

Lowe's Companies, Inc.

Consolidated Statements of Current and Retained Earnings (Unaudited)

In Millions, Except Per Share and Percentage Data

	Three Months Ended			
	May 3, 2019		May 4, 2018	
	Amount	% Sales	Amount	% Sales
Current Earnings				
Net sales	\$ 17,741	100.00	\$ 17,360	100.00
Cost of sales	12,160	68.54	11,612	66.89
Gross margin	5,581	31.46	5,748	33.11
Expenses:				
Selling, general and administrative	3,862	21.77	3,934	22.66
Depreciation and amortization	302	1.70	349	2.01
Operating income	1,417	7.99	1,465	8.44
Interest - net	162	0.92	160	0.92
Pre-tax earnings	1,255	7.07	1,305	7.52
Income tax provision	209	1.17	317	1.83
Net earnings	\$ 1,046	5.90	\$ 988	5.69
Weighted average common shares outstanding - basic	796		825	
Basic earnings per common share ⁽¹⁾	\$ 1.31		\$ 1.19	
Weighted average common shares outstanding - diluted	797		826	
Diluted earnings per common share ⁽¹⁾	\$ 1.31		\$ 1.19	
Cash dividends per share	\$ 0.48		\$ 0.41	
Retained Earnings				
Balance at beginning of period	\$ 3,452		\$ 5,425	
Cumulative effect of accounting change	(263)		33	
Net earnings	1,046		988	
Cash dividends declared	(382)		(338)	
Share repurchases	(758)		(703)	
Balance at end of period	\$ 3,095		\$ 5,405	

⁽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 \$1,043 million for the three months ended May 3, 2019 and \$985 million for the three months ended May 4, 2018.

Lowe's Companies, Inc.

Consolidated Statements of Comprehensive Income (Unaudited)

In Millions, Except Percentage Data

	Three Months Ended			
	May 3, 2019		May 4, 2018	
	Amount	% Sales	Amount	% Sales
Net earnings	\$ 1,046	5.90	\$ 988	5.69
Foreign currency translation adjustments - net of tax	(33)	(0.18)	(83)	(0.48)
Other	(15)	(0.09)	—	—
Other comprehensive loss	(48)	(0.27)	(83)	(0.48)
Comprehensive income	\$ 998	5.63	\$ 905	5.21

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

	(Unaudited) May 3, 2019	(Unaudited) May 4, 2018	February 1, 2019
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,973	\$ 1,565	\$ 511
Short-term investments	190	205	218
Merchandise inventory - net	15,026	13,204	12,561
Other current assets	1,146	1,059	938
Total current assets	19,335	16,033	14,228
Property, less accumulated depreciation	18,150	19,500	18,432
Operating lease right-of-use assets	3,926	—	—
Long-term investments	235	321	256
Deferred income taxes - net	495	199	294
Goodwill	303	1,288	303
Other assets	775	896	995
Total assets	\$ 43,219	\$ 38,237	\$ 34,508
Liabilities and shareholders' equity			
Current liabilities:			
Short-term borrowings	\$ —	\$ —	\$ 722
Current maturities of long-term debt	1,008	896	1,110
Current operating lease liabilities	500	—	—
Accounts payable	11,485	10,104	8,279
Accrued compensation and employee benefits	769	715	662
Deferred revenue	1,376	1,439	1,299
Other current liabilities	2,643	2,620	2,425
Total current liabilities	17,781	15,774	14,497
Long-term debt, excluding current maturities	16,542	14,948	14,391
Noncurrent operating lease liabilities	4,064	—	—
Deferred revenue - extended protection plans	837	808	827
Other liabilities	759	962	1,149
Total liabilities	39,983	32,492	30,864
Shareholders' equity:			
Preferred stock - \$5 par value, none issued	—	—	—
Common stock - \$0.50 par value;			
Shares issued and outstanding			
May 3, 2019	795		
May 4, 2018	822		
February 1, 2019	801	397	411
Capital in excess of par value	—	—	—
Retained earnings	3,095	5,405	3,452
Accumulated other comprehensive loss	(256)	(71)	(209)
Total shareholders' equity	3,236	5,745	3,644
Total liabilities and shareholders' equity	\$ 43,219	\$ 38,237	\$ 34,508

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

	Three Months Ended	
	May 3, 2019	May 4, 2018
Cash flows from operating activities:		
Net earnings	\$ 1,046	\$ 988
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	337	387
Noncash lease expense	114	—
Deferred income taxes	(106)	(21)
(Gain) loss on property and other assets - net	(2)	6
(Gain) loss on cost method and equity method investments	(2)	—
Share-based payment expense	42	24
Changes in operating assets and liabilities:		
Merchandise inventory - net	(2,478)	(1,846)
Other operating assets	(273)	(234)
Accounts payable	3,199	3,521
Other operating liabilities	260	604
Net cash provided by operating activities	2,137	3,429
Cash flows from investing activities:		
Purchases of investments	(3)	(573)
Proceeds from sale/maturity of investments	54	556
Capital expenditures	(205)	(224)
Proceeds from sale of property and other long-term assets	24	5
Other - net	(1)	—
Net cash used in investing activities	(131)	(236)
Cash flows from financing activities:		
Net change in short-term borrowings	(722)	(1,140)
Net proceeds from issuance of long-term debt	2,972	—
Repayment of long-term debt	(616)	(13)
Proceeds from issuance of common stock under share-based payment plans	32	8
Cash dividend payments	(385)	(340)
Repurchase of common stock	(826)	(728)
Other - net	(9)	(2)
Net cash provided by (used in) financing activities	446	(2,215)
Effect of exchange rate changes on cash	(2)	(1)
Net increase in cash and cash equivalents, including cash classified within current assets held for sale	2,450	977
Less: Net decrease in cash classified within current assets held for sale	12	—
Net increase in cash and cash equivalents	2,462	977
Cash and cash equivalents, beginning of period	511	588
Cash and cash equivalents, end of period	\$ 2,973	\$ 1,565

