UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended July 30, 2021

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to ______

Commission File Number 1-7898

LOWE'S COMPANIES, INC.

(Exact name of registrant as specified in its charter)

North Carolina	**56-0578072**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1000 Lowes Blvd., Mooresville, North Carolina	**28117**
(Address of principal executive offices)	(Zip Code)
Registrant's telephone number, including area code:	**(704) 758-1000**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.50 per share	LOW	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

CLASS	OUTSTANDING AT 8/24/2021
Common Stock, $0.50 par value	692,432,690

LOWE'S COMPANIES, INC.

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FORWARD-LOOKING STATEMENTS

This Form 10-Q includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Statements including words such as “believe”, “expect”, “anticipate”, “plan”, “desire”, “project”, “estimate”, “intend”, “will”, “should”, “could”, “would”, “may”, “strategy”, “potential”, “opportunity”, “outlook”, “scenario”, “guidance”, and similar expressions are forward-looking statements. Forward-looking statements involve, among other things, expectations, projections, and assumptions about future financial and operating results, objectives, business outlook, priorities, sales growth, shareholder value, capital expenditures, cash flows, the housing market, the home improvement industry, demand for products and services, share repurchases, Lowe’s strategic initiatives, including those relating to acquisitions and dispositions and the impact of such transactions on our strategic and operational plans and financial results. Such statements involve risks and uncertainties and we can give no assurance that they will prove to be correct. Actual results may differ materially from those expressed or implied in such statements.

A wide variety of potential risks, uncertainties, and other factors could materially affect our ability to achieve the results either expressed or implied by these forward-looking statements including, but not limited to, changes in general economic conditions, such as the rate of unemployment, interest rate and currency fluctuations, fuel and other energy costs, slower growth in personal income, changes in consumer spending, changes in the rate of housing turnover, the availability of consumer credit and of mortgage financing, changes in commodity prices, trade policy changes or additional tariffs, outbreaks of public health crises, such as the COVID-19 pandemic, availability and cost of goods from suppliers, and other factors that can negatively affect our customers.

Investors and others should carefully consider the foregoing factors and other uncertainties, risks and potential events including, but not limited to, those described in “Item 1A - Risk Factors” in our most recent Annual Report on Form 10-K and as may be updated from time to time in Item 1A in our quarterly reports on Form 10-Q or other subsequent filings with the SEC, and in “Item 2 - Management’s Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies and Estimates” of this report on Form 10-Q. All such forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update these statements other than as required by law.

Part I - FINANCIAL INFORMATION

Item 1. Financial Statements

Lowe's Companies, Inc.
Consolidated Statements of Earnings (Unaudited)
In Millions, Except Per Share and Percentage Data

	Three Months Ended				Six Months Ended			
	July 30, 2021		July 31, 2020		July 30, 2021		July 31, 2020	
Current Earnings	**Amount**	**% Sales**	**Amount**	**% Sales**	**Amount**	**% Sales**	**Amount**	**% Sales**
Net sales	**$ 27,570**	**100.00 %**	**$ 27,302**	**100.00 %**	**$ 51,993**	**100.00 %**	**$ 46,977**	**100.00 %**
Cost of sales	18,258	66.22	17,998	65.92	34,551	66.45	31,161	66.33
Gross margin	**9,312**	**33.78**	**9,304**	**34.08**	**17,442**	**33.55**	**15,816**	**33.67**
Expenses:								
Selling, general and administrative	4,693	17.02	5,020	18.39	9,187	17.67	9,215	19.62
Depreciation and amortization	409	1.49	327	1.20	800	1.54	653	1.39
Operating income	**4,210**	**15.27**	**3,957**	**14.49**	**7,455**	**14.34**	**5,948**	**12.66**
Interest – net	216	0.78	219	0.80	427	0.82	423	0.90
Pre-tax earnings	**3,994**	**14.49**	**3,738**	**13.69**	**7,028**	**13.52**	**5,525**	**11.76**
Income tax provision	976	3.54	910	3.33	1,688	3.25	1,360	2.89
Net earnings	**$ 3,018**	**10.95 %**	**$ 2,828**	**10.36 %**	**$ 5,340**	**10.27 %**	**$ 4,165**	**8.87 %**
Weighted average common shares outstanding – basic	705		752		711		754	
Basic earnings per common share	**$ 4.27**		**$ 3.74**		**$ 7.48**		**$ 5.50**	
Weighted average common shares outstanding – diluted	707		753		713		755	
Diluted earnings per common share	**$ 4.25**		**$ 3.74**		**$ 7.46**		**$ 5.50**	

See accompanying notes to the consolidated financial statements (unaudited).

Lowe's Companies, Inc.
Consolidated Statements of Comprehensive Income (Unaudited)
In Millions, Except Percentage Data

	Three Months Ended				Six Months Ended			
	July 30, 2021		July 31, 2020		July 30, 2021		July 31, 2020	
	Amount	**% Sales**	**Amount**	**% Sales**	**Amount**	**% Sales**	**Amount**	**% Sales**
Net earnings	**$ 3,018**	**10.95 %**	**$ 2,828**	**10.36 %**	**$ 5,340**	**10.27 %**	**$ 4,165**	**8.87 %**
Foreign currency translation adjustments – net of tax	(44)	(0.17)	114	0.41	58	0.11	(45)	(0.10)
Cash flow hedges – net of tax	(9)	(0.03)	(5)	(0.02)	15	0.03	(108)	(0.23)
Other	(1)	—	(1)	—	(2)	—	4	0.01
Other comprehensive (loss)/income	**(54)**	**(0.20)**	**108**	**0.39**	**71**	**0.14**	**(149)**	**(0.32)**
Comprehensive income	**$ 2,964**	**10.75 %**	**$ 2,936**	**10.75 %**	**$ 5,411**	**10.41 %**	**$ 4,016**	**8.55 %**

See accompanying notes to the consolidated financial statements (unaudited).

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

	July 30, 2021	July 31, 2020	January 29, 2021
Assets			
Current assets:			
Cash and cash equivalents	$ 4,835	$ 11,641	$ 4,690
Short-term investments	1,420	1,085	506
Merchandise inventory – net	17,322	13,831	16,193
Other current assets	1,506	1,160	937
Total current assets	**25,083**	**27,717**	**22,326**
Property, less accumulated depreciation	19,031	18,734	19,155
Operating lease right-of-use assets	3,820	3,798	3,832
Long-term investments	225	326	200
Deferred income taxes – net	221	267	340
Other assets	1,024	921	882
Total assets	**$ 49,404**	**$ 51,763**	**$ 46,735**
Liabilities and shareholders' (deficit)/equity			
Current liabilities:			
Short-term borrowings	$ 1,000	$ 1,000	$ —
Current maturities of long-term debt	1,344	609	1,112
Current operating lease liabilities	557	520	541
Accounts payable	12,011	12,916	10,884
Accrued compensation and employee benefits	1,331	1,139	1,350
Deferred revenue	2,041	1,715	1,608
Other current liabilities	3,380	3,471	3,235
Total current liabilities	**21,664**	**21,370**	**18,730**
Long-term debt, excluding current maturities	21,967	20,197	20,668
Noncurrent operating lease liabilities	3,841	3,859	3,890
Deferred revenue – extended protection plans	1,097	981	1,019
Other liabilities	1,010	1,000	991
Total liabilities	**49,579**	**47,407**	**45,298**
Shareholders' (deficit)/equity:			
Preferred stock, $5 par value: Authorized – 5.0 million shares; Issued and outstanding – none	—	—	—
Common stock, $0.50 par value: Authorized – 5.6 billion shares; Issued and outstanding – 699 million, 756 million, and 731 million shares, respectively	350	378	366
Capital in excess of par value	—	129	90
(Accumulated deficit)/retained earnings	(460)	4,134	1,117
Accumulated other comprehensive loss	(65)	(285)	(136)
Total shareholders' (deficit)/equity	**(175)**	**4,356**	**1,437**
Total liabilities and shareholders' (deficit)/equity	**$ 49,404**	**$ 51,763**	**$ 46,735**

See accompanying notes to the consolidated financial statements (unaudited).

Lowe’s Companies, Inc.
Consolidated Statements of Shareholders’ (Deficit)/Equity (Unaudited)
In Millions

	Three Months Ended July 30, 2021					
	Common Stock		Capital in Excess of Par Value	Retained Earnings/ (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
Balance April 30, 2021	**715**	**$ 358**	**$ —**	**$ 98**	**$ (11)**	**$ 445**
Net earnings	—	—	—	3,018	—	3,018
Other comprehensive loss	—	—	—	—	(54)	(54)
Cash dividends declared, $0.80 per share	—	—	—	(563)	—	(563)
Share-based payment expense	—	—	63	—	—	63
Repurchases of common stock	(16)	(8)	(117)	(3,013)	—	(3,138)
Issuance of common stock under share-based payment plans	—	—	54	—	—	54
Balance July 30, 2021	**699**	**$ 350**	**$ —**	**$ (460)**	**$ (65)**	**$ (175)**

	Six Months Ended July 30, 2021					
	Common Stock		Capital in Excess of Par Value	Retained Earnings/ (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
Balance January 29, 2021	**731**	**$ 366**	**$ 90**	**$ 1,117**	**$ (136)**	**$ 1,437**
Net earnings	—	—	—	5,340	—	5,340
Other comprehensive income	—	—	—	—	71	71
Cash dividends declared, $1.40 per share	—	—	—	(993)	—	(993)
Share-based payment expense	—	—	113	—	—	113
Repurchase of common stock	(33)	(17)	(265)	(5,924)	—	(6,206)
Issuance of common stock under share-based payment plans	1	1	62	—	—	63
Balance July 30, 2021	**699**	**$ 350**	**$ —**	**$ (460)**	**$ (65)**	**$ (175)**

	Three Months Ended July 31, 2020					
	Common Stock		Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
Balance May 1, 2020	**755**	**$ 377**	**$ 10**	**$ 1,722**	**$ (393)**	**$ 1,716**
Net earnings	—	—	—	2,828	—	2,828
Other comprehensive income	—	—	—	—	108	108
Cash dividends declared, $0.55 per share	—	—	—	(416)	—	(416)
Share-based payment expense	—	—	41	—	—	41
Issuance of common stock under share-based payment plans	1	1	78	—	—	79
Balance July 31, 2020	**756**	**$ 378**	**$ 129**	**$ 4,134**	**$ (285)**	**$ 4,356**

	Six Months Ended July 31, 2020					
	Common Stock		Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
Balance January 31, 2020	**763**	**$ 381**	**$ —**	**$ 1,727**	**$ (136)**	**$ 1,972**
Net earnings	—	—	—	4,165	—	4,165
Other comprehensive loss	—	—	—	—	(149)	(149)
Cash dividends declared, $1.10 per share	—	—	—	(831)	—	(831)
Share-based payment expense	—	—	64	—	—	64
Repurchases of common stock	(10)	(5)	(15)	(927)	—	(947)
Issuance of common stock under share-based payment plans	3	2	80	—	—	82
Balance July 31, 2020	**756**	**$ 378**	**$ 129**	**$ 4,134**	**$ (285)**	**$ 4,356**

See accompanying notes to the consolidated financial statements (unaudited).

