

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 August 1, 2025

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

(State or other jurisdiction of incorporation or organization)

56-0578072

(I.R.S. Employer Identification No.)

1000 Lowes Blvd., Mooresville, North Carolina

(Address of principal executive offices)

28117

(Zip Code)

Registrant's telephone number, including area code:

(704) 758-1000

Former name, former address and former fiscal year, if changed since last report: **Not Applicable**

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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 8/26/2025
Common Stock, \$0.50 par value	560,824,905

LOWE'S COMPANIES, INC.

- TABLE OF CONTENTS -

	Page No.
Forward-Looking Statements	ii
PART I - Financial Information	1
Item 1. Financial Statements	1
Consolidated Statements of Earnings	1
Consolidated Statements of Comprehensive Income	1
Consolidated Balance Sheets	2
Consolidated Statements of Shareholders' Deficit	3
Consolidated Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6
Note 1: Summary of Significant Accounting Policies	6
Note 2: Acquisition	6
Note 3: Revenue	7
Note 4: Restricted Investments	9
Note 5: Fair Value Measurements	9
Note 6: Accounts Payable	10
Note 7: Debt	11
Note 8: Derivative Instruments	11
Note 9: Shareholders' Deficit	11
Note 10: Earnings Per Share	12
Note 11: Supplemental Disclosure	12
Note 12: Segment Information	13
Note 13: Subsequent Event	13
Report of Independent Registered Public Accounting Firm	15
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	16
Item 3. Quantitative and Qualitative Disclosures about Market Risk	22
Item 4. Controls and Procedures	22
PART II - Other Information	24
Item 1. Legal Proceedings	24
Item 1A. Risk Factors	24
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	24
Item 5. Other Information	24
Item 6. Exhibits	25
Signature	26

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 (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, the occurrence of any event or other circumstance that could give rise to the right of one or both of the parties to terminate the stock purchase agreement between Lowe’s and Foundation Building Materials (“FBM”), the failure to obtain the regulatory approval or to satisfy the other conditions to the proposed transaction in the expected timeframe or at all, the risk of litigation and/or regulatory actions related to the proposed transaction, the potential adverse effects to the businesses of Lowe’s or FBM during the pendency of the transaction, the possibility that the anticipated benefits and synergies of the transaction are not realized when expected, or at all, including as a result of the impact of, or problems arising from, the integration of the two companies, 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” and “Item 7 - Management’s Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies and Estimates” in our most recent Annual Report on Form 10-K and as may be updated from time to time 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.



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			
	August 1, 2025		August 2, 2024		August 1, 2025		August 2, 2024	
	Amount	% Sales	Amount	% Sales	Amount	% Sales	Amount	% Sales
Current Earnings								
Net sales	\$ 23,959	100.00 %	\$ 23,586	100.00 %	\$ 44,888	100.00 %	\$ 44,950	100.00 %
Cost of sales	15,858	66.19	15,691	66.53	29,800	66.39	29,965	66.66
Gross margin	8,101	33.81	7,895	33.47	15,088	33.61	14,985	33.34
Expenses:								
Selling, general and administrative	4,175	17.42	4,025	17.07	8,222	18.31	8,034	17.88
Depreciation and amortization	457	1.91	423	1.79	902	2.01	851	1.89
Operating income	3,469	14.48	3,447	14.61	5,964	13.29	6,100	13.57
Interest – net	313	1.31	317	1.34	650	1.45	669	1.49
Pre-tax earnings	3,156	13.17	3,130	13.27	5,314	11.84	5,431	12.08
Income tax provision	758	3.16	747	3.17	1,276	2.84	1,294	2.88
Net earnings	\$ 2,398	10.01 %	\$ 2,383	10.10 %	\$ 4,038	9.00 %	\$ 4,137	9.20 %
Weighted average common shares outstanding – basic	559		568		559		570	
Basic earnings per common share	\$ 4.28		\$ 4.18		\$ 7.21		\$ 7.24	
Weighted average common shares outstanding – diluted	560		570		560		571	
Diluted earnings per common share	\$ 4.27		\$ 4.17		\$ 7.19		\$ 7.23	

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			
	August 1, 2025		August 2, 2024		August 1, 2025		August 2, 2024	
	Amount	% Sales	Amount	% Sales	Amount	% Sales	Amount	% Sales
Net earnings	\$ 2,398	10.01 %	\$ 2,383	10.10 %	\$ 4,038	9.00 %	\$ 4,137	9.20 %
Cash flow hedges – net of tax	(4)	(0.01)	(3)	(0.01)	(7)	(0.02)	(6)	(0.01)
Other	(1)	(0.01)	2	0.01	—	—	1	—
Other comprehensive loss	(5)	(0.02)	(1)	—	(7)	(0.02)	(5)	(0.01)
Comprehensive income	\$ 2,393	9.99 %	\$ 2,382	10.10 %	\$ 4,031	8.98 %	\$ 4,132	9.19 %

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

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

	August 1, 2025	August 2, 2024	January 31, 2025
Assets			
Current assets:			
Cash and cash equivalents	\$ 4,860	\$ 4,360	\$ 1,761
Short-term investments	396	330	372
Merchandise inventory - net	16,342	16,841	17,409
Other current assets	1,041	806	816
Total current assets	22,639	22,337	20,358
Property, less accumulated depreciation	17,708	17,515	17,649
Operating lease right-of-use assets	3,887	3,819	3,738
Long-term investments	273	292	277
Deferred income taxes - net	140	184	244
Intangibles - net	976	284	277
Goodwill	691	311	311
Other assets	300	192	248
Total assets	\$ 46,614	\$ 44,934	\$ 43,102
Liabilities and shareholders' deficit			
Current liabilities:			
Current maturities of long-term debt	4,175	1,290	2,586
Current operating lease liabilities	536	552	563
Accounts payable	9,513	10,336	9,290
Accrued compensation and employee benefits	1,098	1,055	1,008
Deferred revenue	1,558	1,417	1,358
Other current liabilities	4,742	3,596	3,952
Total current liabilities	21,622	18,246	18,757
Long-term debt, excluding current maturities	30,548	34,659	32,901
Noncurrent operating lease liabilities	3,801	3,738	3,628
Deferred revenue - Lowe's protection plans	1,283	1,256	1,268
Other liabilities	760	798	779
Total liabilities	58,014	58,697	57,333
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 – 561 million, 568 million, and 560 million, respectively	280	284	280
Capital in excess of par value	147	—	—
Accumulated deficit	(12,108)	(14,342)	(14,799)
Accumulated other comprehensive income	281	295	288
Total shareholders' deficit	(11,400)	(13,763)	(14,231)
Total liabilities and shareholders' deficit	\$ 46,614	\$ 44,934	\$ 43,102

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



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

Three Months Ended August 1, 2025							
	Common Stock		Capital in Excess of Par Value	Accumulated Deficit	Accumulated Other Comprehensive Income	Total	
	Shares	Amount					
Balance May 2, 2025	560	\$ 280	\$ 13	\$ (13,833)	\$ 286	\$ (13,254)	
Net earnings	—	—	—	2,398	—	2,398	
Other comprehensive loss	—	—	—	—	(5)	(5)	
Cash dividends declared, \$1.20 per share	—	—	—	(673)	—	(673)	
Share-based payment expense	—	—	64	—	—	64	
Repurchases of common stock	—	—	1	—	—	1	
Issuance of common stock under share-based payment plans	1	—	69	—	—	69	
Balance August 1, 2025	561	\$ 280	\$ 147	\$ (12,108)	\$ 281	\$ (11,400)	

Six Months Ended August 1, 2025							
	Common Stock		Capital in Excess of Par Value	Accumulated Deficit	Accumulated Other Comprehensive Income	Total	
	Shares	Amount					
Balance January 31, 2025	560	\$ 280	\$ —	\$ (14,799)	\$ 288	\$ (14,231)	
Net earnings	—	—	—	4,038	—	4,038	
Other comprehensive loss	—	—	—	—	(7)	(7)	
Cash dividends declared, \$2.35 per share	—	—	—	(1,317)	—	(1,317)	
Share-based payment expense	—	—	117	—	—	117	
Repurchases of common stock	—	(1)	(40)	(30)	—	(71)	
Issuance of common stock under share-based payment plans	1	1	70	—	—	71	
Balance August 1, 2025	561	\$ 280	\$ 147	\$ (12,108)	\$ 281	\$ (11,400)	

Three Months Ended August 2, 2024							
	Common Stock		Capital in Excess of Par Value	Accumulated Deficit	Accumulated Other Comprehensive Income	Total	
	Shares	Amount					
Balance May 3, 2024	572	\$ 286	\$ —	\$ (15,188)	\$ 296	\$ (14,606)	
Net earnings	—	—	—	2,383	—	2,383	
Other comprehensive income	—	—	—	—	(1)	(1)	
Cash dividends declared, \$1.15 per share	—	—	—	(654)	—	(654)	
Share-based payment expense	—	—	60	—	—	60	
Repurchases of common stock	(4)	(2)	(129)	(883)	—	(1,014)	
Issuance of common stock under share-based payment plans	—	—	69	—	—	69	
Balance August 2, 2024	568	\$ 284	\$ —	\$ (14,342)	\$ 295	\$ (13,763)	

