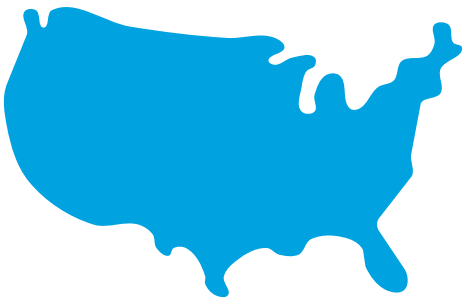




# Q2 2025 RESULTS

**Marvin R. Ellison,  
Chairman & CEO**

"This quarter, we delivered positive comp sales driven by solid performance in both Pro and DIY. Despite challenging weather early in the quarter, our teams drove both sales growth and improved profitability as well as an increase in customer satisfaction scores."



## 9 of 15 Regions

Delivered positive comp sales growth

### Financial Highlights

**+1.1%**  
COMP SALES

**33.8%**  
GROSS MARGIN  
+34 basis points vs. LY

**14.5%**  
OPERATING MARGIN  
-13 basis points vs. LY

**\$4.27**  
DILUTED EPS  
+2.4% vs. LY

**33.8%**  
ADJ. GROSS MARGIN<sup>1</sup>  
+37 basis points vs. LY

**14.7%**  
ADJ. OPERATING MARGIN<sup>1</sup>  
+23 basis points vs.  
LY ADJ. OPERATING MARGIN<sup>1</sup>

**\$4.33**  
ADJ. DILUTED EPS<sup>1</sup>  
+5.6% vs. LY ADJ  
DILUTED EPS<sup>1</sup>

We returned  
**\$645 MILLION**  
to our shareholders  
through dividends

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

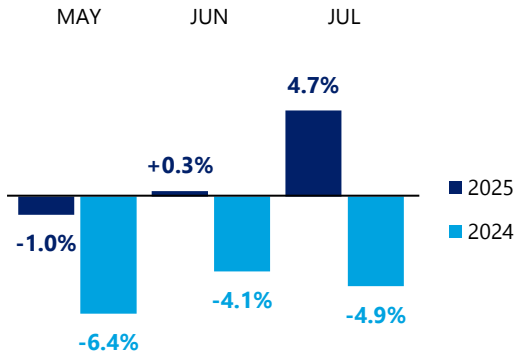
### Comparable Sales Summary

COMP TRANSACTIONS **-1.8%**

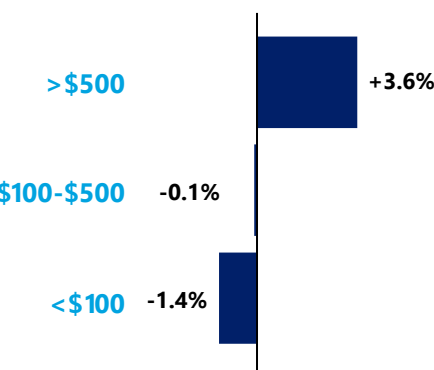
COMP **\$104.60**  
AVERAGE TICKET **+2.9%**