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

	Six Months Ended	
	July 30, 2021	**July 31, 2020**
Cash flows from operating activities:		
Net earnings	$ 5,340	$ 4,165
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	907	747
Noncash lease expense	252	234
Deferred income taxes	110	(14)
Loss on property and other assets – net	1	80
Share-based payment expense	115	64
Changes in operating assets and liabilities:		
Merchandise inventory – net	(1,096)	(674)
Other operating assets	(203)	66
Accounts payable	1,115	5,259
Deferred revenue	511	583
Other operating liabilities	(139)	1,242
Net cash provided by operating activities	**6,913**	**11,752**
Cash flows from investing activities:		
Purchases of investments	(1,635)	(1,132)
Proceeds from sale/maturity of investments	692	260
Capital expenditures	(846)	(710)
Proceeds from sale of property and other long-term assets	78	46
Other – net	(134)	(24)
Net cash used in investing activities	**(1,845)**	**(1,560)**
Cash flows from financing activities:		
Net change in commercial paper	—	(941)
Net proceeds from issuance of debt	2,988	3,961
Repayment of debt	(568)	(568)
Proceeds from issuance of common stock under share-based payment plans	63	83
Cash dividend payments	(870)	(836)
Repurchases of common stock	(6,174)	(966)
Other – net	(366)	(4)
Net cash (used in) provided by financing activities	**(4,927)**	**729**
Effect of exchange rate changes on cash	**4**	**4**
Net increase in cash and cash equivalents	145	10,925
Cash and cash equivalents, beginning of period	4,690	716
Cash and cash equivalents, end of period	**$ 4,835**	**$ 11,641**

See accompanying notes to the consolidated financial statements (unaudited).

Lowe’s Companies, Inc.
Notes to Consolidated Financial Statements (Unaudited)

Note 1: Summary of Significant Accounting Policies

Basis of Presentation

The accompanying condensed consolidated financial statements (unaudited) and notes to the condensed consolidated financial statements (unaudited) are presented in accordance with the rules and regulations of the Securities and Exchange Commission and do not include all the disclosures normally required in annual consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The condensed consolidated financial statements (unaudited), in the opinion of management, contain all normal recurring adjustments necessary to present fairly the financial position as of July 30, 2021, and July 31, 2020, and the results of operations, comprehensive income, and shareholders’ (deficit)/equity for the three and six months ended July 30, 2021, and July 31, 2020, and cash flows for the six months ended July 30, 2021, and July 31, 2020. The January 29, 2021 consolidated balance sheet was derived from the audited financial statements.

These interim condensed consolidated financial statements (unaudited) should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Lowe’s Companies, Inc. (the Company) Annual Report on Form 10-K for the fiscal year ended January 29, 2021 (the Annual Report). The financial results for the interim periods may not be indicative of the financial results for the entire fiscal year.

Reclassifications

Certain prior period amounts have been reclassified to conform to current period presentation, including the reclassification of excess property from other assets to property, less accumulated depreciation on the consolidated balance sheet as of July 31, 2020, and the separate disclosure of changes in deferred revenue within operating activities on the consolidated statement of cash flows for the six months ended July 31, 2020.

Accounting Pronouncements Not Yet Adopted

In March 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-04, *Reference Rate Reform (Topic 848): Facilitation of Effects of Reference Rate Reform on Financial Reporting*. The ASU, and subsequent clarifications, provide practical expedients for contract modification accounting related to the transition away from the London Interbank Offered Rate (LIBOR) and other interbank offering rates to alternative reference rates. The expedients are applicable to contract modifications made and hedging relationships entered into on or before December 31, 2022. The Company intends to use the expedients where needed for reference rate transition. The Company continues to evaluate this standard update and does not currently expect a material impact to the Company’s financial statements or disclosures.

Recent accounting pronouncements pending adoption not discussed in this Form 10-Q or in the 2020 Form 10-K are either not applicable to the Company or are not expected to have a material impact on the Company.

Note 2: Revenue - Net sales consists primarily of revenue, net of sales tax, associated with contracts with customers for the sale of goods and services in amounts that reflect consideration the Company is entitled to in exchange for those goods and services.

The following table presents the Company’s sources of revenue:

	Three Months Ended		Six Months Ended	
(In millions)	**July 30, 2021**	**July 31, 2020**	**July 30, 2021**	**July 31, 2020**
Products	$ 26,365	$ 26,359	$ 49,887	$ 45,380
Services	629	508	1,209	907
Other	576	435	897	690
Net sales	**$ 27,570**	**$ 27,302**	**$ 51,993**	**$ 46,977**

A provision for anticipated merchandise returns is provided through a reduction of sales and cost of sales in the period that the related sales are recorded. The merchandise return reserve is presented on a gross basis, with a separate asset and liability included in the consolidated balance sheets. The balances and classification within the consolidated balance sheets for anticipated sales returns and the associated right of return assets are as follows:

(In millions)	**Classification**	**July 30, 2021**	**July 31, 2020**	**January 29, 2021**
Anticipated sales returns	Other current liabilities	$ 303	$ 272	$ 252
Right of return assets	Other current assets	194	173	164

Deferred revenue - retail and stored-value cards

Retail deferred revenue consists of amounts received for which customers have not yet taken possession of the merchandise or for which installation has not yet been completed. The majority of revenue for goods and services is recognized in the quarter following revenue deferral. Stored-value cards deferred revenue includes outstanding stored-value cards such as gift cards and returned merchandise credits that have not yet been redeemed. Deferred revenue for retail and stored-value cards are as follows:

(In millions)	**July 30, 2021**	**July 31, 2020**	**January 29, 2021**
Retail deferred revenue	$ 1,538	$ 1,282	$ 1,046
Stored-value cards deferred revenue	503	433	562
Deferred revenue	**$ 2,041**	**$ 1,715**	**$ 1,608**

Deferred revenue - extended protection plans

The Company defers revenues for its separately-priced long-term extended protection plan contracts and recognizes revenue on a straight-line basis over the respective contract term. Expenses for claims are recognized in cost of sales when incurred.

(In millions)	**July 30, 2021**	**July 31, 2020**	**January 29, 2021**
Deferred revenue - extended protection plans	$ 1,097	$ 981	$ 1,019

	Three Months Ended		**Six Months Ended**	
(In millions)	**July 30, 2021**	**July 31, 2020**	**July 30, 2021**	**July 31, 2020**
Extended protection plan deferred revenue recognized into sales	$ 120	$ 101	$ 237	$ 208
Extended protection plan claim expenses	44	42	97	78

Disaggregation of Revenues

The following table presents the Company's net sales disaggregated by merchandise division:

	Three Months Ended				Six Months Ended			
	July 30, 2021		July 31, 2020		July 30, 2021		July 31, 2020	
(In millions)	Net Sales	%	Net Sales	%	Net Sales	%	Net Sales	%
Home Décor [1]	$ 9,163	33.2 %	$ 8,714	31.9 %	$ 17,473	33.6 %	$ 15,678	33.4 %
Hardlines [2]	9,083	33.0	10,066	36.9	16,868	32.5 %	16,483	35.1 %
Building Products [3]	8,638	31.3	7,993	29.3	16,543	31.8 %	13,952	29.7 %
Other	686	2.5	529	1.9	1,109	2.1 %	864	1.8 %
Total	**$ 27,570**	**100.0 %**	**$ 27,302**	**100.0 %**	**$ 51,993**	**100.0 %**	**$ 46,977**	**100.0 %**

Note: Merchandise division net sales for the prior period have been reclassified to conform to the current period presentation.
[1] *Home Décor includes the following product categories: Appliances, Décor, Flooring, Kitchens & Bath, and Paint*
[2] *Hardlines includes the following product categories: Hardware, Lawn & Garden, Seasonal & Outdoor Living, and Tools*
[3] *Building Products includes the following product categories: Building Materials, Electrical, Lighting, Lumber, Millwork, and Rough Plumbing*

The following table presents the Company's net sales disaggregated by geographical area:

	Three Months Ended		Six Months Ended	
(In millions)	July 30, 2021	July 31, 2020	July 30, 2021	July 31, 2020
United States	$ 25,655	$ 25,561	$ 48,587	$ 44,321
Canada	1,915	1,741	3,406	2,656
Net Sales	**$ 27,570**	**$ 27,302**	**$ 51,993**	**$ 46,977**

Note 3: Investments

Available-for-sale debt securities are recorded at fair value, and unrealized gains and losses are recorded, net of tax, as a component of accumulated other comprehensive loss. Net unrealized gains on available-for-sale debt securities as of July 30, 2021, July 31, 2020, and January 29, 2021, were not material. Refer to Note 4 for the fair value of the Company's available-for-sale debt securities by investment type.

Held to maturity securities are U.S. Treasury bills which the Company has the ability and intent to hold until maturity and are stated at amortized cost. Gross unrecognized holding gains and losses on the Company's held-to-maturity securities were not material for the period ended July 31, 2020.

The Company's investments are as follows:

(In millions)	July 30, 2021	July 31, 2020	January 29, 2021
Short-term investments:			
Available-for-sale debt securities	$ 1,420	$ 435	$ 506
Held-to-maturity securities	—	650	—
Total short-term investments	**$ 1,420**	**$ 1,085**	**$ 506**
Long-term investments:			
Available-for-sale debt securities	$ 225	$ 326	$ 200
Total long-term investments	**$ 225**	**$ 326**	**$ 200**

Restricted Investments

Short-term and long-term investments include restricted balances pledged as collateral primarily for the Company’s extended protection plan program and are as follows:

(In millions)	July 30, 2021	July 31, 2020	January 29, 2021
Short-term restricted investments	$ 520	$ 260	$ 506
Long-term restricted investments	225	326	200
Total restricted investments	**$ 745**	**$ 586**	**$ 706**

Note 4: Fair Value Measurements - Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The authoritative guidance for fair value measurements establishes a three-level hierarchy, which encourages an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of the hierarchy are defined as follows:

- Level 1 - inputs to the valuation techniques that are quoted prices in active markets for identical assets or liabilities
- Level 2 - inputs to the valuation techniques that are other than quoted prices but are observable for the assets or liabilities, either directly or indirectly
- Level 3 - inputs to the valuation techniques that are unobservable for the assets or liabilities

Assets and Liabilities that are Measured at Fair Value on a Recurring Basis

The following table presents the Company's financial assets and liabilities measured at fair value on a recurring basis as of July 30, 2021, July 31, 2020, and January 29, 2021:

