



Q2 2019 RESULTS

"We capitalized on spring demand, strong holiday event execution and growth in Paint and our Pro business to deliver strong second quarter results. Despite lumber deflation and difficult weather, we are pleased that we delivered positive comparable sales in all 15 geographic regions of the U.S. This is a reflection of a solid macroeconomic backdrop and continued momentum executing our retail fundamentals framework. Our transformation is ongoing, and our future is bright. We are confident that we are on the right path to capitalize on solid demand in a healthy home improvement market and generate long-term profitable growth. I would like to thank our associates for their hard work and continued commitment to serving customers."

- Marvin R. Ellison, Lowe's president and CEO

FINANCIAL HIGHLIGHTS

\$21.0B
IN SALES

+0.5%

+3.2%
U.S. COMP
SALES

32.11%
GROSS MARGIN
-85 basis points

11.34%
OPERATING
MARGIN
+98 basis points

\$2.14
DILUTED EPS
15.1%

\$2.15
ADJ. DILUTED
EPS¹
+3.9%

WE RETURNED
\$2.3 BILLION
TO OUR SHAREHOLDERS
THROUGH DIVIDENDS
AND SHARE
REPURCHASES

COMPARABLE SALES SUMMARY

TRANSACTIONS/TICKET

COMP
TRANSACTIONS

COMP AVERAGE
TICKET

LOWE'S ProServices
ABOVE COMPANY AVERAGE



+0.3%



+2.0%

LOWES.COM
SALES GROWTH +4%

TICKET SIZE

>\$500



\$50-500

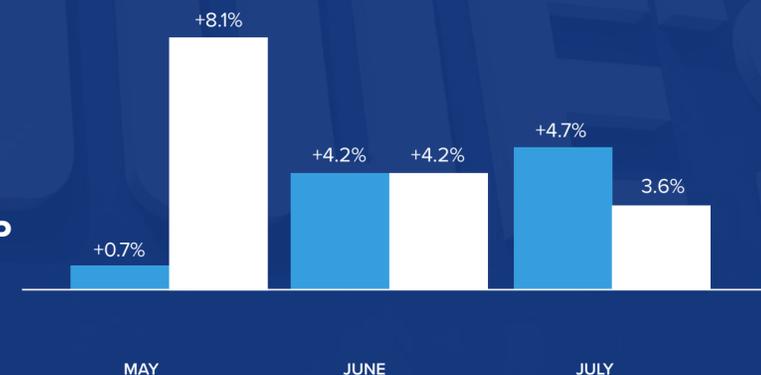


<\$50



U.S. MONTHLY COMP PERFORMANCE

■ 2019
■ 2018



MERCHANDISING DEPARTMENT PERFORMANCE

Positive comps in **9 of 13** merchandising departments.

ABOVE COMPANY AVERAGE



PAINT



TOOLS



APPLIANCES



DÉCOR



HARDWARE



MILLWORK



SEASONAL &
OUTDOOR LIVING



Positive comps in
ALL 15 U.S. regions

PROGRESS AGAINST INITIATIVES

- Improved performance in departments which have historically underperformed, such as Paint, Millwork, and Décor.
- Continued strength driving market share gains and comps above the Company average in Appliances and Seasonal & Outdoor Living.
- Pro strategic initiatives are gaining traction with another quarter of Pro comps significantly outpacing DIY comps.

- Improved service model in stores and better in-stock execution resulted in improved customer satisfaction scores from DIY and Pro customers.
- Leveraged Merchandising Service Teams to drive reductions in out-of-stocks, and improved sales productivity and reset execution.
- Announced plans to open a new global technology center in Charlotte for up to 2,000 technology professionals which underscores our commitment to recruiting top talent and becoming a best-in-class omni-channel retailer.

¹ Adjusted Diluted EPS is a non-GAAP financial measure. Refer to [Lowe's.com/investor](https://www.lowes.com/investor) for a reconciliation of non-GAAP measures.

STRATEGIC INITIATIVES

OUR MISSION

Together, deliver the right home improvement products, with the best service and value, across every channel and community we serve.



SUPPLY CHAIN TRANSFORMATION

Fulfillment and Delivery Optimization

Order Management Optimization



MERCHANDISING EXCELLENCE

Improve Productivity

Drive Localization

Improve Reset Execution

Best-in-Class Online Experience



OPERATIONAL EFFICIENCY

Store Simplification

In-Stock Execution



CUSTOMER ENGAGEMENT

Own the Pro

Associate Engagement

OMNI-CHANNEL