Six Months Ended August 2, 2024							
	Common Stock		Capital in Excess of Par Value	Accumulated Deficit	Accumulated Other Comprehensive Income	Total	
	Shares	Amount					
Balance February 2, 2024	574	\$ 287	\$ —	\$ (15,637)	\$ 300	\$ (15,050)	
Net earnings	—	—	—	4,137	—	4,137	
Other comprehensive loss	—	—	—	—	(5)	(5)	
Cash dividends declared, \$2.25 per share	—	—	—	(1,283)	—	(1,283)	
Share-based payment expense	—	—	110	—	—	110	
Repurchases of common stock	(7)	(4)	(193)	(1,559)	—	(1,756)	
Issuance of common stock under share-based payment plans	1	1	83	—	—	84	
Balance August 2, 2024	568	\$ 284	\$ —	\$ (14,342)	\$ 295	\$ (13,763)	

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



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

	Six Months Ended	
	August 1, 2025	August 2, 2024
Cash flows from operating activities:		
Net earnings	\$ 4,038	\$ 4,137
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	1,022	967
Noncash lease expense	267	260
Deferred income taxes	70	66
Loss/(gain) on property and other assets – net	30	(4)
Gain on sale of business	—	(43)
Share-based payment expense	117	110
Changes in operating assets and liabilities:		
Merchandise inventory – net	1,173	53
Other operating assets	(2)	129
Accounts payable	150	1,679
Other operating liabilities	745	61
Net cash provided by operating activities	7,610	7,415
Cash flows from investing activities:		
Purchases of investments	(845)	(628)
Proceeds from sale/maturity of investments	827	571
Capital expenditures	(1,013)	(808)
Proceeds from sale of property and other long-term assets	7	22
Acquisition of business - net	(1,314)	—
Proceeds from sale of business	—	43
Other – net	(5)	—
Net cash used in investing activities	(2,343)	(800)
Cash flows from financing activities:		
Repayment of debt	(796)	(47)
Proceeds from issuance of common stock under share-based payment plans	70	84
Cash dividend payments	(1,290)	(1,262)
Repurchases of common stock	(113)	(1,930)
Other – net	(39)	(21)
Net cash used in financing activities	(2,168)	(3,176)
Net increase in cash and cash equivalents	3,099	3,439
Cash and cash equivalents, beginning of period	1,761	921
Cash and cash equivalents, end of period	\$ 4,860	\$ 4,360

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 consolidated balance sheets as of August 1, 2025, and August 2, 2024, and the statements of earnings, comprehensive income, and shareholders' deficit for the three and six months ended August 1, 2025, and August 2, 2024, and cash flows for the six months ended August 1, 2025, and August 2, 2024. The January 31, 2025, 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 31, 2025 (the Annual Report). The financial results for the interim periods may not be indicative of the financial results for the entire fiscal year.

Accounting Pronouncements Not Yet Adopted

There have been no significant changes in the accounting pronouncements not yet adopted from those disclosed in the Annual Report. Accounting pronouncements not disclosed in this Form 10-Q or in the Annual Report are either not applicable to the Company or are not expected to have a material impact to the Company.

Note 2: Acquisitions

On April 9, 2025, the Company entered into a definitive agreement to acquire Artisan Design Group (ADG). ADG is a leading nationwide provider of design, distribution and installation services for interior surface finishers, including flooring, cabinets and countertops, to national, regional and local home builders and property managers. The acquisition is expected to expand the Company's Pro customer offering into a new distribution channel within a highly fragmented market. The acquisition was completed on June 2, 2025, for an aggregate cash purchase price of \$1.3 billion and is included in the investing section of the consolidated statements of cash flows, net of cash acquired. Acquisition-related costs were expensed as incurred.



The following table summarizes our preliminary aggregate purchase price allocation:

(In millions)	June 2, 2025
Allocation:	
Cash acquired	\$ 2
Merchandise inventory	106
Property	31
Operating lease right-of-use assets	137
Intangible assets	714
Goodwill	379
Other assets	270
Accounts payable	(73)
Accrued compensation and employee benefits	(34)
Operating lease liabilities	(125)
Deferred revenue	(22)
Long-term debt, excluding current maturities	(4)
Deferred income taxes, net	(36)
Other liabilities	(30)
Net assets acquired	\$ 1,315

Intangible assets acquired totaled \$714 million, and include trademarks of \$130 million with a useful life of 15 years, customer relationships of \$550 million with a useful life of 20 years, backlog of \$26 million, and non-compete agreements of \$8 million with a useful life of 5 years, each of which are included in the intangibles-net line item within the accompanying consolidated balance sheet. Goodwill of \$379 million is primarily attributable to the synergies expected to arise after the acquisition. We expect \$312 million of goodwill to be deductible for tax purposes.

We have completed valuation analyses necessary to assess the fair values of the assets acquired and liabilities assumed and the amount of goodwill to be recognized as of the acquisition date. These fair values were based on management's estimates and assumptions; however, the amounts indicated above are preliminary in nature and are subject to adjustment as additional information is obtained about the facts and circumstances that existed as of the acquisition date. Accordingly, there may be adjustments to the assigned values of acquired assets and liabilities assumed. The final determination of acquisition date fair values and residual goodwill will be completed as soon as practicable, and within the measurement period of up to one year from the acquisition date as permitted under GAAP. Any adjustments to provisional amounts that are identified during the measurement period will be recorded in the reporting period in which the adjustment is determined.

Pro forma revenue and earnings since acquisition has not been provided as the acquisition was not material to the consolidated financial statements.

Note 3: 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:

(In millions)	Three Months Ended		Six Months Ended	
	August 1, 2025	August 2, 2024	August 1, 2025	August 2, 2024
Products	\$ 22,973	\$ 22,709	\$ 43,141	\$ 43,396
Services	655	548	1,200	1,080
Other	331	329	547	474
Net sales	\$ 23,959	\$ 23,586	\$ 44,888	\$ 44,950

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	August 1, 2025	August 2, 2024	January 31, 2025
Anticipated sales returns	Other current liabilities	\$ 211	\$ 207	\$ 167
Right of return assets	Other current assets	123	119	99

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)	August 1, 2025	August 2, 2024	January 31, 2025
Retail deferred revenue	\$ 1,095	\$ 922	\$ 770
Stored-value cards deferred revenue	463	495	588
Deferred revenue	\$ 1,558	\$ 1,417	\$ 1,358

Deferred revenue - Lowe's protection plans

The Company defers revenues for its separately-priced long-term extended protection plan contracts (Lowe's protection plans) 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)	August 1, 2025	August 2, 2024	January 31, 2025
Deferred revenue - Lowe's protection plans	\$ 1,283	\$ 1,256	\$ 1,268

(In millions)	Three Months Ended		Six Months Ended	
	August 1, 2025	August 2, 2024	August 1, 2025	August 2, 2024
Lowe's protection plans deferred revenue recognized into sales	\$ 144	\$ 140	\$ 287	\$ 279
Lowe's protection plans claim expenses	61	50	119	104

Disaggregation of Revenues

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

(In millions)	Three Months Ended				Six Months Ended			
	August 1, 2025		August 2, 2024		August 1, 2025		August 2, 2024	
	Net Sales	%	Net Sales	%	Net Sales	%	Net Sales	%
Home Décor ¹	\$ 8,359	34.9 %	\$ 8,181	34.7 %	\$ 15,911	35.4 %	\$ 15,847	35.3 %
Hardlines ²	7,817	32.6	7,718	32.7	14,221	31.7	14,357	31.9
Building Products ³	7,084	29.6	7,077	30.0	13,635	30.4	13,726	30.5
Other	699	2.9	610	2.6	1,121	2.5	1,020	2.3
Total	\$ 23,959	100.0 %	\$ 23,586	100.0 %	\$ 44,888	100.0 %	\$ 44,950	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, Lumber, Millwork, and Rough Plumbing.

Note 4: Restricted Investments

Short-term and long-term investments include restricted balances pledged as collateral primarily for the Lowe's protection plans program and are as follows:

(In millions)	August 1, 2025	August 2, 2024	January 31, 2025
Short-term restricted investments	\$ 396	\$ 330	372
Long-term restricted investments	273	292	277
Total restricted investments	\$ 669	\$ 622	\$ 649

Note 5: 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 August 1, 2025, August 2, 2024, and January 31, 2025:

(In millions)	Classification	Measurement Level	Fair Value Measurements at		
			August 1, 2025	August 2, 2024	January 31, 2025
Available-for-sale debt securities:					
U.S. Treasury securities	Short-term investments	Level 1	\$ 225	\$ 184	\$ 199
Money market funds	Short-term investments	Level 1	60	81	91
Commercial paper	Short-term investments	Level 2	48	29	49
Certificates of deposit	Short-term investments	Level 1	37	13	13
Foreign government debt securities	Short-term investments	Level 2	19	—	4
Corporate debt securities	Short-term investments	Level 2	5	21	16
Municipal obligations	Short-term investments	Level 2	2	2	—
U.S. Treasury securities	Long-term investments	Level 1	125	188	150
Corporate debt securities	Long-term investments	Level 2	119	79	88
Foreign government debt securities	Long-term investments	Level 2	22	22	37
Municipal obligations	Long-term investments	Level 2	7	3	2
Derivative instruments:					
Fixed-to-floating interest rate swaps	Other current liabilities	Level 2	\$ 6	\$ —	\$ 11
Fixed-to-floating interest rate swaps	Other liabilities	Level 2	24	57	35

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, financial assets were classified within Level 1 of the fair value hierarchy. When quoted prices in active markets were not available, fair values for financial assets and liabilities classified within Level 2 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.