		Fair Value Measurements at		
(In millions)	**Measurement Level**	**July 30, 2021**	**July 31, 2020**	**January 29, 2021**
Assets:				
Short-term investments:				
Available-for-sale debt securities				
Certificates of deposit	Level 1	$ 959	$ 175	$ —
U.S Treasury securities	Level 1	139	104	223
Money market funds	Level 1	131	98	109
Commercial paper	Level 2	117	—	97
Corporate debt securities	Level 2	50	35	47
Agency securities	Level 2	14	23	30
Foreign government debt securities	Level 2	10	—	—
Total short-term investments		**$ 1,420**	**$ 435**	**$ 506**
Long-term investments:				
Available-for-sale debt securities				
U.S. Treasury securities	Level 1	$ 148	$ 250	$ 129
Corporate debt securities	Level 2	49	61	58
Foreign government debt securities	Level 2	15	—	—
Municipal obligations	Level 2	13	—	13
Agency securities	Level 2	—	15	—
Total long-term investments		**$ 225**	**$ 326**	**$ 200**
Other assets:				
Derivative instruments				
Fixed-to-floating interest rate swaps	Level 2	$ 3	$ —	$ —
Forward interest rate swaps	Level 2	2	—	4
Total other assets		**$ 5**	**$ —**	**$ 4**
Liabilities:				
Other current liabilities:				
Derivative instruments				
Forward interest rate swaps	Level 2	$ 3	$ 20	$ 8
Total other current liabilities		**$ 3**	**$ 20**	**$ 8**
Other liabilities:				
Derivative instruments				
Forward interest rate swaps	Level 2	$ —	$ 21	$ —
Total other liabilities		**$ —**	**$ 21**	**$ —**

There were no transfers between Levels 1, 2, or 3 during any of the periods presented.

When available, quoted prices were used to determine fair value. When quoted prices in active markets were available, investments were classified within Level 1 of the fair value hierarchy. When quoted prices in active markets were not available, fair values were determined using pricing models, and the inputs to those pricing models were based on observable market inputs. The inputs to the pricing models were typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads, and benchmark securities, among others.

Assets and Liabilities that are Measured at Fair Value on a Nonrecurring Basis

During the three and six months ended July 30, 2021, and July 31, 2020, the Company had no material measurements of assets and liabilities at fair value on a nonrecurring basis subsequent to their initial recognition.

Other Fair Value Disclosures

The Company's financial assets and liabilities not measured at fair value on a recurring basis include cash and cash equivalents, accounts receivable, held-to-maturity securities, short-term borrowings, accounts payable, and long-term debt and are reflected in the financial statements at cost. As further described in Note 8, certain long-term debt is associated with a fair value hedge and reflected in the financial statements at fair value. With the exception of long-term debt, cost approximates fair value for these items due to their short-term nature. The fair values of the Company's unsecured notes were estimated using quoted market prices. The fair values of the Company's mortgage notes were estimated using discounted cash flow analyses, based on the future cash outflows associated with these arrangements and discounted using the applicable incremental borrowing rate.

Carrying amounts and the related estimated fair value of the Company's long-term debt, excluding finance lease obligations, are as follows:

	July 30, 2021		July 31, 2020		January 29, 2021	
(In millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Unsecured notes (Level 1)	$ 22,592	$ 25,705	$ 20,109	$ 24,998	$ 21,121	$ 24,349
Mortgage notes (Level 2)	5	5	5	5	5	5
Long-term debt (excluding finance lease obligations)	**$ 22,597**	**$ 25,710**	**$ 20,114**	**$ 25,003**	**$ 21,126**	**$ 24,354**

Note 5: Goodwill and Intangible Assets - Goodwill and intangible assets resulting from acquisitions are recorded within other assets on the consolidated balance sheets and are evaluated for impairment annually on the first day of the fourth quarter or whenever events or changes in circumstances indicate that it is more likely than not that the carrying amount may not be recoverable.

The carrying amount of goodwill as well as the gross carrying amount and accumulated amortization of intangible assets consist of the following:

	July 30, 2021		July 31, 2020		January 29, 2021	
(In millions)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Goodwill	**$ 311**	**$ —**	**$ 311**	**$ —**	**$ 311**	**$ —**
Definite-lived intangible assets:						
Customer-related [1]	$ 347	$ (80)	$ 367	$ (89)	$ 372	$ (99)
Trademarks and trade names [1]	267	(126)	254	(82)	264	(119)
Other	1	(1)	12	(12)	12	(11)
Total definite-lived intangible assets	**$ 615**	**$ (207)**	**$ 633**	**$ (183)**	**$ 648**	**$ (229)**
Indefinite-lived intangible assets:						
Trademark [2]	$ 134	$ —	$ —	$ —	$ —	$ —
Total intangible assets	**$ 749**	**$ (207)**	**$ 633**	**$ (183)**	**$ 648**	**$ (229)**

[1] *Certain definite-lived intangible assets are denominated in a foreign currency and subject to translation.*
[2] *In April 2021, the Company acquired the STAINMASTER® brand for total consideration of $134 million, which was determined to have an indefinite life.*

Note 6: Short-Term Borrowings -

Commercial Paper Program

The $1.02 billion five-year unsecured revolving credit agreement entered into in March 2020 (2020 Credit Agreement) and the $1.98 billion five-year unsecured second amended and restated credit agreement (Second Amended and Restated Credit Agreement) entered into in September 2018 support the Company’s commercial paper program. The amounts available to be drawn under the 2020 Credit Agreement and the Second Amended and Restated Credit Agreement are reduced by the amount of borrowings under the commercial paper program. As of July 30, 2021, July 31, 2020, and January 29, 2021, there were no outstanding borrowings under the Company’s commercial paper program, the 2020 Credit Agreement, or the Second Amended and Restated Credit Agreement. Total combined availability under the 2020 Credit Agreement and the Second Amended and Restated Credit Agreement was $3.0 billion as of July 30, 2021.

Other Short-Term Borrowings

In April 2021, the Company entered into a $1.0 billion unsecured 364-day term loan facility (2021 Term Loan), which has a maturity date of April 21, 2022. There was $1.0 billion in outstanding borrowings under the 2021 Term Loan as of July 30, 2021, with an interest rate of 0.79%.

Note 7: Long-Term Debt - On March 31, 2021, the Company issued $2.0 billion of unsecured fixed rate notes (2021 Notes) as follows:

Principal Amount (in millions)		Maturity Date	Interest Rate	Discount (in millions)	
$	1,500	April 2031	2.625%	$	7
$	500	April 2051	3.500%	$	5

Interest on the 2021 Notes is payable semiannually in arrears in April and October of each year until maturity.

The indentures governing the 2021 Notes contain a provision that allows the Company to redeem these notes at any time, in whole or in part, at specified redemption prices, plus accrued and unpaid interest, if any, up to, but excluding, the date of redemption. The indenture also contains a provision that allows the holders of the notes to require the Company to repurchase all or any part of their notes if a change of control triggering event occurs. If elected under the change of control provisions, the repurchase of the notes will occur at a purchase price of 101% of the principal amount, plus accrued and unpaid interest, if any, on such notes up to, but excluding, the date of purchase. The indentures governing the 2021 Notes do not limit the aggregate principal amount of debt securities that the Company may issue and does not require the Company to maintain specified financial ratios or levels of net worth or liquidity.

Note 8: Derivative Instruments - The Company utilizes forward interest rate swap agreements to hedge its exposure to changes in benchmark interest rates on forecasted debt issuances. The Company also utilizes fixed-to-floating interest rate swap agreements as fair value hedges on certain debt. The notional amounts for the Company’s material derivative instruments are as follows:

(In millions)		July 30, 2021		July 31, 2020		January 29, 2021
Cash flow hedges:						
Forward interest rate swap agreement notional amounts	$	1,975	$	638	$	638
Fair value hedges:						
Fixed-to-floating interest rate swap agreement notional amounts	$	450	$	—	$	—

See Note 4 for the gross fair values of the Company’s outstanding derivative financial instruments and corresponding fair value classifications. The cash flows related to settlement of the Company’s hedging derivative financial instruments are classified in the consolidated statements of cash flows based on the nature of the underlying hedged items.

The Company accounts for the forward interest rate swap contracts as cash flow hedges, thus the effective portion of gains and losses resulting from changes in fair value are recognized in other comprehensive (loss)/income, net of tax effects, in the consolidated statements of comprehensive income and is recognized in earnings when the underlying hedged transaction impacts the consolidated statements of earnings. A summary of the gain/(loss) on forward interest rate swap derivatives designated as cash flow hedges recorded in other comprehensive (loss)/income and earnings for the three and six months ended July 30, 2021, and July 31, 2020, including its line item in the financial statements, is as follows:

	Three Months Ended		Six Months Ended	
(In millions)	July 30, 2021	July 31, 2020	July 30, 2021	July 31, 2020
Other comprehensive (loss)/income				
Cash flow hedges – net of tax benefit/(expense) of $5 million, $1 million, $(4) million, and $35 million, respectively	$ (16)	$ (3)	$ 12	$ (107)
Net earnings				
Interest – net	$ 3	$ 3	$ 5	$ 4

The Company accounts for the fixed-to-floating interest rate swap agreements as fair value hedges using the shortcut method of accounting under which the hedges are assumed to be perfectly effective. Thus, the change in fair value of the derivative instruments offsets the change in fair value on the hedged debt, and there is no net impact in the consolidated statements of earnings from the fair value of the derivatives.

Note 9: Shareholders' (Deficit)/Equity - The Company has a share repurchase program that is executed through purchases made from time to time either in the open market, which may be made under pre-set trading plans meeting the requirements of Rule 10b5-1(c) of the Securities Exchange Act of 1934, or through private off-market transactions. Shares purchased under the repurchase program are returned to authorized and unissued status. As of July 30, 2021, the Company had $13.6 billion remaining in its share repurchase program.

In February 2021, the Company entered into an Accelerated Share Repurchase (ASR) agreement with a third-party financial institution to repurchase $2.0 billion of the Company's common stock. In addition, in May 2021, the Company entered into a variable notional ASR agreement with a third-party financial institution to repurchase $2.1 billion of the Company's common stock. The terms of the ASR agreements entered into during the six months ended July 30, 2021, are as follows (in millions):

Agreement Execution Date	Agreement Settlement Date	ASR Agreement Amount	Minimum Notional Amount[1]	Maximum Notional Amount[1]	Cash Payment Received at Settlement[1]	Initial Shares Delivered at Inception	Additional Shares Delivered at Settlement	Total Shares Delivered
Q1 2021	Q1 2021	$ 2,000	$ —	$ —	$ —	10.7	0.2	10.9
Q2 2021	Q2 2021	$ 2,132	1,750	2,500	368	7.2	4.0	11.2

[1] *The Company entered into a variable notional ASR agreement with a third-party financial institution to repurchase between a minimum notional amount and a maximum notional amount. At inception of each transaction, the Company paid the maximum notional amount and received shares. The Company finalized the transaction and received additional shares prior to the end of the second quarter. The Company reflected the difference in the prepayment amount (maximum notional amount) and the final notional amount of $368 million as a receivable in other current assets in the consolidated balance sheet as of July 30, 2021, and other financing – net in the consolidated statement of cash flows for the six months ended July 30, 2021. The balance was received in cash from the third-party financial institution subsequent to the end of the second quarter.*

In addition, the Company repurchased shares of its common stock through the open market as follows:

	Three Months Ended July 30, 2021		Six Months Ended July 30, 2021	
(In millions)	Shares	Cost	Shares	Cost
Open market share repurchases	5.2	$ 1,000	10.7	$ 2,000

The Company also withholds shares from employees to satisfy either the exercise price of stock options exercised or the statutory withholding tax liability resulting from the vesting of share-based awards.

