

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

| | Three Months Ended | | | |
|---|--------------------|--------------|-----------------|--------------|
| | April 30, 2021 | | May 1, 2020 | |
| | Amount | % Sales | Amount | % Sales |
| Current Earnings | | | | |
| Net sales | \$ 24,422 | 100.00 | \$ 19,675 | 100.00 |
| Cost of sales | 16,292 | 66.71 | 13,162 | 66.90 |
| Gross margin | 8,130 | 33.29 | 6,513 | 33.10 |
| Expenses: | | | | |
| Selling, general and administrative | 4,494 | 18.40 | 4,196 | 21.32 |
| Depreciation and amortization | 391 | 1.60 | 326 | 1.66 |
| Operating income | 3,245 | 13.29 | 1,991 | 10.12 |
| Interest – net | 211 | 0.87 | 205 | 1.04 |
| Pre-tax earnings | 3,034 | 12.42 | 1,786 | 9.08 |
| Income tax provision | 713 | 2.92 | 449 | 2.28 |
| Net earnings | \$ 2,321 | 9.50 | \$ 1,337 | 6.80 |
| Weighted average common shares outstanding – basic | 718 | | 755 | |
| Basic earnings per common share ⁽¹⁾ | \$ 3.22 | | \$ 1.76 | |
| Weighted average common shares outstanding – diluted | 720 | | 756 | |
| Diluted earnings per common share ⁽¹⁾ | \$ 3.21 | | \$ 1.76 | |
| Cash dividends per share | \$ 0.60 | | \$ 0.55 | |
| Retained Earnings | | | | |
| Balance at beginning of period | \$ 1,117 | | \$ 1,727 | |
| Net earnings | 2,321 | | 1,337 | |
| Cash dividends declared | (430) | | (415) | |
| Share repurchases | (2,910) | | (927) | |
| Balance at end of period | \$ 98 | | \$ 1,722 | |

⁽¹⁾ Under the two-class method, earnings per share is calculated using net earnings allocable to common shares, which is derived by reducing net earnings by the earnings allocable to participating securities. Net earnings allocable to common shares used in the basic and diluted earnings per share calculation were \$2,312 million for the three months ended April 30, 2021 and \$1,333 million for the three months ended May 1, 2020.

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

| | Three Months Ended | | | |
|---|--------------------|--------------|-----------------|---------------|
| | April 30, 2021 | | May 1, 2020 | |
| | Amount | % Sales | Amount | % Sales |
| Net earnings | \$ 2,321 | 9.50 | \$ 1,337 | 6.80 |
| Foreign currency translation adjustments – net of tax | 102 | 0.41 | (159) | (0.82) |
| Cash flow hedges – net of tax | 24 | 0.10 | (102) | (0.52) |
| Other | (1) | — | 4 | 0.03 |
| Other comprehensive income/(loss) | 125 | 0.51 | (257) | (1.31) |
| Comprehensive income | \$ 2,446 | 10.01 | \$ 1,080 | 5.49 |

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

| | April 30, 2021 | May 1, 2020 | January 29, 2021 |
|--|------------------|------------------|------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 6,692 | \$ 5,955 | \$ 4,690 |
| Short-term investments | 454 | 201 | 506 |
| Merchandise inventory – net | 18,382 | 14,283 | 16,193 |
| Other current assets | 1,288 | 1,487 | 937 |
| Total current assets | 26,816 | 21,926 | 22,326 |
| Property, less accumulated depreciation ⁽¹⁾ | 19,059 | 18,629 | 19,155 |
| Operating lease right-of-use assets | 3,886 | 3,876 | 3,832 |
| Long-term investments | 197 | 300 | 200 |
| Deferred income taxes – net | 213 | 215 | 340 |
| Other assets ⁽¹⁾ | 1,029 | 886 | 882 |
| Total assets | \$ 51,200 | \$ 45,832 | \$ 46,735 |
| Liabilities and shareholders' equity | | | |
| Current liabilities: | | | |
| Short-term borrowings | \$ — | \$ 1,000 | \$ — |
| Current maturities of long-term debt | 1,338 | 604 | 1,112 |
| Current operating lease liabilities | 551 | 506 | 541 |
| Accounts payable | 13,964 | 10,841 | 10,884 |
| Accrued compensation and employee benefits | 1,312 | 982 | 1,350 |
| Deferred revenue | 2,022 | 1,212 | 1,608 |
| Other current liabilities | 3,705 | 3,180 | 3,235 |
| Total current liabilities | 22,892 | 18,325 | 18,730 |
| Long-term debt, excluding current maturities | 21,906 | 20,200 | 20,668 |
| Noncurrent operating lease liabilities | 3,925 | 3,915 | 3,890 |
| Deferred revenue – extended protection plans | 1,050 | 915 | 1,019 |
| Other liabilities | 982 | 761 | 991 |
| Total liabilities | 50,755 | 44,116 | 45,298 |
| Shareholders' equity: | | | |
| Preferred stock, \$5 par value: Authorized – 5.0 million shares; Issued and outstanding – none | — | — | — |
| Common stock, \$0.50 par value: Authorized – 5.6 billion shares; Issued and outstanding – 715 million, 755 million, and 731 million shares, respectively | 358 | 377 | 366 |
| Capital in excess of par value | — | 10 | 90 |
| Retained earnings | 98 | 1,722 | 1,117 |
| Accumulated other comprehensive loss | (11) | (393) | (136) |
| Total shareholders' equity | 445 | 1,716 | 1,437 |
| Total liabilities and shareholders' equity | \$ 51,200 | \$ 45,832 | \$ 46,735 |

