



Strategy and Performance Overview

Please refer to www.Lowe.com/investor for a reconciliation of non-GAAP financial measures.



Attractive Market

~\$900B

U.S. Home Improvement Market

Highly fragmented with Lowe's share less than 10%

Broad Customer Base

Do-It-Yourself (DIY), Do-It-For-Me (DIFM) and Pro customers

Diverse Product Offering

Repair, maintenance, home improvement and home furnishing products

Strong Omni-Channel Model

In-store, online, in-home, jobsite and contact center channels with an evolving distribution network situated near the customer for efficient and effective last-mile delivery

Solid Balance Sheet

BBB+/Baa1

credit rating

Conservative balance sheet management within 2.75x leverage target

Committed to Returning Capital to Shareholders

\$24B

returned to shareholders through dividends and share repurchases over last 5 years *

SOLID FINANCIAL PERFORMANCE*

5%
Avg. Annual Sales Growth

4%
Avg. Annual Comp Sales Growth

16%
Avg. Annual Adjusted DEPS¹ Growth

\$20B
Free Cash Flow¹

88%
Total Shareholder Return

*FY 2015 – FY 2019

¹) Adjusted Diluted Earnings Per Share and Free Cash Flow are non-GAAP financial measures.

Lowe's has delivered solid financial performance while demonstrating a commitment to both returning capital to shareholders and maintaining a strong investment grade credit profile.

SOLID FINANCIAL PERFORMANCE

\$72.1B

2019 Sales
Represents YOY
Growth of 1.2%

12%

Increase in 2019
Adjusted Diluted
Earnings Per Share ¹

20%

2019 Return on
Invested Capital ¹

\$2.8B

Free Cash Flow ¹
Generated in 2019

DEMONSTRATED COMMITMENT TO RETURN CAPITAL TO SHAREHOLDERS

15%

2019 Increase in Dividend
Target a Dividend
Payout Ratio of 35%

\$1.6B

Dividends Paid
in the Last Year

\$4.3B

Shares Repurchased
in the Last Year

¹ Adjusted Diluted Earnings Per Share, Return on Invested Capital and Free Cash Flow are non-GAAP financial measures.

OMNI-CHANNEL RETAILING



IN-STORE



ONLINE



IN-HOME



JOBSITE



CONTACT CENTER

CUSTOMER CENTRICITY

Do-It-Yourself (DIY) Customers

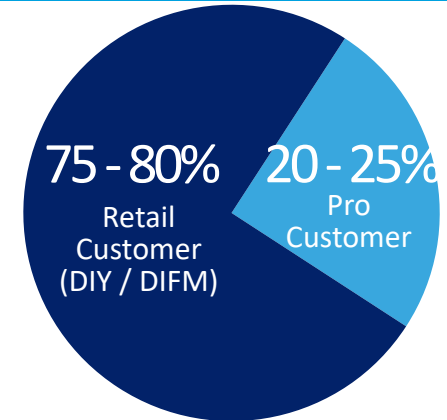
Do-It-For-Me (DIFM) Customers

Pro Customers

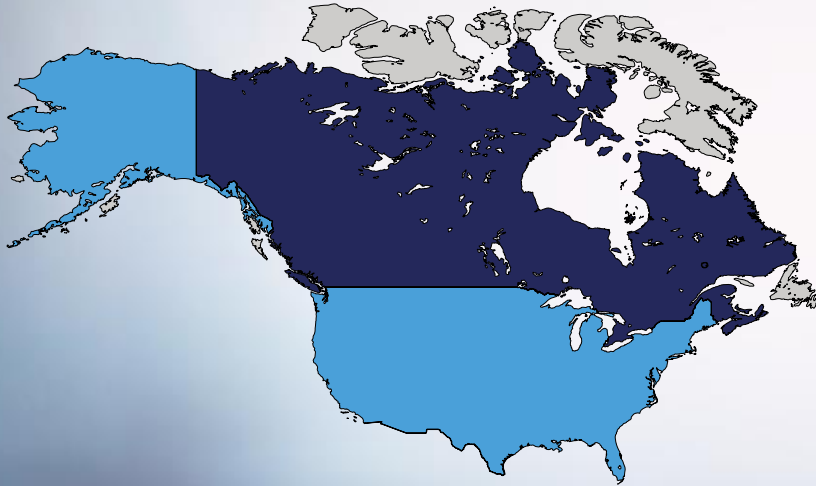
- Homeowners or renters completing their own home improvement projects