Shares repurchased for the three and six months ended July 30, 2021, and July 31, 2020, were as follows:

	Three Months Ended			
	July 30, 2021		July 31, 2020	
(In millions)	Shares	Cost [1]	Shares	Cost
Share repurchase program	16.4	$ 3,132	—	$ —
Shares withheld from employees	—	7	—	—
Total share repurchases	**16.4**	**$ 3,139**	**—**	**$ —**

[1] Reduction of $3.0 billion was recorded to (accumulated deficit)/retained earnings, after capital in excess of par value was depleted, for the three months ended July 30, 2021.

	Six Months Ended			
	July 30, 2021		July 31, 2020	
(In millions)	Shares	Cost [1]	Shares	Cost [1]
Share repurchase program	32.8	$ 6,132	9.5	$ 940
Shares withheld from employees	0.4	74	0.1	7
Total share repurchases	**33.2**	**$ 6,206**	**9.6**	**$ 947**

[1] Reductions of $5.9 billion and $927 million were recorded to (accumulated deficit)/retained earnings, after capital in excess of par value was depleted, for the six months ended July 30, 2021 and July 31, 2020, respectively.

Note 10: Earnings Per Share - The Company calculates basic and diluted earnings per common share using the two-class method. The following table reconciles earnings per common share for the three and six months ended July 30, 2021, and July 31, 2020:

	Three Months Ended		Six Months Ended	
(In millions, except per share data)	July 30, 2021	July 31, 2020	July 30, 2021	July 31, 2020
Basic earnings per common share:				
Net earnings	$ 3,018	$ 2,828	$ 5,340	$ 4,165
Less: Net earnings allocable to participating securities	(11)	(12)	(22)	(16)
Net earnings allocable to common shares, basic	**$ 3,007**	**$ 2,816**	**$ 5,318**	**$ 4,149**
Weighted-average common shares outstanding	**705**	**752**	**711**	**754**
Basic earnings per common share	**$ 4.27**	**$ 3.74**	**$ 7.48**	**$ 5.50**
Diluted earnings per common share:				
Net earnings	$ 3,018	$ 2,828	$ 5,340	$ 4,165
Less: Net earnings allocable to participating securities	(11)	(12)	(22)	(16)
Net earnings allocable to common shares, diluted	**$ 3,007**	**$ 2,816**	**$ 5,318**	**$ 4,149**
Weighted-average common shares outstanding	705	752	711	754
Dilutive effect of non-participating share-based awards	2	1	2	1
Weighted-average common shares, as adjusted	**707**	**753**	**713**	**755**
Diluted earnings per common share	**$ 4.25**	**$ 3.74**	**$ 7.46**	**$ 5.50**
Anti-dilutive securities excluded from diluted weighted-average common shares	0.3	0.0	0.3	0.7

Note 11: Income Taxes - The Company's effective income tax rates were 24.4% and 24.0% for the three and six months ended July 30, 2021, respectively, and 24.4% and 24.6% for the three and six months ended July 31, 2020, respectively. The decrease in the effective tax rate for the six months ended July 30, 2021, is primarily due to excess tax benefits associated with vesting and exercises of share based compensation.

Note 12: Supplemental Disclosure

Net interest expense is comprised of the following:

	Three Months Ended		Six Months Ended	
(In millions)	July 30, 2021	July 31, 2020	July 30, 2021	July 31, 2020
Long-term debt	$ 205	$ 211	$ 406	$ 398
Lease obligations	8	8	15	17
Short-term borrowings	1	2	1	12
Interest income	(3)	(8)	(7)	(12)
Interest capitalized	(1)	—	(1)	—
Interest on tax uncertainties	(1)	—	(1)	—
Other	7	6	14	8
Interest – net	**$ 216**	**$ 219**	**$ 427**	**$ 423**

Supplemental disclosures of cash flow information:

	Six Months Ended	
(In millions)	July 30, 2021	July 31, 2020
Cash paid for interest, net of amount capitalized	$ 437	$ 369
Cash paid for income taxes – net	$ 1,546	$ 670
Non-cash investing and financing activities:		
Leased assets obtained in exchange for new finance lease liabilities	$ 97	$ 53
Leased assets obtained in exchange for new operating lease liabilities [1]	$ 224	$ 193
Cash dividends declared but not paid	$ 563	$ 416

[1] *Excludes $587 million of leases signed but not yet commenced as of July 30, 2021.*

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Lowe’s Companies, Inc.

Results of Review of Interim Financial Information

We have reviewed the accompanying consolidated balance sheets of Lowe’s Companies, Inc. and subsidiaries (the “Company”) as of July 30, 2021 and July 31, 2020, the related consolidated statements of earnings, comprehensive income, shareholders’ (deficit)/equity, for the fiscal three-month and six-month periods ended July 30, 2021 and July 31, 2020, and cash flows for the fiscal six-month periods ended July 30, 2021 and July 31, 2020, and the related notes (collectively referred to as the “interim financial information”). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of January 29, 2021, and the related consolidated statements of earnings, comprehensive income, shareholders’ equity, and cash flows for the fiscal year then ended (not presented herein); and in our report dated March 22, 2021, we expressed an unqualified opinion on those consolidated financial statements and included an explanatory paragraph regarding the adoption of Financial Accounting Standards Board Accounting Standards Update 2016-02, *Leases (Topic 842)*. In our opinion, the information set forth in the accompanying consolidated balance sheet as of January 29, 2021, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

This interim financial information is the responsibility of the Company’s management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our review in accordance with standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ DELOITTE & TOUCHE LLP

Charlotte, North Carolina
August 26, 2021

Item 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion and analysis summarizes the significant factors affecting our consolidated operating results, liquidity and capital resources during the three and six months ended July 30, 2021, and July 31, 2020. This discussion and analysis should be read in conjunction with the consolidated financial statements and notes to the consolidated financial statements that are included in our Annual Report on Form 10-K for the fiscal year ended January 29, 2021 (the Annual Report), as well as the consolidated financial statements (unaudited) and notes to the consolidated financial statements (unaudited) contained in this report. Unless otherwise specified, all comparisons made are to the corresponding period of 2020. This discussion and analysis is presented in six sections:

EXECUTIVE OVERVIEW

Performance Overview

Net sales in the second quarter of 2021 increased 1.0% to $27.6 billion compared to net sales of $27.3 billion in the second quarter of 2020. The increase in total sales was primarily driven by an increase in average ticket of 13.8%, partially offset by a decline in customer transactions of 12.8%. Net earnings in the second quarter of 2021 were $3.0 billion, which represents an increase of 6.7% compared to net earnings of $2.8 billion in the second quarter of 2020. Diluted earnings per common share increased 13.8% in the second quarter of 2021 to $4.25 from $3.74 in the second quarter of 2020. Excluding the impact of the Canada restructuring in the second quarter of 2020, diluted earnings per common share increased 13.3% to $4.25 in the second quarter of 2021 from adjusted diluted earnings per common share of $3.75 in the second quarter of 2020 (see the discussion of non-GAAP financial measures).

For the first six months of 2021, cash flows from operating activities were approximately $6.9 billion, while $846 million was used for capital expenditures. Continuing to deliver on our commitment to return excess cash to shareholders, we repurchased $3.1 billion of common stock and paid $430 million in dividends during the three months ended July 30, 2021.

During the second quarter of 2021, comparable sales declined by 1.6%. Five of 15 U.S. regions and seven of 15 product categories generated positive comparable sales during the quarter. During the quarter, there was a decline in Do-It-Yourself (DIY) demand compared to last year as customers transitioned back to pre-pandemic purchase patterns and increased weekend mobility after Memorial Day. In the prior year, DIY consumer mobility was limited, so many of our customers were tackling smaller projects around their homes. However, the execution of our Total Home strategy, which was launched at the end of 2020, allowed us to capitalize on Pro customer demand, resulting in 21% growth in Pro customer sales during the quarter compared to prior year.

This quarter we enhanced our omnichannel customer experience with the launch of our Virtual Kitchen Design. Additionally, as we continue to integrate the online and in-store shopping experience, we are launching "Visual Search", which allows our customers to utilize the cameras on their smartphones to access expanded product offerings available on Lowes.com. Our dedicated in-store fulfillment teams continue to be an integral part of our omnichannel customer experience, as our customers utilize in-store pickup, curbside pickup, or our new buy online pickup in store (BOPIS) lockers to fulfill their shopping flexibility needs.

Our Perpetual Productivity Improvement (PPI) initiatives drove store payroll operating efficiency this quarter through operational process improvements that reduced the amount of time our associates spent on tasking activities so they could focus on serving customers. During 2021, we have also installed our Lowe's-designed self-checkout solution in over 550 stores. This self-checkout option features a simplified user interface to drive higher customer adoption rates and incremental payroll leverage.

COVID-19 Response

We remain committed to the health and safety of our associates and customers, while supporting the communities in which we operate. With the surge of the Delta variant across the U.S. during the second quarter, we reinstated mask requirements for all of our associates, regardless of their vaccination status. During the quarter, we incurred $27 million of additional COVID-related expenses in support of our associates and store safety initiatives.

Looking Forward

Transforming and modernizing our supply chain has been a key focus for the Company the last few years. During the quarter, significant progress was made on our market-based delivery model for big and bulky product. In this new delivery model, products flow directly to customer homes from our distribution network, which will provide our customers with higher on-time delivery rates and improved customer satisfaction.

The pillars of our Total Home strategy include a focus on the Pro customer, online business expansion, modernization of our installation services, improving localization efforts, and elevating our product assortment, which together are designed to enhance customer engagement and grow market share. As part of this strategy, we continue to expand products available for installation and are leveraging our e-commerce platform to deliver a better customer experience. Although the business environment remains uncertain, we are confident that we will continue to drive market share gains and operating efficiency through the agility of our Total Home strategy.

OPERATIONS

The following table sets forth the percentage relationship to net sales of each line item of the consolidated statements of earnings (unaudited), as well as the percentage change in dollar amounts from the prior period. This table should be read in conjunction with the following discussion and analysis and the consolidated financial statements (unaudited), including the related notes to the consolidated financial statements (unaudited).

