

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

In Millions, Except Per Share and Percentage Data

	Three Months Ended				Fiscal Year Ended			
	February 2, 2024		February 3, 2023		February 2, 2024		February 3, 2023	
	Amount	% Sales	Amount	% Sales	Amount	% Sales	Amount	% Sales
Current Earnings								
Net sales	\$ 18,602	100.00	\$ 22,445	100.00	\$ 86,377	100.00	\$ 97,059	100.00
Cost of sales	12,576	67.60	15,189	67.67	57,533	66.61	64,802	66.77
Gross margin	6,026	32.40	7,256	32.33	28,844	33.39	32,257	33.23
Expenses:								
Selling, general and administrative	3,897	20.95	5,131	22.86	15,570	18.02	20,332	20.94
Depreciation and amortization	442	2.38	421	1.88	1,717	1.99	1,766	1.82
Operating income	1,687	9.07	1,704	7.59	11,557	13.38	10,159	10.47
Interest – net	348	1.87	322	1.43	1,382	1.60	1,123	1.16
Pre-tax earnings	1,339	7.20	1,382	6.16	10,175	11.78	9,036	9.31
Income tax provision	319	1.72	425	1.90	2,449	2.83	2,599	2.68
Net earnings	\$ 1,020	5.48	\$ 957	4.26	\$ 7,726	8.95	\$ 6,437	6.63
Weighted average common shares outstanding – basic	574		603		582		629	
Basic earnings per common share ⁽¹⁾	\$ 1.77		\$ 1.58		\$ 13.23		\$ 10.20	
Weighted average common shares outstanding – diluted	575		605		584		631	
Diluted earnings per common share ⁽¹⁾	\$ 1.77		\$ 1.58		\$ 13.20		\$ 10.17	
Cash dividends per share	\$ 1.10		\$ 1.05		\$ 4.35		\$ 3.95	
Accumulated Deficit								
Balance at beginning of period	\$(15,744)		\$(13,313)		\$(14,862)		\$ (5,115)	
Net earnings	1,020		957		7,726		6,437	
Cash dividends declared	(633)		(633)		(2,531)		(2,466)	
Share repurchases	(280)		(1,873)		(5,970)		(13,718)	
Balance at end of period	\$(15,637)		\$(14,862)		\$(15,637)		\$(14,862)	

⁽¹⁾ Under the two-class method, earnings per share is calculated using net earnings allocable to common shares, which is derived by reducing net earnings by the earnings allocable to participating securities. Net earnings allocable to common shares used in the basic and diluted earnings per share calculation were \$1,017 million for the three months ended February 2, 2024, and \$954 million for the three months ended February 3, 2023. Net earnings allocable to common shares used in the basic and diluted earnings per share calculation were \$7,706 million for the fiscal year ended February 2, 2024, and \$6,416 million for the fiscal year ended February 3, 2023.

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

In Millions, Except Percentage Data

	Three Months Ended				Fiscal Year Ended			
	February 2, 2024		February 3, 2023		February 2, 2024		February 3, 2023	
	Amount	% Sales	Amount	% Sales	Amount	% Sales	Amount	% Sales
Net earnings	\$ 1,020	5.48	\$ 957	4.26	\$ 7,726	8.95	\$ 6,437	6.63
Foreign currency translation adjustments – net of tax	—	—	209	0.93	5	0.01	36	0.04
Cash flow hedges – net of tax	(4)	(0.02)	(43)	(0.19)	(14)	(0.02)	309	0.32
Other	2	0.01	2	0.01	2	—	(2)	—
Other comprehensive (loss)/income	(2)	(0.01)	168	0.75	(7)	(0.01)	343	0.36
Comprehensive income	\$ 1,018	5.47	\$ 1,125	5.01	\$ 7,719	8.94	\$ 6,780	6.99

