

REFINITIV

DELTA REPORT

10-Q

LOW - LOWES COMPANIES INC

10-Q - MAY 03, 2024 COMPARED TO 10-Q - NOVEMBER 03, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 665

 CHANGES 177

 DELETIONS 306

 ADDITIONS 182

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **November 3, 2023** **May 3, 2024**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number **1-7898**



LOWE'S COMPANIES, INC.

(Exact name of registrant as specified in its charter)

North Carolina **56-0578072**

(State or other jurisdiction of incorporation or
organization) (I.R.S. Employer Identification No.)

1000 Lowes Blvd., Mooresville, North Carolina **28117**

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(704) 758-1000**

Former name, former address and former fiscal year, if changed since last report: **Not Applicable**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.50 per share	LOW	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

CLASS	OUTSTANDING AT 11/27/2023 5/28/2024
Common Stock, \$0.50 par value	575,112,600 569,835,275

LOWE'S COMPANIES, INC.

- TABLE OF CONTENTS -

	<u>Page No.</u>
<u>Forward-Looking Statements</u>	ii
<u>PART I - Financial Information</u>	1
Item 1. <u>Financial Statements</u>	1
<u>Consolidated Statements of Earnings</u>	1
<u>Consolidated Statements of Comprehensive Income</u>	1
<u>Consolidated Balance Sheets</u>	2
<u>Consolidated Statements of Shareholders' Deficit</u>	3
<u>Consolidated Statements of Cash Flows</u>	54
<u>Notes to Consolidated Financial Statements</u>	55
<u>Note 1: Summary of Significant Accounting Policies</u>	55
<u>Note 2: Revenue</u>	55
<u>Note 3: Restricted Investments</u>	56
<u>Note 4: Fair Value Measurements</u>	56
<u>Note 5: Accounts Payable</u>	118
<u>Note 6: Debt</u>	118
<u>Note 7: Derivative Instruments</u>	129
<u>Note 8: Shareholders' Deficit</u>	129
<u>Note 9: Earnings Per Share</u>	1310
<u>Note 110: Supplemental Disclosure</u>	1410
<u>Report of Independent Registered Public Accounting Firm</u>	1612
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	1713
Item 3. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	2419
Item 4. <u>Controls and Procedures</u>	2419
<u>PART II - Other Information</u>	2520
Item 1. <u>Legal Proceedings</u>	2520
Item 1A. <u>Risk Factors</u>	2520
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	2520
Item 5. <u>Other Information</u>	2620
Item 6. <u>Exhibits</u>	2721
<u>Signature</u>	2822

i



FORWARD-LOOKING STATEMENTS

This Form 10-Q 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, objectives (including objectives related to environmental social, and governance 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 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, 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" and "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies and Estimates" in our most recent Annual Report on Form 10-K and as may be updated from time to time 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.



ii

Part I - FINANCIAL INFORMATION

Item 1. Financial Statements

Lowe's Companies, Inc.

Consolidated Statements of Earnings (Unaudited)

In Millions, Except Per Share and Percentage Data

Current Earnings	Current Earnings	Three Months Ended				Nine Months Ended				
		November 3, 2023		October 28, 2022		November 3, 2023		October 28, 2022		
		Amount	% Sales	Amount	% Sales	Amount	% Sales	Amount	% Sales	
Current Earnings										
Current Earnings										
Net sales										
Net sales										
Net sales	Net sales	\$20,471	100.00 %	\$23,479	100.00 %	\$67,775	100.00 %	\$74,614	100.00 %	
Cost of sales	Cost of sales	13,580	66.34	15,661	66.70	44,958	66.33	49,614	66.49	
Cost of sales										
Cost of sales										
Gross margin										
Gross margin										
Gross margin	Gross margin	6,891	33.66	7,818	33.30	22,817	33.67	25,000	33.51	
Expenses:	Expenses:									
Expenses:										
Selling, general and administrative										
Selling, general and administrative										
Selling, general and administrative	Selling, general and administrative	3,761	18.37	6,443	27.45	11,673	17.23	15,200	20.38	
Depreciation and amortization	Depreciation and amortization	434	2.12	451	1.92	1,275	1.88	1,345	1.80	
Depreciation and amortization										
Depreciation and amortization										
Operating income	Operating income	2,696	13.17	924	3.93	9,869	14.56	8,455	11.33	
Operating income										

Operating income									
Interest – net									
Interest – net									
Interest – net	Interest – net	345	1.68	295	1.25	1,033	1.52	802	1.07
Pre-tax earnings	Pre-tax earnings	2,351	11.49	629	2.68	8,836	13.04	7,653	10.26
Pre-tax earnings									
Pre-tax earnings									
Income tax provision	Income tax provision	578	2.83	475	2.02	2,130	3.14	2,174	2.92
Income tax provision									
Income tax provision									
Net earnings									
Net earnings									
Net earnings	Net earnings	\$ 1,773	8.66 %	\$ 154	0.66 %	\$ 6,706	9.90 %	\$ 5,479	7.34 %
Weighted average common shares outstanding – basic	Weighted average common shares outstanding – basic								
Weighted average common shares outstanding – basic	Weighted average common shares outstanding – basic								
Basic earnings per common share									
Basic earnings per common share									
Basic earnings per common share	Basic earnings per common share	\$ 3.07		\$ 0.25		\$ 11.43		\$ 8.56	
Weighted average common shares outstanding – diluted	Weighted average common shares outstanding – diluted								
Weighted average common shares outstanding – diluted	Weighted average common shares outstanding – diluted								
Diluted earnings per common share									
Diluted earnings per common share									
Diluted earnings per common share	Diluted earnings per common share	\$ 3.06		\$ 0.25		\$ 11.40		\$ 8.53	

See accompanying notes to the consolidated financial statements (unaudited).

Lowe's Companies, Inc.

Consolidated Statements of Comprehensive Income (Unaudited)

In Millions, Except Percentage Data

		Three Months Ended						Nine Months Ended					
		November 3, 2023			October 28, 2022			November 3, 2023			October 28, 2022		
		Amount	% Sales		Amount	% Sales		Amount	% Sales		Amount	% Sales	
Net earnings	Net earnings	\$ 1,773	8.66 %	\$ 154	0.66 %	\$ 6,706	9.90 %	\$ 5,479	7.34 %				
Foreign currency translation adjustments – net of tax		—	—	(168)	(0.72)	5	0.01	(173)	(0.23)				
Net earnings													
Net earnings													
Cash flow hedges – net of tax													
Cash flow hedges – net of tax													
Cash flow hedges – net of tax	Cash flow hedges – net of tax	(4)	(0.01)	170	0.72	(10)	(0.02)	352	0.47				
Other	Other	—	—	1	—	—	—	(3)	—				
Other comprehensive (loss)/income		(4)	(0.01)	3	—	(5)	(0.01)	176	0.24				
Other													
Other													
Other comprehensive loss													
Other comprehensive loss													
Other comprehensive loss													
Comprehensive income	Comprehensive income	\$ 1,769	8.65 %	\$ 157	0.66 %	\$ 6,701	9.89 %	\$ 5,655	7.58 %				

See accompanying notes to the consolidated financial statements (unaudited).

1



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

		October February					
		November 3,	28,	3,	May 3,	May 5,	February 2,
		2023	2022	2023	2024	2023	2024
Assets	Assets						
Current assets:	Current assets:						
Current assets:	Current assets:						
Cash and cash equivalents	Cash and cash equivalents						
Cash and cash equivalents	Cash and cash equivalents						
Cash and cash equivalents	Cash and cash equivalents	\$ 1,210	\$ 3,192	\$ 1,348			
Short-term investments	Short-term investments	321	464	384			

Merchandise inventory – net	Merchandise inventory – net	17,530	19,817	18,532
Other current assets	Other current assets	907	1,518	1,178
Total current assets	Total current assets	19,968	24,991	21,442
Property, less accumulated depreciation	Property, less accumulated depreciation	17,527	17,275	17,567
Operating lease right-of-use assets	Operating lease right-of-use assets	3,647	3,512	3,518
Long-term investments	Long-term investments	238	63	121
Deferred income taxes – net	Deferred income taxes – net	280	301	250
Other assets	Other assets	859	831	810
Total assets	Total assets	\$ 42,519	\$ 46,973	\$ 43,708
Liabilities and shareholders' deficit	Liabilities and shareholders' deficit			
Liabilities and shareholders' deficit	Liabilities and shareholders' deficit			
Current liabilities:	Current liabilities:			
Current liabilities:	Current liabilities:			
Short-term borrowings	Short-term borrowings			
Short-term borrowings	Short-term borrowings			
Short-term borrowings	Short-term borrowings	\$ —	\$ —	\$ 499
Current maturities of long-term debt	Current maturities of long-term debt	544	609	585
Current operating lease liabilities	Current operating lease liabilities	533	651	522
Accounts payable	Accounts payable	9,914	12,249	10,524
Accrued compensation and employee benefits	Accrued compensation and employee benefits	750	1,405	1,109
Deferred revenue	Deferred revenue	1,499	1,736	1,603
Income taxes payable	Income taxes payable	121	913	1,181
Other current liabilities	Other current liabilities	3,135	3,313	3,488
Total current liabilities	Total current liabilities	16,496	20,876	19,511

Long-term debt, excluding current maturities	Long-term debt, excluding current maturities	35,374	32,904	32,876
Noncurrent operating lease liabilities	Noncurrent operating lease liabilities	3,602	4,048	3,512
Deferred revenue – Lowe's protection plans	Deferred revenue – Lowe's protection plans	1,228	1,184	1,201
Other liabilities	Other liabilities	966	829	862
Total liabilities	Total liabilities	57,666	59,841	57,962
Shareholders' deficit:	Shareholders' deficit:			
Shareholders' deficit:	Shareholders' deficit:			
Preferred stock, \$5 par value: Authorized – 5.0 million shares; Issued and outstanding – none	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 – 575 million, 611 million, and 601 million shares, respectively	Common stock, \$0.50 par value: Authorized – 5.6 billion shares; Issued and outstanding – 575 million, 611 million, and 601 million shares, respectively	288	305	301
Capital in excess of par value	Capital in excess of par value	7	—	—
Preferred stock, \$5 par value: Authorized – 5.0 million shares; Issued and outstanding – none	Preferred stock, \$5 par value: Authorized – 5.0 million shares; Issued and outstanding – none			
Preferred stock, \$5 par value: Authorized – 5.0 million shares; Issued and outstanding – none	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 – 572 million, 592 million, and 574 million shares, respectively	Common stock, \$0.50 par value: Authorized – 5.6 billion shares; Issued and outstanding – 572 million, 592 million, and 574 million shares, respectively			
Accumulated deficit	Accumulated deficit			
Accumulated deficit	Accumulated deficit	(15,744)	(13,313)	(14,862)
Accumulated other comprehensive income	Accumulated other comprehensive income	302	140	307

Total shareholders' deficit	Total shareholders' deficit	(15,147)	(12,868)	(14,254)
Total liabilities and shareholders' deficit	Total liabilities and shareholders' deficit	\$ 42,519	\$ 46,973	\$ 43,708

See accompanying notes to the consolidated financial statements (unaudited).



2

Lowe's Companies, Inc.