ONLINE  
SALES GROWTH **+7.5%**

### Monthly Comp Sales Performance



### Comp Sales by Ticket Size



### Product Category Performance

Positive Comp Sales in  
**9 of 14**  
product categories

**APPLIANCES**

**HARDWARE**

**PAINT**

**BUILDING MATERIALS**

**LAWN & GARDEN**

**ROUGH PLUMBING**

**FLOORING**

**LUMBER**

**TOOLS**

### Total Home Strategy Updates



Closed on acquisition  
of **Artisan Design Group**



**Positive Pro** comp sales on top of  
strong mid-single-digit growth last year



Partnering with MrBeast to launch first home  
improvement **Creator Network**



## Total Home Strategy

Solving problems  
and fulfilling dreams  
for the home



Drive **Pro** penetration



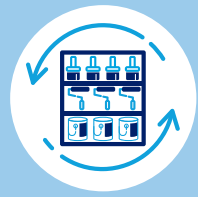
Accelerate **online** sales



Expand **home** services



Create a **loyalty** ecosystem



Increase **space** productivity



# Lowe's Acquisition of Foundation Building Materials (FBM)

AUGUST 20, 2025

# Forward-looking statements



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", "outlook", "scenario", "guidance", and similar expressions are forward-looking statements. Forward-looking statements involve, among other things, expectations, projections and assumptions about future financial and operating results (including pro forma leverage of Lowe's and Foundation Building Materials and Lowe's target leverage ratio), objectives (including objectives related to environmental and social matters), business outlook, priorities, sales growth, shareholder value, capital expenditures, cash flows, the housing market, the home improvement industry, demand for products and services including customer acceptance of new offerings and initiatives, macroeconomic conditions and consumer spending, share repurchases and Lowe's strategic initiatives, including those relating to acquisitions and dispositions, including Lowe's proposed acquisition of Foundation Building Materials and the impact of such transactions on our strategic and operational plans and financial results. Such statements involve risks and uncertainties, and we can give no assurance that they 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, the occurrence of any event or other circumstance that could give rise to the right of one or both of the parties to terminate the stock purchase agreement between Lowe's and Foundation Building Materials, the failure to obtain the regulatory approval or to satisfy the other conditions to the proposed transaction in the expected timeframe or at all, the risk of litigation and/or regulatory actions related to the proposed transaction, the potential adverse effects to the businesses of Lowe's or Foundation Building Materials during the pendency of the transaction, the possibility that the anticipated benefits and synergies of the transaction are not realized when expected, or at all, including as a result of the impact of, or problems arising from, the integration of the two companies or as a result of changes in general economic conditions, such as volatility and/or lack of liquidity from time to time in U.S. and world financial markets and the consequent reduced availability and/or higher cost of borrowing to Lowe's and its customers, slower rates of growth in real disposable personal income that could affect the rate of growth in consumer spending, inflation and its impacts on discretionary spending and on our costs, shortages and other disruptions in the labor supply, interest rate and currency fluctuations, home price appreciation or decreasing housing turnover, age of housing stock, the availability of consumer credit and of mortgage financing, trade policy changes or additional tariffs, outbreaks of pandemics, fluctuations in fuel and energy costs, inflation or deflation of commodity prices, natural disasters, geopolitical or armed conflicts, acts of both domestic and international terrorism, and other factors that can negatively affect our customers.

Investors and others should carefully consider the foregoing factors and other uncertainties, risks and potential events including, but not limited to, those described in "Item 1A - Risk Factors" in our most recent Annual Report on Form 10-K and as may be updated from time to time in Item 1A in our quarterly reports on Form 10-Q or other subsequent filings with the SEC. All such forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update these statements other than as required by law. We claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for all forward-looking statements.

# Use of Non-GAAP Information



We refer to certain non-GAAP financial measures in this presentation, including:

- Lease Adjusted Debt to EBITDAR (Leverage).

Lowe's believes the ratio of Lease Adjusted Debt to EBITDAR is a useful supplemental measure and provides an indication of the results generated by Lowe's in relation to its level of indebtedness. Lowe's defines EBITDAR as four quarters' earnings before interest, taxes, depreciation, amortization, share-based payments, rent (inclusive of interest on operating leases), and certain items as defined by Lowe's credit facility. Lowe's defines Lease Adjusted Debt as short-term debt, current maturities of long-term debt, long-term debt excluding current maturities, and operating lease liabilities reflected on our balance sheet.

A quantitative reconciliation of the Lease Adjusted Debt to EBITDAR to the most directly comparable GAAP measure cannot be provided without unreasonable efforts because certain items may have not yet occurred or are out of Lowe's or Foundation Building Materials' control and/or cannot be reasonably predicted.

- Pro forma Foundation Building Materials Adjusted earnings before interest, taxes, depreciation, and amortization, or adjusted EBITDA.