- Homeowners or renters engaging a Lowe's installer or exterior project specialist to complete their home improvement projects

- Multifamily property management
- Business property management
- Repair/remodel
- Specialty trade



GEOGRAPHIC FOOTPRINT (As of January 31, 2020)



United States

- ~\$900B home improvement market
- 1,728 stores with online, contact center and in-home / on-site capabilities
- Average 112,000 square feet of selling space
- Strategic Focus – Asset productivity through improved capabilities across omni-channel assets and focus on fundamental retail basics

Canada

- ~\$35B home improvement market
- 249 stores with online capabilities
- Additionally, we serve ~237 dealer-owned stores
- Strategic Focus – Integration of RONA, bringing together our global scale and resources with RONA's local expertise

**TOGETHER, DELIVER THE RIGHT HOME IMPROVEMENT PRODUCTS,
WITH THE BEST SERVICE AND VALUE, ACROSS EVERY CHANNEL
AND COMMUNITY WE SERVE**



CAPITAL ALLOCATION PRIORITIES



OPERATIONAL INVESTMENT

- BASIC RETAIL FUNDAMENTALS
- TECHNOLOGY “CATCH UP” AND IMPROVEMENTS
- LIMITED NEW STORES

MERGERS AND ACQUISITIONS

- OPPORTUNISTIC / CAPABILITIES BUILDING
- MINIMUM RISK ADJUSTED HURDLE RATE – MID TEENS

CAPITAL STRUCTURE

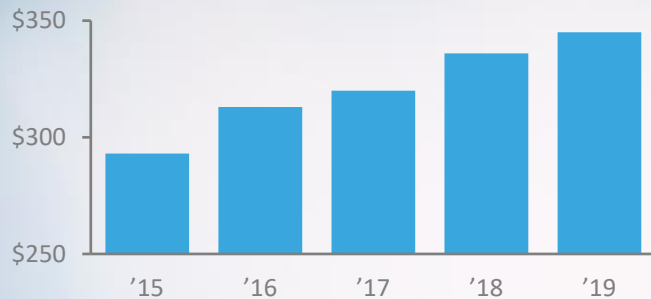
- DIVIDEND PAYOUT RATIO ~35%
- STRONG INVESTMENT GRADE FOCUS
- 2.75X ADJUSTED DEBT TO EBITDAR

CAPITAL RETURNED TO SHAREHOLDERS

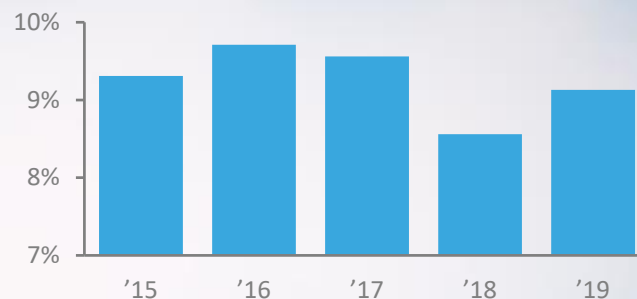
- EXPANDED SHARE REPURCHASE PROGRAM, ABSENT MORE ATTRACTIVE INVESTMENT ALTERNATIVES