Consolidated Statements of Shareholders' Deficit (Unaudited)

In Millions

	Three Months Ended May 3, 2024			Three Months Ended May 3, 2024			Three Months Ended May 3, 2024			Capital				Accumulated					
										Common Stock	in Excess of Par Value	Accumulated Deficit	Other Comprehensive Income	Total	Common Stock	in Excess of Par Value	Accumulated Deficit	Other Comprehensive Income	Total
	Common Stock																		
	Shares																		
Balance February 2, 2024																			
Balance February 2, 2024																			
Balance February 2, 2024																			
	Three Months Ended November 3, 2023									Capital				Accumulated					
	Common Stock	in Excess of Par Value	Accumulated Deficit				Common Stock	in Excess of Par Value	Accumulated Deficit	Other Comprehensive Income	Total			Common Stock	in Excess of Par Value	Accumulated Deficit	Other Comprehensive Income	Total	
	Shares	Amount	Value	Deficit			Shares	Amount	Value	Deficit	Total			Shares	Amount	Value	Deficit	Total	
Balance August 4, 2023	582	\$ 291	\$ 12	\$ (15,341)	Total					\$ 306	\$ (14,732)								
Net earnings																			
Net earnings																			
Net earnings	Net earnings	—	—	—	1,773		—	—	—	—	1,773								
Other comprehensive loss	Other comprehensive loss	—	—	—	—		—	—	—	(4)	(4)								
Cash dividends declared, \$1.10 per share	Cash dividends declared, \$1.10 per share	—	—	—	—		—	—	—	(4)	(4)								
Share-based payment expense	Share-based payment expense	—	—	42	—		—	—	—	—	42								
Repurchases of common stock	Repurchases of common stock	(7)	(3)	(50)	(1,543)		—	—	—	—	(1,596)								

Issuance of common stock under share-based payment plans	—	—	3	—	—	3
Balance November 3, 2023	575	\$ 288	\$ 7	\$ (15,744)	\$ 302	\$ (15,147)

Balance May 3, 2024

	Nine Months Ended November 3, 2023						
	Capital in Excess of Par		Accumulated Deficit	Accumulated Other Comprehensive Income		Total	
	Common Stock	Value	Accumulated Deficit	Other Comprehensive Income			
	Shares	Amount					
Balance February 3, 2023	601	\$ 301	\$ —	\$ (14,862)	Total	\$307	\$ (14,254)
Net earnings	—	—	—	6,706	—	—	6,706
Other comprehensive loss	—	—	—	—	(5)	—	(5)
Cash dividends declared, \$3.25 per share	—	—	—	(1,898)	—	—	(1,898)
Share-based payment expense	—	—	155	—	—	—	155
Repurchases of common stock	(28)	(14)	(226)	(5,690)	—	—	(5,930)
Issuance of common stock under share-based payment plans	2	1	78	—	—	—	79
Balance November 3, 2023	575	\$ 288	\$ 7	\$ (15,744)	\$ 302	\$ (15,147)	

3



	Three Months Ended May 5, 2023				
	Three Months Ended May 5, 2023				
	Three Months Ended May 5, 2023				
	Common Stock	Capital in Excess of Par Value	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
	Shares				
Balance February 3, 2023					
Balance February 3, 2023					
Balance February 3, 2023					
Net earnings					
Other comprehensive loss					

Cash dividends
declared,
\$1.05 per
share

Share-based
payment
expense

Repurchases
of common
stock

Issuance of
common
stock under
share-based
payment
plans

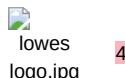
**Balance May
5, 2023**

Three Months Ended October 28, 2022							
	Common Stock		Capital in Excess of Par Value		Accumulated Deficit	Accumulated Other Comprehensive Income	Total
	Shares	Amount					
Balance July 29, 2022	631	\$ 316	\$ —	\$ (8,895)	Total	\$137	\$ (8,442)
Net earnings	—	—	—	154		—	154
Other comprehensive income	—	—	—	—		3	3
Cash dividends declared, \$1.05 per share	—	—	—	(643)		—	(643)
Share-based payment expense	—	—	51	—		—	51
Repurchases of common stock	(20)	(11)	(64)	(3,929)		—	(4,004)
Issuance of common stock under share-based payment plans	—	—	13	—		—	13
Balance October 28, 2022	611	\$ 305	\$ —	\$ (13,313)	\$ 140	\$ (12,868)	
Nine Months Ended October 28, 2022							
	Common Stock		Capital in Excess of Par Value		Accumulated Deficit	Accumulated Other Comprehensive (Loss)/Income	Total
	Shares	Amount					
Balance January 28, 2022	670	\$ 335	\$ —	\$ (5,115)	Total	\$ (36)	\$ (4,816)
Net earnings	—	—	—	5.479		—	5.479

Other comprehensive income	—	—	—	—	176	176
Cash dividends declared, \$2.90 per share	—	—	—	(1,833)	—	(1,833)
Share-based payment expense	—	—	161	—	—	161
Repurchases of common stock	(61)	(31)	(247)	(11,844)	—	(12,122)
Issuance of common stock under share-based payment plans	2	1	86	—	—	87
Balance October 28, 2022	611	\$ 305	\$ —	\$ (13,313)	\$ 140	\$ (12,868)

See accompanying notes to the consolidated financial statements (unaudited).

3



4

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

		Nine Months Ended			
		October			
		November 3, 2023	28, 2022		
		Three Months Ended		Three Months Ended	
		May 3, 2024	May 3, 2024	May 5, 2023	
Cash flows from operating activities:	Cash flows from operating activities:				
Net earnings	Net earnings	\$ 6,706	\$ 5,479		
Net earnings	Net earnings	\$ 6,706	\$ 5,479		
Adjustments to reconcile net earnings to net cash provided by operating activities:	Adjustments to reconcile net earnings to net cash provided by operating activities:				

Depreciation and amortization	Depreciation and amortization	1,427	1,509
Depreciation and amortization			
Depreciation and amortization			
Noncash lease expense	Noncash lease expense	370	403
Deferred income taxes	Deferred income taxes	(27)	(252)
Asset impairment and loss on property – net		50	2,113
(Gain)/loss on property and other assets – net			
Gain on sale of business			
Gain on sale of business			
Gain on sale of business	Gain on sale of business	(79)	—
Share-based payment expense	Share-based payment expense	160	165
Changes in operating assets and liabilities:	Changes in operating assets and liabilities:		
Merchandise inventory – net	Merchandise inventory – net	1,002	(2,308)
Merchandise inventory – net			
Merchandise inventory – net			
Other operating assets	Other operating assets	236	20
Accounts payable	Accounts payable	(610)	921
Deferred revenue		(77)	(117)
Other operating liabilities	Other operating liabilities	(2,126)	205
Net cash provided by operating activities	Net cash provided by operating activities	7,032	8,138
Cash flows from investing activities:	Cash flows from investing activities:		
Cash flows from investing activities:			
Cash flows from investing activities:			
Purchases of investments			
Purchases of investments			
Purchases of investments	Purchases of investments	(1,283)	(659)

Proceeds from sale/maturity of investments	Proceeds from sale/maturity of investments	1,215	597
Capital expenditures	Capital expenditures	(1,344)	(1,090)
Proceeds from sale of property and other long-term assets	Proceeds from sale of property and other long-term assets	29	37
Proceeds from sale of business	Proceeds from sale of business	100	—
Proceeds from sale of business			
Proceeds from sale of business			
Other – net	Other – net	(23)	—
Net cash used in investing activities	Net cash used in investing activities	(1,306)	(1,115)
Cash flows from financing activities:	Cash flows from financing activities:		
Cash flows from financing activities:			
Cash flows from financing activities:			
Net change in commercial paper	Net change in commercial paper		
Net change in commercial paper	Net change in commercial paper	(499)	—
Net proceeds from issuance of debt	Net proceeds from issuance of debt	2,983	9,667
Repayment of debt	Repayment of debt	(576)	(831)
Proceeds from issuance of common stock under share-based payment plans	Proceeds from issuance of common stock under share-based payment plans	79	86
Cash dividend payments	Cash dividend payments	(1,899)	(1,727)
Repurchases of common stock	Repurchases of common stock	(5,937)	(12,127)
Other – net	Other – net	(15)	—
Net cash used in financing activities	Net cash used in financing activities	(5,864)	(4,932)
Effect of exchange rate changes on cash		—	(32)
Net (decrease)/increase in cash and cash equivalents		(138)	2,059
Net increase in cash and cash equivalents			

Net increase in cash and cash equivalents			
Net increase in cash and cash equivalents			
Cash and cash equivalents, beginning of period	Cash and cash equivalents, beginning of period	1,348	1,133
Cash and cash equivalents, end of period	Cash and cash equivalents, end of period	\$ 1,210	\$ 3,192

See accompanying notes to the consolidated financial statements (unaudited).

5



4

Lowe's Companies, Inc.
Notes to Consolidated Financial Statements (Unaudited)

Note 1: Summary of Significant Accounting Policies

Basis of Presentation

The accompanying condensed consolidated financial statements (unaudited) and notes to the condensed consolidated financial statements (unaudited) are presented in accordance with the rules and regulations of the Securities and Exchange Commission and do not include all the disclosures normally required in annual consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The condensed consolidated financial statements (unaudited), in the opinion of management, contain all normal recurring adjustments necessary to present fairly the consolidated balance sheets as of **November 3, 2023** **May 3, 2024**, and **October 28, 2022** **May 5, 2023**, and the statements of earnings, comprehensive income, and shareholders' deficit, for the three and nine months ended **November 3, 2023**, **October 28, 2022**, and cash flows for the **nine** **three** months ended **November 3, 2023** **May 3, 2024**, and **October 28, 2022** **May 5, 2023**. The **February 3, 2023** **February 2, 2024**, consolidated balance sheet was derived from the audited financial statements.

These interim condensed consolidated financial statements (unaudited) should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Lowe's Companies, Inc. (the Company) Annual Report on Form 10-K for the fiscal year ended **February 3, 2023** **February 2, 2024** (the Annual Report). The financial results for the interim periods may not be indicative of the financial results for the entire fiscal year.

Accounting Pronouncements Not Yet Adopted

In November 2023, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. The ASU expands public entities' segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items, and interim disclosures of a reportable segment's profit or loss and assets. All disclosure requirements under ASU 2023-07 are also required for public entities with a single reportable segment. The ASU is effective for the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2025, and subsequent interim periods, with early adoption permitted. The Company is currently evaluating the impact of adopting this ASU on its consolidated financial statements and disclosures.

Recent There have been no significant changes in the accounting pronouncements pending adoption not discussed yet adopted from those disclosed in the Annual Report.

Accounting pronouncements not disclosed in this Form 10-Q or in the **2022 Form 10-K Annual Report** are either not applicable to the Company or are not expected to have a material impact on the Company.

Note 2: Revenue

Net sales consists primarily of revenue, net of sales tax, associated with contracts with customers for the sale of goods and services in amounts that reflect consideration the Company is entitled to in exchange for those goods and services.

The following table presents the Company's sources of revenue:

(In millions)	Three Months Ended		Nine Months Ended	
	November 3, 2023	October 28, 2022	November 3, 2023	October 28, 2022

Products	\$ 19,599	\$ 22,511	\$ 65,204	\$ 71,872
Services	517	568	1,623	1,692
Other	355	400	948	1,050
Net sales	\$ 20,471	\$ 23,479	\$ 67,775	\$ 74,614

(In millions)	Three Months Ended	
	May 3, 2024	May 5, 2023
Products	\$ 20,691	\$ 21,572
Services	532	528
Other	141	247
Net sales	\$ 21,364	\$ 22,347

A provision for anticipated merchandise returns is provided through a reduction of sales and cost of sales in the period that the related sales are recorded. The merchandise return reserve is presented on a gross basis, with a separate asset and liability included in the consolidated balance sheets. The balances and classification within the consolidated balance sheets for anticipated sales returns and the associated right of return assets are as follows:



6

(In millions)	Classification	November 3,	October 28,	February 3,
		2023	2022	2023
Anticipated sales returns	Other current liabilities	\$ 241	\$ 302	\$ 234
Right of return assets	Other current assets	140	183	139

(In millions)	Classification	May 3,	May 5,	February 2,
		2024	2023	2024
Anticipated sales returns	Other current liabilities	\$ 280	\$ 318	\$ 191
Right of return assets	Other current assets	164	185	111

Deferred revenue - retail and stored-value cards

Retail deferred revenue consists of amounts received for which customers have not yet taken possession of the merchandise or for which installation has not yet been completed. The majority of revenue for goods and services is recognized in the quarter following revenue deferral. Stored-value cards deferred revenue includes outstanding stored-value cards such as gift cards and returned merchandise credits that have not yet been redeemed. Deferred revenue for retail and stored-value cards are as follows:

(In millions)		November 3,	October 28,	February 3,
		2023	2022	2023
Retail deferred revenue		\$ 984	\$ 1,168	\$ 933
Stored-value cards deferred revenue		515	568	670
Deferred revenue		\$ 1,499	\$ 1,736	\$ 1,603

follows:

(In millions)	May 3,	May 5,	February 2,
	2024	2023	2024
Retail deferred revenue	\$ 889	\$ 1,063	\$ 796

Stored-value cards deferred revenue	520	582	612
Deferred revenue	\$ 1,409	\$ 1,645	\$ 1,408

Deferred revenue - Lowe's protection plans

The Company defers revenues for its separately-priced long-term extended protection plan contracts (Lowe's protection plans) and recognizes revenue on a straight-line basis over the respective contract term. Expenses for claims are recognized in cost of sales when incurred.