Pro forma Foundation Building Materials adjusted EBITDA, a metric prepared by Foundation Building Materials, is calculated as operating income, presented on a pro forma basis to include the full year impact of Foundation Building Materials' recent acquisitions of REW Materials and Unified Door & Hardware Group, and adjusted for certain items made by Foundation Building Materials in its discretion. These adjustments differ from the adjustments that Lowe's makes in calculating EBITDAR. Pro forma Foundation Building Materials adjusted EBITDA has not been calculated in accordance with the rules governing pro forma calculations as set forth by the Securities and Exchange Commission and has not been audited. Quantitative reconciliations of Foundation Building Materials' adjusted EBITDA cannot be provided as this metric has been calculated by Foundation Building Materials.

These non-GAAP financial measures should not be considered alternatives to, or more meaningful indicators of, Lowe's or Foundation Building Materials' financial measures as prepared in accordance with GAAP. Lowe's or Foundation Building Materials' methods of determining these non-GAAP financial measures may differ from the methods used by other companies and may not be comparable.

Material limitations associated with the use of such measures include that they do not reflect all period costs included in operating expenses and may not be comparable with similarly named financial measures of other companies. Furthermore, the calculations of these non-GAAP financial measures are based on subjective determinations of management of Lowe's or Foundation Building Materials regarding the nature and classification of events and circumstances that the investor may find material and view differently.

# Lowe's Total Home Strategy 2025



Drive  
**Pro penetration**



Accelerate  
**online sales**



Expand  
**home services**



Create a  
**loyalty  
ecosystem**



Increase  
**space  
productivity**

FBM acquisition marks significant step forward in key Pro growth initiative

# Lowe's transformed Pro offering



PRO PENETRATION UP FROM ~19% IN 2019...TO ~30% IN 2025<sup>1</sup>

## Dedicated service



## Inventory investments



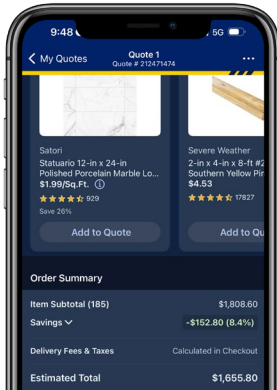
## Powerful Pro brand arsenal



## Acquisition of ADG



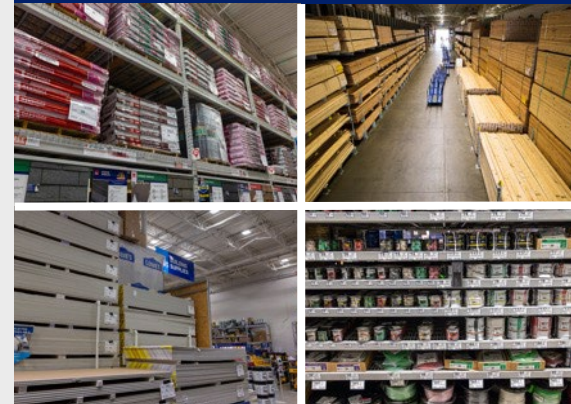
## Enhanced Pro digital offering



## Robust Pro loyalty program



## Launching Pro Extended Aisle



<sup>1</sup>. Reflects percentage of Lowe's Pro sales compared to Lowe's total sales.