The Company has performance-based contingent consideration related to the fiscal 2022 sale of the Canadian retail business which is classified as a Level 3 long-term investment, and such contingent consideration had an estimated fair value of zero as of August 1, 2025, August 2, 2024, and January 31, 2025. The Company's measurements of fair value of the contingent consideration are based on an income approach, which requires certain assumptions considering operating performance of the business and a risk-adjusted discount rate. Changes in the estimated fair value of the contingent consideration are recognized within selling, general and administrative expenses (SG&A) in the consolidated statements of earnings.

The rollforward of the fair value of contingent consideration for the three and six months ended August 1, 2025 and August 2, 2024, is as follows:

(In millions)	Three Months Ended		Six Months Ended	
	August 1, 2025	August 2, 2024	August 1, 2025	August 2, 2024
Beginning balance	\$ —	\$ —	\$ —	\$ —
Change in fair value	—	43	—	43
Proceeds received	—	(43)	—	(43)
Ending balance	\$ —	\$ —	\$ —	\$ —

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

During the three and six months ended August 1, 2025, and August 2, 2024, 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, short-term borrowings, accounts payable, and long-term debt and are reflected in the financial statements at cost. With the exception of long-term debt, cost approximates fair value for these items due to their short-term nature. As further described in [Note 8](#), certain long-term debt is associated with a fair value hedge and the changes in fair value of the hedged debt is included in the carrying value of long-term debt in the consolidated balance sheets. 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:

(In millions)	August 1, 2025		August 2, 2024		January 31, 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Unsecured notes (Level 1)	\$ 34,289	\$ 31,198	\$ 35,440	\$ 32,748	\$ 35,011	\$ 31,557
Mortgage notes (Level 2)	1	1	1	1	1	1
Long-term debt (excluding finance lease obligations)	\$ 34,290	\$ 31,199	\$ 35,441	\$ 32,749	\$ 35,012	\$ 31,558

Note 6: Accounts Payable

The Company has an agreement with a third party to provide a supplier finance program which facilitates participating suppliers' ability to finance payment obligations from the Company with designated third-party financial institutions. Participating suppliers may, at their sole discretion, make offers to finance one or more payment obligations of the Company prior to their scheduled due dates at a discounted price to participating financial institutions. The Company's outstanding payment obligations that suppliers financed to participating financial institutions, which are included in accounts payable on the

consolidated balance sheets, are as follows:

(In millions)	August 1, 2025		August 2, 2024		January 31, 2025
Financed payment obligations	\$	1,326	\$	1,447	\$ 1,511

Note 7: Debt

The Company's commercial paper program is supported by the \$2.0 billion five-year unsecured revolving credit agreement entered into in September 2023 (2023 Credit Agreement) and the \$2.0 billion five-year unsecured third amended and restated credit agreement entered into in December 2021, and as amended (Third Amended and Restated Credit Agreement). The amounts available to be drawn under the 2023 Credit Agreement and the Third Amended and Restated Credit Agreement are reduced by the amount of borrowings under the commercial paper program. As of August 1, 2025, August 2, 2024, and January 31, 2025, there were no outstanding borrowings under the Company's commercial paper program, the 2023 Credit Agreement, or the Third Amended and Restated Credit Agreement. Total combined availability under the 2023 Credit Agreement and the Third Amended and Restated Credit Agreement was \$4.0 billion as of August 1, 2025.

Note 8: Derivative Instruments

The Company 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)	August 1, 2025	August 2, 2024	January 31, 2025
Fair value hedges:			
Fixed-to-floating interest rate swap agreements	\$ 850	\$ 850	\$ 850

See [Note 5](#) 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 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

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. Any excess of cost over par value is charged to additional paid-in capital to the extent that a balance is present. Once additional paid-in capital is fully depleted, remaining excess of cost over par value is charged to accumulated deficit. As of August 1, 2025, the Company had \$10.8 billion remaining in its share repurchase program. In fiscal 2025, the Company paused its share repurchase program.

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.

Total shares repurchased for the three and six months ended August 1, 2025, and August 2, 2024, were as follows:

(In millions)	Three Months Ended			
	August 1, 2025		August 2, 2024	
	Shares	Cost	Shares	Cost
Share repurchase program ¹	—	\$ (3)	4.4	\$ 1,012
Shares withheld from employees	—	2	—	2
Total share repurchases	—	\$ (1)	4.4	\$ 1,014

(In millions)	Six Months Ended			
	August 1, 2025		August 2, 2024	
	Shares	Cost	Shares	Cost
Share repurchase program ¹	—	\$ (3)	7.1	\$ 1,664
Shares withheld from employees	0.3	72	0.4	92
Total share repurchases	0.3	\$ 69	7.5	\$ 1,756

¹ Includes excise tax on share repurchases in excess of issuances as part of the cost basis of the shares acquired.

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 August 1, 2025, and August 2, 2024:

(In millions, except per share data)	Three Months Ended		Six Months Ended	
	August 1, 2025	August 2, 2024	August 1, 2025	August 2, 2024
Basic earnings per common share:				
Net earnings	\$ 2,398	\$ 2,383	\$ 4,038	\$ 4,137
Less: Net earnings allocable to participating securities	(7)	(6)	(11)	(10)
Net earnings allocable to common shares, basic	\$ 2,391	\$ 2,377	\$ 4,027	\$ 4,127
Weighted-average common shares outstanding	559	568	559	570
Basic earnings per common share	\$ 4.28	\$ 4.18	\$ 7.21	\$ 7.24
Diluted earnings per common share:				
Net earnings	\$ 2,398	\$ 2,383	\$ 4,038	\$ 4,137
Less: Net earnings allocable to participating securities	(7)	(6)	(11)	(10)
Net earnings allocable to common shares, diluted	\$ 2,391	\$ 2,377	\$ 4,027	\$ 4,127
Weighted-average common shares outstanding	559	568	559	570
Dilutive effect of non-participating share-based awards	1	2	1	1
Weighted-average common shares, as adjusted	560	570	560	571
Diluted earnings per common share	\$ 4.27	\$ 4.17	\$ 7.19	\$ 7.23
Anti-dilutive securities excluded from diluted weighted-average common shares	0.3	0.5	0.2	0.4

Note 11: Supplemental Disclosure

Net interest expense is comprised of the following:

(In millions)	Three Months Ended		Six Months Ended	
	August 1, 2025	August 2, 2024	August 1, 2025	August 2, 2024
Long-term debt	\$ 351	\$ 364	\$ 709	\$ 729
Lease obligations	5	6	10	12
Interest income	(42)	(52)	(67)	(74)
Interest capitalized	(2)	(1)	(4)	(2)
Interest on tax uncertainties	1	—	2	3
Other	—	—	—	1
Interest – net	\$ 313	\$ 317	\$ 650	\$ 669



Supplemental disclosures of cash flow information:

(In millions)	Six Months Ended	
	August 1, 2025	August 2, 2024
Cash paid for interest, net of amount capitalized	\$ 721	\$ 735
Cash paid for income taxes – net ¹	657	1,004
Non-cash investing and financing activities:		
Leased assets obtained in exchange for new finance lease liabilities	\$ 15	\$ 33
Leased assets obtained in exchange for new operating lease liabilities ²	293	353
Cash dividends declared but not paid	673	654

¹ Cash paid for income taxes - net for the six months ended August 1, 2025, and August 2, 2024, includes \$453 million and \$541 million, respectively, of cash paid for the purchase of federal transferable tax credits

² Excludes \$48 million of leases signed but not yet commenced as of August 1, 2025.

Note 12: Segment Information

The Company's home improvement operations represent a single operating segment designed to enable customers to purchase products and services seamlessly through all channels. The Company's chief operating decision maker (CODM) is the Chairman, President, and Chief Executive Officer. The CODM has the ultimate decision-making authority for resource allocation and assessing the performance of the Company. Thereby, the CODM regularly reviews consolidated net earnings as the measure of segment profit or loss, as well as significant segment expenses included in the below table, to evaluate operating performance, generate future operating plans and make strategic decisions regarding the allocation of capital. The CODM also uses these measures in monitoring plan versus actual results. The CODM does not review segment assets at a different asset level or category than those disclosed in the consolidated balance sheets.

The following presents the Company's operating results, including significant segment expenses.

(In millions, except percentage data)	Three Months Ended				Six Months Ended			
	August 1, 2025		August 2, 2024		August 1, 2025		August 2, 2024	
	Amount	% Sales	Amount	% Sales	Amount	% Sales	Amount	% Sales
Net sales	\$ 23,959	100.00%	\$ 23,586	100.00%	\$ 44,888	100.00%	\$ 44,950	100.00%
Less:								
Cost of sales	15,858	66.19	15,691	66.53	29,800	66.39	29,965	66.66
Selling, general and administrative:								
Employee compensation and benefits	2,835	11.83	2,766	11.73	5,648	12.58	5,564	12.40
Occupancy and facility costs	472	1.97	467	1.98	940	2.10	930	2.07
Advertising	249	1.04	234	0.99	448	1.00	438	0.98
Other SG&A items ¹	619	2.58	558	2.37	1,186	2.63	1,102	2.43
Depreciation and amortization	457	1.91	423	1.79	902	2.01	851	1.89
Interest – net	313	1.31	317	1.34	650	1.45	669	1.49
Income tax provision	758	3.16	747	3.17	1,276	2.84	1,294	2.88
Net earnings	\$ 2,398	10.01%	\$ 2,383	10.10%	\$ 4,038	9.00%	\$ 4,137	9.20 %

¹ Other SG&A items primarily include financial services costs, technology service costs, insurance costs, impairment costs, and store environment initiative and display costs.

