



May 21, 2024
For 6:00 a.m. ET Release

LOWE'S REPORTS FIRST QUARTER 2024 SALES AND EARNINGS RESULTS
— Comparable Sales Decreased 4.1%; Diluted EPS of \$3.06 —
— Affirms Full Year 2024 Outlook —

MOORESVILLE, N.C., May 21, 2024 – Lowe's Companies, Inc. (NYSE: LOW) today reported net earnings of \$1.8 billion and diluted earnings per share (EPS) of \$3.06 for the quarter ended May 3, 2024, compared to diluted EPS of \$3.77 in the first quarter of 2023, which included a gain associated with the 2022 sale of the Canadian retail business. Excluding this gain, first quarter 2023 adjusted diluted EPS¹ was \$3.67.

Total sales for the quarter were \$21.4 billion, compared to \$22.3 billion in the prior-year quarter. Comparable sales for the quarter decreased 4.1% as the decline in DIY big ticket discretionary spending was partially offset by positive comparable sales in Pro and online.

"We are pleased with our start to spring, driven by strong execution and enhanced customer service," said Marvin R. Ellison, Lowe's chairman, president and CEO. "This quarter we rolled out our new DIY loyalty program nationally, expanded same-day delivery options and took market share in key categories. We continue to gain momentum with our Total Home strategy, reflected in our growth in Pro and online. I would like to thank our frontline associates for their hard work, commitment to customers and disciplined focus on productivity."

As of May 3, 2024, Lowe's operated 1,746 stores representing 194.9 million square feet of retail selling space.

Capital Allocation

The company continues to execute a disciplined capital allocation program to generate long-term, sustainable shareholder value. During the quarter, the company repurchased approximately 3.0 million shares for \$743 million, and it paid \$633 million in dividends.

¹ Adjusted diluted earnings per share is a non-GAAP financial measure. Refer to the "Non-GAAP Financial Measures Reconciliation" section of this release for additional information, as well as reconciliations between the Company's GAAP and non-GAAP financial results.

Lowe's Business Outlook

The company is affirming its outlook for full year 2024.

Full Year 2024 Outlook

- Total sales of \$84 to \$85 billion
- Comparable sales expected to be down -2 to -3% as compared to prior year
- Operating income as a percentage of sales (operating margin) of 12.6% to 12.7%
- Interest expense of approximately \$1.4 billion
- Effective income tax rate of approximately 25%
- Diluted earnings per share of approximately \$12.00 to \$12.30
- Capital expenditures of approximately \$2 billion

A conference call to discuss first quarter 2024 operating results is scheduled for today, Tuesday, May 21, at 9 a.m. ET. The conference call will be available by webcast and can be accessed by visiting Lowe's website at ir.lowes.com and clicking on Lowe's First Quarter 2024 Earnings Conference Call Webcast. Supplemental slides will be available approximately 15 minutes prior to the start of the conference call. A replay of the call will be archived at ir.lowes.com.

Lowe's Companies, Inc.

Lowe's Companies, Inc. (NYSE: LOW) is a FORTUNE® 50 home improvement company serving approximately 16 million customer transactions a week in the United States. With total fiscal year 2023 sales of more than \$86 billion, Lowe's operates over 1,700 home improvement stores and employs approximately 300,000 associates. Based in Mooresville, N.C., Lowe's supports the communities it serves through programs focused on creating safe, affordable housing and helping to develop the next generation of skilled trade experts. For more information, visit Lowes.com.

Disclosure Regarding Forward-Looking Statements

This press release 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 (including objectives related to environmental and social matters), business outlook, priorities, sales growth, shareholder value, capital expenditures, cash flows, the housing market, the home improvement industry, demand for products and services including customer acceptance of new offerings and initiatives, macroeconomic conditions and consumer spending, share repurchases, and 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 volatility and/or lack of liquidity from time to time in U.S. and world financial markets and the consequent reduced availability and/or higher cost of borrowing to Lowe’s and its customers, slower rates of growth in real disposable personal income that could affect the rate of growth in consumer spending, inflation and its impacts on discretionary spending and on our costs, shortages, and other disruptions in the labor supply, interest rate and currency fluctuations, home price appreciation or decreasing housing turnover, age of housing stock, the availability of consumer credit and of mortgage financing, trade policy changes or additional tariffs, outbreaks of pandemics, fluctuations in fuel and energy costs, inflation or deflation of commodity prices, natural disasters, geopolitical or armed conflicts, acts of both domestic and international terrorism, 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. 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.

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

In Millions, Except Per Share and Percentage Data

| | Three Months Ended | | | |
|---|--------------------|---------------|--------------------|---------------|
| | May 3, 2024 | | May 5, 2023 | |
| | Amount | % Sales | Amount | % Sales |
| Current Earnings | | | | |
| Net sales | \$ 21,364 | 100.00 | \$ 22,347 | 100.00 |
| Cost of sales | 14,274 | 66.81 | 14,820 | 66.32 |
| Gross margin | 7,090 | 33.19 | 7,527 | 33.68 |
| Expenses: | | | | |
| Selling, general and administrative | 4,009 | 18.77 | 3,824 | 17.12 |
| Depreciation and amortization | 428 | 2.00 | 415 | 1.85 |
| Operating income | 2,653 | 12.42 | 3,288 | 14.71 |
| Interest – net | 352 | 1.65 | 349 | 1.56 |
| Pre-tax earnings | 2,301 | 10.77 | 2,939 | 13.15 |
| Income tax provision | 546 | 2.56 | 679 | 3.04 |
| Net earnings | \$ 1,755 | 8.21 | \$ 2,260 | 10.11 |
| Weighted average common shares outstanding – basic | 571 | | 596 | |
| Basic earnings per common share ⁽¹⁾ | \$ 3.06 | | \$ 3.78 | |
| Weighted average common shares outstanding – diluted | 572 | | 597 | |
| Diluted earnings per common share ⁽¹⁾ | \$ 3.06 | | \$ 3.77 | |
| Cash dividends per share | \$ 1.10 | | \$ 1.05 | |
| Accumulated Deficit | | | | |
| Balance at beginning of period | \$ (15,637) | | \$ (14,862) | |
| Net earnings | 1,755 | | 2,260 | |
| Cash dividends declared | (629) | | (624) | |
| Share repurchases | (677) | | (2,084) | |
| Balance at end of period | \$ (15,188) | | \$ (15,310) | |

