

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.