(In millions)	November 3, 2023	October 28, 2022	February 3, 2023
Deferred revenue - Lowe's protection plans	\$ 1,228	\$ 1,184	\$ 1,201

(In millions)	May 3, 2024	May 5, 2023	February 2, 2024
Deferred revenue - Lowe's protection plans	\$ 1,225	\$ 1,206	\$ 1,225

		Three Months Ended		Nine Months Ended	
		Three Months Ended	Three Months Ended	Three Months Ended	Three Months Ended
(In millions)	(In millions)	November 3, 2023	October 28, 2022	November 3, 2023	October 28, 2022
Lowe's protection plans deferred revenue recognized into sales	Lowe's protection plans deferred revenue recognized into sales	\$ 139	\$ 133	\$ 411	\$ 389
Lowe's protection plans deferred revenue recognized into sales	Lowe's protection plans claim expenses				
Lowe's protection plans claim expenses	Lowe's protection plans claim expenses	64	40	171	134
Lowe's protection plans claim expenses	Lowe's protection plans claim expenses				

Disaggregation of Revenues

The following table presents the Company's net sales disaggregated by merchandise division:

(In millions)	Three Months Ended				Nine Months Ended			
	November 3, 2023		October 28, 2022		November 3, 2023		October 28, 2022	
	Net Sales	%	Net Sales	%	Net Sales	%	Net Sales	%
Home Décor ¹	\$ 7,799	38.1 %	\$ 9,019	38.4 %	\$ 24,763	36.5 %	\$ 27,227	36.5 %
Building Products ²	6,812	33.3	7,854	33.4	20,990	31.0	24,135	32.3
Hardlines ³	5,230	25.5	5,905	25.1	20,249	29.9	21,351	28.6
Other	630	3.1	702	3.1	1,773	2.6	1,901	2.6
Total	\$ 20,471	100.0 %	\$ 23,479	100.0 %	\$ 67,775	100.0 %	\$ 74,614	100.0 %

(In millions)	Three Months Ended			
	May 3, 2024		May 5, 2023	
	Net Sales	%	Net Sales	%

Home Décor ¹	\$ 7,683	36.0 %	\$ 8,240	36.9 %
Building Products ²	\$ 6,643	31.1	\$ 6,855	30.7
Hardlines ³	\$ 6,628	31.0	\$ 6,748	30.2
Other	\$ 410	1.9	\$ 504	2.2
Total	\$ 21,364	100.0 %	\$ 22,347	100.0 %

Note: Merchandise division net sales for the prior period have been reclassified to conform to the current period presentation.

¹ Home Décor includes the following product categories: Appliances, Décor, Flooring, Kitchens & Bath, and Paint.

² Building Products includes the following product categories: Building Materials, Electrical, Lumber, Millwork, and Rough Plumbing.

³ Hardlines includes the following product categories: Hardware, Lawn & Garden, Seasonal & Outdoor Living, and Tools.

7



The following table presents the Company's net sales disaggregated by geographical area:

(In millions)	Three Months Ended		Nine Months Ended	
	November 3, 2023	October 28, 2022	November 3, 2023	October 28, 2022
United States	\$ 20,471	\$ 22,280	\$ 67,775	\$ 70,524
Canada ¹	—	1,200	—	4,090
Net sales	\$ 20,471	\$ 23,479	\$ 67,775	\$ 74,614

¹The Canadian retail business was sold on February 3, 2023.

Note 3: Restricted Investments

Short-term and long-term investments include restricted balances pledged as collateral primarily for the Lowe's protection plans program and are as follows:

(In millions)	October			(In millions)	May 3, 2024	May 5, 2023	February 2, 2024
	November 3, 2023	28, 2022	February 3, 2023				
Short-term restricted investments	Short-term restricted investments	\$ 321	\$ 464	\$ 384			
Long-term restricted investments	Long-term restricted investments	238	63	100			
Total restricted investments	Total restricted investments	\$ 559	\$ 527	\$ 484			

Note 4: Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The authoritative guidance for fair value measurements establishes a



6

three-level hierarchy, which encourages an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of the hierarchy are defined as follows:

- Level 1 - inputs to the valuation techniques that are quoted prices in active markets for identical assets or liabilities
- Level 2 - inputs to the valuation techniques that are other than quoted prices but are observable for the assets or liabilities, either directly or indirectly
- Level 3 - inputs to the valuation techniques that are unobservable for the assets or liabilities

Assets and Liabilities that are Measured at Fair Value on a Recurring Basis

The following table presents the Company's financial assets and liabilities measured at fair value on a recurring basis as of **November 3, 2023** **May 3, 2024**, **October 28, 2022** **May 5, 2023**, and **February 3, 2023** **February 2, 2024**:



8

(In millions)	Classification	Measurement Level	Fair Value Measurements at		
			November 3, 2023	October 28, 2022	February 3, 2023
Available-for-sale debt securities:					
U.S. Treasury securities	Short-term investments	Level 1	\$ 143	\$ 216	\$ 157
Corporate debt securities	Short-term investments	Level 2	62	51	78
Money market funds	Short-term investments	Level 1	49	133	43
Certificates of deposit	Short-term investments	Level 1	35	7	40
Commercial paper	Short-term investments	Level 2	30	43	52
Municipal obligations	Short-term investments	Level 2	2	—	—
Foreign government debt securities	Short-term investments	Level 2	—	14	14
U.S. Treasury securities	Long-term investments	Level 1	215	31	86
Corporate debt securities	Long-term investments	Level 2	23	30	12
Municipal obligations	Long-term investments	Level 2	—	2	2
Derivative instruments:					
Forward interest rate swaps	Other current assets	Level 2	—	\$ 303	\$ 251
Fixed-to-floating interest rate swaps	Other liabilities	Level 2	92	98	88
Other financial instruments:					
Contingent consideration	Long-term investments	Level 3	\$ —	\$ —	\$ 21

(In millions)	Classification	Measurement Level	Fair Value Measurements at		
			May 3, 2024	May 5, 2023	February 2, 2024
Available-for-sale debt securities:					
U.S. Treasury securities	Short-term investments	Level 1	\$ 158	\$ 143	\$ 152
Money market funds	Short-term investments	Level 1	54	108	56
Certificates of deposit	Short-term investments	Level 1	27	62	42
Corporate debt securities	Short-term investments	Level 2	23	72	50
Municipal obligations	Short-term investments	Level 2	2	—	2
Commercial paper	Short-term investments	Level 2	—	38	5
U.S. Treasury securities	Long-term investments	Level 1	231	92	213
Corporate debt securities	Long-term investments	Level 2	58	9	35
Foreign government debt securities	Long-term investments	Level 2	17	—	4
Municipal obligations	Long-term investments	Level 2	—	2	—

Derivative instruments:		Level 2	\$	81	\$	69	\$	76
Fixed-to-floating interest rate swaps	Other liabilities							

There were no transfers between Levels 1, 2, or 3 during any of the periods presented.

When available, quoted prices were used to determine fair value. When quoted prices in active markets were available, financial assets were classified within Level 1 of the fair value hierarchy. When quoted prices in active markets were not available, fair values for financial assets and liabilities classified within Level 2 were determined using pricing models, and the inputs to those pricing models were based on observable market inputs. The inputs to the pricing models were typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads and benchmark securities, among others.

The Company has performance-based contingent consideration related to the fiscal 2022 sale of the Canadian retail business which is classified as a Level 3 long-term investment. The Company determined the initial investment and such contingent consideration had an estimated fair value of contingent consideration zero as of February 3, 2023 May 3, 2024, based on an income approach using an option pricing model, calculated using significant unobservable inputs such as total equity value, volatility, May 5, 2023, and expected term. Subsequent February 2, 2024. The Company's measurements of fair value of the contingent consideration are based on an income approach, which requires certain assumptions considering operating performance of the business and a risk-adjusted discount rate. Changes in the estimated fair value of the contingent consideration are recognized as gain or loss included within selling, general and administrative expenses (SG&A) in the consolidated statements of earnings.

The rollforward of the fair value of contingent consideration for the three and nine months ended November 3, 2023 May 3, 2024 and May 5, 2023, is as follows:

(In millions)	Three Months Ended		Nine Months Ended
	November 3, 2023	May 3, 2024	
Beginning balance	\$ —	\$ 21	
Change in fair value	—	102	
Proceeds received	—	(123)	
Ending balance	\$ —	\$ —	—

7



Assets and Liabilities that are Measured at Fair Value on a Nonrecurring Basis

During the three and nine months ended November 3, 2023 May 3, 2024, and May 5, 2023, the Company had no material measurements of assets and liabilities at fair value on a nonrecurring basis subsequent to their initial recognition. During the three and nine months ended October 28, 2022, the Company's only significant assets measured at fair value on a nonrecurring basis subsequent to their initial recognition were certain long-lived assets as further described below.

9



The Company reviews the carrying amounts of long-lived assets whenever certain events or changes in circumstances indicate that the carrying amounts may not be recoverable. When evaluating long-lived assets for impairment, the asset group is generally at an individual location level, as that is the lowest level for which cash flows are identifiable. Cash flows for individual locations do not include an allocation of corporate overhead. The Company evaluates long-lived assets for triggering events on a quarterly basis to determine when assets may not be recoverable. An impairment loss is recognized when the carrying amount of the asset (disposal) group is not recoverable and exceeds its fair value. The Company estimates the fair values of assets subject to long-lived asset impairment based on the Company's own judgments about the assumptions that market participants would use in pricing the assets and on observable market data, when available. The Company classifies these fair value measurements as Level 3.

During the three months ended October 28, 2022, the Company determined it was more likely than not that the assets within the Canadian retail business would be sold or otherwise disposed of significantly before the end of their previously estimated useful lives, and these assets were evaluated for recoverability. Based on the proposed transaction, the Company reconsidered the appropriate asset grouping of long-lived assets attributable to the Company's Canadian locations given the change in the Company's expectations regarding use and disposition of its associated assets. The Company determined the total Canadian retail business (Canada asset group) to be the appropriate asset group for which the long-lived assets should be evaluated, as this represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities. The carrying value of the Canada asset group includes substantially all assets and liabilities of the Canadian retail business, including accounts receivable, inventory, property, operating and finance lease right-of-use assets, definite-lived intangible assets, operating liabilities including accounts payable and accrued compensation, and operating and finance lease liabilities. A market approach of an orderly transaction under current market conditions was used in determining the estimated fair value of the Canada asset group, which was based on the proposed transaction price, inclusive of performance-based contingent consideration. The estimated fair value of the Canada asset group was determined to be \$421 million. As a result, the Company recorded \$2.1 billion of long-lived asset impairment within SG&A in the consolidated statements of earnings, which reflected the full carrying value of the long-lived assets of the Canada asset group as of October 28, 2022.

The following table presents the Company's impairment losses resulting from non-financial assets measured at estimated fair value on a nonrecurring basis included in earnings for the three and nine months ended October 28, 2022:

(In millions)		Three Months Ended	Nine Months Ended
		October 28, 2022	October 28, 2022
Canada asset group:			
Property, less accumulated depreciation		\$ 1,258	\$ 1,258
Operating lease right-of-use assets		621	621
Other assets		182	182
Other		7	35
Total		\$ 2,068	\$ 2,096

Other Fair Value Disclosures

The Company's financial assets and liabilities not measured at fair value on a recurring basis include cash and cash equivalents, accounts receivable, short-term borrowings, accounts payable, and long-term debt and are reflected in the financial statements at cost. With the exception of long-term debt, cost approximates fair value for these items due to their short-term nature. As further described in [Note 7](#), certain long-term debt is associated with a fair value hedge and the changes in fair value of the hedged debt is included in the carrying value of long-term debt in the consolidated balance sheets. The fair values of the Company's unsecured notes were estimated using quoted market prices. The fair values of the Company's mortgage notes were estimated using discounted cash flow analyses, based on the future cash outflows associated with these arrangements and discounted using the applicable incremental borrowing rate.