	Three Months Ended		Basis Point Increase / (Decrease) in Percentage of Net Sales from Prior Period	Percentage Increase / (Decrease) in Dollar Amounts from Prior Period
	July 30, 2021	**July 31, 2020**	**2021 vs. 2020**	**2021 vs. 2020**
Net sales	**100.00 %**	**100.00 %**	**N/A**	**1.0 %**
Gross margin	**33.78**	**34.08**	**(30)**	**0.1**
Expenses:				
Selling, general and administrative	17.02	18.39	(137)	(6.5)
Depreciation and amortization	1.49	1.20	29	25.3
Operating income	**15.27**	**14.49**	**78**	**6.4**
Interest – net	0.78	0.80	(2)	(1.5)
Pre-tax earnings	**14.49**	**13.69**	**80**	**6.8**
Income tax provision	3.54	3.33	21	7.2
Net earnings	**10.95 %**	**10.36 %**	**59**	**6.7 %**

	Six Months Ended		Basis Point Increase / (Decrease) in Percentage of Net Sales from Prior Period	Percentage Increase / (Decrease) in Dollar Amounts from Prior Period
	July 30, 2021	**July 31, 2020**	**2021 vs. 2020**	**2021 vs. 2020**
Net sales	**100.00 %**	**100.00 %**	**N/A**	**10.7 %**
Gross margin	**33.55**	**33.67**	**(12)**	**10.3**
Expenses:				
Selling, general and administrative	17.67	19.62	(195)	(0.3)
Depreciation and amortization	1.54	1.39	15	22.6
Operating income	**14.34**	**12.66**	**168**	**25.3**
Interest – net	0.82	0.90	(8)	0.8
Pre-tax earnings	**13.52**	**11.76**	**176**	**27.2**
Income tax provision	3.25	2.89	36	24.2
Net earnings	**10.27 %**	**8.87 %**	**140**	**28.2 %**

The following table sets forth key metrics utilized by management in assessing business performance. This table should be read in conjunction with the following discussion and analysis and the consolidated financial statements (unaudited), including the related notes to the consolidated financial statements (unaudited).

	Three Months Ended		Six Months Ended	
Other Metrics	**July 30, 2021**	**July 31, 2020**	**July 30, 2021**	**July 31, 2020**
Comparable sales (decrease)/increase [1]	(1.6)%	34.2 %	9.8 %	23.6 %
Total customer transactions (in millions)	287	330	548	563
Average ticket [2]	$ 95.97	$ 82.79	$ 94.91	$ 83.45
At end of period:				
Number of stores	1,973	1,968		
Sales floor square feet (in millions)	208	208		
Average store size selling square feet (in thousands) [3]	105	106		
Net earnings to average debt and equity [4]	23.7 %	20.7 %		
Return on invested capital [4]	29.1 %	23.3 %		

[1] *A comparable location is defined as a retail location that has been open longer than 13 months. A location that is identified for relocation is no longer considered comparable in the month of its relocation. The relocated location must then remain open longer than 13 months to be considered comparable. A location we have decided to close is no longer considered comparable as of the beginning of the month in which we announce its closing. Comparable sales are presented on a transacted basis when tender is accepted from a customer. Comparable sales include online sales, which positively impacted second quarter fiscal 2021 and fiscal 2020 comparable sales by approximately 70 basis points and 650 basis points, respectively, and year-to-date fiscal 2021 and fiscal 2020 comparable sales by approximately 170 basis points and 545 basis points, respectively. The comparable store sales calculation included in the preceding table was calculated using comparable 13-week and 26-week periods.*

[2] *Average ticket is defined as net sales divided by the total number of customer transactions.*

[3] *Average store size selling square feet is defined as sales floor square feet divided by the number of stores open at the end of the period. The average Lowe's-branded home improvement store has approximately 112,000 square feet of retail selling space.*

[4] *Return on invested capital is calculated using a non-GAAP financial measure. Net earnings to average debt and equity is the most comparable GAAP ratio. See below for additional information and reconciliations of non-GAAP measures.*

Non-GAAP Financial Measures

Adjusted Diluted Earnings Per Share

Adjusted diluted earnings per share is considered a non-GAAP financial measure. The Company believes this non-GAAP financial measure provides useful insight for analysts and investors in evaluating what management considers the Company's core financial performance. Adjusted diluted earnings per share excludes the impact of a discrete item, further described below, not contemplated in the Company's business outlook for the second quarter of fiscal 2020. Unless otherwise noted, the income tax effect of these adjustments is calculated using the marginal rates for the respective periods.

Fiscal 2020 Impacts

- Beginning in the third quarter of fiscal 2019, the Company began a strategic review of its Canadian operations, and in the fourth quarter of fiscal 2019, the Company announced additional actions to improve future performance and profitability of its Canadian operations. As a result of this review and related actions, during the second quarter of 2020, the Company recognized $10 million of pre-tax operating costs related to remaining inventory write-downs and other closing costs (Canada restructuring).

Adjusted diluted earnings per share should not be considered an alternative to, or more meaningful indicator of, the Company's diluted earnings per common 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.

	Three Months Ended July 31, 2020		
	Pre-Tax Earnings	**Tax**	**Net Earnings**
Diluted earnings per share, as reported			**$ 3.74**
Non-GAAP adjustments – per share impacts			
Canada restructuring	0.01	—	0.01
Adjusted diluted earnings per share			**$ 3.75**

Return on Invested Capital

Return on Invested Capital (ROIC) is calculated using a non-GAAP financial measure. Management believes ROIC is a meaningful metric for analysts and investors as a measure of how effectively the Company is using capital to generate profits. Although ROIC is a common financial metric, numerous methods exist for calculating ROIC. Accordingly, the method used by our management may differ from the methods used by other companies. We encourage you to understand the methods used by another company to calculate ROIC before comparing its ROIC to ours.

We define ROIC as the rolling 12 months' lease adjusted net operating profit after tax (Lease adjusted NOPAT) divided by the average of current year and prior year ending debt and equity. Lease adjusted NOPAT is a non-GAAP financial measure, and net earnings is considered to be the most comparable GAAP financial measure. The calculation of ROIC, together with a reconciliation of net earnings to Lease adjusted NOPAT, is as follows:

	For the Periods Ended	
(In millions, except percentage data)	**July 30, 2021**	**July 31, 2020**
Calculation of Return on Invested Capital		
Numerator		
Net Earnings	$ 7,009	$ 5,724
Plus:		
Interest expense – net	852	783
Loss on extinguishment of debt	1,060	—
Operating lease interest	165	182
Provision for income taxes	2,233	1,957
Lease adjusted net operating profit	11,319	8,646
Less:		
Income tax adjustment [1]	2,735	2,203
Lease adjusted net operating profit after tax	$ 8,584	$ 6,443
Denominator		
Average debt and equity [2]	$ 29,537	$ 27,637
Net earnings to average debt and equity	**23.7 %**	**20.7 %**
Return on invested capital	**29.1 %**	**23.3 %**

[1] *Income tax adjustment is defined as lease adjusted net operating profit multiplied by the effective tax rate, which was 24.2% and 25.5% for the periods ended July 30, 2021, and July 31, 2020, respectively.*

[2] *Average debt and equity is defined as average current year and prior year ending debt, including current maturities, short-term borrowings, and operating lease liabilities, plus the average current year and prior year ending total equity.*

Results of Operations

Net Sales – Net sales in the second quarter of 2021 increased 1.0% to $27.6 billion. Comparable sales decreased 1.6% over the same period, driven by a 12.9% decrease in comparable customer transactions partially offset by an 11.3% increase in comparable average ticket.

During the second quarter of 2021, we experienced comparable sales increases in seven of 15 product categories, including Electrical, Lumber, Kitchens & Bath, Flooring, Appliances, Décor, and Rough Plumbing. We delivered strong comparable sales in Electrical and Lumber due to strong unit demand from Pro customers, as well as unit price increases driven by inflation. Customers continue to appreciate our allen+roth® offerings, which led to strong sales in countertops, kitchen cabinets, and vanities within our Kitchens and Bath category. New product offerings drove strong sales in Flooring. Décor also delivered strong sales in the quarter as we leveraged our Total Home strategy to support customers with their home remodeling needs. We experienced the lowest comparable sales in Tools, Paint, and Hardware in the quarter due to cycling record prior year demand at the onset of the COVID-19 pandemic. Geographically, five of 15 U.S. regions experienced positive comparable sales, and comparable sales for our Canadian operations in local currency were in line with our U.S. comparable sales.

Net sales increased 10.7% to $52.0 billion for the first six months of 2021 compared to 2020. Comparable sales increased 9.8% over the same period, driven by a 12.5% increase in comparable average ticket, partially offset by a 2.7% decrease in comparable customer transactions.

Gross Margin – For the second quarter of 2021, gross margin as a percentage of sales decreased 30 basis points. The gross margin decrease for the quarter is driven by 35 basis points of deleverage from supply chain costs, 25 basis points of pressure from lumber product mix shifts, 20 basis points of deleverage from less favorable product mix in other categories, and 20 basis points of deleverage from inventory shrink and live goods damages from extreme weather conditions. These unfavorable impacts are partially offset by approximately 40 basis points of total rate improvement, driven by continued improvements in managing product costs and disciplined pricing strategies, and 30 basis points of leverage from higher credit revenue.

Gross margin as a percentage of sales decreased 12 basis points in the first six months of 2021 compared to 2020. Gross margin was negatively impacted by 60 basis points of product mix shifts, 30 basis points of deleverage from supply chain costs, and 20 basis points of deleverage from inventory shrink and damages. These unfavorable impacts are partially offset by approximately 85 basis points of total rate improvement driven by continued improvements in managing product costs and disciplined pricing strategies, and 10 basis points of leverage from higher credit revenue.

SG&A – For the second quarter of 2021, SG&A expense leveraged 137 basis points as a percentage of sales compared to the second quarter of 2020. This is primarily driven by approximately 145 basis points of leverage due to lower COVID-19 related expenses, including special payments to hourly front-line associates, emergency paid leave, charitable contributions, and cleaning costs. These were partially offset by approximately 20 basis points of deleverage related to higher employee healthcare costs.

SG&A expense as a percentage of sales leveraged 195 basis points in the first six months of 2021 compared to 2020. This was primarily driven by approximately 145 basis points of leverage due to lower COVID-19 related expenses and approximately 40 basis points of leverage in retail operating salaries due to increased sales and improved operating efficiencies as a result of our PPI initiative.

Depreciation and Amortization – Depreciation and amortization deleveraged 29 basis points as a percentage of sales for the second quarter of 2021 compared to the prior year primarily due to increased capital investment related to store environment and technology throughout 2020. Property, less accumulated depreciation, increased to $19.0 billion at July 30, 2021, compared to $18.7 billion at July 31, 2020.