Note 13: Subsequent Event

On August 20, 2025, the Company announced it has entered into a definitive agreement (the Agreement) to acquire Foundation Building Materials (FBM) for approximately \$8.8 billion. FBM is expected to accelerate the Company's Total Home strategy by enhancing its offering to Pro customers through expanded capabilities, faster fulfillment, improved digital tools, a robust trade credit platform, and significant cross-selling opportunities between FBM and Lowe's. The Company intends to fund the

acquisition through a combination of short-term and long-term debt. The transaction is expected to close in the fourth quarter of fiscal 2025, subject to customary closing conditions, including regulatory approval.



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 condensed consolidated balance sheets of Lowe's Companies, Inc. and subsidiaries (the "Company") as of August 1, 2025 and August 2, 2024, the related condensed consolidated statements of earnings, comprehensive income, and shareholders' deficit for the fiscal three-month and six-month periods ended August 1, 2025 and August 2, 2024, and cash flows for the fiscal six-month periods ended August 1, 2025 and August 2, 2024, 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 31, 2025, and the related consolidated statements of earnings, comprehensive income, shareholders' deficit, and cash flows for the fiscal year then ended (not presented herein); and in our report dated March 24, 2025, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of January 31, 2025, 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 reviews 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 28, 2025

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 August 1, 2025, and August 2, 2024. 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 31, 2025 (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 fiscal 2024. This discussion and analysis is presented in four sections:

- [Executive Overview](#)
- [Operations](#)
- [Financial Condition, Liquidity and Capital Resources](#)
- [Critical Accounting Policies and Estimates](#)

EXECUTIVE OVERVIEW

The following table highlights our financial results:

(in millions, except per share data)	Three Months Ended				Six Months Ended			
	August 1, 2025		August 2, 2024		August 1, 2025		August 2, 2024	
Net sales	\$	23,959	\$	23,586	\$	44,888	\$	44,950
Net earnings		2,398		2,383		4,038		4,137
Diluted earnings per share	\$	4.27	\$	4.17	\$	7.19	\$	7.23
Net cash provided by operating activities					\$	7,610	\$	7,415
Capital expenditures						1,013		808
Repurchases of common stock ¹						71		1,756
Cash dividend payments						1,290		1,262

¹ Repurchases of common stock on a trade-date basis.

Net sales in the second quarter of fiscal 2025 improved 1.6% to \$24.0 billion compared to net sales of \$23.6 billion in the second quarter of fiscal 2024. Comparable sales for the second quarter of fiscal 2025 increased 1.1%, consisting of an increase in comparable average ticket of 2.9%, partially offset by a decrease of 1.8% in comparable customer transactions. Net earnings were \$2.4 billion in the second quarter of fiscal 2025 and fiscal 2024. Diluted earnings per common share were \$4.27 in the second quarter of fiscal 2025 compared to \$4.17 in the second quarter of fiscal 2024. Included in the second quarter of 2025 results were pre-tax expenses of \$43 million consisting of transaction costs and purchase accounting adjustments related to the acquisition of ADG, which decreased diluted earnings per common share by \$0.06. Excluding the impact of this item, adjusted diluted earnings per common share was \$4.33 in the second quarter of 2025 (see the [non-GAAP financial measures](#) discussion).

For the first six months of fiscal 2025, cash flows from operating activities were approximately \$7.6 billion, with \$1.0 billion used for capital expenditures. During the three months ended August 1, 2025, we closed on the acquisition of ADG for \$1.3 billion. In addition, we paid \$645 million in dividends, continuing to deliver on our commitment to return cash to shareholders.

Second quarter fiscal 2025 comparable sales improved 1.1% driven by strength in seasonal categories as weather improved throughout the quarter, along with continued strength with our Pro customer, and online. In addition to sales growth, our persistent focus on productivity drove stronger than expected operating performance. Through our Total Home strategy, we were able to deliver continued Pro growth this quarter, while also growing online sales due to a more immersive shopping experience. And to build on this immersive experience, during the second quarter, we launched the first Home Improvement Creator Network, designed to drive brand loyalty among tech-savvy generations. We are partnering with top influencers to tap into the growing trend of social media-driven DIY inspiration.

In addition, our Perpetual Productivity Initiatives (PPI) continue to deliver improvements throughout the business. Through our SKU rationalizations, we are making our inventory and space more productive. Reducing total SKU count in our stores will allow us to reinvest in deeper inventory quantities of our best-selling SKUs to drive sales and reduce out-of-stocks. We are also focused on reducing seasonal markdowns through our enhanced assortment planning tools to help us better anticipate demand.



and optimize our inventory allocation. Lastly, we are streamlining our Freight Flow process, creating more efficient truck organization, improved labeling, and redesigned carts creating a more direct path from truck to shelf. These enhancements should reduce unnecessary touch points and footsteps, reducing the overall time to complete these processes.

Overall, we delivered solid results in the second quarter as we continued to navigate the uncertain macro environment and provide our customers with compelling value across our product assortments. We have leaned into our tools and processes to quickly adjust to changing demand trends through the quarter to deliver on our operating commitments and continue to execute our long-term strategy to invest in areas that position us for sustainable growth.

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	Six Months Ended		Basis Point Increase/(Decrease) in Percentage of Net Sales
	August 1, 2025	August 2, 2024		August 1, 2025	August 2, 2024	
Net sales	100.00 %	100.00 %	N/A	100.00 %	100.00 %	N/A
Gross margin	33.81	33.47	34	33.61	33.34	27
Expenses:						
Selling, general and administrative	17.42	17.07	35	18.31	17.88	43
Depreciation and amortization	1.91	1.79	12	2.01	1.89	12
Operating income	14.48	14.61	(13)	13.29	13.57	(28)
Interest – net	1.31	1.34	(3)	1.45	1.49	(4)
Pre-tax earnings	13.17	13.27	(10)	11.84	12.08	(24)
Income tax provision	3.16	3.17	(1)	2.84	2.88	(4)
Net earnings	10.01 %	10.10 %	(9)	9.00 %	9.20 %	(20)

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).

Other Metrics	Three Months Ended		Six Months Ended	
	August 1, 2025	August 2, 2024	August 1, 2025	August 2, 2024
Comparable sales increase/(decrease) ¹	1.1 %	(5.1)%	(0.3)%	(4.6)%
Total customer transactions (in millions)	225	229	424	436
Average ticket ^{2,3}	\$ 106.45	\$ 103.04	\$ 105.83	\$ 103.12
At end of period:				
Number of stores	1,753	1,746		
Sales floor square feet (in millions)	196	195		
Average store size selling square feet (in thousands) ⁴	112	112		
Net earnings to average debt and shareholders' deficit	25.3 %	26.5 %		
Return on invested capital ⁵	29.5 %	30.9 %		

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 decide to close is no longer considered comparable as of the beginning of the month in which we announce its closing. Operating locations which are sold are included in comparable sales until the date of sale. 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 2025 and fiscal 2024 comparable sales by approximately 85 basis points and 30 basis points, respectively.

and year-to-date fiscal 2025 and fiscal 2024 sales by approximately 75 basis points and 20 basis points, respectively. The comparable store sales calculation included in the preceding table was calculated using comparable 13-week and 26-week periods.

² In the first quarter of fiscal 2025, the Company adjusted its customer transactions metric to exclude certain order modifications which were previously included as a separate transaction. The prior year period has been adjusted to align with the current period presentation.

³ Average ticket is defined as net sales divided by the total number of customer transactions.

⁴ 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.

⁵ Return on invested capital is calculated using a non-GAAP financial measure. 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 understanding the comparison of operational performance for fiscal 2025. Adjusted diluted earnings per share excludes the impact of certain items, further described below, not contemplated in the Company's business outlook for fiscal 2025.

Fiscal 2025 Impacts

- In the second quarter of fiscal 2025, the Company recognized pre-tax expenses of \$43 million consisting of transaction costs and purchase accounting adjustments related to the acquisition of Artisan Design Group (Artisan Design Group acquisition).

Fiscal 2024 Impacts

- In the second quarter of fiscal 2024, the Company recognized pre-tax income of \$43 million consisting of a realized gain on the contingent consideration 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 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					
	August 1, 2025			August 2, 2024		
	Pre-Tax Earnings	Tax ¹	Net Earnings	Pre-Tax Earnings	Tax ¹	Net Earnings
Diluted earnings per share, as reported			\$ 4.27			\$ 4.17
Non-GAAP adjustments – per share impacts						
Artisan Design Group acquisition	0.08	(0.02)	0.06	—	—	—
Canadian retail business transaction	—	—	—	(0.07)	—	(0.07)
Adjusted diluted earnings per share			\$ 4.33			\$ 4.10

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

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 financial returns. 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 shareholders' deficit. 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:



(In millions, except percentage data)	For the Periods Ended	
	August 1, 2025	August 2, 2024
Calculation of Return on Invested Capital		
Numerator		
Net Earnings	\$ 6,858	\$ 6,931
Plus:		
Interest expense – net	1,295	1,361
Operating lease interest	176	169
Provision for income taxes	2,177	2,191
Lease adjusted net operating profit	10,506	10,652
Less:		
Income tax adjustment ¹	2,531	2,559
Lease adjusted net operating profit after tax	\$ 7,975	\$ 8,093
Denominator		
Average debt and shareholders' deficit ²	\$ 27,069	\$ 26,160
Net earnings to average debt and shareholders' deficit	25.3 %	26.5 %
Return on invested capital	29.5 %	30.9 %

¹ Income tax adjustment is defined as lease adjusted net operating profit multiplied by the effective tax rate, which was 24.1% and 24.0% for the periods ended August 1, 2025, and August 2, 2024, respectively.

