

Lowe's Companies, Inc.
Consolidated Statements of Current Earnings and Accumulated Deficit (Unaudited)

In Millions, Except Per Share and Percentage Data

| | Three Months Ended | | | |
|---|--------------------|---------------|-------------------|---------------|
| | May 5, 2023 | | April 29, 2022 | |
| | Amount | % Sales | Amount | % Sales |
| Current Earnings | | | | |
| Net sales | \$ 22,347 | 100.00 | \$ 23,659 | 100.00 |
| Cost of sales | 14,820 | 66.32 | 15,609 | 65.97 |
| Gross margin | 7,527 | 33.68 | 8,050 | 34.03 |
| Expenses: | | | | |
| Selling, general and administrative | 3,824 | 17.12 | 4,303 | 18.19 |
| Depreciation and amortization | 415 | 1.85 | 445 | 1.88 |
| Operating income | 3,288 | 14.71 | 3,302 | 13.96 |
| Interest – net | 349 | 1.56 | 243 | 1.03 |
| Pre-tax earnings | 2,939 | 13.15 | 3,059 | 12.93 |
| Income tax provision | 679 | 3.04 | 726 | 3.07 |
| Net earnings | \$ 2,260 | 10.11 | \$ 2,333 | 9.86 |
| Weighted average common shares outstanding – basic | 596 | | 660 | |
| Basic earnings per common share ⁽¹⁾ | \$ 3.78 | | \$ 3.52 | |
| Weighted average common shares outstanding – diluted | 597 | | 662 | |
| Diluted earnings per common share ⁽¹⁾ | \$ 3.77 | | \$ 3.51 | |
| Cash dividends per share | \$ 1.05 | | \$ 0.80 | |
| Accumulated Deficit | | | | |
| Balance at beginning of period | \$ (14,862) | | \$ (5,115) | |
| Net earnings | 2,260 | | 2,333 | |
| Cash dividends declared | (624) | | (524) | |
| Share repurchases | (2,084) | | (4,061) | |
| Balance at end of period | \$ (15,310) | | \$ (7,367) | |

⁽¹⁾ Under the two-class method, earnings per share is calculated using net earnings allocable to common shares, which is derived by reducing net earnings by the earnings allocable to participating securities. Net earnings allocable to common shares used in the basic and diluted earnings per share calculation were \$2,254 million for the three months ended May 5, 2023, and \$2,325 million for the three months ended April 29, 2022.

Lowe's Companies, Inc.
Consolidated Statements of Comprehensive Income (Unaudited)

In Millions, Except Percentage Data

| | Three Months Ended | | | |
|---|--------------------|---------------|-----------------|--------------|
| | May 5, 2023 | | April 29, 2022 | |
| | Amount | % Sales | Amount | % Sales |
| Net earnings | \$ 2,260 | 10.11 | \$ 2,333 | 9.86 |
| Foreign currency translation adjustments – net of tax | — | — | (17) | (0.07) |
| Cash flow hedges – net of tax | (4) | (0.02) | 219 | 0.93 |
| Other | 1 | 0.01 | (2) | (0.01) |
| Other comprehensive (loss)/income | (3) | (0.01) | 200 | 0.85 |
| Comprehensive income | \$ 2,257 | 10.10 | \$ 2,533 | 10.71 |

Lowe's Companies, Inc.
Consolidated Balance Sheets (Unaudited)
In Millions, Except Par Value Data

| | May 5, 2023 | April 29, 2022 |
|---|------------------|------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 2,950 | \$ 3,414 |
| Short-term investments | 423 | 368 |
| Merchandise inventory – net | 19,522 | 20,239 |
| Other current assets | 1,023 | 1,590 |
| Total current assets | 23,918 | 25,611 |
| Property, less accumulated depreciation | 17,402 | 18,890 |
| Operating lease right-of-use assets | 3,504 | 4,131 |
| Long-term investments | 103 | 76 |
| Deferred income taxes – net | 150 | 33 |
| Other assets | 840 | 984 |
| Total assets | \$ 45,917 | \$ 49,725 |
| Liabilities and shareholders' deficit | | |
| Current liabilities: | | |
| Short-term borrowings | \$ 72 | \$ — |
| Current maturities of long-term debt | 589 | 121 |
| Current operating lease liabilities | 525 | 639 |
| Accounts payable | 11,885 | 13,831 |
| Accrued compensation and employee benefits | 766 | 1,190 |
| Deferred revenue | 1,645 | 2,094 |
| Income taxes payable | 526 | 741 |
| Other current liabilities | 3,202 | 3,215 |
| Total current liabilities | 19,210 | 21,831 |
| Long-term debt, excluding current maturities | 35,863 | 28,776 |
| Noncurrent operating lease liabilities | 3,479 | 4,061 |
| Deferred revenue – Lowe's protection plans | 1,206 | 1,137 |
| Other liabilities | 869 | 797 |
| Total liabilities | 60,627 | 56,602 |
| Shareholders' deficit: | | |
| Preferred stock, \$5 par value: Authorized – 5.0 million shares; Issued and outstanding – none | — | — |
| Common stock, \$0.50 par value: Authorized – 5.6 billion shares; Issued and outstanding – 592 million and 652 million, respectively | 296 | 326 |
| Accumulated deficit | (15,310) | (7,367) |
| Accumulated other comprehensive income | 304 | 164 |
| Total shareholders' deficit | (14,710) | (6,877) |
| Total liabilities and shareholders' deficit | \$ 45,917 | \$ 49,725 |