# A leading North American distributor



MULTI-TRADE INTERIOR BUILDING PRODUCTS

**\$635M**

FY2024  
Adj. EBITDA<sup>1</sup>

**\$6.5B**

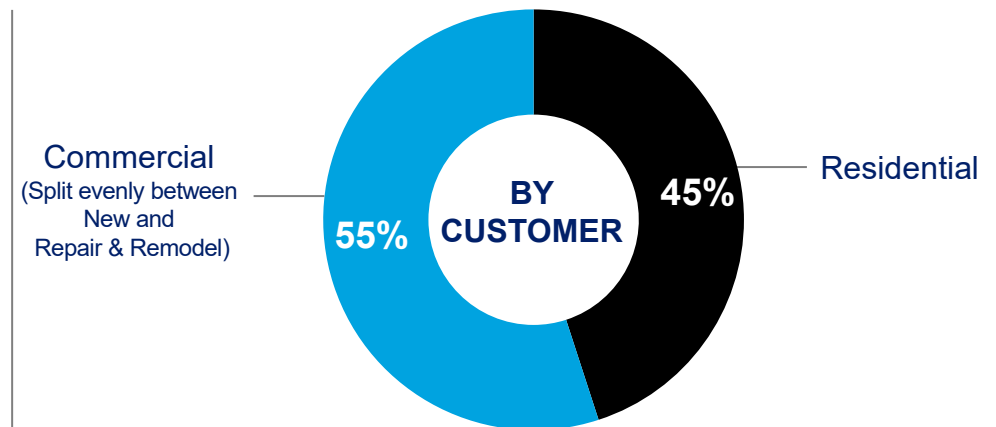
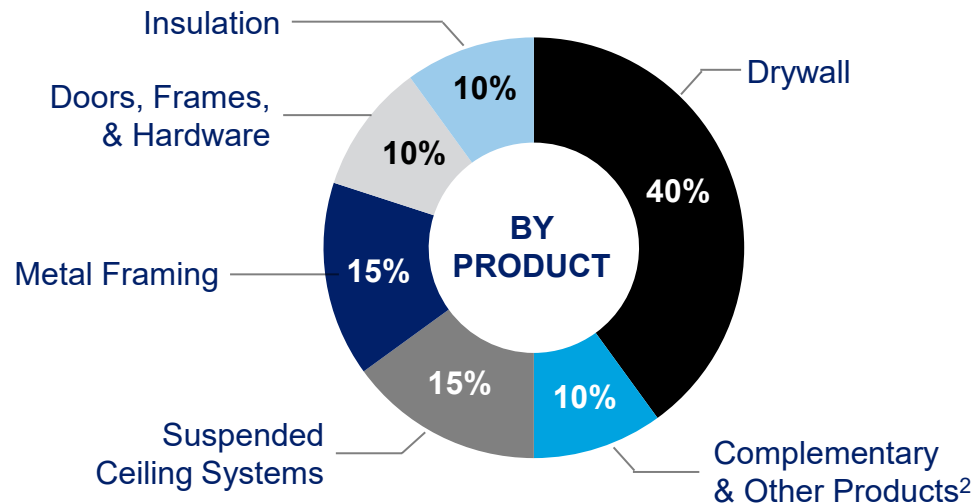
FY2024PF  
Revenue<sup>1</sup>



Foundation Building Materials

FOUNDED IN 2011

## Categories & customers



<sup>1</sup> Pro Forma 2024 revenue of \$6.5B and adj. EBITDA of \$635M are unaudited and include full-year impact of recent REW Materials and Unified Door & Hardware Group acquisitions.

<sup>2</sup> Includes tools, safety, fasteners, stucco EIFS, lumber, etc.