² Average debt and shareholders' deficit 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 shareholders' deficit.

Results of Operations

Net Sales – Net sales in the second quarter of 2025 increased 1.6% to \$24.0 billion. Comparable sales increased 1.1%, consisting of a 2.9% increase in comparable average ticket, partially offset by a 1.8% decline in comparable customer transactions.

During the second quarter of 2025, nine of our 14 product categories experienced positive comparable store sales, led by Building Materials, Appliances, Lawn & Garden, and Tools. Strength in these categories reflects continued growth with our Pro customer and online, as well as our broad assortment of appliances available next-day to our customers in the majority of the United States.

Net sales decreased 0.1% to \$44.9 billion for the first six months of 2025 compared to 2024. Comparable sales also declined 0.3% over the same period, driven by a 2.8% decline in comparable customer transactions, partially offset by a comparable average ticket increase of 2.5%.

Gross Margin – For the second quarter of 2025, gross margin as a percentage of sales increased 34 basis points compared to 2024. The gross margin improvement for the quarter was driven by ongoing productivity initiatives, along with improvements in inventory shrink and credit revenue.

Gross margin as a percentage of sales increased 27 basis points in the first six months of 2025 compared to 2024, primarily due to the same factors that impacted gross margin for the second quarter.

SG&A – For the second quarter of 2025, SG&A expense deleveraged 35 basis points as a percentage of sales compared to the second quarter of 2024, primarily due to cycling the prior year gain on contingent consideration associated with the fiscal 2022 sale of the Canadian retail business, expenses associated with the acquisition of ADG, and employee compensation and benefits.

SG&A expense as a percentage of sales deleveraged 43 basis points as a percentage of sales for the first six months of 2025 compared to 2024, primarily due to the same factors that impacted SG&A for the second quarter.

Depreciation and Amortization – Depreciation and amortization deleveraged 12 basis points as a percentage of sales for the second quarter of 2025 compared to 2024.

Depreciation and amortization deleveraged 12 basis points as a percentage of sales for the first six months of 2025 compared to 2024.

Interest – Net – Net interest expense for the second quarter of 2025 leveraged three basis points as a percentage of sales.

Net interest expense for the first six months of 2025 deleveraged four basis points as a percentage of sales.

Income Tax Provision – Our effective income tax rates were 24.0% and 23.9% for the three months ended August 1, 2025 and August 2, 2024, respectively, and 24.0% and 23.8% for the six months ended August 1, 2025 and August 2, 2024, respectively.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity

Cash flows from operations, combined with our continued access to capital markets on both a short-term and long-term basis, as needed, remain adequate to fund our operations, make strategic investments to support long-term growth, return cash to shareholders in the form of dividends, and repay debt maturities as they become due. We believe these sources of liquidity will continue to support our business for the next twelve months. As of August 1, 2025, we held \$4.9 billion of cash and cash equivalents, as well as \$4.0 billion in undrawn capacity on our revolving credit facilities.

Cash Flows Provided by Operating Activities

(In millions)	Six Months Ended	
	August 1, 2025	August 2, 2024
Net cash provided by operating activities	\$ 7,610	\$ 7,415

Cash flows from operating activities continued to provide the primary source of our liquidity. The increase in net cash provided by operating activities for the six months ended August 1, 2025, compared to the six months ended August 2, 2024, was primarily driven by timing of prior year income tax payments and other changes in working capital, partially offset by lower net earnings.

Cash Flows Used in Investing Activities

(In millions)	Six Months Ended	
	August 1, 2025	August 2, 2024
Net cash used in investing activities	\$ (2,343)	\$ (800)

Net cash used in investing activities primarily consists of transactions related to capital expenditures and the acquisition of ADG. 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. Total capital expenditures and business acquisition activity totaled \$2 billion and \$808 million for the six months ended August 1, 2025, and August 2, 2024, respectively. For fiscal 2025, our guidance for capital expenditures is approximately \$2.5 billion.

Cash Flows Used in Financing Activities

(In millions)	Six Months Ended	
	August 1, 2025	August 2, 2024
Net cash used in financing activities	\$ (2,168)	\$ (3,176)

Net cash used in financing activities primarily consists of transactions related to our debt, share repurchases, and cash dividend payments.



Debt

Our commercial paper program is supported by the 2023 Credit Agreement and the Third Amended and Restated Credit Agreement. The amounts available to be drawn under the 2023 Credit Agreement and the Third Amended and Restated Credit Agreement are reduced by the amount of borrowings under our commercial paper program. There were no outstanding borrowings under our commercial paper program, 2023 Credit Agreement, or the Third Amended and Restated Credit Agreement as of August 1, 2025. Total combined availability under the 2023 Credit Agreement and the Third Amended and Restated Credit Agreement as of August 1, 2025, was \$4.0 billion.

The 2023 Credit Agreement and the Third Amended and Restated Credit Agreement contain customary representations, warranties, and covenants. We were in compliance with those covenants at August 1, 2025.

The following table includes additional information related to our debt for the six months ended August 1, 2025, and August 2, 2024:

(In millions)	Six Months Ended	
	August 1, 2025	August 2, 2024
Repayment of debt	(796)	(47)
Maximum commercial paper outstanding at any period	—	250

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 cash used to repurchase shares for the six months ended August 1, 2025, and August 2, 2024:

(In millions, except per share data)	Six Months Ended	
	August 1, 2025	August 2, 2024
Total amount paid for share repurchases ¹	\$ 113	\$ 1,930
Total number of shares repurchased	0.5	8.4
Average price paid per share	\$ 243.02	\$ 230.91

¹ Excludes unsettled share repurchases and unpaid excise taxes.

As of August 1, 2025, we had \$10.8 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 \$2.20 per share for the six months ended August 2, 2024, to \$2.30 per share for the six months ended August 1, 2025.

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 28, 2025, which we are disclosing to enhance understanding of our sources of liquidity and the effect of our ratings on our cost of funds. 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.

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 and estimates have not changed significantly since the filing of the Annual Report, except as set forth below.

Business Combinations

Description

We account for business combinations using the acquisition method of accounting, which requires that once control is obtained, all the assets acquired and liabilities assumed are recorded at their respective fair values at the date of acquisition. Goodwill is measured as of the acquisition date as the excess of consideration transferred over the net acquisition-date fair value of the net identifiable assets acquired and liabilities assumed. During the measurement period, which is up to one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill due to the use of preliminary information in our initial estimates. Subsequent to the measurement period, any adjustments are recorded to earnings.

Judgments and uncertainties involved in the estimate

The determination of fair values of identifiable assets and liabilities requires estimates and the use of valuation techniques when fair value is not readily available and requires a significant amount of management judgment. For the valuation of intangible assets acquired in a business combination, we typically use an income approach. Specifically, for the acquisition of ADG, we used the multi-period excess earnings method to value Customer Relationships and the relief from royalty method to value Tradenames. The significant assumptions used to estimate the fair value of intangibles included forecasted revenues and expenses, growth rates, royalty rates, attrition rates, and discount rates.

Effect if actual results differ from assumptions

Although the Company believes its estimates of fair value are reasonable, actual financial results could differ from those estimates due to the inherent uncertainty involved in making such estimates. Changes in assumptions concerning future financial results or other underlying assumptions could have a significant impact on the determination of the fair value of the intangible assets acquired.

Item 3. - Quantitative and Qualitative Disclosures about Market Risk

The Company is exposed to certain market risks, including changes in interest rates and commodity prices. The Company’s market risks have not changed materially from those disclosed in the Annual Report for the fiscal year ended January 31, 2025.

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 August 1, 2025, 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.



The Company is undergoing a multi-year technology transformation which includes updating and modernizing our merchandise selling system, as well as certain accounting and finance systems. These updates are expected to continue for the next few years, and management will continue to evaluate the design and implementation of the Company's internal controls over financial reporting as the transformation continues. No change in the Company's internal control over financial reporting occurred during the quarter ended August 1, 2025, 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

In addition to the matter referenced in our annual report on Form 10-K for the fiscal year ended January 31, 2025, 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 applies a threshold of \$1,000,000 for purposes of disclosing environmental proceedings involving a governmental authority, if any, under this Item 1. 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 Part I, “Item 1A. Risk Factors” in our Annual Report filed with the SEC on March 24, 2025.

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 on a trade date basis made during the three months ended August 1, 2025:

	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 ^{2,3}
May 3, 2025 - May 30, 2025	105	\$ 225.95	—	\$ 10,786,142,988
May 31, 2025 - July 4, 2025	7,352	217.32	—	10,786,142,988
July 5, 2025 - August 1, 2025	77	225.88	—	10,786,142,988
As of August 1, 2025	7,534	\$ 217.53	—	\$ 10,786,142,988

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 7, 2022, the Company announced that its Board of Directors authorized an additional \$15.0 billion of share repurchases with no expiration.

³ Excludes excise tax on share repurchases in excess of issuances, which is recognized as part of the cost basis of the shares acquired in the consolidated statements of shareholders’ deficit.

Item 5. - Other Information

During the three months ended August 1, 2025, none of the Company’s directors or executive officers adopted or terminated any contract, instruction, or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement” (as those terms are defined in Regulation S-K, Item 408).