Lowe's Companies, Inc.
Consolidated Statements of Cash Flows (Unaudited)
In Millions

| | Three Months Ended | |
|---|--------------------|-----------------|
| | May 5, 2023 | April 29, 2022 |
| Cash flows from operating activities: | | |
| Net earnings | \$ 2,260 | \$ 2,333 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | |
| Depreciation and amortization | 465 | 503 |
| Noncash lease expense | 108 | 135 |
| Deferred income taxes | 102 | 59 |
| Asset impairment and loss on property – net | 11 | 4 |
| Gain on sale of business | (67) | — |
| Share-based payment expense | 59 | 50 |
| Changes in operating assets and liabilities: | | |
| Merchandise inventory – net | (990) | (2,646) |
| Other operating assets | 157 | (212) |
| Accounts payable | 1,361 | 2,479 |
| Deferred revenue | 48 | 191 |
| Other operating liabilities | (1,408) | 81 |
| Net cash provided by operating activities | 2,106 | 2,977 |
| Cash flows from investing activities: | | |
| Purchases of investments | (450) | (109) |
| Proceeds from sale/maturity of investments | 412 | 132 |
| Capital expenditures | (380) | (343) |
| Proceeds from sale of property and other long-term assets | 8 | 10 |
| Proceeds from sale of business | 123 | — |
| Other – net | (17) | — |
| Net cash used in investing activities | (304) | (310) |
| Cash flows from financing activities: | | |
| Net change in commercial paper | (427) | — |
| Net proceeds from issuance of debt | 2,983 | 4,964 |
| Repayment of debt | (22) | (773) |
| Proceeds from issuance of common stock under share-based payment plans | 5 | 1 |
| Cash dividend payments | (633) | (537) |
| Repurchases of common stock | (2,106) | (4,037) |
| Other – net | — | (4) |
| Net cash used in financing activities | (200) | (386) |
| Net increase in cash and cash equivalents | 1,602 | 2,281 |
| Cash and cash equivalents, beginning of period | 1,348 | 1,133 |
| Cash and cash equivalents, end of period | \$ 2,950 | \$ 3,414 |

Lowe's Companies, Inc.**Non-GAAP Financial Measure Reconciliation (Unaudited)**

To provide additional transparency, the Company has presented a comparison to the non-GAAP financial measure of adjusted diluted earnings per share for the three months ended May 5, 2023. This measure excludes the impact of certain items, further described below, not contemplated in Lowe's Business Outlook to assist analysts and investors in understanding operational performance for the first quarter of fiscal 2023.

Fiscal 2023 Impacts

During fiscal 2023, the Company recognized financial impacts from the following, not contemplated in the Company's Business Outlook for fiscal 2023:

- In the first quarter of fiscal 2023, the Company recognized pre-tax income of \$63 million consisting of a realized gain on the contingent consideration and estimated adjustments to the selling price associated with the fiscal 2022 sale of the Canadian retail business (Canadian retail business transaction).

Adjusted diluted earnings per share should not be considered an alternative to, or more meaningful indicator of, the Company's diluted earnings per share as prepared in accordance with GAAP. The Company's methods of determining non-GAAP financial measures may differ from the method used by other companies and may not be comparable.

A reconciliation between the Company's GAAP and non-GAAP financial results is shown below and available on the Company's website at ir.lowes.com.

| | Three Months Ended | | |
|---|--------------------|------------------|----------------|
| | May 5, 2023 | | |
| | Pre-Tax Earnings | Tax ¹ | Net Earnings |
| Diluted earnings per share, as reported | | | \$ 3.77 |
| Non-GAAP adjustments – per share impacts | | | |
| Canadian retail business transaction | (0.10) | — | (0.10) |
| Adjusted diluted earnings per share | | | \$ 3.67 |

¹ Represents the corresponding tax benefit or expense specifically related to the item excluded from adjusted diluted earnings per share.