# FBM best-in-class capabilities

PROVEN TRACK RECORD OF ORGANIC AND INORGANIC GROWTH



1 Fully integrated platform with expansive capabilities including single brand and consolidated ERP<sup>1</sup>



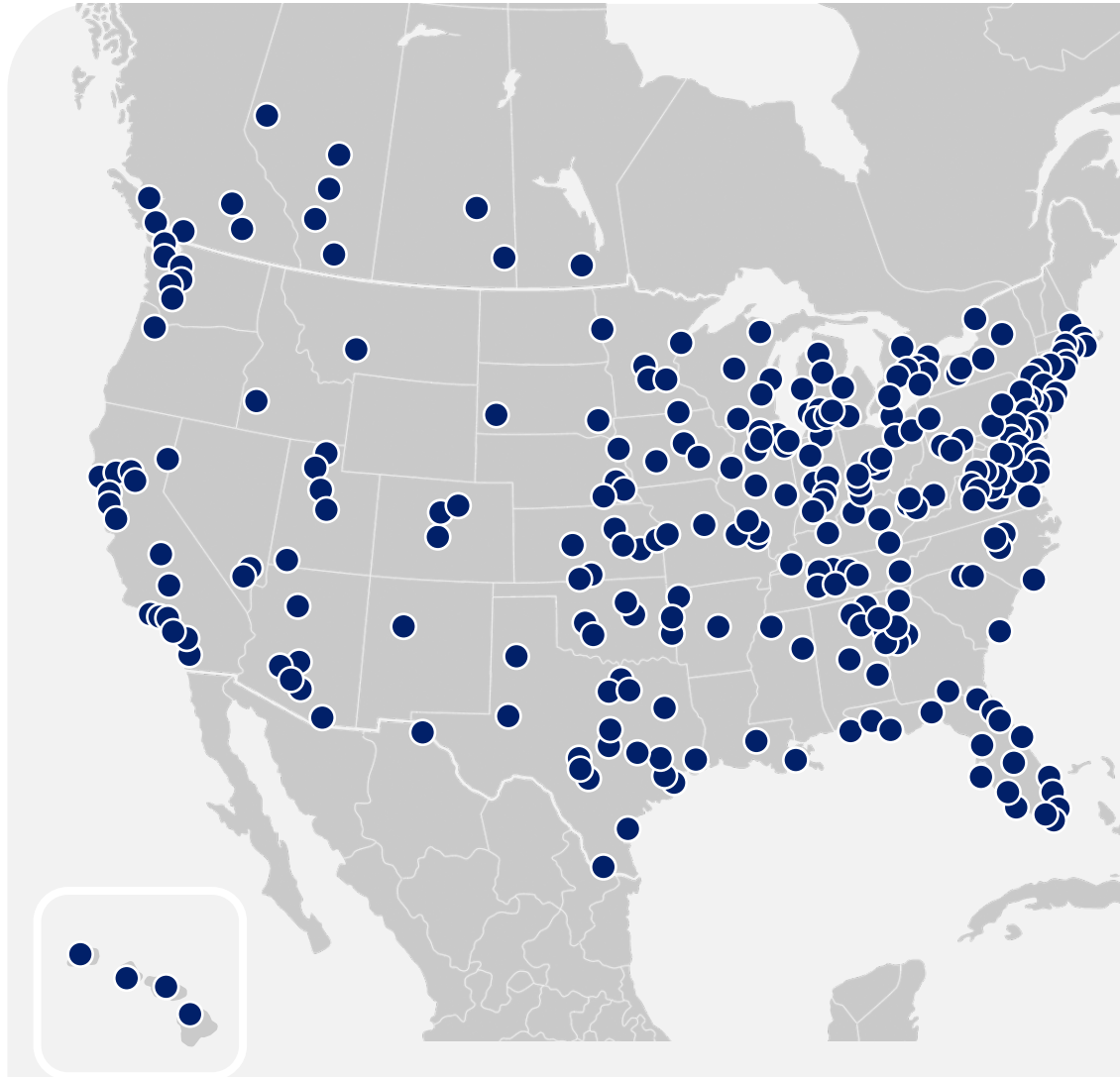
2 Strong financial track record including ~25% revenue and ~30% EBITDA CAGR from 2019 to 2024<sup>2</sup>



3 Best-in-class Pro distribution platform with complementary footprint

<sup>1</sup>. Unified Door & Hardware Group is expected to maintain a separate ERP.

<sup>2</sup>. Calculated based on Pro Forma 2024 revenue of \$6.5B and adj. EBITDA of \$635M, which are unaudited for fiscal year 2024 and include full-year impact of recent REW Materials and Unified Door & Hardware Group acquisitions.