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

	February 2, 2024	February 3, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 921	\$ 1,348
Short-term investments	307	384
Merchandise inventory – net	16,894	18,532
Other current assets	949	1,178
Total current assets	19,071	21,442
Property, less accumulated depreciation	17,653	17,567
Operating lease right-of-use assets	3,733	3,518
Long-term investments	252	121
Deferred income taxes – net	248	250
Other assets	838	810
Total assets	\$ 41,795	\$ 43,708
Liabilities and shareholders' deficit		
Current liabilities:		
Short-term borrowings	\$ —	\$ 499
Current maturities of long-term debt	537	585
Current operating lease liabilities	487	522
Accounts payable	8,704	10,524
Accrued compensation and employee benefits	954	1,109
Deferred revenue	1,408	1,603
Income taxes payable	33	1,181
Other current liabilities	3,445	3,488
Total current liabilities	15,568	19,511
Long-term debt, excluding current maturities	35,384	32,876
Noncurrent operating lease liabilities	3,737	3,512
Deferred revenue – Lowe's protection plans	1,225	1,201
Other liabilities	931	862
Total liabilities	56,845	57,962
Shareholders' deficit:		
Preferred stock, \$5 par value: Authorized – 5.0 million shares; Issued and outstanding – none	—	—
Common stock, \$0.50 par value: Authorized – 5.6 billion shares; Issued and outstanding – 574 million and 601 million, respectively	287	301
Accumulated deficit	(15,637)	(14,862)
Accumulated other comprehensive income	300	307
Total shareholders' deficit	(15,050)	(14,254)
Total liabilities and shareholders' deficit	\$ 41,795	\$ 43,708

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

	Fiscal Year Ended	
	February 2, 2024	February 3, 2023
Cash flows from operating activities:		
Net earnings	\$ 7,726	\$ 6,437
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	1,923	1,981
Noncash lease expense	499	530
Deferred income taxes	6	(239)
Asset impairment and loss on property – net	83	2,118
(Gain)/loss on sale of business	(79)	421
Share-based payment expense	210	223
Changes in operating assets and liabilities:		
Merchandise inventory – net	1,637	(2,594)
Other operating assets	182	56
Accounts payable	(1,820)	(549)
Deferred revenue	(170)	(183)
Other operating liabilities	(2,057)	388
Net cash provided by operating activities	8,140	8,589
Cash flows from investing activities:		
Purchases of investments	(1,785)	(1,189)
Proceeds from sale/maturity of investments	1,722	1,174
Capital expenditures	(1,964)	(1,829)
Proceeds from sale of property and other long-term assets	53	45
Proceeds from sale of business	100	491
Other – net	(27)	(1)
Net cash used in investing activities	(1,901)	(1,309)
Cash flows from financing activities:		
Net change in commercial paper	(499)	499
Net proceeds from issuance of debt	2,983	9,667
Repayment of debt	(601)	(867)
Proceeds from issuance of common stock under share-based payment plans	141	151
Cash dividend payments	(2,531)	(2,370)
Repurchases of common stock	(6,138)	(14,124)
Other – net	(21)	(5)
Net cash used in financing activities	(6,666)	(7,049)
Effect of exchange rate changes on cash		
	—	(16)
Net (decrease)/increase in cash and cash equivalents	(427)	215
Cash and cash equivalents, beginning of period	1,348	1,133
Cash and cash equivalents, end of period	\$ 921	\$ 1,348

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

To provide additional transparency, the Company has presented a comparison to the non-GAAP financial measure of adjusted diluted earnings per share for the three months ended February 3, 2023. This measure excludes the impact of a certain item, further described below, not contemplated in Lowe's Business Outlook to assist analysts and investors in understanding the comparison of operational performance to the fourth quarter of fiscal 2022.

Fiscal 2022 Impacts

During fiscal 2022, the Company recognized financial impacts from the following, not contemplated in the Company's Business Outlook for fiscal 2022:

- In the fourth quarter of fiscal 2022, the Company recognized pre-tax transaction costs totaling \$441 million, consisting of the loss on the sale and other closing costs associated with the sale of the Canadian retail business (Canadian retail business transaction).

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

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

	Three Months Ended		
	February 3, 2023		
	Pre-Tax Earnings	Tax ¹	Net Earnings
Diluted earnings per share, as reported			\$ 1.58
Non-GAAP adjustments – per share impacts			
Canadian retail business transaction	0.73	(0.03)	0.70
Adjusted diluted earnings per share			\$ 2.28

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