Depreciation and amortization deleveraged 15 basis points as a percentage of sales for the first six months of 2021 compared to 2020 primarily due to the same factors that impacted depreciation and amortization for the second quarter.

Interest – Net – Interest expense for the second quarter of 2021 leveraged two basis points primarily as a result of lower interest costs from the October 2020 cash tender offers and the payoff of scheduled debts at maturity.

Interest expense for the first six months of 2021 leveraged eight basis points primarily due to the same factors that impacted interest expense for the second quarter as well as increased sales in the current year.

Income Tax Provision – Our effective income tax rates were 24.4% and 24.0% for the three and six months ended July 30, 2021, respectively, and were 24.4% and 24.6% for the three and six months ended July 31, 2020, respectively.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity

Cash flows from operations, supplemented with our short-term and long-term borrowings, remain sufficient to fund our operations while allowing us to make strategic investments to support long-term growth and return excess cash to shareholders in the form of dividends and share repurchases. As of July 30, 2021, we held $4.8 billion of cash and cash equivalents, as well as $3.0 billion in undrawn capacity on our revolving credit facilities.

Cash Flows Provided by Operating Activities

	Six Months Ended	
(In millions)	July 30, 2021	July 31, 2020
Net cash provided by operating activities	$ 6,913	$ 11,752

Cash flows from operating activities continued to provide the primary source of our liquidity. The decrease in net cash provided by operating activities for the six months ended July 30, 2021, compared to the six months ended July 31, 2020, was driven primarily by changes in working capital, partially offset by higher net earnings. Accounts payable increased by $1.1 billion for the first six months of 2021, compared to an increase for the first six months of 2020 of $5.3 billion. The increase in accounts payable in the prior year was driven by a ramp up in inventory purchase volume for the first half to meet sustained customer demand at the beginning of the COVID-19 pandemic. In the current year, we have continued to experience sustained demand levels and maintained a higher level of inventory purchases and related accounts payable. Other operating liabilities decreased $139 million for the first six months of 2021 compared to an increase of $1.2 billion in the first six months of 2020. The decrease in other operating liabilities in the current year compared to the prior year is primarily driven by COVID-related accrued discretionary bonuses for employees in the prior year and the timing of estimated federal and state income tax payments.

Cash Flows Used in Investing Activities

	Six Months Ended	
(In millions)	July 30, 2021	July 31, 2020
Net cash used in investing activities	$ (1,845)	$ (1,560)

Net cash used in investing activities primarily consists of transactions related to capital expenditures and investments.

Capital expenditures

Our capital expenditures generally consist of investments in our strategic initiatives to enhance our ability to serve customers, improve existing stores, and support expansion plans. The following table provides our capital expenditures for the six months ended July 30, 2021, and July 31, 2020:

	Six Months Ended	
(In millions)	July 30, 2021	July 31, 2020
Core business investments [1]	$ 655	$ 587
Strategic initiatives [2]	114	78
New stores, new corporate facilities and international [3]	77	45
Total capital expenditures	**$ 846**	**$ 710**

[1] *Includes merchandising resets, facility repairs, replacements of IT and store equipment, among other specific efforts.*

[2] *Represents investments related to our strategic focus areas aimed at improving customers' experience and driving improved performance in the near and long term (excluding acquisitions).*

[3] *Represents expenditures primarily related to land purchases, buildings, and personal property for new store projects and new corporate facilities projects, as well as expenditures related to our international operations.*

Our fiscal year 2021 outlook for capital expenditures is approximately $2.0 billion.

Cash Flows Used in or Provided by Financing Activities

	Six Months Ended	
(In millions)	July 30, 2021	July 31, 2020
Net cash (used in) provided by financing activities	$ (4,927)	$ 729

Net cash used in or provided by financing activities primarily consists of transactions related to our long-term debt, short-term borrowings, share repurchases, and cash dividend payments.

Total Debt

During the six months ended July 30, 2021, we issued $2.0 billion of unsecured notes, the proceeds of which are to be used for general corporate purposes. During the six months ended July 30, 2021, we also paid $525 million to retire scheduled debts at maturity.

In April 2021, we entered into a $1.0 billion unsecured 364-day term loan facility (2021 Term Loan), which has a maturity date of April 21, 2022. Outstanding borrowings under the 2021 Term Loan were $1.0 billion, with an interest rate of 0.79%, as of July 30, 2021.

The 2020 Credit Agreement and the Second Amended and Restated Credit Agreement support our commercial paper program. The amount available to be drawn under the 2020 Credit Agreement and the Second Amended and Restated Credit Agreement is reduced by the amount of borrowings under our commercial paper program. There were no outstanding borrowings under the Company's commercial paper program, the 2020 Credit Agreement, or the Second Amended and Restated Credit Agreement as of July 30, 2021, and July 31, 2020. Total combined availability under the 2020 Credit Agreement and the Second Amended and Restated Credit Agreement as of July 30, 2021, was $3.0 billion.

The 2021 Term Loan, 2020 Credit Agreement and the Second Amended and Restated Credit Agreement contain customary representations, warranties, and covenants. We were in compliance with those covenants at July 30, 2021.

The following table includes additional information related to our debt for the six months ended July 30, 2021, and July 31, 2020:

	Six Months Ended	
(In millions, except for interest rate data)	**July 30, 2021**	**July 31, 2020**
Net proceeds from issuance of debt	$ 2,988	$ 3,961
Repayment of debt	$ (568)	$ (568)
Net change in commercial paper	$ —	$ (941)
Maximum commercial paper outstanding at any month-end	$ 400	$ 1,858
Short-term borrowings outstanding at quarter-end	$ 1,000	$ 1,000
Weighted-average interest rate of short-term borrowings outstanding	0.79 %	1.42 %

Share Repurchases

We have an ongoing share repurchase program, authorized by the Company's Board of Directors, that is executed through purchases made from time to time either in the open market or through private off-market transactions. We also withhold shares from employees to satisfy tax withholding liabilities. Shares repurchased are retired and returned to authorized and unissued status. The following table provides, on a settlement date basis, the total number of shares repurchased, average price paid per share, and the total amount paid for share repurchases for the six months ended July 30, 2021, and July 31, 2020:

	Six Months Ended	
(In millions, except per share data)	**July 30, 2021**	**July 31, 2020**
Total amount paid for share repurchases	$ 6,174	$ 966
Total number of shares repurchased	33.1	9.8
Average price paid per share	$ 186.73	$ 98.78

During the quarter, the Company entered into and finalized a variable notional ASR agreement with a third-party financial institution to repurchase shares. The Company's prepayment of the maximum notional amount of the variable notional ASR at the inception of the agreement resulted in a $368 million balance to be refunded to the Company subsequent to quarter end. This prepayment is reflected in other financing – net in the consolidated statements of cash flows as of the end of the second quarter.

As of July 30, 2021, we had $13.6 billion remaining available under our share repurchase program with no expiration date.

Dividends

Dividends are paid in the quarter immediately following the quarter in which they are declared. Dividends paid per share increased from $1.10 per share for the six months ended July 31, 2020, to $1.40 per share for the six months ended July 30, 2021.

Capital Resources

We expect to continue to have access to the capital markets on both a short-term and long-term basis when needed for liquidity purposes by issuing commercial paper or new long-term debt. The availability and the borrowing costs of these funds could be adversely affected, however, by a downgrade of our debt ratings or a deterioration of certain financial ratios. The table below reflects our debt ratings by Standard & Poor's (S&P) and Moody's as of August 26, 2021, which we are disclosing to enhance understanding of our sources of liquidity and the effect of our ratings on our cost of funds. Our debt ratings have enabled, and should continue to enable, us to refinance our debt as it becomes due at favorable rates in capital markets. Our commercial paper and senior debt ratings may be subject to revision or withdrawal at any time by the assigning rating organization, and each rating should be evaluated independently of any other rating.

Debt Ratings	S&P	Moody's
Commercial Paper	A-2	P-2
Senior Debt	BBB+	Baa1
Senior Debt Outlook	**Stable**	**Stable**

There are no provisions in any agreements that would require early cash settlement of existing debt or leases as a result of a downgrade in our debt rating or a decrease in our stock price. In addition, we do not believe it will be necessary to repatriate significant cash and cash equivalents and short-term investments held in foreign affiliates to fund domestic operations.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet financing that has, or is reasonably likely to have, a material, current or future effect on our financial condition, cash flows, results of operations, liquidity, capital expenditures or capital resources.

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

In March 2021, we issued $2.0 billion of unsecured notes in the ordinary course of business to be used for general corporate purposes. The table below summarizes our contractual obligations relating to long-term debt, excluding operating and finance lease obligations, at July 30, 2021. The unsecured notes issued in the first quarter of fiscal year 2021 are further described in Note 7 to the consolidated financial statements included herein.

	Payments Due by Period				
(In millions)	Total	Less Than 1 Year	1-3 Years	4-5 Years	After 5 Years
Long-term debt (principal amounts, excluding discounts and debt issuance costs)	$ 22,788	$ 1,250	$ 518	$ 3,301	$ 17,719
Long-term debt (interest payments)	11,981	814	1,549	1,455	8,163
Total	**$ 34,769**	**$ 2,064**	**$ 2,067**	**$ 4,756**	**$ 25,882**

As of July 30, 2021, there were no other material changes to our contractual obligations and commercial commitments outside the ordinary course of business since the end of fiscal year 2020. Refer to the Annual Report on Form 10-K for additional information regarding our contractual obligations and commercial commitments.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our significant accounting policies are described in Note 1 to the consolidated financial statements presented in the Annual Report. Our critical accounting policies and estimates are described in "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Annual Report. Our significant and critical accounting policies have not changed significantly since the filing of the Annual Report.

Item 3. - Quantitative and Qualitative Disclosures about Market Risk

The Company is exposed to certain market risks, including changes in foreign currency exchange rates related to our international operations, interest rates, and commodity prices. The Company's market risks have not changed materially from that disclosed in the Annual Report for the fiscal year ended January 29, 2021.

Item 4. - Controls and Procedures

The Company’s management, with the participation of the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the Company’s “disclosure controls and procedures,” (as such term is defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act)). Based upon their evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that, as of July 30, 2021, the Company’s disclosure controls and procedures were effective for the purpose of ensuring that the information required to be disclosed in the reports that the Company files or submits under the Exchange Act with the SEC (1) is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms, and (2) is accumulated and communicated to the Company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

In addition, no change in the Company’s internal control over financial reporting occurred during the quarter ended July 30, 2021, that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

Part II – OTHER INFORMATION

Item 1. - Legal Proceedings

The Company is from time to time a party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of business. With respect to such lawsuits, claims and proceedings, the Company records reserves when it is probable a liability has been incurred and the amount of loss can be reasonably estimated. The Company does not believe that any of these proceedings, individually or in the aggregate, would be expected to have a material adverse effect on its results of operations, financial position or cash flows. The Company maintains liability insurance for certain risks that are subject to certain self-insurance limits.