10

Carrying amounts and the related estimated fair value of the Company's long-term debt, excluding finance lease obligations, are as follows:

November 3, 2023										October 28, 2022		February 3, 2023		May 3, 2024				May 5, 2023		February 2, 2024			
		May 3, 2024																					
(In millions)	(In millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	(In millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value			
Unsecured notes (Level 1)	Unsecured notes (Level 1)	\$ 35,387	\$ 30,207	\$ 32,886	\$ 27,879	\$ 32,897	\$ 30,190																
Mortgage notes (Level 2)	Mortgage notes (Level 2)	2	2	4	4	2	2																
Long-term debt (excluding finance lease obligations)	Long-term debt (excluding finance lease obligations)	\$ 35,389	\$ 30,209	\$ 32,890	\$ 27,883	\$ 32,899	\$ 30,192																

Note 5: Accounts Payable

The Company has agreements with a third parties party to provide a supplier finance programs program which facilitates participating suppliers' ability to finance payment obligations from the Company with designated third-party financial institutions. Participating suppliers may, at their sole discretion, make offers to finance one or more payment obligations of the Company prior to their scheduled due dates at a discounted price to participating financial institutions. The Company's outstanding payment obligations that suppliers financed to participating financial institutions, which are included in accounts payable on the consolidated balance sheets, are as follows:

(In millions)	(In millions)	October 3, 2023	November 2022	28, February 3, 2023	(In millions)	May 3, 2024	May 5, 2023	February 2, 2024
Financed payment obligations	Financed payment obligations	\$ 1,640	\$ 2,635	\$ 2,257				

Note 6: Debt

Commercial Paper Program

In September 2023, The Company's commercial paper program is supported by the Company entered into an amended and restated \$2.0 billion five-year unsecured revolving credit agreement entered into in September 2023 (2023 Credit Agreement), which amended and restated the Company's \$2.0 billion five-year unsecured revolving credit agreement entered into in March 2020, and as amended (2020 Credit Agreement), to extend the term until September 2028. The 2023 Credit Agreement, along with and the \$2.0 billion five-year unsecured third amended and restated credit agreement entered into in December 2021, and as amended (Third Amended and Restated Credit Agreement), support the Company's commercial paper program. The amounts available to be drawn under the 2023 Credit Agreement and the Third Amended and Restated Credit Agreement are reduced by the amount of borrowings under the commercial paper program. As of November 3, 2023 May 3, 2024, and February 2, 2024, there were no outstanding borrowings under the Company's commercial paper program, the 2023 Credit Agreement, or the Third Amended and Restated Credit Agreement. As of October 28, 2022, there were no outstanding borrowings under the Company's commercial paper program, the 2020 Credit Agreement, or the Third Amended and Restated Credit Agreement. As of February 3, 2023, there were \$499 million of outstanding borrowings under the Company's commercial paper program with a weighted average interest rate of 4.78%. There were no outstanding borrowings under the Company's 2020 Credit Agreement or the Third Amended and Restated Credit Agreement as of February 3, 2023. Total combined availability under the 2023 Credit Agreement and the Third Amended and Restated Credit Agreement was \$4.0 billion as of November 3, 2023 May 3, 2024. Outstanding borrowings under the Company's commercial paper program were \$72 million, with a weighted average interest rate of 5.75%, as of May 5, 2023. There were no outstanding borrowings under the 2020 Credit Agreement or the Third Amended and Restated Credit Agreement as of May 5, 2023.

Long-Term Debt

On March 30, 2023, the Company issued \$3.0 billion of unsecured fixed rate notes (March 2023 Notes) as follows:

Principal Amount (in millions)	Maturity Date	Interest Rate	Discount (in millions)
\$ 1,000	April 2026	4.800%	\$ 3
\$ 1,000	July 2033	5.150%	\$ 4
\$ 500	July 2053	5.750%	\$ 5
\$ 500	April 2063	5.850%	\$ 5

Interest on the March 2023 Notes with April maturity dates is payable semiannually in arrears in April and October of each year until maturity. Interest on the March 2023 Notes with July maturity dates is payable semiannually in arrears in January and July of each year until maturity.

The indenture governing the March 2023 Notes contains a provision that allows the Company to redeem these notes at any time, in whole or in part, at specified redemption prices, plus accrued and unpaid interest, if any, up to, but excluding, the date

11



8

of redemption. The indenture also contains a provision that allows the holders of the notes to require the Company to repurchase all or any part of their notes if a change of control triggering event occurs. If elected under the change of control provisions, the repurchase of the notes will occur at a purchase price of 101% of the principal amount, plus accrued and unpaid interest, if any, on such notes up to, but excluding, the date of purchase. The indenture governing the March 2023 Notes does not limit the aggregate principal amount of debt securities that the Company may issue and does not require the Company to maintain specified financial ratios or levels of net worth or liquidity.

Note 7: Derivative Instruments

The Company utilizes forward interest rate swap agreements to hedge its exposure to changes in benchmark interest rates on forecasted debt issuances. The Company also utilizes fixed-to-floating interest rate swap agreements as fair value hedges on certain debt. The notional amounts for the Company's material derivative instruments are as follows:

(In millions)	November 3, 2023	October 28, 2022	February 3, 2023
Cash flow hedges:			
Forward interest rate swap agreement notional amounts	\$ —	\$ 1,210	\$ 1,290
Fair value hedges:			
Fixed-to-floating interest rate swap agreement notional amounts	\$ 850	\$ 850	\$ 850

(In millions)	May 3, 2024	May 5, 2023	February 2, 2024
Fair value hedges:			
Fixed-to-floating interest rate swap agreements	\$ 850	\$ 850	\$ 850

See [Note 4](#) for the gross fair values of the Company's outstanding derivative financial instruments and corresponding fair value classifications. The cash flows related to settlement of the Company's hedging derivative financial instruments are classified in the consolidated statements of cash flows based on the nature of the underlying hedged items.

Cash Flow Hedges

The Company accounts for the forward interest rate swap contracts as cash flow hedges, thus the effective portion of gains and losses resulting from changes in fair value are recognized in other comprehensive (loss)/income, net of tax effects, in the consolidated statements of comprehensive income and is amortized to interest expense over the term of the respective debt. In connection with the issuance of our March 2023 Notes, we settled forward interest rate swap contracts with a combined notional amount of \$2.0 billion and received a payment of \$247 million. The (loss)/gain from forward interest rate swap agreements, both settled and outstanding, designated as cash flow hedges recorded in other comprehensive (loss)/income and net earnings for the three and nine months ended November 3, 2023, and October 28, 2022, including its line item in the financial statements, is as follows:

(In millions)	Three Months Ended		Nine Months Ended	
	November 3, 2023	October 28, 2022	November 3, 2023	October 28, 2022
Other comprehensive (loss)/income:				
Cash flow hedges – net of tax benefit/(expense) of \$1 million, (\$55) million, \$4 million, and (\$116) million, respectively	\$ (4)	\$ 166	\$ (10)	\$ 350
Net earnings:				
Interest – net	\$ 4	\$ 1	\$ 11	\$ —

Fair Value Hedges

The Company accounts for the fixed-to-floating interest rate swap agreements as fair value hedges using the shortcut method of accounting under which the hedges are assumed to be perfectly effective. Thus, the change in fair value of the derivative instruments offsets the change in fair value on the hedged debt, and there is no net impact in the consolidated statements of earnings from the fair value of the derivatives.

Note 8: Shareholders' Deficit

The Company has a share repurchase program that is executed through purchases made from time to time either in the open market, which may be made under pre-set trading plans meeting the requirements of Rule 10b5-1(c) of the Securities Exchange Act of 1934, or through private off-market transactions. Shares purchased under the repurchase program are returned to



12

authorized and unissued status. Any excess of cost over par value is charged to additional paid-in capital to the extent that a balance is present. Once additional paid-in capital is fully depleted, remaining excess of cost over par value is charged to accumulated deficit. As of November 3, 2023 May 3, 2024, the Company had \$15.0 billion \$13.9 billion remaining in its share repurchase program.

During the **nine** **three** months ended **November 3, 2023** **May 3, 2024**, the Company entered into an Accelerated Share Repurchase (ASR) **agreements** **agreement** with a third-party financial **institutions** institution to repurchase a total of **15.4** **1.3** million shares of the Company's common stock for **\$3.3** billion. **\$325 million**. The terms of the ASR **agreements** **agreement** entered into during the **nine** **three** months ended **November 3, 2023** **May 3, 2024**, are as follows (in millions):

Agreement Execution Date	Agreement Settlement Date	ASR Agreement Amount	Initial Shares Delivered at Inception	Additional Shares Delivered at Settlement	Total Shares Delivered
Q1 2023	Q1 2023	\$ 750	3.1	0.7	3.8
Q2 2023	Q2 2023	1,000	3.9	0.7	4.6
Q3 2023	Q3 2023	1,500	5.3	1.7	7.0

Agreement Execution Date	Agreement Settlement Date	ASR Agreement Amount	Initial Shares Delivered at Inception	Additional Shares Delivered at Settlement	Total Shares Delivered
Q1 2024	Q1 2024	\$ 325	1.1	0.2	1.3

In addition, the Company repurchased shares of its common stock through the open market as follows:

Three Months Ended				Nine Months Ended		
November 3, 2023				November 3, 2023		
		Three Months Ended				
		Three Months Ended				
		Three Months Ended				
		May 3, 2024				
		May 3, 2024				
		May 3, 2024				
(In millions)						
(In millions)						
(In millions)	(In millions)	Shares	Cost	Shares	Cost	
Open market share repurchases	Open market share repurchases	0.3	\$ 95	11.9	\$ 2,545	
Open market share repurchases						
Open market share repurchases						

The Company also withholds shares from employees to satisfy either the exercise price of stock options exercised or the statutory withholding tax liability resulting from the vesting of share-based awards.

Total shares repurchased for the three and nine months ended **November 3, 2023** **May 3, 2024**, and **October 28, 2022** **May 5, 2023**, were as follows:

Three Months Ended						
November 3, 2023 October 28, 2022						
Shares Cost Shares Cost						
Share repurchase program ¹		7.3	\$ 1,595	20.5	\$ 4,000	
Shares withheld from employees		—	1	—	3	
Total share repurchases		7.3	\$ 1,596	20.5	\$ 4,003	
Nine Months Ended						
November 3, October 28, 2023 2022						
Shares Cost Shares Cost						
Three Months Ended						
May 3, 2024 May 5, 2023						
(In millions)	(In millions)	Shares	Cost	Shares	Cost	
Share repurchase program ¹	Share repurchase program ¹	27.3	\$ 5,795	60.6	\$ 12,000	

Shares withheld from employees	Shares withheld from employees	0.7	135	0.6	122
Total share repurchases	Total share repurchases	28.0	\$5,930	61.2	\$12,122

¹ Beginning January 1, 2023, includes excise tax on share repurchases in excess of issuances are subject to a 1% excise tax, which is included as part of the cost basis of the shares acquired.

9



Note 9: Earnings Per Share

The Company calculates basic and diluted earnings per common share using the two-class method. The following table reconciles earnings per common share for the three and nine months ended November 3, 2023 May 3, 2024, and October 28, 2022 May 5, 2023:

(In millions, except per share data)	Three Months Ended		Nine Months Ended	
	November 3, 2023	October 28, 2022	November 3, 2023	October 28, 2022
Basic earnings per common share:				
Net earnings	\$ 1,773	\$ 154	\$ 6,706	\$ 5,479
Less: Net earnings allocable to participating securities	(4)	(2)	(18)	(17)
Net earnings allocable to common shares, basic	\$ 1,769	\$ 152	\$ 6,688	\$ 5,462

13



(In millions, except per share data)	Three Months Ended		Nine Months Ended	
	Three Months Ended		Nine Months Ended	
	Three Months Ended		Nine Months Ended	
	Three Months Ended		Nine Months Ended	
(In millions, except per share data)	(In millions, except per share data)	November 3, 2023	October 28, 2022	November 3, 2023
(In millions, except per share data)	(In millions, except per share data)	November 3, 2023	October 28, 2022	November 3, 2023
(In millions, except per share data)	(In millions, except per share data)			October 28, 2022
Basic earnings per common share:				
Basic earnings per common share:				
Basic earnings per common share:				
Net earnings				
Net earnings				
Net earnings				
Less: Net earnings allocable to participating securities				
Less: Net earnings allocable to participating securities				

Less: Net earnings allocable to participating securities								
Net earnings allocable to common shares, basic								
Net earnings allocable to common shares, basic								
Net earnings allocable to common shares, basic								
Weighted-average common shares outstanding								
Weighted-average common shares outstanding								
Weighted-average common shares outstanding	Weighted-average common shares outstanding	576	618	585	638			
Basic earnings per common share	Basic earnings per common share	\$ 3.07	\$ 0.25	\$ 11.43	\$ 8.56			
Basic earnings per common share								
Basic earnings per common share								
Diluted earnings per common share:								
Diluted earnings per common share:	Diluted earnings per common share:							
Net earnings	Net earnings	\$ 1,773	\$ 154	\$ 6,706	\$ 5,479			
Net earnings								
Net earnings								
Less: Net earnings allocable to participating securities	Less: Net earnings allocable to participating securities	(4)	(2)	(18)	(17)			
Net earnings allocable to common shares, diluted	Net earnings allocable to common shares, diluted	\$ 1,769	\$ 152	\$ 6,688	\$ 5,462			
Net earnings allocable to common shares, diluted								
Net earnings allocable to common shares, diluted								
Weighted-average common shares outstanding	Weighted-average common shares outstanding	576	618	585	638			
Dilutive effect of non-participating share-based awards	Dilutive effect of non-participating share-based awards	1	2	2	2			
Dilutive effect of non-participating share-based awards								
Weighted-average common shares, as adjusted	Weighted-average common shares, as adjusted	577	620	587	640			

Weighted-average common shares, as adjusted									
Weighted-average common shares, as adjusted									
Diluted earnings per common share									
Diluted earnings per common share									
Diluted earnings per common share	Diluted earnings per common share	\$	3.06	\$	0.25	\$	11.40	\$	8.53
Anti-dilutive securities excluded from diluted weighted-average common shares	Anti-dilutive securities excluded from diluted weighted-average common shares		0.6		0.6		0.5		0.5
Anti-dilutive securities excluded from diluted weighted-average common shares									
Anti-dilutive securities excluded from diluted weighted-average common shares									

Note 10: Income Taxes

The Company's effective income tax rates were 24.6% and 24.1% for the three and nine months ended November 3, 2023, respectively, and 75.5% and 28.4% for the three and nine months ended October 28, 2022, respectively. The decrease in the effective tax rate for the three months ended November 3, 2023, is primarily due to the prior year impact of the increase in the valuation allowance for deferred taxes related to the long-lived asset impairment associated with RONA inc.

