

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

In Millions, Except Per Share and Percentage Data

	Three Months Ended				Nine Months Ended			
	November 1, 2024		November 3, 2023		November 1, 2024		November 3, 2023	
	Amount	% Sales	Amount	% Sales	Amount	% Sales	Amount	% Sales
Current Earnings								
Net sales	\$ 20,170	100.00	\$ 20,471	100.00	\$ 65,120	100.00	\$ 67,775	100.00
Cost of sales	13,374	66.31	13,580	66.34	43,340	66.55	44,958	66.33
Gross margin	6,796	33.69	6,891	33.66	21,780	33.45	22,817	33.67
Expenses:								
Selling, general and administrative	3,827	18.97	3,761	18.37	11,860	18.22	11,673	17.23
Depreciation and amortization	433	2.15	434	2.12	1,284	1.97	1,275	1.88
Operating income	2,536	12.57	2,696	13.17	8,636	13.26	9,869	14.56
Interest – net	317	1.57	345	1.68	985	1.51	1,033	1.52
Pre-tax earnings	2,219	11.00	2,351	11.49	7,651	11.75	8,836	13.04
Income tax provision	524	2.59	578	2.83	1,818	2.79	2,130	3.14
Net earnings	\$ 1,695	8.41	\$ 1,773	8.66	\$ 5,833	8.96	\$ 6,706	9.90
Weighted average common shares outstanding – basic	565		576		568		585	
Basic earnings per common share ⁽¹⁾	\$ 2.99		\$ 3.07		\$ 10.24		\$ 11.43	
Weighted average common shares outstanding – diluted	566		577		569		587	
Diluted earnings per common share ⁽¹⁾	\$ 2.99		\$ 3.06		\$ 10.22		\$ 11.40	
Cash dividends per share	\$ 1.15		\$ 1.10		\$ 3.40		\$ 3.25	
Accumulated Deficit								
Balance at beginning of period	\$(14,342)		\$(15,341)		\$(15,637)		\$(14,862)	
Net earnings	1,695		1,773		5,833		6,706	
Cash dividends declared	(650)		(633)		(1,933)		(1,898)	
Share repurchases	(696)		(1,543)		(2,256)		(5,690)	
Balance at end of period	\$(13,993)		\$(15,744)		\$(13,993)		\$(15,744)	

⁽¹⁾ Under the two-class method, earnings per share is calculated using net earnings allocable to common shares, which is derived by reducing net earnings by the earnings allocable to participating securities. Net earnings allocable to common shares used in the basic and diluted earnings per share calculation were \$1,691 million for the three months ended November 1, 2024, and \$1,769 million for the three months ended November 3, 2023. Net earnings allocable to common shares used in the basic and diluted earnings per share calculation were \$5,818 million for the nine months ended November 1, 2024, and \$6,688 million for the nine months ended November 3, 2023.

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

In Millions, Except Percentage Data

	Three Months Ended				Nine Months Ended			
	November 1, 2024		November 3, 2023		November 1, 2024		November 3, 2023	
	Amount	% Sales	Amount	% Sales	Amount	% Sales	Amount	% Sales
Net earnings	\$ 1,695	8.41	\$ 1,773	8.66	\$ 5,833	8.96	\$ 6,706	9.90
Cash flow hedges – net of tax	(3)	(0.02)	(4)	(0.01)	(9)	(0.02)	(10)	(0.02)
Foreign currency translation adjustments – net of tax	—	—	—	—	—	—	5	0.01
Other	—	—	—	—	1	—	—	—
Other comprehensive loss	(3)	(0.02)	(4)	(0.01)	(8)	(0.02)	(5)	(0.01)
Comprehensive income	\$ 1,692	8.39	\$ 1,769	8.65	\$ 5,825	8.94	\$ 6,701	9.89

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

	November 1, 2024	November 3, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,271	\$ 1,210
Short-term investments	335	321
Merchandise inventory – net	17,566	17,530
Other current assets	805	907
Total current assets	21,977	19,968
Property, less accumulated depreciation	17,586	17,527
Operating lease right-of-use assets	3,771	3,647
Long-term investments	312	238
Deferred income taxes – net	261	280
Other assets	836	859
Total assets	\$ 44,743	\$ 42,519
Liabilities and shareholders' deficit		
Current liabilities:		
Current maturities of long-term debt	\$ 2,576	\$ 544
Current operating lease liabilities	497	533
Accounts payable	10,602	9,914
Accrued compensation and employee benefits	828	750
Deferred revenue	1,359	1,499
Other current liabilities	3,585	3,256
Total current liabilities	19,447	16,496
Long-term debt, excluding current maturities	32,906	35,374
Noncurrent operating lease liabilities	3,741	3,602
Deferred revenue – Lowe's protection plans	1,260	1,228
Other liabilities	808	966
Total liabilities	58,162	57,666
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 – 565 million and 575 million, respectively	282	288
Capital in excess of par value	—	7
Accumulated deficit	(13,993)	(15,744)
Accumulated other comprehensive income	292	302
Total shareholders' deficit	(13,419)	(15,147)
Total liabilities and shareholders' deficit	\$ 44,743	\$ 42,519

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

	Nine Months Ended	
	November 1, 2024	November 3, 2023
Cash flows from operating activities:		
Net earnings	\$ 5,833	\$ 6,706
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	1,461	1,427
Noncash lease expense	392	370
Deferred income taxes	(10)	(27)
Loss on property and other assets – net	11	50
Gain on sale of business	(97)	(79)
Share-based payment expense	164	160
Changes in operating assets and liabilities:		
Merchandise inventory – net	(672)	1,002
Other operating assets	114	236
Accounts payable	1,944	(610)
Other operating liabilities	(426)	(2,203)
Net cash provided by operating activities	8,714	7,032
Cash flows from investing activities:		
Purchases of investments	(999)	(1,283)
Proceeds from sale/maturity of investments	918	1,215
Capital expenditures	(1,379)	(1,344)
Proceeds from sale of property and other long-term assets	54	29
Proceeds from sale of business	97	100
Other – net	(11)	(23)
Net cash used in investing activities	(1,320)	(1,306)
Cash flows from financing activities:		
Net change in commercial paper	—	(499)
Net proceeds from issuance of debt	—	2,983
Repayment of debt	(522)	(576)
Proceeds from issuance of common stock under share-based payment plans	95	79
Cash dividend payments	(1,916)	(1,899)
Repurchases of common stock	(2,681)	(5,937)
Other – net	(20)	(15)
Net cash used in financing activities	(5,044)	(5,864)
Net increase/(decrease) in cash and cash equivalents	2,350	(138)
Cash and cash equivalents, beginning of period	921	1,348
Cash and cash equivalents, end of period	\$ 3,271	\$ 1,210

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 November 1, 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 third quarter of fiscal 2024.

Fiscal 2024 Impacts

During fiscal 2024, the Company recognized financial impacts from the following:

- In the third quarter of fiscal 2024, the Company recognized pre-tax income of \$54 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		
	November 1, 2024		
	Pre-Tax Earnings	Tax¹	Net Earnings
Diluted earnings per share, as reported			\$ 2.99
Non-GAAP adjustments – per share impacts			
Canadian retail business transaction	(0.10)	—	(0.10)
Adjusted diluted earnings per share			\$ 2.89

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