**370+**  
LOCATIONS



**60+**  
Acquisitions



**50+**  
Greenfield  
locations

# FBM leadership team



OVER 200 YEARS OF INDUSTRY EXPERIENCE; 9+ YEARS AVERAGE TENURE AT FBM



**25+**  
YEARS  
experience

**Ruben Mendoza**  
President &  
Chief Executive Officer



**10+**  
YEARS  
experience

**Wasi Ahmed**  
Chief Information Officer



**15+**  
YEARS  
experience

**Barb Bitzer**  
Chief Accounting Officer



**35+**  
YEARS  
experience

**Marshall Brown**  
SVP, Operations



**15+**  
YEARS  
experience

**Onur Demirkaya**  
Chief Financial Officer



**27+**  
YEARS  
experience

**Tom Fischbeck**  
President, Doors & Hardware



**20+**  
YEARS  
experience

**David Henry**  
Chief Human Resources Officer



**30+**  
YEARS  
experience

**David Opre**  
SVP, Business Transformation



**35+**  
YEARS  
experience

**Colin Ramsden**  
Chief Sales Officer



**20+**  
YEARS  
experience

**Richard Tilley**  
Chief Legal Officer

# Strategic rationale

STRENGTHENING LOWE'S COMPETITIVE POSITION



## Enhance offering to Pro customers through expanded capabilities

- Enable faster fulfillment
- Expanded product offering
- Significant cross-sell opportunity
- Enhance Pro digital tools
- Robust trade credit program



**Pro customer**

## Platform for long-term growth in Pro distribution

- Leverage FBM's successful integration playbook
- Develop comprehensive interior solutions platform, in conjunction with ADG



## Increase Pro penetration<sup>1</sup>

- Extending reach to Large Pro, especially within planned spend
- Sustainable, long-term sales and profit expansion



**Enables Lowe's to address \$250B Large Pro TAM**

<sup>1</sup>. Based on percentage of Lowe's Pro sales compared to Lowe's total sales. 9

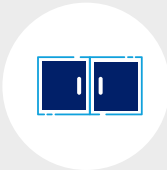
# Building a comprehensive interior solutions platform for the Pro



A leading provider of **interior design solutions and installation services** for flooring, cabinets and countertops, serving top homebuilders in U.S.



Flooring



Cabinets



Countertops



**Multi-trade distribution** to contractors in new home construction, with proven track record of successfully expanding into new product verticals



Doors,  
Frames,  
& Hardware



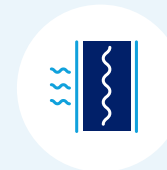
Wallboard



Metal  
Framing



Suspended  
Ceiling  
Systems



Insulation



Complementary  
& Other  
Products



**Long-term opportunity to serve builder customers with seamless selling and fulfillment**

# Transaction details & financial overview



## RELEVANT FIGURES AND TIMELINE



### Transaction Details

- \$8.8B purchase price reflects multiple of 13.4x Adj. EBITDA<sup>1</sup>
- FBM senior leadership fully committed to leading next chapter of growth
- Transaction is subject to customary closing conditions, including regulatory approvals, and is expected to close in the fourth quarter of 2025

<sup>1</sup> Pro Forma 2024 adj. EBITDA of \$635M is unaudited and include full-year impact of recent REW Materials and Unified Door & Hardware Group acquisitions. Multiple calculated based on purchase price, net of expected tax benefits of ~\$300M.



### FBM's Impact

- Expected to be accretive to adjusted diluted EPS in the first full year, post-closing, excluding synergies
- Increase Pro penetration, resulting in long-term sustainable sales and profit expansion<sup>2</sup>

<sup>2</sup> Based on percentage of Lowe's Pro sales compared to Lowe's total sales.



### Capital Structure

- Financed with combination of short-term and long-term debt
- Expected leverage<sup>3</sup> of 3.4x - 3.5x at time of closing
- Intend to maintain investment grade credit ratings of BBB+ and Baa1
- Expect to de-lever to 2.75x<sup>3</sup> by end of Q2 2027, while pausing share repurchases

<sup>3</sup> Lease Adjusted Debt to EBITDAR.