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 November 11, 2022.	8-K	001-07898	3.1	November 16, 2022
10.7	Form of Lowe's Companies, Inc. Change in Control Agreement for Tier 1 Senior Officers*				
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 28, 2025

Date

By: /s/ Dan C. Griggs, Jr.

Dan C. Griggs, Jr.

Senior Vice President, Tax and Chief Accounting Officer



CHANGE IN CONTROL AGREEMENT

THIS CHANGE IN CONTROL AGREEMENT (this “Agreement”) is made and entered into as of the ____ day of ____, 202_, by and between LOWE’S COMPANIES, INC., a North Carolina corporation (the “Company”), and ____ (“Executive”).

WHEREAS, the Company desires to enter into this Agreement to (i) assure that the Company will have the continued dedication of Executive, notwithstanding the possibility, threat or occurrence of a Change in Control (as defined below) of the Company, (ii) diminish the inevitable distraction of Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change in Control, (iii) encourage Executive’s full attention and dedication to the Company currently and in the event of any threatened or pending Change in Control, and (iv) provide Executive with compensation and benefits arrangements upon a Change in Control which ensure that the compensation and benefits expectations of Executive will be satisfied and which are competitive with those of other corporations,

NOW THEREFORE, in order to accomplish these objectives, the Company and Executive agree as follows:

1. Effective Date. The “Effective Date” shall mean the first date on which a Change in Control (as defined in Section 2) occurs. Anything in this Agreement to the contrary notwithstanding, if a Change in Control occurs and if Executive’s employment with the Company is terminated prior to the date on which the Change in Control occurs, and if it is reasonably demonstrated by Executive that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change in Control or (ii) otherwise arose in connection with or anticipation of a Change in Control, then for all purposes of this Agreement the “Effective Date” shall mean the date immediately prior to the date of such termination of employment.

2. Change in Control. For the purposes of this Agreement, a “Change in Control” shall mean:

(a) individuals who, as of the date of this Agreement, constitute the Board (the “Incumbent Directors”) cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director after the date of this Agreement and whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without written objection to such nomination) shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest (as described in Rule 14a-11 under the Exchange Act (“Election Contest”) or other actual or threatened solicitation of proxies or consents by or on behalf of any “person” (as such term is defined in Section 3(a)(9) of the Exchange Act and as used in Section 13(d)(3) and 14(d)(2) of the Exchange Act) other than the Board (“Proxy Contest”), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest, shall be

deemed an Incumbent Director (unless specifically deemed to be an Incumbent Director by a vote of at least a majority of the Incumbent Directors then on the Board);

(b) any person becomes a “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 25% or more of the combined voting power of the Company’s then outstanding securities eligible to vote for the election of the Board (the “Company Voting Securities”); provided, however, that the event described in this subparagraph (b) shall not be deemed to be a Change in Control of the Company by virtue of any of the following acquisitions: (i) an acquisition directly by or from the Company or any affiliated companies; (ii) an acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any affiliated companies, (iii) an acquisition by an underwriter temporarily holding securities pursuant to an offering of such securities, (iv) an acquisition pursuant to a Non-Qualifying Transaction (as defined in subparagraph (c) below); or (v) an acquisition by a person solely for purposes of distribution to its equity holders; or

(c) the consummation of a reorganization, merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company that requires the approval of the Company’s shareholders, whether for such transaction or the issuance of securities in the transaction (a “Reorganization”), or the sale or other disposition of all or substantially all of the Company’s assets to an entity that is not an affiliate of the Company (a “Sale”), unless immediately following such Reorganization or Sale: (i) more than 60% of the total voting power of (A) the corporation resulting from such Reorganization or the corporation which has acquired all or substantially all of the assets of the Company (in either case, the “Surviving Corporation”), or (B) if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership of 100% of the voting securities eligible to elect directors of the Surviving Corporation (the “Parent Corporation”), is represented by the Company Voting Securities that were outstanding immediately prior to such Reorganization or Sale (or, if applicable, is represented by shares into which such Company Voting Securities were converted pursuant to such Reorganization or Sale), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such Company Voting Securities among the holders thereof immediately prior to the Reorganization or Sale, (ii) no person (other than (A) the Company, (B) any employee benefit plan (or related trust) sponsored or maintained by the Surviving Corporation or the Parent Corporation, or (C) a person who immediately prior to the Reorganization or Sale was the beneficial owner of 25% or more of the outstanding Company Voting Securities) is the beneficial owner, directly or indirectly, of 25% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation), and (iii) at least a majority of the members of the board of directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation) following the consummation of the Reorganization or Sale were Incumbent Directors at the time of the Board’s approval of the execution of the initial agreement providing for such Reorganization or Sale (any Reorganization or Sale which satisfies all of the criteria specified in (i), (ii) and (iii) above shall be deemed to be a “Non-Qualifying Transaction”).

3. Employment Period. The Company hereby agrees to continue Executive in its employ, and Executive hereby agrees to remain in the employ of the Company subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the second anniversary of such date (the “Employment Period”).

4. Terms of Employment.

(a) Position and Duties.

(i) During the Employment Period, (A) Executive’s position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding (and including) the Effective Date and (B) Executive’s services shall be performed at the location where Executive was employed immediately preceding the Effective Date or any office or location less than 35 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which Executive is entitled, Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to Executive hereunder, to use Executive’s reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions and (C) manage personal investments, so long as such activities do not materially interfere with the performance of Executive’s responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of Executive’s responsibilities to the Company.

(b) Compensation.

(i) Base Salary. During the Employment Period, Executive shall receive an annual base salary (“Annual Base Salary”), which shall be paid at a monthly rate, at least equal to 12 times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to Executive by the Company and its affiliated companies in respect of the 12-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to Executive prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to Executive under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as utilized in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term “affiliated

companies” shall include any company controlled by, controlling or under common control with the Company.

(ii) Annual Bonus. In addition to Annual Base Salary, Executive shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus opportunity (the “Annual Bonus”) at least as favorable as that to which Executive would have been entitled under the annual bonus plan of the Company in effect for the last year prior to the Effective Date (annualized in the event that Executive was not employed by the Company for the whole of such fiscal year). Each such Annual Bonus shall be paid in a single lump sum in cash at a time determined by the Company but in no event later than 2-½ months after the end of the fiscal year for which the Annual Bonus is awarded, unless Executive shall elect to defer the receipt of such Annual Bonus.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, Executive shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Company and its affiliated companies (“Peer Executives”).

(iv) Welfare Benefit Plans. During the Employment Period, Executive and/or Executive’s family, as the case may be, shall be eligible for participation in and shall receive all benefits under the welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription drug, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) (“Welfare Plans”) to the extent applicable generally to Peer Executives.

(v) Expenses. During the Employment Period, Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by Executive in accordance with the policies, practices and procedures of the Company and its affiliated companies to the extent applicable generally to Peer Executives.

(vi) Fringe Benefits. During the Employment Period, Executive shall be entitled to fringe benefits in accordance with the plans, practices, programs and policies of the Company and its affiliated companies with respect to Peer Executives.

5. Separation from Service.

(a) Death, Retirement or Disability. Executive’s employment shall terminate automatically upon Executive’s death or Retirement (pursuant to the definition of Retirement set forth below) during the Employment Period. For purposes of this Agreement, “Retirement” shall mean Executive’s voluntary separation from service on or after the later of (i) 90 days after Executive has provided written notice to the Company’s corporate secretary of Executive’s decision to retire, or (ii) Executive’s attainment of age 60 (but shall not include Executive’s voluntary termination after Executive has been given notice that he may be terminated for Cause). If the Company determines in good faith that the Disability of Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may

give to Executive written notice in accordance with Section 12(b) of this Agreement of its intention to terminate Executive's employment. In such event, Executive shall separate from service with the Company effective on the 30th day after receipt of such notice by Executive (the "Disability Effective Date"), provided that, within the 30 days after such receipt, Executive shall not have returned to full-time performance of Executive's duties to the reasonable expectations of the Company. For purposes of this Agreement, "Disability" shall mean any illness or other physical or mental condition of Executive that renders Executive incapable of performing Executive's customary and usual duties for the Company, or any medically determinable illness or other physical or mental condition resulting from a bodily injury, disease or mental disorder which, in either case, has lasted or can reasonably be expected to last for at least 180 days out of a period of 365 consecutive days. The Board may require such medical or other evidence as it deems necessary to judge the nature and permanency of Executive's condition.

(b) With or Without Cause. The Company may terminate Executive's employment during the Employment Period with or without Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of Executive to perform substantially Executive's duties with the Company (other than any such failure resulting from incapacity due to physical or mental illness and specifically excluding any failure by Executive, after reasonable efforts, to meet performance expectations), after a written demand for substantial performance is delivered to Executive by the Board or the Chief Executive Officer of the Company which specifically identifies the manner in which the Board or Chief Executive Officer believes that Executive has not substantially performed Executive's duties, or

(ii) the willful engaging by Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of the definition of Cause, no act or failure to act, on the part of Executive, shall be considered "willful" unless it is done, or omitted to be done, by Executive in bad faith or without reasonable belief that Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by Executive in good faith and in the best interests of the Company. The cessation of employment of Executive shall not be deemed to be for Cause unless and until there shall have been delivered to Executive a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to Executive and Executive is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

(c) Good Reason. Executive's employment may be terminated by Executive for Good Reason subject to Executive providing a Notice of Termination (as defined below) to

the Company within 90 days of the initial existence of the condition giving rise to Good Reason and the Company failing to remedy such condition within 30 days following receipt of such Notice of Termination. For purposes of this Agreement, “Good Reason” shall mean:

(i) the assignment to Executive of any duties inconsistent in any material respect with Executive’s position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 4(a) of this Agreement, or any other action by the Company which results in a material diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by Executive;

(ii) any failure by the Company to comply with any of the provisions of Section 4(b) of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by Executive;

(iii) the failure by the Company (A) to continue in effect any compensation plan in which Executive participates as of the Effective Date that is material to Executive’s total compensation, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or (B) to continue Executive’s participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount of benefits provided and the level of Executive’s participation relative to Peer Executives;

(iv) the Company’s requiring Executive, without his consent, to be based at any office or location more than 35 miles from the office or location at which Executive was based on the date immediately prior to the Effective Date, or to travel on Company business to a substantially greater extent than required immediately prior to the Effective Date;

(v) any purported termination by the Company of Executive’s employment otherwise than as expressly permitted by this Agreement; or

(vi) any failure by the Company to comply with and satisfy Section 11(c) of this Agreement.