Income Tax Relief

On October 5, 2022, the Internal Revenue Service announced that businesses in certain states, including North Carolina, affected by Hurricane Ian would receive tax relief by postponing certain tax-payment deadlines. Under this relief, the Company's quarterly federal estimated income tax payments originally due by October 15, 2022 and January 15, 2023, were deferred until February 15, 2023. As of October 28, 2022, and February 3, 2023, the Company deferred \$600 million and \$1.2 billion, respectively, of federal income taxes payable, which are included in income taxes payable in the consolidated balance sheet.

Note 11: Supplemental Disclosure

Net interest expense is comprised of the following:

		Three Months Ended		Nine Months Ended	
		Three Months Ended	Three Months Ended	Three Months Ended	Three Months Ended
(In millions)					
(In millions)					
(In millions)	(In millions)	November 3, 2023	October 28, 2022	November 3, 2023	October 28, 2022
Long-term debt	Long-term debt	\$ 365	\$ 295	\$ 1,075	\$ 782
Long-term debt					
Long-term debt					
Short-term borrowings	Short-term borrowings	—	4	15	5
Short-term borrowings					
Short-term borrowings					
Lease obligations	Lease obligations	6	7	19	21
Interest income	Interest income	(27)	(14)	(78)	(21)
Interest income					
Interest income					
Interest capitalized					
Interest capitalized					

Interest capitalized	Interest capitalized	(1)	(1)	(4)	(3)
Interest on tax uncertainties	Interest on tax uncertainties	—	—	—	3
Interest on tax uncertainties					
Interest on tax uncertainties					
Other					
Other					
Other	Other	2	4	6	15
Interest – net	Interest – net	\$ 345	\$ 295	\$ 1,033	\$ 802
Interest – net					
Interest – net					



14 10

Supplemental disclosures of cash flow information:

		Nine Months Ended			
		Three Months Ended		Three Months Ended	
(In millions)	(In millions)	November 3, 2023	October 28, 2022	(In millions)	May 3, 2024
Cash paid for interest, net of amount capitalized	Cash paid for interest, net of amount capitalized	\$ 1,415	\$ 909		
Cash paid for income taxes – net		3,163	1,540		
Cash paid for income taxes – net					May 5, 2023
1					
Non-cash investing and financing activities:	Non-cash investing and financing activities:				
Leased assets obtained in exchange for new finance lease liabilities	Leased assets obtained in exchange for new finance lease liabilities	\$ 46	\$ 46		

Leased assets obtained in exchange for new operating lease liabilities ¹	497	465	
Leased assets obtained in exchange for new finance lease liabilities			
Leased assets obtained in exchange for new finance lease liabilities			
Leased assets obtained in exchange for new operating lease liabilities			
²			
Cash dividends declared but not paid	Cash dividends declared but not paid	633	643
Cash dividends declared but not paid			
Cash dividends declared but not paid			

¹ Cash paid for income taxes - net for the three months ended May 5, 2023 included \$1.2 billion of estimated income tax payments for the third and fourth quarter of fiscal 2022 that were deferred under the Internal Revenue Service's income tax relief for businesses located in states affected by Hurricane Ian.

² Excludes \$260 million of leases signed but not yet commenced as of November 3, 2023 May 3, 2024.

1511



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Lowe's Companies, Inc.

Results of Review of Interim Financial Information

We have reviewed the accompanying consolidated balance sheets of Lowe's Companies, Inc. and subsidiaries (the "Company") as of November 3, 2023, May 3, 2024 and October 28, 2022 May 5, 2023, the related consolidated statements of earnings, comprehensive income, and shareholders' deficit, for the fiscal three-month and nine-month periods ended November 3, 2023, and October 28, 2022, and cash flows, for the fiscal nine-month three-month periods ended November 3, 2023, May 3, 2024 and October 28, 2022 May 5, 2023, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of February 3, 2023 February 2, 2024, and the related consolidated statements of earnings, comprehensive income, shareholders' deficit, and cash flows for the fiscal year then ended (not presented herein); and in our report dated March 27, 2023 March 25, 2024, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of February 3, 2023 February 2, 2024, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

This interim financial information is the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our review in accordance with standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ DELOITTE & TOUCHE LLP

Charlotte, North Carolina

November 29, 2023 May 30, 2024



16 12

Item 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion and analysis summarizes the significant factors affecting our consolidated operating results, liquidity and capital resources during the three **and nine** months ended **November 3, 2023** **May 3, 2024**, and **October 28, 2022** **May 5, 2023**. This discussion and analysis should be read in conjunction with the consolidated financial statements and notes to the consolidated financial statements that are included in our Annual Report on Form 10-K for the fiscal year ended **February 3, 2023** **February 2, 2024** (the Annual Report), as well as the consolidated financial statements (unaudited) and notes to the consolidated financial statements (unaudited) contained in this report. Unless otherwise specified, all comparisons made are to the corresponding period of fiscal 2022. In fiscal 2023, there is a one week shift as a result of the 53rd week in fiscal 2022. For the purposes of the following discussion, comparable sales, comparable customer transactions, and comparable average ticket are based upon the comparable 13-week and 39-week periods from fiscal 2022. **2023**. This discussion and analysis is presented in four sections:

- [Executive Overview](#)
- [Operations](#)
- [Financial Condition, Liquidity and Capital Resources](#)
- [Critical Accounting Policies and Estimates](#)

EXECUTIVE OVERVIEW

The following table highlights our financial results:

(in millions, except per share data)	Three Months Ended	
	May 3, 2024	May 5, 2023
Net sales	\$ 21,364	\$ 22,347
Net earnings	1,755	2,260
Diluted earnings per share	\$ 3.06	\$ 3.77
Adjusted diluted earnings per share ¹	N/A	3.67
Net cash provided by operating activities	\$ 4,262	\$ 2,106
Capital expenditures	382	380
Repurchases of common stock ²	743	2,149
Cash dividend payments	633	633

¹ Adjusted diluted earnings per share is a non-GAAP financial measure. See below for additional information and a reconciliation of non-GAAP measures.

²Repurchases of common stock on a trade-date basis.

Net sales in the **third** first quarter of fiscal **2023** **2024** declined **12.8%** **4.4%** to **\$20.5 billion** **\$21.4 billion** compared to net sales of **\$23.5 billion** **\$22.3 billion** in the **third** first quarter of fiscal **2022**. Prior year sales included **\$1.2 billion** generated by our Canadian retail business, which was sold in the fourth quarter of fiscal **2022** **2023**. Comparable sales for the **third** first quarter of fiscal **2023** **2024** decreased **7.4%** **4.1%**, consisting of a **6.9%** **3.1%** decrease in comparable customer transactions and a **0.5%** **1.0%** decrease in comparable average ticket. Net earnings in the **third** first quarter of fiscal **2023** **2024** were **\$1.8 billion**, compared to net earnings of **\$154 million** **\$2.3 billion** in the **third** first quarter of fiscal **2022** **2023**. Diluted earnings per common share were **\$3.06** in the **third** first quarter of fiscal **2023** **2024** compared to **\$0.25** **\$3.77** in the **third** first quarter of fiscal **2022** **2023**. Included in the **third** first quarter of **2022** **2023** results was a **\$2.1 billion** pre-tax long-lived asset impairment income of **\$63 million** associated with the fiscal **2022** sale of the Canadian retail business, which **decreased** **increased** diluted earnings per common share by **\$3.02** **\$0.10**. Excluding the impact of this item, in the **third** quarter of **2022**, adjusted diluted earnings per common share was **\$3.27** **\$3.67** in the **third** first quarter of **2022** **2023** (see the [non-GAAP financial measures](#) discussion).

For the first **nine** **three** months of fiscal **2023** **2024**, cash flows from operating activities were approximately **\$7.0 billion** **\$4.3 billion**, with **\$1.3 billion** **\$382 million** used for capital expenditures. Continuing to deliver on our commitment to return excess cash to shareholders, during the three months ended **November 3, 2023** **May 3, 2024**, we repurchased **\$1.6 billion** **\$743 million** of common stock and paid **\$642 million** **\$633 million** in dividends.

Third **First** quarter fiscal **2023** **2024** comparable sales declined **7.4%**, driven by a decline **4.1%** as we continue to experience pressure in **DIY** Do-It-Yourself (DIY) bigger-ticket discretionary spending. Despite this pressure, we delivered better-than-expected spring seasonal sales, particularly in bigger-ticket categories as homeowners scaled back on larger projects given the current macroeconomic environment. Despite soft DIY demand, we delivered **Lawn & Garden** which had positive comparable sales growth during in the quarter with our Pro customers, demonstrating that we are making progress with our investments to improve our Pro service offering, including increasing loyalty through our **MVP** Pro rewards program, improving job site delivery, enhancing service levels in our stores, and creating a more seamless online experience.

In managing our business through this challenging macroeconomic environment, we remain focused on delivering value and convenience, excellent customer experience, and our strategic priorities. Our merchandising and marketing efforts highlight quarter. We also completed the everyday value available at Lowe's, including this quarter's launch of Lowe's Lowest Price Guarantee. We are also pleased with the traction gained through our rural store format and Lowe's Outlet stores. Our rural assortment provides our customers located in rural areas across the country an enhanced total home solution, while our smaller format Lowe's Outlet stores offer savings opportunities to our value-conscious customers. We have also enhanced the customer experience through expedited fulfillment options and the continued expansion national roll-out of our market-delivery model.

We remain focused on improving productivity through our Perpetual Productivity Improvement (PPI) initiatives, **DIY** loyalty program, **MyLowe's Rewards™**, which give us the agility is designed to manage our operational processes through periods of unpredictable demand. This has been enhanced by the technology and capability investments we have made over the last several years that have given us greater flexibility to manage costs. We believe the combination of these initiatives, in conjunction with our disciplined capital allocation strategy, positions us to deliver meaningful long-term shareholder value, reward customers for choosing Lowe's for their home improvement needs.

1713



We continue to gain traction with our Total Home strategy as demonstrated by positive comparable sales with our Pro customers as our investments to improve service levels resonate with these customers. We also had growth in online sales as we expanded our omnichannel fulfillment offerings.

We believe our continued focus on our Perpetual Productivity Improvement initiatives, combined with our ongoing investments in our Total Home strategy allows us to perform efficiently in this uncertain macroeconomic environment and positions us for market share growth when the home improvement market recovers, while continuing to drive meaningful long-term shareholder value.

OPERATIONS

The following table sets forth the percentage relationship to net sales of each line item of the consolidated statements of earnings (unaudited), as well as the percentage change in dollar amounts from the prior period. This table should be read in conjunction with the following discussion and analysis and the consolidated financial statements (unaudited), including the related notes to the consolidated financial statements (unaudited).

