NEWS RELEASE

Ferguson announces $500 million share buy back program

2/4/2020

Ferguson today announces that it intends to buy back up to $500 million of its shares over the next 12 months.

In line with its capital allocation priorities and reflecting management's confidence in the business and the continuing strong cash generation of the Company, and after taking into account the excellent opportunities to invest in organic growth and acquisitions, the Board considers that the Company has surplus cash resources available.

The Company's capital allocation priorities remain unchanged. Ferguson's investment priorities remain focused on achieving organic growth that exceeds underlying market growth, funding the ordinary dividend through the cycle and investing in bolt-on acquisitions that meet our stringent investment criteria. The Board has a progressive dividend policy for future pay outs, with the aim of increasing dividends in line with the long-term underlying growth in earnings. Any surplus cash after meeting these investment needs will be returned to shareholders.

Ferguson has returned $4 billion of surplus cash to shareholders over the last 8 years and our balance sheet remains strong and the Company will continue to target net debt in the range of 1x to 2x EBITDA.

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Notes to editors

Ferguson plc is the world's largest specialist trade distributor of plumbing and heating products to professional contractors principally operating in North America. Ongoing 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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