(d) Notice of Termination. Any termination by the Company with or without Cause or without Cause (other than in the case of Disability), or by Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 12(b) of this Agreement. For purposes of this Agreement, a “Notice of Termination” means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive’s employment under the provision so indicated, (iii) with respect to a termination by the Company, if the Date of Separation from Service (as defined below) is other than the date of receipt of such notice,

specifies the termination date (which date shall be not more than 30 days after the giving of such notice), and (iv) with respect to a termination by Executive, the Date of Separation of Service is 30 days after the giving of such notice. If a dispute exists concerning the provisions of this Agreement that apply to Executive's termination of employment (other than a determination of "Cause" which shall be made as provided in Section 5(b)), the parties shall pursue the resolution of such dispute with reasonable diligence. Within 5 days of such a resolution, any party owing any payments pursuant to the provisions of this Agreement shall make all such payments together with interest accrued thereon at the rate provided in Section 1274(b)(2)(B) of the Internal Revenue Code of 1986 (the "Code"). The failure by either party to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of such party hereunder or preclude such party from asserting such fact or circumstance in enforcing such party's rights hereunder.

(e) Date of Separation from Service. "Date of Separation from Service" means (i) if Executive's employment is terminated for any reason other than death, Retirement or Disability, the date specified in the Notice of Termination, and (ii) if Executive's employment is terminated by reason of death, Retirement or Disability, the Date of Separation from Service shall be the date of death or Retirement of Executive or the Disability Effective Date, as the case may be, provided in each such case, Executive's termination of employment also constitutes a separation from service under Section 409A of the Code.

6. Obligations of the Company upon Separation from Service.

(a) Good Reason; Other Than for Cause, Death or Disability. If, during the Employment Period, the Company shall terminate Executive's employment other than for Cause or Executive's death or Disability or Executive shall separate from service for Good Reason, then in consideration for services rendered by Executive prior to the Date of Separation from Service:

(i) the Company shall pay to Executive in a lump sum in cash within 30 days after the Date of Separation from Service the aggregate of the following amounts:

(A) the sum of (1) Executive's Annual Base Salary through the Date of Separation from Service to the extent not theretofore paid, and (2) any accrued vacation pay to the extent not theretofore paid (the sum of the amounts described in clauses (1) and (2) shall be hereinafter referred to as the "Accrued Obligations"); and

(B) the amount equal to the present value of the continuation of Executive's Base Salary for a period of 2.99 years after the Date of Separation from Service; such present value to be determined by applying a discount rate equal to 120 percent of the applicable federal rate provided in Section 1274(d) of the Code, compounded semi-annually (the "Discount Rate"); and

(C) the amount equal to the present value of 2.99 times the greater of (1) Executive's annual bonus for the year prior to the year in which the Change in Control occurred (the "Prior Year"), or (2) Executive's target annual bonus for the year in which

the Change in Control occurred (the "Current Year"); such present value to be determined by applying the Discount Rate and assuming two equal annual payments on each of the first and second anniversaries of the Date of Separation from Service; and

(D) the amount equal to the present value of 2.99 times the annual cost to the Company and Executive of participation in the Welfare Plans described in Section 4(b)(iv) of this Agreement with respect to either the Prior Year or the Current Year, whichever year in which such annual cost was higher; such present value to be determined by applying the Discount Rate and assuming 36 monthly payments beginning on the Date of Separation from Service; and

(ii) to the extent not theretofore paid or provided, the Company shall timely pay or provide to Executive any other amounts or benefits required to be paid or provided or which Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits") at the time and in the manner provided in the documentation establishing or describing such Other Benefits.

(b) Death, Retirement or Disability. If Executive's employment is terminated by reason of Executive's death, Retirement or Disability during the Employment Period, this Agreement shall terminate without further obligations to Executive or Executive's legal representatives under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to Executive or Executive's estate, as applicable, in a lump sum in cash within 30 days of the Date of Separation from Service. Other Benefits shall be paid at the time and in the manner provided in the documentation establishing or describing such Other Benefits. With respect to the provision of Other Benefits, the term Other Benefits as utilized in this Section 6(b) shall include without limitation, and Executive or Executive's estate and/or beneficiaries shall be entitled to receive, death, retirement or disability benefits then applicable to Executive.

(c) Cause; Other than for Good Reason. If Executive's employment shall be terminated for Cause, or if Executive voluntarily separates from service during the Employment Period, excluding a separation from service for Good Reason, this Agreement shall terminate without further obligations to Executive, other than for Accrued Obligations and the timely payment or provision of Other Benefits. In such case, all Accrued Obligations shall be paid to Executive in a lump sum in cash within 30 days of the Date of Separation from Service. Other Benefits shall be paid at the time and in the manner provided in the documentation establishing or describing such Other Benefits.

(d) Special Rule for Specified Employees. Notwithstanding anything in this Agreement to the contrary, if Executive is a specified employee as of the Date of Separation from Service, then to the extent, and only to the extent, necessary to comply with Code Section 409A: (i) if any payment or distribution is payable hereunder in a lump sum, Executive's right to receive payment or distribution will be delayed until the earlier of Executive's death or the 7th month following the Date of Separation from Service, and (ii) if any payment, distribution or

benefit is payable or provided hereunder over time, the amount of such payment, distribution or benefit that would otherwise be payable or provided during the 6 month period immediately following the Date of Separation from Service will be accumulated, and Executive's right to receive such accumulated payment, distribution or benefit will be delayed until the earlier of Executive's death or the seventh month following the Date of Separation from Service and paid or provided on the earlier of such dates, without interest, and the normal payment or distribution schedule for any remaining payments, distributions or benefits will commence. For purposes of this Agreement, Executive shall be a "specified executive" during the 12 month period beginning April 1 each year if the Executive met the requirements of Section 416(i)(1)(A)(i), (ii) or (iii) of the Code (applied in accordance with the regulations thereunder and disregarding Section 416(i)(5) of the Code) at any time during the 12 month period ending on the December 31 immediately preceding the Date of Separation from Service.

(e) 280G Provisions. Notwithstanding any other provision of this Agreement or any other plan, arrangement, or agreement to the contrary, if any of the payments or benefits provided or to be provided by the Company to the Executive or for the Executive's benefit pursuant to the terms of this Agreement or otherwise ("Covered Payments") constitute parachute payments ("Parachute Payments") within the meaning of Section 280G of the Code and would, but for this Section 6(e), be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (collectively, the "Excise Tax"), then the Covered Payments shall be payable either (i) in full or (ii) after reduction to the minimum extent necessary to ensure that no portion of the Covered Payments is subject to the Excise Tax, whichever of the foregoing (i) or (ii) results in the Executive's receipt on an after-tax basis of the greatest amount of benefits after taking into account the applicable federal, state, local and foreign income, employment and excise taxes (including the Excise Tax), notwithstanding that all or some portion of such benefits may be taxable under the Excise Tax.

Unless the Company and Executive otherwise agree in writing, any determination required under this Section 6(e) shall be made in writing in good faith by a nationally recognized accounting firm (the "Accountants"). In the event of a reduction in Covered Payments hereunder, the reduction of the total payments shall apply as follows, unless otherwise agreed in writing and such agreement is in compliance with Section 409A of the Code: (i) first, any cash severance payments due under this Agreement shall be reduced and (ii) second, any acceleration of vesting of any equity shall be deferred with the tranche that would vest last (without any such acceleration) first deferred. For purposes of making the calculations required by this Section 6(e), the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of the Code, and other applicable legal authority. The Company and Executive shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Section 6(e). The Company shall bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this Section 6(e).

