

Lowe's Companies, Inc.

Consolidated Statements of Current Earnings and Accumulated Deficit (Unaudited)

In Millions, Except Per Share and Percentage Data

	Three Months Ended				Six Months Ended			
	August 2, 2024		August 4, 2023		August 2, 2024		August 4, 2023	
	Amount	% Sales	Amount	% Sales	Amount	% Sales	Amount	% Sales
Current Earnings								
Net sales	\$ 23,586	100.00	\$ 24,956	100.00	\$ 44,950	100.00	\$ 47,304	100.00
Cost of sales	15,691	66.53	16,557	66.34	29,965	66.66	31,378	66.33
Gross margin	7,895	33.47	8,399	33.66	14,985	33.34	15,926	33.67
Expenses:								
Selling, general and administrative	4,025	17.07	4,086	16.38	8,034	17.88	7,912	16.73
Depreciation and amortization	423	1.79	427	1.71	851	1.89	841	1.78
Operating income	3,447	14.61	3,886	15.57	6,100	13.57	7,173	15.16
Interest – net	317	1.34	341	1.36	669	1.49	689	1.45
Pre-tax earnings	3,130	13.27	3,545	14.21	5,431	12.08	6,484	13.71
Income tax provision	747	3.17	872	3.50	1,294	2.88	1,551	3.28
Net earnings	\$ 2,383	10.10	\$ 2,673	10.71	\$ 4,137	9.20	\$ 4,933	10.43
Weighted average common shares outstanding – basic	568		584		570		590	
Basic earnings per common share ⁽¹⁾	\$ 4.18		\$ 4.56		\$ 7.24		\$ 8.34	
Weighted average common shares outstanding – diluted	570		585		571		591	
Diluted earnings per common share ⁽¹⁾	\$ 4.17		\$ 4.56		\$ 7.23		\$ 8.32	
Cash dividends per share	\$ 1.15		\$ 1.10		\$ 2.25		\$ 2.15	
Accumulated Deficit								
Balance at beginning of period	\$(15,188)		\$(15,310)		\$(15,637)		\$(14,862)	
Net earnings	2,383		2,673		4,137		4,933	
Cash dividends declared	(654)		(641)		(1,283)		(1,266)	
Share repurchases	(883)		(2,063)		(1,559)		(4,146)	
Balance at end of period	\$(14,342)		\$(15,341)		\$(14,342)		\$(15,341)	

⁽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 \$2,377 million for the three months ended August 2, 2024, and \$2,666 million for the three months ended August 4, 2023. Net earnings allocable to common shares used in the basic and diluted earnings per share calculation were \$4,127 million for the six months ended August 2, 2024, and \$4,920 million for the six months ended August 4, 2023.

Lowe's Companies, Inc.

Consolidated Statements of Comprehensive Income (Unaudited)

In Millions, Except Percentage Data

	Three Months Ended				Six Months Ended			
	August 2, 2024		August 4, 2023		August 2, 2024		August 4, 2023	
	Amount	% Sales	Amount	% Sales	Amount	% Sales	Amount	% Sales
Net earnings	\$ 2,383	10.10	\$ 2,673	10.71	\$ 4,137	9.20	\$ 4,933	10.43
Foreign currency translation adjustments – net of tax	—	—	5	0.01	—	—	5	0.01
Cash flow hedges – net of tax	(3)	(0.01)	(3)	(0.01)	(6)	(0.01)	(6)	(0.02)
Other	2	0.01	—	—	1	—	—	—
Other comprehensive (loss)/income	(1)	—	2	—	(5)	(0.01)	(1)	(0.01)
Comprehensive income	\$ 2,382	10.10	\$ 2,675	10.71	\$ 4,132	9.19	\$ 4,932	10.42

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

	August 2, 2024	August 4, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,360	\$ 3,494
Short-term investments	330	374
Merchandise inventory – net	16,841	17,422
Other current assets	806	946
Total current assets	22,337	22,236
Property, less accumulated depreciation	17,515	17,373
Operating lease right-of-use assets	3,819	3,650
Long-term investments	292	182
Deferred income taxes – net	184	230
Other assets	787	850
Total assets	\$ 44,934	\$ 44,521
Liabilities and shareholders' deficit		
Current liabilities:		
Current maturities of long-term debt	\$ 1,290	\$ 592
Current operating lease liabilities	552	534
Accounts payable	10,336	10,333
Accrued compensation and employee benefits	1,055	1,026
Deferred revenue	1,417	1,566
Other current liabilities	3,596	3,561
Total current liabilities	18,246	17,612
Long-term debt, excluding current maturities	34,659	35,839
Noncurrent operating lease liabilities	3,738	3,611
Deferred revenue – Lowe's protection plans	1,256	1,231
Other liabilities	798	960
Total liabilities	58,697	59,253
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 – 568 million and 582 million, respectively	284	291
Capital in excess of par value	—	12
Accumulated deficit	(14,342)	(15,341)
Accumulated other comprehensive income	295	306
Total shareholders' deficit	(13,763)	(14,732)
Total liabilities and shareholders' deficit	\$ 44,934	\$ 44,521

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

	Six Months Ended	
	August 2, 2024	August 4, 2023
Cash flows from operating activities:		
Net earnings	\$ 4,137	\$ 4,933
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	967	941
Noncash lease expense	260	241
Deferred income taxes	66	23
(Gain)/loss on property and other assets – net	(4)	23
Gain on sale of business	(43)	(67)
Share-based payment expense	110	113
Changes in operating assets and liabilities:		
Merchandise inventory – net	53	1,109
Other operating assets	129	224
Accounts payable	1,679	(191)
Other operating liabilities	61	(1,381)
Net cash provided by operating activities	7,415	5,968
Cash flows from investing activities:		
Purchases of investments	(628)	(878)
Proceeds from sale/maturity of investments	571	811
Capital expenditures	(808)	(765)
Proceeds from sale of property and other long-term assets	22	17
Proceeds from sale of business	43	123
Other – net	—	(23)
Net cash used in investing activities	(800)	(715)
Cash flows from financing activities:		
Net change in commercial paper	—	(499)
Net proceeds from issuance of debt	—	2,983
Repayment of debt	(47)	(45)
Proceeds from issuance of common stock under share-based payment plans	84	76
Cash dividend payments	(1,262)	(1,257)
Repurchases of common stock	(1,930)	(4,356)
Other – net	(21)	(9)
Net cash used in financing activities	(3,176)	(3,107)
Net increase in cash and cash equivalents	3,439	2,146
Cash and cash equivalents, beginning of period	921	1,348
Cash and cash equivalents, end of period	\$ 4,360	\$ 3,494

Lowe's Companies, Inc.**Non-GAAP Financial Measure 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 August 2, 2024. This measure excludes the impact of a certain item, further described below, not contemplated in Lowe's Business Outlook to assist analysts and investors in understanding operational performance for the second quarter of fiscal 2024.

Fiscal 2024 Impacts

During fiscal 2024, the Company recognized financial impacts from the following, not contemplated in the Company's Business Outlook for fiscal 2024:

- 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 share as prepared in accordance with GAAP. The Company's methods of determining non-GAAP financial measures may differ from the method used by other companies and may not be comparable.

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

	Three Months Ended		
	August 2, 2024		
	Pre-Tax Earnings	Tax¹	Net Earnings
Diluted earnings per share, as reported			\$ 4.17
Non-GAAP adjustments – per share impacts			
Canadian retail business transaction	(0.07)	—	(0.07)
Adjusted diluted earnings per share			\$ 4.10

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