	Basis Point Increase/(Decrease) in Percentage of Net Sales from Prior Period			
	Three Months Ended	May 3, 2024	May 5, 2023	2023 vs. 2022
Net sales		100.00 %	100.00 %	N/A
Gross margin		33.19	33.68	(49)
Expenses:				
Selling, general and administrative		18.77	17.12	165

Depreciation and amortization	2.00	1.85	15
Operating income	12.42	14.71	(229)
Interest – net	1.65	1.56	9
Pre-tax earnings	10.77	13.15	(238)
Income tax provision	2.56	3.04	(48)
Net earnings	8.21 %	10.11 %	(190)

			Basis Point	Percentage
			Increase/(Decrease) in Percentage of Net Sales	Increase/(Decrease) in Dollar Amounts from Prior Period
	Three Months Ended		from Prior Period	Period
	November 3, 2023	October 28, 2022	2023 vs. 2022	2023 vs. 2022
Net sales	100.00 %	100.00 %	N/A	(12.8)%
Gross margin	33.66	33.30	36	(11.8)
Expenses:				
Selling, general and administrative	18.37	27.45	(908)	(41.6)
Depreciation and amortization	2.12	1.92	20	(3.9)
Operating income	13.17	3.93	924	191.8
Interest – net	1.68	1.25	43	17.1
Pre-tax earnings	11.49	2.68	881	273.5
Income tax provision	2.83	2.02	81	21.6
Net earnings	8.66 %	0.66 %	800	N/A

			Basis Point	Percentage
			Increase/(Decrease) in Percentage of Net Sales	Increase/(Decrease) in Dollar Amounts from Prior Period
	Nine Months Ended		from Prior Period	Period
	November 3, 2023	October 28, 2022	2023 vs. 2022	2023 vs. 2022
Net sales	100.00 %	100.00 %	N/A	(9.2)%
Gross margin	33.67	33.51	16	(8.7)
Expenses:				
Selling, general and administrative	17.23	20.38	(315)	(23.2)
Depreciation and amortization	1.88	1.80	8	(5.2)
Operating income	14.56	11.33	323	16.7
Interest – net	1.52	1.07	45	29.0
Pre-tax earnings	13.04	10.26	278	15.4
Income tax provision	3.14	2.92	22	(2.1)
Net earnings	9.90 %	7.34 %	256	22.4 %

The following table sets forth key metrics utilized by management in assessing business performance. This table should be read in conjunction with the following discussion and analysis and the consolidated financial statements (unaudited), including the related notes to the consolidated financial statements (unaudited).

The Company adjusted its comparable sales metric to exclude days affected by national outages with its third-party credit and debit processor during the second quarter of fiscal 2022. By excluding the days impacted by the outages, and the corresponding days in the comparable periods, comparable sales decreased by approximately 10 basis points for the nine months ended November 3, 2023, and increased by approximately 10 basis points for the nine months ended October 28, 2022. The comparable sales metric for the three months ended November 3, 2023 and October 28, 2022, was not impacted or adjusted by similar outages.



		Three Months Ended		Nine Months Ended	
		Three Months Ended		Three Months Ended	
		Three Months Ended		Three Months Ended	
Other Metrics	Other Metrics	November 3, 2023	October 28, 2022	November 3, 2023	October 28, 2022
Comparable sales (decrease)/increase ¹		(7.4) %	2.2 %	(4.3) %	(0.8) %
Other Metrics					
Other Metrics					
Comparable sales decrease ¹					
Comparable sales decrease ¹					
Comparable sales decrease ¹					
Total customer transactions (in millions)					
Total customer transactions (in millions)					
Total customer transactions (in millions)	Total customer transactions (in millions)	197	225	655	719
Average ticket ²	Average ticket ²	\$ 104.02	\$ 104.54	\$ 103.54	\$ 103.76
Average ticket ²					
Average ticket ²					
At end of period:	At end of period:				
At end of period:	At end of period:				
Number of stores	Number of stores	1,746	1,969		
Number of stores					
Number of stores					
Sales floor square feet (in millions)					
Sales floor square feet (in millions)					
Sales floor square feet (in millions)	Sales floor square feet (in millions)	195	208		
Average store size selling square feet (in thousands) ³	Average store size selling square feet (in thousands) ³	112	105		
Net earnings to average debt and shareholders' deficit ⁴		30.5 %	24.4 %		
Average store size selling square feet (in thousands) ³					
Average store size selling square feet (in thousands) ³					
Net earnings to average debt and shareholders' deficit					
Net earnings to average debt and shareholders' deficit					
Net earnings to average debt and shareholders' deficit					
Return on invested capital ⁴	Return on invested capital ⁴	35.0 %	27.6 %		
Return on invested capital ⁴					
Return on invested capital ⁴					

¹ A comparable location is defined as a retail location that has been open longer than 13 months. A location that is identified for relocation is no longer considered comparable in the month of its relocation. The relocated location must then remain open longer than 13 months to be considered comparable. A location we decide to close is no longer considered comparable as of the beginning of the month in which we announce its closing. Operating locations which are sold are included in comparable sales until the date of sale. Comparable sales are presented on a transacted basis when tender is accepted from a customer. Comparable sales include online sales, which positively



impacted **third** first quarter fiscal **2023** **2024** and fiscal **2022** **2023** comparable sales by approximately **-40** **10** basis points and **80** basis points, respectively, and year-to-date fiscal **2023** and fiscal **2022** comparable sales by approximately **30** basis points and **45** **60** basis points, respectively. The comparable store sales calculation included in the preceding table was calculated using comparable 13-week and 39-week periods.

- 2 Average ticket is defined as net sales divided by the total number of customer transactions.
- 3 Average store size selling square feet is defined as sales floor square feet divided by the number of stores open at the end of the period. The average Lowe's-branded home improvement store has approximately **112,000** square feet of retail selling space.
- 4 Return on invested capital is calculated using a non-GAAP financial measure. Net earnings to average debt and shareholders' deficit is the most comparable GAAP ratio. As of November 3, 2023, and October 28, 2022, return on invested capital was negatively impacted **125** basis points and **590** basis points, respectively, as a result of the sale of the Canadian retail business. See below for additional information and reconciliations of non-GAAP measures.

Non-GAAP Financial Measures

Adjusted Diluted Earnings Per Share

Adjusted diluted earnings per share is considered a non-GAAP financial measure. The Company believes this non-GAAP financial measure provides useful insight for analysts and investors in understanding the comparison of operational performance **for** **to** the **third** first quarter of fiscal **2022** **2023**. Adjusted diluted earnings per share excludes the impact of a certain item, further described below, not contemplated in the Company's business outlook for fiscal **2022** **2023**. There were no non-GAAP adjustments to diluted earnings per share for the three months ended **November 3, 2023** **May 3, 2024**.

Fiscal **2022** **2023** Impacts

- In the **third** first quarter of fiscal **2022**, 2023, the Company recognized pre-tax income of \$63 million consisting of a pre-tax **\$2.1** billion long-lived asset impairment realized gain on the contingent consideration and adjustments to the selling price 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 common 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.

19



Three Months Ended			
October 28, 2022			
	Pre-Tax	Net	
Earnings	Earnings	Tax 1	Earnings
Three Months Ended			
Three Months Ended			
Three Months Ended			
May 5, 2023			
Pre-Tax Earnings			
Diluted earnings per share, as reported	Diluted earnings per share, as reported		
\$ 0.25			
Non-GAAP adjustments – per share impacts	Non-GAAP adjustments – per share impacts		

Canadian retail business transaction	
Canadian retail business transaction	
Canadian retail business transaction	Canadian retail business transaction
	3.32 (0.30) 3.02
Adjusted diluted earnings per share	Adjusted diluted earnings per share
	\$ 3.27
Adjusted diluted earnings per share	
Adjusted diluted earnings per share	

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

Return on Invested Capital

Return on Invested Capital (ROIC) is calculated using a non-GAAP financial measure. Management believes ROIC is a meaningful metric for analysts and investors as a measure of how effectively the Company is using capital to generate financial returns. Although ROIC is a common financial metric, numerous methods exist for calculating ROIC. Accordingly, the method used by our management may differ from the methods used by other companies. We encourage you to understand the methods used by another company to calculate ROIC before comparing its ROIC to ours.

We define ROIC as the rolling 12 months' lease adjusted net operating profit after tax (Lease adjusted NOPAT) divided by the average of current year and prior year ending debt and shareholders' deficit. Lease adjusted NOPAT is a non-GAAP financial measure, and net earnings is considered to be the most comparable GAAP financial measure. The calculation of ROIC, together with a reconciliation of net earnings to Lease adjusted NOPAT, is as follows:

	For the Periods Ended	
	November 3, 2023	October 28, 2022
(In millions, except percentage data)		
Calculation of Return on Invested Capital		
Numerator		
Net Earnings	\$ 7,664	\$ 6,686
Plus:		
Interest expense – net	1,355	1,037
Operating lease interest	158	160
Provision for income taxes	2,554	2,581
Lease adjusted net operating profit	11,731	10,464
(In millions, except percentage data)		
Less:		
Calculation of Return on Invested Capital		
Numerator		
Income tax adjustment ¹	2,933	2,915
Lease adjusted net operating profit after tax	\$ 8,798	\$ 7,549
Net Earnings	\$ 8,798	\$ 7,549
Denominator		
Average debt and shareholders' deficit ²	\$ 25,385	\$ 21,288
Operating lease interest	30.3 %	26.0 %
Net earnings to average debt and shareholders' deficit	23.0 %	25.6 %
Return on invested capital ³	11,084	10,305
Less:		
Income tax adjustment ¹	2,692	2,950
Lease adjusted net operating profit after tax	\$ 8,392	\$ 7,355
Denominator		
Average debt and shareholders' deficit ²	\$ 25,720	\$ 26,269
Net earnings to average debt and shareholders' deficit	28.1 %	24.2 %
Return on invested capital ³	32.6 %	28.0 %

¹ Income tax adjustment is defined as lease adjusted net operating profit multiplied by the effective tax rate, which was 25.0% 24.3% and 27.9% 28.6% for the periods ended November 3, 2023 May 3, 2024, and October 28, 2022 May 5, 2023, respectively.

² Average debt and shareholders' deficit is defined as average current year and prior year ending debt, including current maturities, short-term borrowings, and operating lease liabilities, plus the average current year and prior year ending total shareholders' deficit.

³ For the period ended November 3, 2023, and October 28, 2022 May 5, 2023, return on invested capital was negatively impacted 125 725 basis points and 590 basis points, respectively, as a result of the sale of the Canadian retail business.



20

Results of Operations

Net Sales – Net sales in for the third first quarter of 2023 fiscal 2024 decreased 12.8% 4.4% to \$20.5 billion \$21.4 billion. The decrease in total Comparable sales was primarily driven by a comparable sales decline of 7.4% over the same period, declined 4.1% consisting of a 6.9% decline 3.1% decrease in comparable customer transactions and a 0.5% decline 1.0% decrease in comparable average ticket. Prior year sales included \$1.2 billion generated by our Canadian retail business, which was sold in the fourth quarter of fiscal 2022. Total sales also declined approximately \$115 million due to the timing shift in our fiscal calendar, in which the third quarter of fiscal 2023 (a 52-week year) included one less week of summer and one more week of fall than fiscal 2022 (a 53-week year).

During the third first quarter of 2023, fiscal 2024, we delivered positive experienced comparable sales increases in two of 14 product categories: Lawn & Garden and Building Materials. Positive comparable sales in Lawn & Garden was driven by smaller ticket projects within Landscape Products and Live Goods. Growth in Building Materials partly driven by reflects strong performance demand with the Pro customer, demonstrating improvement from our investments in Pro-heavy categories like roofing our Pro product and drywall. Our DIY customer categories were impacted by lower DIY discretionary demand as consumers continue to navigate the macroeconomic environment.

Net sales decreased 9.2% to \$67.8 billion for the first nine months of 2023 compared to 2022. The decrease in total sales was primarily driven by the sale of the Canadian retail business in fiscal 2022, which generated \$4.1 billion of net sales in the first nine months of 2022. Comparable sales also declined 4.3% over the same period, driven by a 4.1% decline in comparable customer transactions and a 0.2% decline in comparable average ticket. service offerings, including our enhanced assortment.

Gross Margin – For the third first quarter of 2023, fiscal 2024, gross margin decreased 49 basis points as a percentage of sales increased 36 basis points. sales. The gross margin increase contraction for the quarter is driven by productivity initiatives, favorable product mix and lower transportation costs, partially offset by higher costs associated with the expansion of investments in our supply chain, network.

Gross margin as targeted spring promotions, particularly in Lawn & Garden, and a percentage of sales increased 16 basis points decline in the first nine months of 2023 compared to 2022 primarily due to the same factors that impacted gross margin for the third quarter. credit revenue, partially offset by lower transportation costs and other productivity initiatives.

SG&A – For the third first quarter of 2023, fiscal 2024, SG&A expense leveraged 908 deleveraged 165 basis points as a percentage of sales compared to the third first quarter of 2022, fiscal 2023 due primarily due to cycling the prior year long-lived asset impairment related to our Canadian retail business favorable legal settlement and ongoing productivity initiatives, partially offset by fixed cost pressure due to lower sales.