If notwithstanding any reduction described in this Section 6(e), the Internal Revenue Service (“IRS”) determines that Executive is liable for the Excise Tax as a result of the receipt of the Covered Payments, then Executive shall be obligated to pay back to the Company, within thirty (30) days after a final IRS determination or in the event that Executive challenges the final IRS determination, a final judicial determination a portion of such amounts equal to the “Repayment Amount.” The Repayment Amount shall be the smallest such amount, if any, as shall be required to be paid to the Company so that Executive’s net after-tax proceeds with respect to any payment of the Covered Payments (after taking into account the payment of the Excise Tax and all other applicable taxes imposed on the Covered Payments) shall be maximized. The Repayment Amount with respect to the payment of Covered Payments shall be zero if a Repayment Amount of more than zero would not result in Executive’s net after-tax proceeds with respect to the payment of the Covered Payments being maximized. If the Excise Tax is not eliminated pursuant to this paragraph, Executive shall pay the Excise Tax. Notwithstanding any other provision of this Section 6(e), if (1) there is a reduction in the payment of Covered Payments as described in this Section 6(e), (2) the IRS later determines that Executive is liable for the Excise Tax, the payment of which would result in the maximization of Executive’s net after-tax proceeds (calculated as if the Covered Payments had not previously been reduced), and (3) Executive pays the Excise Tax, then the Company shall pay to Executive those Covered Payments which were reduced pursuant to this Section 6(e) contemporaneously or as soon as administratively possible after Executive pays the Excise Tax so that Executive’s net after-tax proceeds with respect to the payment of Covered Payments are maximized.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit Executive’s continuing or future participation in any plan, program, policy or practice provided by the Company or any of its affiliated companies and for which Executive may qualify, nor, subject to Section 12(f), shall anything herein limit or otherwise affect such rights as Executive may have under any contract or agreement with the Company or any of its affiliated companies. Amounts which are vested benefits or which Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its affiliated companies at or subsequent to the Date of Separation from Service shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

8. Full Settlement; Cost of Enforcement. The Company’s obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against Executive or others. In no event shall Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not Executive obtains other employment. The Company agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses which Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by Executive about the amount of any payment pursuant to this Agreement).

9. Obligations of the Executive.

(a) Non-Compete. The Company and its affiliated entities comprise an omni-channel provider of home improvement products and supplies for maintenance, repair, remodeling, and decorating as well as appliances, installation and other services, supplies for the multi-family housing industry, and supplies for builders, contractors, and maintenance professionals (the “Home Improvement Business”). The Company’s Home Improvement Business requires a complex sourcing and supply network, multi-channel distribution and delivery systems, innovative information technology resources, and a robust infrastructure support organization.

Executive recognizes and acknowledges that the Company operates retail and support facilities, and offers products and services to consumers in all 50 states and the District of Columbia through traditional retail locations, sales organizations, and on-line channels. Furthermore, Executive acknowledges that the Company has a legitimate and reasonable business interest in maintaining its competitive position in a dynamic industry and that restricting Executive for a reasonable period from performing work for, or providing services to, or owning more than a 5% interest in an enterprise which engages in business activities which are in competition with the Company is reasonable and appropriate. Executive further acknowledges that, in Executive’s position with the Company, Executive was provided access to or helped develop business information proprietary to the Company and that Executive would inevitably disclose or otherwise utilize such information if Executive were to work for, or provide services to a Competing Enterprise (as defined below) during the non-competition period. This paragraph does not apply to the Executive if the Executive resides or works in the State of California when executing this Agreement or at the end of the Executive’s employment with the Company, or if otherwise prohibited by law.

(i) Non-Competition Period. Executive agrees that for the later of (1) a period of twenty-four (24) months following the Date of Separation of Service or (2) a period from the Date of Separation of Service through the last date of vesting for any non-vested equity granted Executive under the Company’s Long Term Incentive Plan or similar plan (the “Non-Competition Period”), Executive will not directly or indirectly provide or perform services for a Competing Enterprise, as defined below, whether as an employee, consultant, agent, contractor, officer, director, a 5% or greater shareholder, partner, or any other capacity. Executive acknowledges that the Non-Competition Period is reasonable in duration under the terms herein.

(ii) Competing Enterprise. Executive acknowledges and agrees that a “Competing Enterprise” is defined as any business: (i) with total annual sales of at least five hundred million dollars (\$500 million USD) with retail locations or distribution facilities in any US State or territory; and (ii) that provides goods and/or services to customers in the United States, through retail or electronic means (internet, mobile application, etc.), that are the same as, substantially similar to, or otherwise in competition with the Company products or services. The term “Competing Business” shall specifically include, but not be limited to, the following entities: The Home Depot, Inc.; Sears Holdings, Inc. or Transform Holdco LLC; Walmart, Inc.;

Menard, Inc.; Amazon.com, Inc.; Best Buy Co., Inc.; Ace Hardware Corp.; Tractor Supply Co.; Lumber Liquidators Holdings, Inc.; Wayfair, Inc.; HD Supply Holding, Inc.; Floor & Décor Holdings, Inc.; Harbor Freight Tools; Chadwell Supply; and True Value Company.

(iii) Access to Proprietary Information. Executive acknowledges that in Executive's position with the Company, Executive was exposed to, and played a crucial role in, the development and implementation of the Company's strategic business operations, financial performance, marketing strategy, and/or plans for existing and future products and services, and that the Company's business success and competitive position in the industry are dependent on its exclusive possession of secret, proprietary or confidential information, knowledge or data, and its relationships with customers and suppliers. As such, Executive agrees that the restrictions in this Agreement are reasonable as to the time, territory, and line of business, and are reasonably necessary to protect the Company's legitimate business interests, protect customer goodwill, and prevent severe and irreparable harm to the Company.

(b) Non-Interference. For the two (2) year period beginning on the Date of Separation from Service, the Executive shall not directly or indirectly (i) solicit or induce any officer, director, regional vice president, district manager, co-manager, store manager, regional human resource manager or regional loss prevention manager of the Company to terminate his or her employment with the Company or (ii) solicit, contact or attempt to influence any vendor or supplier of the Company to limit, curtail, cancel or terminate any business it transacts with the Company. This paragraph does not apply to the Executive if the Executive resides or works in the State of California when executing this Agreement or at the end of the Executive's employment with the Company, or if otherwise prohibited by law.

(c) Confidential Information. The Executive shall hold in a fiduciary capacity for the benefit of the Company all trade secrets, confidential information, and knowledge or data relating to the Company and its businesses, which were obtained by the Executive during the Executive's employment by the Company. The Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such trade secrets, information, knowledge or data to anyone other than the Company and those designated by the Company.

(d) Whistleblower Protection. Notwithstanding anything herein to the contrary, nothing in this Agreement shall (i) prohibit Executive from making reports of possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934, as amended, or Section 806 of the Sarbanes-Oxley Act of 2002, or of any other whistleblower protection provisions of federal law or regulation, or (ii) require notification or prior approval by the Company of any such report; provided that, Executive is not authorized to disclose communications with counsel that were made for the purpose of receiving legal advice or that contain legal advice or that are protected by the attorney work product or similar privilege. Furthermore, Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (1) in confidence to a

federal, state or local government official, either directly or indirectly, or to an attorney, in each case, solely for the purpose of reporting or investigating a suspected violation of law or (2) in a complaint or other document filed in a lawsuit or proceeding, if such filings are made under seal.

10. Enforcement. Executive agrees that in the event of a breach or threatened breach of Executive's obligations under Section 9 of this Agreement, Executive hereby consents and agrees that the Company shall be entitled to, in addition to other available remedies, equitable relief (by injunction, restraining order, or other similar remedy) against such breach or threatened breach from a court of competent jurisdiction without the necessity of showing actual damages and without the necessity of posting a bond or other security. In the event of a breach of Executive's obligations under Section 9 of this Agreement, and in addition to any other legal or equitable relief that the Company may be entitled to, Executive agrees that the Company will be entitled to monetary damages equal to the value of any payments made under Section 6(a)(i)(B) – (D) of this Agreement. Executive agrees that in the event a court of competent jurisdiction determines Executive's obligations under Section 9 of this Agreement are more restrictive than necessary to protect the Company's legitimate business interests, such court may reduce the scope of the restriction(s), or sever and remove the unenforceable provision(s), to the extent necessary to make the restriction(s) enforceable.

11. Successors.

(a) This Agreement is personal to Executive and without the prior written consent of the Company shall not be assignable by Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

12. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Executive:

At the Executive's address of record on file with the Company

If to the Company:

Lowe's Companies, Inc.
1000 Lowe's Boulevard
Mooresville, North Carolina 28117
Attention: Chief Legal Officer

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right Executive or the Company may have hereunder, including, without limitation, the right of Executive to terminate employment for Good Reason pursuant to Section 5(c) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between Executive and the Company, the employment of Executive by the Company is "at will" and prior to the Effective Date, Executive's employment and/or this Agreement may be terminated by either Executive or the Company at any time prior to the Effective Date, in which case Executive shall have no further rights under this Agreement. From and after the Effective Date this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, Executive has hereunto set Executive's hand and, pursuant to the authorization from its Board of Directors, the Company has caused these presents to be executed in its name on its behalf, all as of the day and year first above written.

EXECUTIVE

LOWE'S COMPANIES, INC.

By: ____

Name:

Title:

August 28, 2025

The Board of Directors and Shareholders of Lowe's Companies, Inc.

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

We are aware that our report dated August 28, 2025, 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 August 1, 2025, 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	333-274288
Debt Securities, Preferred Stock, Common Stock	333-280893
Form S-8	
Lowe's 401(k) Plan	033-29772
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

CERTIFICATION

I, Marvin R. Ellison, certify that:

- (1) I have reviewed this Quarterly Report on Form 10-Q for the quarter ended August 1, 2025 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 28, 2025

Date

/s/ Marvin R. Ellison

Marvin R. Ellison
Chairman, President and Chief Executive Officer

CERTIFICATION

I, Brandon J. Sink, certify that:

- (1) I have reviewed this Quarterly Report on Form 10-Q for the quarter ended August 1, 2025 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 28, 2025

Date

/s/ Brandon J. Sink

Brandon J. Sink
Executive Vice President, Chief Financial Officer

**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 August 1, 2025, 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, President and Chief Executive Officer

August 28, 2025

**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 August 1, 2025, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Brandon J. Sink, 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/ Brandon J. Sink

Brandon J. Sink

Executive Vice President, Chief Financial Officer

August 28, 2025