimately achieving a US primary listing remains the right outcome for our business as a domestic US value added distributor. Consequently, after a period of transition, the Board intends to hold a further shareholder vote to change the primary listing to the US. We believe this

process presents the most orderly and equitable path to achieving this aim."

This announcement contains inside information.

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Notes to editors:

1. Ferguson plc is a value added distributor of plumbing and heating products to professional contractors principally operating in North America and the UK. Revenue for the year ended 31 July 2019 was $21.8 billion and ongoing trading profit was $1.6 billion. Ferguson plc is listed on the London Stock Exchange (LSE: FERG) and is in the FTSE 100 index of listed companies. For more information, please visit **www.fergusonplc.com** or follow us on Twitter **https://twitter.com/Ferguson_plc**.

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APPENDIX

Option 1 - Seek shareholder approval for an additional listing of ordinary shares in the US

If this option were to be pursued:

- Ferguson would seek an additional listing of its shares on a major US stock exchange whilst maintaining its existing premium listing on the London Stock Exchange ("additional US listing").
- This option is not expected to lead to any change in Ferguson's existing membership of the
- FTSE 100 index, though it would not achieve inclusion in a US index.
- Ferguson's current American Depository Receipt ("ADR") program would be cancelled.
- An additional US listing would require shareholder consent with a majority of 75% of votes cast in favor of a resolution to amend Ferguson's current articles of association to facilitate settlement of its shares in the UK and in the US.

- This does not preclude a subsequent move to a primary listing in the US (Option 2 below) but it would remain the case that the Group's existing London premium listing could not be cancelled without a further and separate shareholder vote (requiring a 75% majority of votes cast).
- An additional US listing is not expected to lead to any material change in Ferguson's existing high standards of governance and corporate responsibility.
- An additional listing requires Sarbanes Oxley compliance.

Option 2 - Seek shareholder approval for a primary listing in the US

If this option were to be pursued:

- Ferguson would seek a change of primary listing of Ferguson's ordinary shares to a major US stock exchange.
- To become eligible for inclusion in major stock indices in the US, the Group would need to change its premium listing in London to a standard listing and consequently Ferguson would no longer be eligible for inclusion in the FTSE 100 index. In this scenario, it is likely that there would be a period of time between the Group ceasing to be eligible for FTSE 100 indexation and becoming eligible for inclusion in major US stock indices.
- Ferguson's current ADR program would be cancelled.
- This option would require shareholder consent with a 75% majority of votes cast in favor of Ferguson amending its articles of association and changing its premium listing in the UK to a standard listing.
- Under a primary US listing it is likely that Ferguson would move to US standards of governance and corporate responsibility in line with domestic peers.
- A primary US listing requires Sarbanes Oxley and US GAAP compliance.