SG&A expense as a percentage of sales leveraged 315 basis points as a percentage of sales for the first nine months of 2023 compared to 2022, primarily due to the prior year long-lived asset impairment and current year gain on contingent consideration associated with the fiscal 2022 sale of the Canadian retail business, and legal settlements, partially offset by as well as current year fixed cost pressure deleverage due to lower sales.

Depreciation and Amortization – Depreciation and amortization deleveraged 20 15 basis points as a percentage of sales for the third first quarter of 2023 fiscal 2024 compared to 2022, the prior year primarily due to lower sales.

Depreciation and amortization deleveraged eight basis points as a percentage of sales for the first nine months of 2023 compared to 2022.

Interest – Net – Net interest expense for the third quarter of 2023 deleveraged 43 basis points, primarily due to interest expense related to the issuance of unsecured notes over the past year, partially offset by interest income on our cash equivalents and short-term investments.

Net interest Interest expense for the first nine months quarter of 2023 fiscal 2024 deleveraged 45 nine basis points as a percentage of sales, primarily due to the same factors that impacted interest expense for the third quarter. lower sales.

Income Tax Provision – Our effective income tax rates were 24.6% 23.7% and 75.5% 23.1% for the three months ended November 3, 2023 May 3, 2024 and October 28, 2022, respectively, and 24.1% and 28.4% for the nine months ended November 3, 2023 and October 28, 2022 May 5, 2023, respectively. The favorable tax rate for the three and nine months ended November 3, 2023 compared to 2022 is largely driven by the prior year impact of increase in the valuation allowance for deferred taxes related to the long-lived asset impairment associated with RONA inc.



FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity

Cash flows from operations, combined with our continued access to capital markets on both a short-term and long-term basis, as needed, remain adequate to fund our operations, make strategic investments to support long-term growth, and return excess

21



cash to shareholders in the form of dividends and share repurchases, and repay debt maturities as they become due. We believe these sources of liquidity will continue to support our business for the next twelve months. As of November 3, 2023 May 3, 2024, we held \$1.2 billion \$3.2 billion of cash and cash equivalents, as well as \$4.0 billion in undrawn capacity on our revolving credit facilities.

Cash Flows Provided by Operating Activities

(In millions)	Nine Months Ended	
	November 3, 2023	October 28, 2022
Net cash provided by operating activities	\$ 7,032	\$ 8,138

(In millions)	Three Months Ended	
	May 3, 2024	May 5, 2023
Net cash provided by operating activities	\$ 4,262	\$ 2,106

Cash flows from operating activities continued to provide the primary source of our liquidity. The decrease increase in net cash provided by operating activities for the nine three months ended November 3, 2023 May 3, 2024, compared to the nine three months ended October 28, 2022 May 5, 2023, was primarily driven by timing of prior year income tax payments partially offset by and other changes in working capital. Other capital, partially offset by lower net earnings. Cash flows relating to changes in other operating liabilities decreased operating cash flows improved \$1.4 billion driven by \$2.1 billion during the first nine months quarter of fiscal 2023. This decrease was primarily driven by the 2023 payment of our third and fourth quarter fiscal 2022 estimated federal tax payments that were deferred until the first quarter of fiscal 2023 under the income tax relief announced by the Internal Revenue Service for businesses located in states impacted by Hurricane Ian. Inventory increased operating In addition, cash flows for the nine months ended November 3, 2023, by approximately \$1.0 billion. Inventory declined relating to changes in the current year accounts payable improved \$1.7 billion primarily due to timing of purchases as we continue to manage managed inventory replenishment in line with sales trends. trends and later spring inventory build.

Cash Flows Used in Investing Activities

(In millions)	Nine Months Ended	
	November 3, 2023	October 28, 2022
Net cash used in investing activities	\$ (1,306)	\$ (1,115)

(In millions)	Three Months Ended	
	May 3, 2024	May 5, 2023
Net cash used in investing activities	\$ (378)	\$ (304)

Net cash used in investing activities primarily consists of transactions related to capital expenditures.

Capital expenditures

Our capital expenditures generally consist of investments in our strategic initiatives to enhance our ability to serve customers, improve existing stores, and support expansion plans. The following table provides our capital expenditures were \$382 million and \$380 million for the nine months ended November 3, 2023 May 3, 2024, and October 28, 2022:

(In millions)	Nine Months Ended	
	November 3, 2023	October 28, 2022
Existing store investments ¹	\$ 973	\$ 826
Strategic initiatives ²	333	171
New stores and corporate facilities ³	38	93
Total capital expenditures	\$ 1,344	\$ 1,090

¹ Includes merchandising resets, facility repairs, replacements of IT and store equipment, among other specific efforts.

² Represents investments related to our strategic focus areas aimed at improving customers' experience and driving improved performance in the near and long term.

³ Represents expenditures primarily related to land purchases, buildings, and personal property for new store and corporate facilities projects.

May 5, 2023, respectively. For fiscal 2023, 2024, our guidance for capital expenditures is up to approximately \$2.0 billion.



22

Cash Flows Used in Financing Activities

(In millions)	Nine Months Ended	
	November 3, 2023	October 28, 2022
Net cash used in financing activities	\$ (5,864)	\$ (4,932)

(In millions)	Three Months Ended	
	May 3, 2024	May 5, 2023
Net cash used in financing activities	\$ (1,568)	\$ (200)

Net cash used in financing activities primarily consists of transactions related to our long-term debt, share repurchases, and cash dividend payments.

Total Debt

During the nine months ended November 3, 2023, we issued \$3.0 billion of unsecured notes, the proceeds of which were designated for general corporate purposes. During the nine months ended November 3, 2023, we also paid \$500 million due to the scheduled payoff of notes at maturity.

Our commercial paper program is supported by the 2023 Credit Agreement and the Third Amended and Restated Credit Agreement. The amounts available to be drawn under the 2023 Credit Agreement and the Third Amended and Restated Credit Agreement are reduced by the amount of borrowings under our commercial paper program. There were no outstanding borrowings under our commercial paper program, 2023 Credit Agreement, or the Third Amended and Restated Credit Agreement as of November 3, 2023 May 3, 2024. Total combined availability under the 2023 Credit Agreement and the Third Amended and Restated Credit Agreement as of November 3, 2023 May 3, 2024 was \$4.0 billion.

The 2023 Credit Agreement and the Third Amended and Restated Credit Agreement contain customary representations, warranties, and covenants. We were in compliance with those covenants at November 3, 2023 May 3, 2024.

17



The following table includes additional information related to our debt for the **nine** three months ended **November 3, 2023** **May 3, 2024**, and **October 28, 2022** **May 5, 2023**:

(In millions)	Nine Months Ended	
	November 3, 2023	October 28, 2022
Net proceeds from issuance of debt	\$ 2,983	\$ 9,667
Repayment of debt	(576)	(831)
Net change in commercial paper	(499)	—
Maximum commercial paper outstanding at any period	2,195	2,470

(In millions)	Three Months Ended	
	May 3, 2024	May 5, 2023
Net proceeds from issuance of debt	\$ —	\$ 2,983
Repayment of debt	(22)	(22)
Net change in commercial paper	—	(427)
Maximum commercial paper outstanding at any period	250	2,195
Short-term borrowings outstanding at quarter-end	—	72
Weighted-average interest rate of short-term borrowings outstanding	— %	5.75 %

Share Repurchases

We have an ongoing share repurchase program, authorized by the Company's Board of Directors, that is executed through purchases made from time to time either in the open market or through private off-market transactions. We also withhold shares from employees to satisfy tax withholding liabilities. Shares repurchased are retired and returned to authorized and unissued status. The following table provides, on a settlement date basis, the total number of shares repurchased, average price paid per share, and the total cash used to repurchase shares for the **nine** three months ended **November 3, 2023** **May 3, 2024**, and **October 28, 2022** **May 5, 2023**:

(In millions, except per share data)	Nine Months Ended			Three Months Ended	
	Three Months Ended		(In millions, except per share data)	May 3, 2024	May 5, 2023
	November 3, 2023	October 28, 2022			
Total amount paid for share repurchases	\$ 5,937	\$ 12,127			
Total amount paid for share repurchases ¹					
Total number of shares repurchased	21.0	61.2			
Average price paid per share	\$ 207.60	\$ 198.12			

¹ Excludes unsettled share repurchases and unpaid excise taxes.

As of **November 3, 2023** **May 3, 2024**, we had **\$15.0 billion** **\$13.9 billion** remaining available under our share repurchase program with no expiration date. The Company determines the timing and amount of repurchases based on its assessment of various factors including prevailing market conditions, alternate uses of capital, liquidity, and the economic environment, and other factors, among others. The timing and amount of these share repurchases are subject to change at any time.



Dividends

Dividends are paid in the quarter immediately following the quarter in which they are declared. Dividends paid per share increased from \$2.65 \$1.05 per share for the nine three months ended October 28, 2022 May 5, 2023, to \$3.20 \$1.10 per share for the nine three months ended November 3, 2023 May 3, 2024.

Capital Resources

We expect to continue to have access to the capital markets on both a short-term and long-term basis when needed for liquidity purposes by issuing commercial paper or new long-term debt. The availability and the borrowing costs of these funds could be adversely affected, however, by a downgrade of our debt ratings or a deterioration of certain financial ratios. The table below reflects our debt ratings by Standard & Poor's (S&P) and Moody's as of November 29, 2023 May 30, 2024, which we are disclosing to enhance understanding of our sources of liquidity and the effect of our ratings on our cost of funds. Our debt ratings have enabled, given, and should continue to enable, give, us the option to refinance our debt as it becomes due. Our commercial paper and senior debt ratings may be subject to revision or withdrawal at any time by the assigning rating organization, and each rating should be evaluated independently of any other rating.

Debt Ratings	S&P	Moody's
Commercial Paper	A-2	P-2
Senior Debt	BBB+	Baa1
Senior Debt Outlook	Stable	Stable

There are no provisions in any agreements that would require early cash settlement of existing debt or leases as a result of a downgrade in our debt rating or a decrease in our stock price.



CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our significant accounting policies are described in Note 1 to the consolidated financial statements presented in the Annual Report. Our critical accounting policies and estimates are described in "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Annual Report. Our significant and critical accounting policies and estimates have not changed significantly since the filing of the Annual Report.

Item 3. - Quantitative and Qualitative Disclosures about Market Risk

The Company is exposed to certain market risks, including changes in interest rates and commodity prices. The Company's market risks have not changed materially from those disclosed in the Annual Report for the fiscal year ended February 3, 2023 February 2, 2024.

Item 4. - Controls and Procedures

The Company's management, with the participation of the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the Company's "disclosure controls and procedures," (as such term is defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act)). Based upon their evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that, as of November 3, 2023 May 3, 2024, the Company's disclosure controls and procedures were effective for the purpose of ensuring that the information required to be disclosed in the reports that the Company files or submits under the Exchange Act with the SEC (1) is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (2) is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

The Company is undergoing a multi-year technology transformation which includes updating and modernizing our merchandise selling system, as well as certain accounting and finance systems. These updates are expected to continue for the next few years, and management will continue to evaluate the design and implementation of the Company's internal controls over financial reporting as the transformation continues. No change in the Company's internal control over financial reporting occurred during the quarter ended November 3, 2023 May 3, 2024, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II – OTHER INFORMATION

Item 1. - Legal Proceedings

The In addition to the matter referenced in our annual report on Form 10-K for the fiscal year ended February 2, 2024, the Company is from time to time a party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of business. With respect to such lawsuits, claims and proceedings, the Company records reserves when it is probable a liability has been incurred and the amount of loss can be reasonably estimated. The Company applies a threshold of \$1,000,000 for purposes of disclosing environmental proceedings involving a governmental authority, if any, under this Item 1. The Company does not believe that any of these proceedings, individually or in the aggregate, would be expected to have a material adverse effect on its results of operations, financial position or cash flows. The Company maintains liability insurance for certain risks that are subject to certain self-insurance limits.

As previously reported, the U.S. Attorney's Office for the Central District of California and the U.S. Environmental Protection Agency's Region 9 Office are conducting an investigation with respect to whether the Company and independent contractors who performed installations under the Company's third-party installer program complied with applicable recordkeeping requirements and lead-safe practices under the Toxic Substances Control Act, the Environmental Protection Agency's Lead Renovation, Repair and Painting Rules, and with an Environmental Protection Agency civil consent decree that the Company entered into in 2014 in the context of projects in homes constructed before 1978. In the third quarter of fiscal 2023, the EPA's Region 5 and other EPA and U.S. Department of Justice representatives informed the Company that they have identified possible deviations from the consent decree. While we cannot predict the ultimate outcomes of these matters, we do not expect them to have a material adverse effect on our consolidated financial condition, results of operations, or cash flows.