APPENDIX

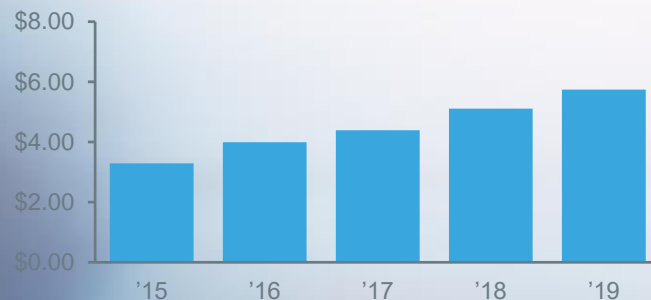
SALES PER SELLING SQUARE FOOT



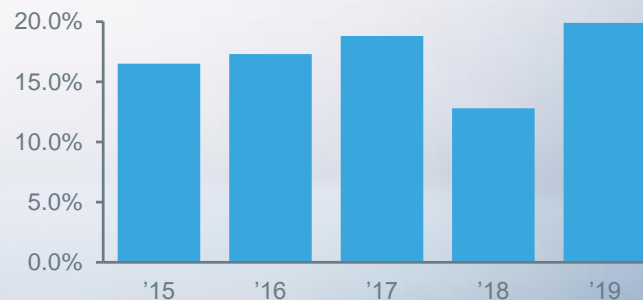
ADJUSTED OPERATING INCOME ⁽¹⁾



ADJUSTED DILUTED EPS ⁽¹⁾

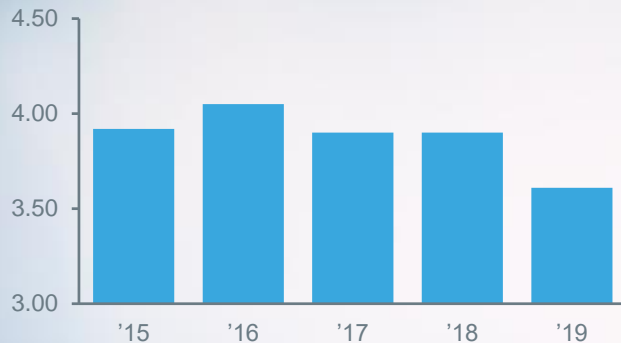


ROIC ⁽¹⁾

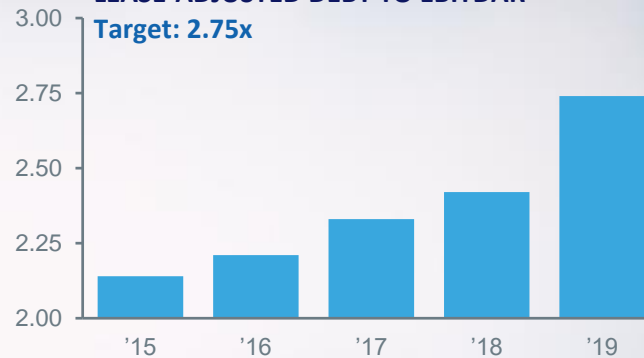


¹ Adjusted Operating Income, Adjusted Diluted EPS and ROIC are non-GAAP financial measures. Refer to [lowes.com/investor](https://www.lowes.com/investor) for a reconciliation of non-GAAP measures.

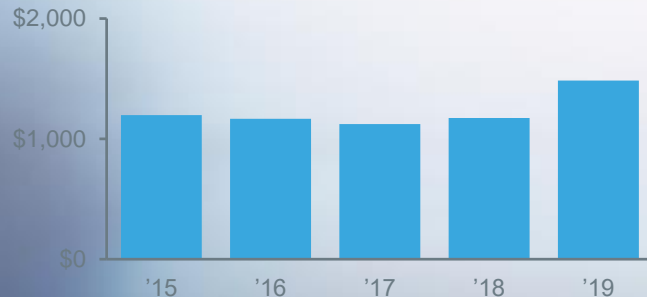
INVENTORY TURNS



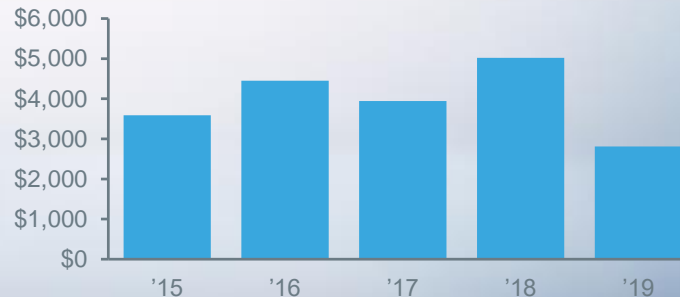
LEASE-ADJUSTED DEBT TO EBITDAR ⁽¹⁾



CAPITAL EXPENDITURES



FREE CASH FLOW ⁽¹⁾



¹ Lease-Adjusted Debt to EBITDAR and Free Cash Flow are non-GAAP financial measures. Refer to [lowes.com/investor](https://www.lowes.com/investor) for a reconciliation of non-GAAP measures.