Item 1A. - Risk Factors

There have been no material changes in the Company's risk factors from those disclosed in "Item 1A. Risk Factors" in our Annual Report filed with the SEC on March 22, 2021.

Item 2. - Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The following table sets forth information with respect to purchases of the Company's common stock made during the three months ended July 30, 2021:

	Total Number of Shares Purchased [1]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [2]	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs [2]
May 1, 2021 - May 28, 2021 [3]	8,846,056	$ 191.38	8,845,527	$ 14,268,152,105
May 29, 2021 - July 2, 2021	2,027,385	190.92	1,996,334	13,887,152,851
July 3, 2021 - July 30, 2021 [3]	5,534,538	191.35	5,530,090	13,585,565,726
As of July 30, 2021	**16,407,979**	**$ 191.32**	**16,371,951**	**$ 13,585,565,726**

[1] *The total number of shares repurchased includes shares withheld from employees to satisfy either the exercise price of stock options or the statutory withholding tax liability upon the vesting of share-based awards.*

[2] *On December 9, 2020, the Company announced that its Board of Directors authorized $15.0 billion of share repurchases under the program with no expiration.*

[3] *In May 2021, the Company entered into a variable notional Accelerated Share Repurchase (ASR) agreement with a third-party financial institution to repurchase between $1.8 billion and $2.5 billion of the Company's common stock. At inception, pursuant to the agreement, the Company paid $2.5 billion to the financial institution and received an initial delivery of 7.2 million shares. In July, prior to the end of the second quarter, the Company finalized the transaction for $2.1 billion and received an additional 4.0 million shares. A $368 million cash payment from the financial institution, which is equal to the difference between the $2.5 billion payment made at inception and the final notional amount, was received after the end of the second quarter. The average price paid per share in settlement of the ASR agreement included in the table above was determined with reference to the volume-weighted average price of the Company's common stock over the term of the ASR agreement. See Note 9 to the consolidated financial statements included herein for additional information regarding share repurchases.*

Item 6. - Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
3.1	Restated Charter of Lowe's Companies, Inc.	10-Q	001-07898	3.1	September 1, 2009
3.2	Bylaws of Lowe's Companies, Inc., as amended and restated May 29, 2020.	8-K	001-07898	3.1	June 2, 2020
10.1	Lowe's Companies, Inc. Directors' Deferred Compensation Plan, as amended and restated May 28, 2021.‡				
15.1	Deloitte & Touche LLP Letter re Unaudited Interim Financial Information.‡				
31.1	Certification of Principal Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.‡				
31.2	Certification of Principal Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.‡				
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.†				
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.†				
101.INS	Inline XBRL Instance Document – the XBRL Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.‡				
101.SCH	Inline XBRL Taxonomy Extension Schema Document.‡				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.‡				
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.‡				
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.‡				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.‡				
104	Cover Page Interactive Data File (formatted as Inline XBRL document and included in Exhibit 101).‡				

* Indicates a management contract or compensatory plan or arrangement.
‡ Filed herewith.
† Furnished herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	LOWE'S COMPANIES, INC. (Registrant)
August 26, 2021 Date	By: /s/ Dan C. Griggs, Jr. Dan C. Griggs, Jr. Senior Vice President, Tax and Chief Accounting Officer

Exhibit 10.1

LOWE’S COMPANIES, INC.

DIRECTORS’ DEFERRED COMPENSATION PLAN

Amended and Restated Effective as of May 28, 2021

TABLE OF CONTENTS

1. PURPOSE.

The Plan is intended to constitute a deferred compensation plan for corporate non-employee directors' fees.

2. DEFINITIONS.

In this Plan, whenever the context so indicates, the singular or plural number and the masculine, feminine or neuter gender shall be deemed to include the other and the terms "he," "his" and "him" shall refer to a Participant. Unless otherwise indicated, Section references shall mean Sections of this Plan. For the purposes of the administration of the Plan and Deferral Election Forms, the following words and phrases shall have the meanings set forth below, unless their context clearly requires a different meaning:

(a) **Beneficiary** or **Beneficiaries** means a person or persons or other entity designated on a Beneficiary Designation Form by a Participant as allowed in Section 10(e) to receive Deferred Benefit payments. If there is no valid designation by the Participant, or if the designated Beneficiary or Beneficiaries fail to survive the Participant or otherwise fail to take the Deferred Benefit, the Participant's Beneficiary is the first of the following who survives the Participant: the Participant's spouse (the person legally married to the Participant when the Participant dies); the Participant's children in equal shares; and the Participant's estate.

(b) **Beneficiary Designation Form** means a form acceptable to the Chairman of the Committee or his designee used by a Participant according to this Plan to name his Beneficiary or Beneficiaries who will receive all Deferred Benefit payments under this Plan if he dies.

(c) **Board** means the board of directors of the Company.

(d) **Code** means the Internal Revenue Code of 1986, as amended from time to time, and references thereto shall include the valid Treasury regulations issued thereunder.

(e) **Committee** means the Compensation Committee of the Board.

(f) **Committee Fees** means the portion of a Director's Compensation that is payable in cash for his service on committees of the Board, according to the Company's established rules and procedures for compensating Directors.

(g) **Company** means Lowe's Companies, Inc. and any successor business by merger, purchase or otherwise that maintains the Plan.

(h) **Compensation** means a Director's Committee Fees and Retainer Fees for the Deferral Year.

(i) **Deferral Election Form** means a document governed by the provisions of Section 6, including the related Beneficiary Designation Form that applies to all of that Participant's Deferred Benefits under the Plan.

(j) **Deferral Year** means a calendar year for which a Director has an operative Deferral Election Form.

(k) **Deferred Benefit** means a Deferred Cash Benefit or a Deferred Stock Benefit under the Plan for a Participant who has submitted an operative Deferral Election Form pursuant to Section 6.

(l) **Deferred Cash Account** means that bookkeeping record established for each Participant who elects a Deferred Cash Benefit under this Plan. A Deferred Cash Account is established only for purposes of measuring a Deferred Cash Benefit and not to segregate assets or to identify assets that may or must be used to satisfy a Deferred Cash Benefit. A Deferred Cash Account will be credited with the Participant's Compensation deferred according to a Deferral Election Form and according to Section 8. A Deferred Cash Account will be valued on any given date in accordance with the procedures set forth in Section 8.

(m) **Deferred Cash Benefit** means the Deferred Cash Benefit elected by a Participant under Section 6 that results in payments to the Participant pursuant to Sections 8 and 10.

(n) **Deferred Stock Account** means a bookkeeping record established for each Participant who elects a Deferred Stock Benefit. A Deferred Stock Account is established only for purposes of measuring a Deferred Stock Benefit and not to segregate assets or to identify assets that may or must be used to satisfy a Deferred Stock Benefit. A Deferred Stock Account will be credited with the Participant's Compensation deferred as a Deferred Stock Benefit according to a Deferral Election Form and Section 9. A Deferred Stock Account will be credited periodically with amounts determined by the Committee under Section 9.

(o) **Deferred Stock Benefit** means the Deferred Benefit elected by a Participant under Section 6 that results in payments to the Participant pursuant to Sections 9 and 10.

(p) **Directors** means those duly elected members of the Board who are not employees of the Company.

(q) **Election Date** means the date established by the Plan as the date on or before which a Director must submit a valid Deferral Election Form to the Committee. A separate election will be made for each calendar year. For each Deferral Year, the Election Date is December 31 of the calendar year preceding the calendar year in which the Compensation otherwise would be payable. However, for an individual who becomes a Director during a Deferral Year, the Election Date is the thirtieth day following the date that he becomes a Director. Notwithstanding the foregoing, the Committee may set an earlier date as the Election Date for any Deferral Year.

(r) **Participant**, with respect to any Deferral Year, means a Director whose Deferral Election Form is operative for that Deferral Year according to Section 6.

(s) **Plan** means the Lowe's Companies, Inc. Directors' Deferred Compensation Plan.

(t) **Prior Period** is defined in Section 10(a).

(u) **Restatement Date** means May 28, 2021.

(v) **Retainer Fee** means that portion of a Director's Compensation that is payable in cash and that is fixed and paid without regard to his service on committees.

(w) **Termination**, with respect to a Participant, means cessation of his relationship with the Company as a Director whether by death, disability or severance for any other reason.

3. ADMINISTRATION.

The Committee shall be responsible for the general administration of the Plan and for carrying out the provisions hereof. The Committee shall have all such powers as may be necessary to carry out the provisions of the Plan, including the power to (i) resolve all questions relating to eligibility for participation in the Plan and all questions pertaining to claims for benefits and procedures for claim review, (ii) resolve all other questions arising under the Plan, including any factual questions and questions of construction, and (iii) take such further action as the Company shall deem advisable in the administration of the Plan. The actions taken and the decisions made by the Committee hereunder shall be final and binding upon all interested parties. Any Participant who would otherwise be entitled to act on behalf of the Committee shall recuse himself from any decision of the Committee that is made solely with respect to him. The Committee shall provide a procedure for handling claims of Participants or their Beneficiaries under the Plan. Such procedure shall provide adequate written notice within a reasonable period of time with respect to the denial of any such claim as well as a reasonable opportunity for a full and fair review by the Committee of any such denial. From time to time, the Committee may delegate to the management of the Company its responsibilities, including its recordkeeping responsibilities, under the Plan.

4. PARTICIPATION.

A Director becomes a Participant for any Deferral Year by filing a valid Deferral Election Form according to Section 6 on or before the Election Date for that Deferral Year, but only if his Deferral Election Form is operative according to Section 6.

5. VESTING.

Each Participant is immediately and fully vested in amounts deferred under the Plan. Each Participant is also immediately and fully vested on the "earnings" credited to his or her account.

6. <u>DEFERRAL ELECTION</u>.

A deferral election is valid when a Deferral Election Form is completed, signed by the electing Director, and received by the Committee. Deferral elections are governed by the provisions of this Section.

(a) A Participant may elect a Deferred Benefit for any Deferral Year if he is a Director at the beginning of that Deferral Year or becomes a Director during that Deferral Year.

(b) Before each Deferral Year's Election Date, each Director will be provided with a Deferral Election Form and a Beneficiary Designation Form. Under the Deferral Election Form for a single Deferral Year, a Participant may elect on or before the Election Date to defer, in 25% increments, the receipt of 25% to 100% of his Compensation for the Deferral Year that will be earned and payable after the Election Date.

(c) A Participant may complete a Deferral Election Form for either a Deferred Cash Benefit or a Deferred Stock Benefit for amounts deferred from his Compensation. Alternatively, a Participant may complete a Deferral Election Form that provides that amounts deferred from his Compensation will be allocated between a Deferred Cash Benefit and a Deferred Stock Benefit in 25% increments.

(d) A Participant may not elect to convert a Deferred Cash Benefit to a Deferred Stock Benefit. A Participant may not elect to convert a Deferred Stock Benefit to a Deferred Cash Benefit.

