

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

In Millions, Except Per Share and Percentage Data

	Three Months Ended				Six Months Ended			
	August 4, 2023		July 29, 2022		August 4, 2023		July 29, 2022	
	Amount	% Sales	Amount	% Sales	Amount	% Sales	Amount	% Sales
Current Earnings								
Net sales	\$ 24,956	100.00	\$ 27,476	100.00	\$ 47,304	100.00	\$ 51,135	100.00
Cost of sales	16,557	66.34	18,343	66.76	31,378	66.33	33,952	66.40
Gross margin	8,399	33.66	9,133	33.24	15,926	33.67	17,183	33.60
Expenses:								
Selling, general and administrative	4,086	16.38	4,455	16.22	7,912	16.73	8,758	17.12
Depreciation and amortization	427	1.71	449	1.63	841	1.78	894	1.75
Operating income	3,886	15.57	4,229	15.39	7,173	15.16	7,531	14.73
Interest – net	341	1.36	264	0.96	689	1.45	507	0.99
Pre-tax earnings	3,545	14.21	3,965	14.43	6,484	13.71	7,024	13.74
Income tax provision	872	3.50	973	3.54	1,551	3.28	1,699	3.33
Net earnings	\$ 2,673	10.71	\$ 2,992	10.89	\$ 4,933	10.43	\$ 5,325	10.41
Weighted average common shares outstanding – basic	584		638		590		649	
Basic earnings per common share ⁽¹⁾	\$ 4.56		\$ 4.68		\$ 8.34		\$ 8.18	
Weighted average common shares outstanding – diluted	585		639		591		651	
Diluted earnings per common share ⁽¹⁾	\$ 4.56		\$ 4.67		\$ 8.32		\$ 8.16	
Cash dividends per share	\$ 1.10		\$ 1.05		\$ 2.15		\$ 1.85	
Accumulated Deficit								
Balance at beginning of period	\$(15,310)		\$ (7,367)		\$(14,862)		\$ (5,115)	
Net earnings	2,673		2,992		4,933		5,325	
Cash dividends declared	(641)		(666)		(1,266)		(1,190)	
Share repurchases	(2,063)		(3,854)		(4,146)		(7,915)	
Balance at end of period	\$ (15,341)		\$ (8,895)		\$ (15,341)		\$ (8,895)	

⁽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 \$2,666 million for the three months ended August 4, 2023, and \$2,983 million for the three months ended July 29, 2022. Net earnings allocable to common shares used in the basic and diluted earnings per share calculation were \$4,920 million for the six months ended August 4, 2023, and \$5,308 million for the six months ended July 29, 2022.

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

In Millions, Except Percentage Data

	Three Months Ended				Six Months Ended			
	August 4, 2023		July 29, 2022		August 4, 2023		July 29, 2022	
	Amount	% Sales	Amount	% Sales	Amount	% Sales	Amount	% Sales
Net earnings	\$ 2,673	10.71	\$ 2,992	10.89	\$ 4,933	10.43	\$ 5,325	10.41
Foreign currency translation adjustments – net of tax	5	0.01	12	0.05	5	0.01	(5)	(0.02)
Cash flow hedges – net of tax	(3)	(0.01)	(38)	(0.14)	(6)	(0.02)	181	0.36
Other	—	—	(1)	—	—	—	(3)	0.01
Other comprehensive income/(loss)	2	—	(27)	(0.09)	(1)	(0.01)	173	0.35
Comprehensive income	\$ 2,675	10.71	\$ 2,965	10.80	\$ 4,932	10.42	\$ 5,498	10.76

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

	August 4, 2023	July 29, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,494	\$ 1,482
Short-term investments	374	450
Merchandise inventory – net	17,422	19,329
Other current assets	946	1,406
Total current assets	22,236	22,667
Property, less accumulated depreciation	17,373	18,713
Operating lease right-of-use assets	3,650	4,158
Long-term investments	182	56
Deferred income taxes – net	230	104
Other assets	850	1,027
Total assets	\$ 44,521	\$ 46,725
Liabilities and shareholders' deficit		
Current liabilities:		
Current maturities of long-term debt	\$ 592	\$ 121
Current operating lease liabilities	534	652
Accounts payable	10,333	12,631
Accrued compensation and employee benefits	1,026	1,227
Deferred revenue	1,566	1,968
Income taxes payable	91	330
Other current liabilities	3,470	3,437
Total current liabilities	17,612	20,366
Long-term debt, excluding current maturities	35,839	28,763
Noncurrent operating lease liabilities	3,611	4,069
Deferred revenue – Lowe's protection plans	1,231	1,169
Other liabilities	960	800
Total liabilities	59,253	55,167
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 – 582 million and 631 million, respectively	291	316
Capital in excess of par value	12	—
Accumulated deficit	(15,341)	(8,895)
Accumulated other comprehensive income	306	137
Total shareholders' deficit	(14,732)	(8,442)
Total liabilities and shareholders' deficit	\$ 44,521	\$ 46,725

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

	Six Months Ended	
	August 4, 2023	July 29, 2022
Cash flows from operating activities:		
Net earnings	\$ 4,933	\$ 5,325
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	941	1,007
Noncash lease expense	241	273
Deferred income taxes	23	—
Asset impairment and loss on property – net	23	32
Gain on sale of business	(67)	—
Share-based payment expense	113	110
Changes in operating assets and liabilities:		
Merchandise inventory – net	1,109	(1,728)
Other operating assets	224	(120)
Accounts payable	(191)	1,279
Deferred revenue	(6)	97
Other operating liabilities	(1,375)	(263)
Net cash provided by operating activities	5,968	6,012
Cash flows from investing activities:		
Purchases of investments	(878)	(330)
Proceeds from sale/maturity of investments	811	290
Capital expenditures	(765)	(687)
Proceeds from sale of property and other long-term assets	17	19
Proceeds from sale of business	123	—
Other – net	(23)	(1)
Net cash used in investing activities	(715)	(709)
Cash flows from financing activities:		
Net change in commercial paper	(499)	—
Net proceeds from issuance of debt	2,983	4,964
Repayment of debt	(45)	(799)
Proceeds from issuance of common stock under share-based payment plans	76	72
Cash dividend payments	(1,257)	(1,061)
Repurchases of common stock	(4,356)	(8,128)
Other – net	(9)	(2)
Net cash used in financing activities	(3,107)	(4,954)
Net increase in cash and cash equivalents	2,146	349
Cash and cash equivalents, beginning of period	1,348	1,133
Cash and cash equivalents, end of period	\$ 3,494	\$ 1,482