⁽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 \$1,750 million for the three months ended May 3, 2024, and \$2,254 million for the three months ended May 5, 2023.

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

In Millions, Except Percentage Data

| | Three Months Ended | | | |
|---------------------------------|--------------------|---------------|-----------------|---------------|
| | May 3, 2024 | | May 5, 2023 | |
| | Amount | % Sales | Amount | % Sales |
| Net earnings | \$ 1,755 | 8.21 | \$ 2,260 | 10.11 |
| Cash flow hedges – net of tax | (3) | (0.02) | (4) | (0.02) |
| Other | (1) | — | 1 | 0.01 |
| Other comprehensive loss | (4) | (0.02) | (3) | (0.01) |
| Comprehensive income | \$ 1,751 | 8.19 | \$ 2,257 | 10.10 |

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

| | May 3, 2024 | May 5, 2023 |
|---|------------------|------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 3,237 | \$ 2,950 |
| Short-term investments | 264 | 423 |
| Merchandise inventory – net | 18,224 | 19,522 |
| Other current assets | 1,025 | 1,023 |
| Total current assets | 22,750 | 23,918 |
| Property, less accumulated depreciation | 17,531 | 17,402 |
| Operating lease right-of-use assets | 3,829 | 3,504 |
| Long-term investments | 306 | 103 |
| Deferred income taxes – net | 115 | 150 |
| Other assets | 834 | 840 |
| Total assets | \$ 45,365 | \$ 45,917 |
| Liabilities and shareholders' deficit | | |
| Current liabilities: | | |
| Short-term borrowings | \$ — | \$ 72 |
| Current maturities of long-term debt | 1,294 | 589 |
| Current operating lease liabilities | 552 | 525 |
| Accounts payable | 11,737 | 11,885 |
| Accrued compensation and employee benefits | 870 | 766 |
| Deferred revenue | 1,409 | 1,645 |
| Other current liabilities | 3,644 | 3,728 |
| Total current liabilities | 19,506 | 19,210 |
| Long-term debt, excluding current maturities | 34,622 | 35,863 |
| Noncurrent operating lease liabilities | 3,759 | 3,479 |
| Deferred revenue – Lowe's protection plans | 1,225 | 1,206 |
| Other liabilities | 859 | 869 |
| Total liabilities | 59,971 | 60,627 |
| 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 – 572 million and 592 million, respectively | 286 | 296 |
| Accumulated deficit | (15,188) | (15,310) |
| Accumulated other comprehensive income | 296 | 304 |
| Total shareholders' deficit | (14,606) | (14,710) |
| Total liabilities and shareholders' deficit | \$ 45,365 | \$ 45,917 |

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

| | Three Months Ended | |
|---|--------------------|-----------------|
| | May 3, 2024 | May 5, 2023 |
| Cash flows from operating activities: | | |
| Net earnings | \$ 1,755 | \$ 2,260 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | |
| Depreciation and amortization | 486 | 465 |
| Noncash lease expense | 131 | 108 |
| Deferred income taxes | 135 | 102 |
| (Gain)/loss on property and other assets – net | (7) | 11 |
| Gain on sale of business | — | (67) |
| Share-based payment expense | 55 | 59 |
| Changes in operating assets and liabilities: | | |
| Merchandise inventory – net | (1,330) | (990) |
| Other operating assets | (86) | 157 |
| Accounts payable | 3,033 | 1,361 |
| Other operating liabilities | 90 | (1,360) |
| Net cash provided by operating activities | 4,262 | 2,106 |
| Cash flows from investing activities: | | |
| Purchases of investments | (277) | (450) |
| Proceeds from sale/maturity of investments | 266 | 412 |
| Capital expenditures | (382) | (380) |
| Proceeds from sale of property and other long-term assets | 15 | 8 |
| Proceeds from sale of business | — | 123 |
| Other – net | — | (17) |
| Net cash used in investing activities | (378) | (304) |
| Cash flows from financing activities: | | |
| Net change in commercial paper | — | (427) |
| Net proceeds from issuance of debt | — | 2,983 |
| Repayment of debt | (22) | (22) |
| Proceeds from issuance of common stock under share-based payment plans | 15 | 5 |
| Cash dividend payments | (633) | (633) |
| Repurchases of common stock | (923) | (2,106) |
| Other – net | (5) | — |
| Net cash used in financing activities | (1,568) | (200) |
| Net increase in cash and cash equivalents | 2,316 | 1,602 |
| Cash and cash equivalents, beginning of period | 921 | 1,348 |
| Cash and cash equivalents, end of period | \$ 3,237 | \$ 2,950 |

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

To provide additional transparency, the Company has presented a comparison to the non-GAAP financial measure of adjusted diluted earnings per share for the three months ended May 5, 2023. This measure excludes the impact of 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 first quarter of fiscal 2023.

Fiscal 2023 Impacts

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

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

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

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

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

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