FORWARD LOOKING STATEMENT



This presentation includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Statements including words such as “believe”, “expect”, “anticipate”, “plan”, “desire”, “project”, “estimate”, “intend”, “will”, “should”, “could”, “would”, “may”, “strategy”, “potential”, “opportunity” and similar expressions are forward-looking statements. Forward-looking statements involve estimates, expectations, projections, goals, forecasts, assumptions, risks and uncertainties. Forward-looking statements include, but are not limited to, statements about future financial and operating results, Lowe’s plans, objectives, business outlook, priorities, expectations and intentions, expectations for sales growth, comparable sales, earnings and performance, shareholder value, capital expenditures, cash flows, the housing market, the home improvement industry, demand for services, share repurchases, Lowe’s strategic initiatives, including those relating to acquisitions and dispositions by Lowe’s and the expected impact of such transactions on our strategic and operational plans and financial results, and any statement of an assumption underlying any of the foregoing and other statements that are not historical facts. Although we believe that the expectations, opinions, projections and comments reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and we can give no assurance that such statements will prove to be correct. Actual results may differ materially from those expressed or implied in such statements.

A wide variety of potential risks, uncertainties and other factors could materially affect our ability to achieve the results either expressed or implied by these forward-looking statements including, but not limited to, changes in general economic conditions, such as the rate of unemployment, interest rate and currency fluctuations, fuel and other energy costs, slower growth in personal income, changes in consumer spending, changes in the rate of housing turnover, the availability of consumer credit and of mortgage financing, inflation or deflation of commodity prices, recently enacted or proposed tariffs, any disruptions caused by our recent management and key personnel changes, and other factors that can negatively affect our customers, as well as our ability to: (i) respond to adverse trends in the housing industry, a reduced rate of growth in household formation, and slower rates of growth in housing renovation and repair activity, as well as uneven recovery in commercial building activity; (ii) secure, develop, and otherwise implement new technologies and processes necessary to realize the benefits of our strategic initiatives focused on omni-channel sales and marketing presence and enhance our efficiency and otherwise successfully execute on our strategy and implement our strategic initiatives, including acquisitions, dispositions and the closing of certain stores and facilities; (iii) attract, train, and retain highly-qualified associates; (iv) manage our business effectively as we adapt our operating model to meet the changing expectations of our customers; (v) maintain, improve, upgrade and protect our critical information systems from system outages, data security breaches, ransomware and other cyber threats; (vi) respond to fluctuations in the prices and availability of services, supplies, and products; (vii) respond to the growth and impact of competition; (viii) address changes in existing or new laws or regulations that affect consumer credit, employment/labor, trade, product safety, transportation/logistics, energy costs, health care, tax, environmental issues or privacy and data protection; (ix) positively and effectively manage our public image and reputation and respond appropriately to unanticipated failures to maintain a high level of product and service quality that could result in a negative impact on customer confidence and adversely affect sales; and (x) effectively manage our relationships with selected suppliers of brand name products and key vendors and service providers, including third-party installers. In addition, we could experience impairment losses and other charges if either the actual results of our operating stores are not consistent with the assumptions and judgments we have made in estimating future cash flows and determining asset fair values, or we are required to reduce the carrying amount of our investment in certain unconsolidated entities. With respect to acquisitions and dispositions, potential risks include the effect of such transactions on Lowe’s and the target company’s or operating business’s strategic relationships, operating results and businesses generally; our ability to integrate or divest personnel, labor models, financial, IT and other systems successfully; disruption of our ongoing business and distraction of management; hiring additional management and other critical personnel; increasing or decreasing the scope, geographic diversity, and complexity of our operations; significant integration or disposition costs or unknown liabilities; and failure to realize the expected benefits of the transaction. For more information about these and other risks and uncertainties that we are exposed to, you should read “Item 1A - Risk Factors” and “Item 7 - Management’s Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies and Estimates” included in our most recent Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the SEC) and the description of material changes thereto, if any, included in our Quarterly Reports on Form 10-Q or subsequent filings with the SEC.

The forward-looking statements contained in this presentation are expressly qualified in their entirety by the foregoing cautionary statements. The foregoing list of important factors that may affect future results is not exhaustive. When relying on forward-looking statements to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. All such forward-looking statements are based upon data available as of the date of this presentation or other specified date and speak only as of such date. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf about any of the matters covered in this presentation are qualified by these cautionary statements and the risk factors disclosed in “Item 1A - Risk Factors” our most recent Annual Report and the description of material changes thereto, if any, included in our Quarterly Reports on Form 10-Q or subsequent filings with the SEC. We expressly disclaim any obligation to update or revise any forward-looking statement, whether as a result of new information, change in circumstances, future events or otherwise, except as may be required by law.

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