(e) A Director may not revoke a Deferral Election Form after the Deferral Year begins. Any revocation before the beginning of the Deferral Year is the same as a failure to submit a Deferral Election Form. Any writing signed by a Director expressing an intention to revoke his Deferral Election Form and delivered to a member of the Committee before the close of business on the relevant Election Date is a revocation.

7. <u>EFFECT OF NO ELECTION</u>.

A Director who has not submitted a valid Deferral Election Form to the Committee on or before the relevant Election Date may not defer his Compensation for the Deferral Year under this Plan. A decision to defer or not to defer one year's cash Compensation will not affect a Director's previous deferrals or his or her ability to defer future years' cash Compensation.

8. <u>DEFERRED CASH BENEFITS</u>.

A Participant's Deferred Cash Benefits shall be credited to the Participant's Deferred Cash Account as of the date on which the Compensation would have been paid. The Deferred Cash Account shall be adjusted for earnings as if the balance credited to the Deferred Cash Account were invested in the short-term interest fund option available to participants in the Lowe's 401(k) Plan. In particular, on each date a deferral is made to the Deferred Cash Account, the Deferred Cash Benefit made on that date shall be converted to whole and fractional units by dividing the deferral amount on that date by the closing net asset value ("NAV") of the short-term interest fund option available to participants in the Lowe's 401(k) Plan on the day on which the deferred Compensation would have been paid. The value of a Deferred Cash Account on any date shall be the cumulative number of units in the Deferred Cash Account multiplied by the immediately preceding closing NAV of the aforementioned short-term interest fund option.

9. DEFERRED STOCK BENEFITS.

(a) Deferred Stock Benefits shall be credited to a Deferred Stock Account as of the date on which the Compensation would have been paid. A Deferred Stock Account shall be credited with the number of whole and fractional shares of Company common stock that a Participant could have purchased with amounts deferred from his Compensation based on the closing price of Company common stock on the New York Stock Exchange on the day on which the deferred Compensation would have been paid. The value of a Deferred Stock Account on any date shall be the value of the Company common stock (whole and fractional shares) credited to the account based on the immediately preceding closing price of Company common stock on the New York Stock Exchange.

(b) A Deferred Stock Account also shall be credited with any dividends that would have been paid on the whole shares of Company common stock credited to the account. A Deferred Stock Account shall be credited with the number of whole and fractional shares of Company common stock that a Participant could have purchased with such dividends based on the closing price of the Company common stock on the day before such dividends are credited to the account.

10. DISTRIBUTIONS.

(a) Except to the extent otherwise provided in Section 10(c), amounts credited to any Deferred Cash Account or Deferred Stock Account for or during any period (whether or not a Deferral Year) ended prior to the Restatement Date (a "Prior Period") shall be distributed as soon as practicable following the date of the Participant's Termination; provided, however, that no distribution shall be made until at least six month following the last date that deferred Compensation is credited to a Participant's Deferred Stock Account. Notwithstanding the foregoing, in accordance with Treasury Regulation 1.409A-3(d), a distribution shall be made in accordance with this Section 10(a) if such distribution is made no earlier than 30 days before the designated payment date set forth in the preceding sentence.

(b) Except to the extent otherwise provided in Section 10(a) and Section 10(b), all distributions to a Participant will be made within ninety (90) days following the date of the Participant's Termination.

(c) Notwithstanding Section 10(a) and Section 10(b), in no event will distribution be made to a Participant who is a "specified employee" (as defined in Section 409A of the Code) prior to the date which is six (6) months after such Participant's separation from service.

(d) All Deferred Cash Benefits and all Deferred Stock Benefits, less withholding for applicable income and employment taxes, shall be paid in a single sum in cash. A Deferred Cash Benefit will equal the cumulative number of units in the Deferred Cash Account multiplied by the closing NAV of the short-term interest fund option available to participants of the Lowe's 401(k) Plan on the last business day of the month preceding the distribution. A Deferred Stock Benefit will equal the fair market value of the Company common stock credited to the Participant's account on the last day of the month preceding the distribution. The fair market value of the Company common stock credited to the Participant's Deferred Stock Account will be the closing price of the Company stock on the last business day of the month preceding the distribution. Amounts payable on account of the death of a Director will be paid to the Beneficiary designated by the Director.

(e) Deferred Benefits may not be assigned by a Participant or Beneficiary. A Participant may use only one Beneficiary Designation Form to designate one or more Beneficiaries for all of his Deferred Benefits under the Plan; such designations are revocable. Each Beneficiary will receive his portion of the Participant's Deferred Benefit as soon as practicable following the Participant's death.

11. COMPANY'S OBLIGATION.

The Plan is unfunded. The Company shall not be required to segregate any assets that at any time may represent a Deferred Benefit. Any liability of the Company to a Participant or Beneficiary under this Plan shall be based solely on any contractual obligations that may be created pursuant to this Plan. No such obligation of the Company shall be deemed to be secured by a pledge of, or other encumbrance on, any property of the Company.

12. CONTROL BY PARTICIPANT.

A Participant has no control over Deferred Benefits except according to his Deferral Election Forms and his Beneficiary Designation Form.

13. CLAIMS AGAINST PARTICIPANT'S DEFERRED BENEFITS.

A Deferred Cash Account and a Deferred Stock Account relating to a Participant under this Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to do so is void. A Deferred Benefit is not subject to attachment or legal process for a Participant's debts or other obligations. Nothing contained in this Plan gives any Participant any interest, lien, or claim against any specific asset of the Company. A Participant or his Beneficiary has no rights other than as a general creditor of the Company.

14. AMENDMENT OR TERMINATION.

Except as otherwise provided in this Section, this Plan may be altered, amended, suspended, or terminated at any time by the Board. No amendment or termination may adversely affect any Participant's rights under the program without his or her consent.

15. COMPLIANCE WITH CODE SECTION 409A.

Nothing in this Plan shall operate or be construed to cause the Plan to fail to comply with the requirements of Code Section 409A and, to the extent applicable, it is intended that the Plan comply with the provisions of Code Section 409A and shall be administered in a manner consistent with that intent. Any provision of this Plan that would cause the Plan or any payment made hereunder to fail to satisfy Code Section 409A shall have no force and effect until amended by the Company to comply with Code Section 409A (which amendment may be retroactive to the extent permitted by Code Section 409A) and may be made by the Company without the consent of any Participant.

16. WITHHOLDING OF TAXES AND OTHER AMOUNTS.

The Company may withhold or cause to be withheld from any amounts deferred or payable under the Plan any taxes or other amounts as shall be legally required.

17. NOTICES.

Notwithstanding any other provision of the Plan to the contrary, including any provision that requires written notice or the use of a written instrument, the Committee may establish procedures for the use of electronic or other media for notice or in communications and transactions between the Plan or the Committee and Participants and Beneficiaries. Electronic or other media may include, but are not limited to, e-mail, the Internet, intranet systems and automated telephonic response systems.

18. WAIVER.

The waiver of a breach of any provision in this Plan does not operate as and may not be construed as a waiver of any later breach.

19. CONSTRUCTION.

This Plan is created, adopted, and maintained according to the laws of the State of North Carolina (except its choice-of-law rules) . It is governed by those laws in all respects. Headings and captions are only for convenience; they do not have substantive meaning. If a provision of this Plan is not valid or not enforceable, that fact in no way affects the validity or enforceability of any other provision. Use of one gender includes all, and the singular and plural include each other.

20. LIMITED EFFECT OF RESTATEMENT.

By this instrument the Company is amending and restating the Plan effective as of the Restatement Date. Nothing in this instrument shall in any way change the amount credited or any other adjustment to any Deferred Cash Account or Deferred Stock Account for or during a Prior Period or affect the time or amount of any Plan benefit payment or other distribution during any Prior Period, and all allocations, adjustments, payments, distributions and other matters of Plan operation or administration that were made or taken during or for any Prior Period shall not be altered or affected by the amendment and restatement of the Plan by this instrument. Moreover, this instrument shall not alter the payment date for any Deferred Benefit accrued prior to the Restatement Date, and the Committee shall maintain such records as shall be necessary to ensure that any Deferred Benefit accrued prior to the Restatement Date shall be paid in accordance with the terms and provisions of the Plan as in effect immediately prior to the Restatement Date.

IN WITNESS WHEREOF, to record the amendment and restatement of the Plan, the Company has caused this instrument to be executed in its name and on its behalf by its duly authorized officer as of the Restatement Date.

LOWE’S COMPANIES, INC.

By:	/s/ Ross W. McCanless
Name:	Ross W. McCanless
Title:	Executive Vice President, General Counsel and Corporate Secretary

Exhibit 15.1

August 26, 2021

The Board of Directors and Stockholders of Lowe’s Companies, Inc.

Lowe’s Companies, Inc.
1000 Lowe’s Boulevard
Mooresville, North Carolina 28117

We are aware that our report dated August 26, 2021, on our review of the interim financial information of Lowe’s Companies, Inc. and subsidiaries appearing in this Quarterly Report on Form 10-Q for the quarter ended July 30, 2021, is incorporated by reference in the following Registration Statements:

Description	Registration Statement Number
Form S-3 ASR	
Lowe’s Stock Advantage Direct Stock Purchase Plan	333-248600
Debt Securities, Preferred Stock, Common Stock	333-258108
Form S-8	
Lowe’s 401(k) Plan	33-29772
Lowe’s Companies Benefit Restoration Plan	333-97811
Lowe’s Companies Cash Deferral Plan	333-114435
Lowe’s Companies, Inc. 2006 Long-Term Incentive Plan	333-138031; 333-196513
Lowe’s Companies, Inc. 2020 Employee Stock Purchase Plan	333-249586

/s/ DELOITTE & TOUCHE LLP

Charlotte, North Carolina

Exhibit 31.1

CERTIFICATION

I, Marvin R. Ellison, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q for the quarter ended July 30, 2021 of Lowe’s Companies, Inc. (the Registrant);

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

(4) The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and

(5) The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

August 26, 2021	/s/ Marvin R. Ellison
Date	Marvin R. Ellison Chairman of the Board, President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, David M. Denton, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q for the quarter ended July 30, 2021 of Lowe’s Companies, Inc. (the Registrant);

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

(4) The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and

(5) The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

August 26, 2021	/s/ David M. Denton
Date	David M. Denton Executive Vice President, Chief Financial Officer

Exhibit 32.1

Certification Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Lowe's Companies, Inc. (the Company) for the period ended July 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Marvin R. Ellison, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Marvin R. Ellison
Marvin R. Ellison
Chairman of the Board, President and Chief Executive Officer
August 26, 2021

Exhibit 32.2

Certification Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Lowe’s Companies, Inc. (the Company) for the period ended July 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, David M. Denton, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David M. Denton
David M. Denton
Executive Vice President, Chief Financial Officer
August 26, 2021