⁽¹⁾ Effective for the year ending January 29, 2021, excess property amounts previously reported in other assets were reclassified to property, less accumulated depreciation. The consolidated balance sheet as of May 1, 2020, has been revised to conform with current presentation.

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

| | Three Months Ended | |
|---|--------------------|-----------------|
| | April 30, 2021 | May 1, 2020 |
| Cash flows from operating activities: | | |
| Net earnings | \$ 2,321 | \$ 1,337 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | |
| Depreciation and amortization | 443 | 373 |
| Noncash lease expense | 124 | 116 |
| Deferred income taxes | 110 | 46 |
| (Gain) loss on property and other assets – net | (15) | 17 |
| Share-based payment expense | 54 | 27 |
| Changes in operating assets and liabilities: | | |
| Merchandise inventory – net | (2,123) | (1,183) |
| Other operating assets | (343) | (206) |
| Accounts payable | 3,058 | 3,207 |
| Deferred revenue | 442 | 13 |
| Other operating liabilities | 421 | 703 |
| Net cash provided by operating activities | 4,492 | 4,450 |
| Cash flows from investing activities: | | |
| Purchases of investments | (293) | (70) |
| Proceeds from sale/maturity of investments | 347 | 107 |
| Capital expenditures | (461) | (328) |
| Proceeds from sale of property and other long-term assets | 64 | 25 |
| Other – net | (134) | (22) |
| Net cash used in investing activities | (477) | (288) |
| Cash flows from financing activities: | | |
| Net change in commercial paper | — | (941) |
| Net proceeds from issuance of debt | 1,988 | 3,961 |
| Repayment of debt | (543) | (543) |
| Proceeds from issuance of common stock under share-based payment plans | 9 | 4 |
| Cash dividend payments | (440) | (420) |
| Repurchases of common stock | (3,038) | (966) |
| Other – net | 4 | (3) |
| Net cash (used in) provided by financing activities | (2,020) | 1,092 |
| Effect of exchange rate changes on cash | 7 | (15) |
| Net increase in cash and cash equivalents | 2,002 | 5,239 |
| Cash and cash equivalents, beginning of period | 4,690 | 716 |
| Cash and cash equivalents, end of period | \$ 6,692 | \$ 5,955 |

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

To provide additional transparency, the Company has presented the non-GAAP financial measure of adjusted diluted earnings per share for the three months ended May 1, 2020. This measure excludes the impact of a discrete item, further described below, not contemplated in Lowe's Business Outlook for the first quarter of fiscal 2020 to assist analysts and investors in understanding operational performance for the first quarter of fiscal 2020.

Fiscal 2020 Impacts

During fiscal 2020, the Company recognized financial impacts from the following discrete item, not contemplated in the Company's Business Outlook for the first quarter:

- Beginning in the third quarter of fiscal 2019, the Company began a strategic review of its Canadian operations, and in the fourth quarter of fiscal 2019, the Company announced additional actions to improve future performance and profitability of its Canadian operations. As a result of this review and related actions, in the first quarter of fiscal 2020, the Company recognized \$9 million of pre-tax operating costs related to severance and other costs (Canada restructuring).

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

Detailed reconciliations between the Company's GAAP and non-GAAP financial results are shown below and available on the Company's website at ir.lowes.com.

| (in millions, except per share data) | Three Months Ended | | |
|---|-----------------------------|------------|-------------------------|
| | (Unaudited) | | |
| | May 1, 2020 | | |
| | Pre-Tax Earnings | Tax | Net Earnings |
| Diluted earnings per share, as reported | | | \$ 1.76 |
| Non-GAAP adjustments – per share impacts | | | |
| Canada restructuring | 0.01 | — | 0.01 |
| Adjusted diluted earnings per share | | | \$ 1.77 |