Item 1A. - Risk Factors

There have been no material changes in the Company's risk factors from those disclosed in Part I, "Item 1A. Risk Factors" in our Annual Report filed with the SEC on **March 27, 2023** **March 25, 2024**.

Item 2. - Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The following table sets forth information with respect to purchases of the Company's common stock on a trade date basis made during the three months ended **November 3, 2023** **May 3, 2024**:

	Total Number of Shares Purchased ¹	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ²	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs ^{2,3}
August 5, 2023 - September 1, 2023 ⁴	5,541,653	\$ 216.58	5,541,611	\$ 15,006,000,589
September 2, 2023 - October 6, 2023	1,759,337	216.61	1,753,359	14,986,000,605
October 7, 2023 - November 3, 2023 ⁴	603	194.39	—	14,986,000,605
As of November 3, 2023	7,301,593	\$ 216.58	7,294,970	\$ 14,986,000,605

	Total Number of Shares Purchased ¹	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ²	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs ^{2,3}
February 3, 2024 - March 1, 2024 ⁴	1,146,937	\$ 242.74	1,146,709	\$ 14,247,002,425
March 2, 2024 - April 5, 2024	1,042,096	247.63	680,806	14,079,010,887
April 6, 2024 - May 3, 2024 ⁴	853,354	235.22	853,050	13,939,009,783
As of May 3, 2024	3,042,387	\$ 242.30	2,680,565	\$ 13,939,009,783

¹ The total number of shares repurchased includes shares withheld from employees to satisfy either the exercise price of stock options or the statutory withholding tax liability upon the vesting of share-based awards.

² On December 7, 2022, the Company announced that its Board of Directors authorized an additional \$15.0 billion of share repurchases in addition to the \$13.0 billion of share repurchases authorized by the Board of Directors in December 2021, with no expiration.

³ Beginning January 1, 2023, the Company's excludes excise tax on share repurchases in excess of issuances, are subject to a 1% excise tax enacted by the Inflation Reduction Act. Any excise tax incurred on share repurchases which is recognized as part of the cost basis of the shares acquired in the consolidated statements of shareholders' deficit.

⁴ In August 2023, February 2024, the Company entered into an Accelerated Share Repurchase (ASR) agreement with a third-party financial institution to repurchase the Company's common stock. At inception, pursuant to the agreement, the Company paid \$1.5 billion \$325 million to the financial institution and received an initial delivery of 5.3 million 1.1 million shares. In October, April, the Company finalized the transaction and received an additional 1.7 million 0.2 million shares. The average price paid per share in settlement of the ASR agreement included in the table above was determined with reference to the volume-weighted average price of the Company's common stock over the term of the ASR agreement. See Note 8 to the consolidated financial statements included herein for additional information regarding share repurchases.

25



Item 5. - Other Information

During the three months ended November 3, 2023 May 3, 2024, none of the Company's directors or executive officers adopted or terminated any contract, instruction, or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement" (as those terms are defined in Regulation S-K, Item 408).

26 20



Item 6. - Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
3.1	Restated Charter of Lowe's Companies, Inc.	10-Q	001-07898	3.1	September 1, 2009
3.2	Bylaws of Lowe's Companies, Inc., as amended and restated November 11, 2022.	8-K	001-07898	3.1	November 16, 2022
10.1	Amended and Restated Credit Agreement, dated as of September 1, 2023, by and among Lowe's Companies, Inc., Bank of America, N.A., as administrative agent, swing line lender and a letter of credit issuer, U.S. Bank National Association and Wells Fargo Bank, National Association, as co-syndication agents and letter of credit issuers, Citibank, N.A., Goldman Sachs Bank USA, JPMorgan Chase Bank, N.A. and Barclays Bank PLC, as co-documentation agents, and the other lenders party thereto.	8-K	001-07898	10.1	September 7, 2023
15.1	Deloitte & Touche LLP Letter re Unaudited Interim Financial Information.‡				
31.1	Certification of Principal Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.‡				
31.2	Certification of Principal Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.‡				
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.‡				
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.‡				
99.1	Amendment Number 2023-2 to the Lowe's 401(k) Plan, effective September 25, 2023, (filed to include this amendment as an exhibit to the Registration Statement on Form S-8, Registration No.033-29772).‡				

101.INS	Inline XBRL Instance Document – the XBRL Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.‡
101.SCH	Inline XBRL Taxonomy Extension Schema Document.‡
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.‡
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.‡
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.‡
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.‡
104	Cover Page Interactive Data File (formatted as Inline XBRL document and included in Exhibit 101).‡

* Indicates a management contract or compensatory plan or arrangement.
‡ Filed herewith.
† Furnished herewith.

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
3.1	Restated Charter of Lowe's Companies, Inc.	10-Q	001-07898	3.1	September 1, 2009
3.2	Bylaws of Lowe's Companies, Inc., as amended and restated November 11, 2022.	8-K	001-07898	3.1	November 16, 2022
15.1	Deloitte & Touche LLP Letter re Unaudited Interim Financial Information.†				
31.1	Certification of Principal Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.‡				
31.2	Certification of Principal Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.‡				
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.†				
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.†				
101.INS	Inline XBRL Instance Document – the XBRL Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.‡				
101.SCH	Inline XBRL Taxonomy Extension Schema Document.‡				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.‡				
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.‡				
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.‡				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.‡				
104	Cover Page Interactive Data File (formatted as Inline XBRL document and included in Exhibit 101).‡				

* Indicates a management contract or compensatory plan or arrangement.
‡ Filed herewith.
† Furnished herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LOWE'S COMPANIES, INC.

(Registrant)

November 29, 2023 May 30, 2024

Date

By: /s/ Dan C. Griggs, Jr.

Dan C. Griggs, Jr.

Senior Vice President, Tax and Chief Accounting Officer



28 22

Exhibit 15.1

November 29, 2023 May 30, 2024

The Board of Directors and Shareholders of Lowe's Companies, Inc.

Lowe's Companies, Inc.
1000 Lowes Boulevard
Mooresville, North Carolina 28117

We are aware that our report dated November 29, 2023 May 30, 2024, on our review of the interim financial information of Lowe's Companies, Inc. and subsidiaries appearing in this Quarterly Report on Form 10-Q for the quarter ended November 3, 2023 May 3, 2024, is incorporated by reference in the following Registration Statements:

Description	Registration Statement Number
Form S-3 ASR	
Lowe's Stock Advantage Direct Stock Purchase Plan	333-248600; 333-274288
Debt Securities, Preferred Stock, Common Stock	333-258108
Form S-8	
Lowe's 401(k) Plan	033-29772
Lowe's Companies Benefit Restoration Plan	333-97811
Lowe's Companies Cash Deferral Plan	333-114435
Lowe's Companies, Inc. 2006 Long-Term Incentive Plan	333-138031; 333-196513
Lowe's Companies, Inc. 2020 Employee Stock Purchase Plan	333-249586

/s/ DELOITTE & TOUCHE LLP

Charlotte, North Carolina

Exhibit 31.1

CERTIFICATION

REFINITIV CORPORATE DISCLOSURES | www.refinitiv.com | Contact Us

44/49

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

I, Marvin R. Ellison, certify that:

- (1) I have reviewed this Quarterly Report on Form 10-Q for the quarter ended **November 3, 2023** **May 3, 2024** of Lowe's Companies, Inc. (the Registrant);
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
- (4) The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
- (5) The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

November 29, 2023 **May 30, 2024**

Date

/s/ Marvin R. Ellison

Marvin R. Ellison

Chairman, President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Brandon J. Sink, certify that:

- (1) I have reviewed this Quarterly Report on Form 10-Q for the quarter ended **November 3, 2023** **May 3, 2024** of Lowe's Companies, Inc. (the Registrant);
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
- (4) The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

(5) The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

November 29, 2023 May 30, 2024

Date

/s/ Brandon J. Sink

Brandon J. Sink
Executive Vice President, Chief Financial Officer

Exhibit 32.1

**Certification Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Lowe's Companies, Inc. (the Company) for the period ended **November 3, 2023** May 3, 2024, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Marvin R. Ellison, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Marvin R. Ellison

Marvin R. Ellison

Chairman, President and Chief Executive Officer

November 29, 2023 May 30, 2024

Exhibit 32.2

**Certification Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q of Lowe's Companies, Inc. (the Company) for the period ended **November 3, 2023** May 3, 2024, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Brandon J. Sink, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Brandon J. Sink

Brandon J. Sink

Executive Vice President, Chief Financial Officer

November 29, 2023 May 30, 2024

AMENDMENT NUMBER 2023-2

LOWE'S 401(k) PLAN

This Amendment Number 2023-2 to the Lowe's 401(k) Plan, as amended and restated effective as of January 1, 2023 (the "Plan") is adopted by Lowe's Companies, Inc. (the "Company").

WITNESSETH:

WHEREAS, the Company maintains the Plan for the benefit of its eligible employees and the eligible employees of its wholly-owned subsidiaries, which have adopted and participate in the Plan; and

WHEREAS, Section 15 of the Plan authorizes the amendment of the Plan by action of the Board of Directors of the Company or the Committee;

WHEREAS, the Company desires to amend the Plan to adopt certain provisions of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"); and

NOW, THEREFORE, the Company does hereby declare that the Plan be, and hereby is, amended as follows:

1. A new Section 17(d) of the Plan is added effective as of January 1, 2023 and reads as follows:

(d)Coronavirus Aid, Relief, and Economic Security Act.

Notwithstanding the foregoing provisions of Section 17 of the Plan, whether a participant or beneficiary who would have been required to receive required minimum distributions in 2020 (or paid in 2021 for the 2020 calendar year for a participant with a required beginning date of April 1, 2021) but for the enactment of section 401(a)(9)(I) of the Code ("2020 RMDs"), and who would have satisfied that requirement by receiving distributions that are equal to the 2020 RMDs, will have the opportunity to elect whether or not to receive the 2020 RMD. All 2020 RMDs will be distributed as elected by the applicable participant or beneficiary. In the absence of a participant or beneficiary election as described in the preceding sentence, a participant or beneficiary's 2020 RMD was **distributed in accordance with the provisions of Section 17(a) – (c).**

2. A new Section 9(j), Coronavirus Related Distributions, is added to the Plan added and reads as follows:

(i)Coronavirus Related Distributions.

Notwithstanding any provision of the Plan to the contrary and subject to the provisions of this Section, a Participant who is a Qualified Individual (defined below) may request, by following such procedures as shall be specified by the Committee, a Coronavirus-Related Distribution from the individual's nonforfeitable amount of such Participant's Vested Accounts other than amounts that are pledged as security for a loan, for distribution during the period from January 1, 2020 through December 31, 2020 (the "CRD Distribution Period").

(i)For purposes of this Section, the following definitions shall apply:

(X) The term Qualified Individual means a Participant who satisfies at least one of the following criteria: (i) the individual is diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 ("COVID-19") by a test approved by the Centers for Disease Control and Prevention ("CDC"); (ii) the individual's spouse or dependent (as defined in Code section 152) is diagnosed with the virus SARS-CoV-2 or with COVID-19 by a test approved by the CDC; (iii) the individual experiences adverse financial consequences as a result of being quarantined, being furloughed or laid off or having work hours reduced due to the virus SARS-CoV-2 or COVID-19, being unable to work due to lack of child care due to the virus SARS-CoV-2 or COVID-19, closing or reducing hours of a business owned or operated by the individual due to the virus SARS-CoV-2 or COVID-19; (iv) the individual has a reduction in pay (or self-employment income), a job offer rescinded, or a start date for a job delayed, in each case, due to COVID-19; (v) the individual's spouse or a member of the individual's household is quarantined, furloughed, or laid off, has work hours reduced, is unable to work due to lack of childcare, has a reduction in pay (or self-employment income), has a job offer rescinded,

or has a start date for a job delayed, in each case, due to COVID-19; (vi) the individual's spouse or a member of the individual's household owns or operates a business that closes or has reduced hours due to COVID-19; or (vii) other factors as determined by the Secretary of Treasury (or the Secretary's delegate). The Corporate Benefits Committee may rely on the individual's certification that the individual has satisfied the conditions for being treated as a Qualified Individual

(Y) A Coronavirus-Related Distribution means any distribution from the Plan to the Qualified Individual made during the CRD Distribution Period. In no event shall the aggregate amount of such distributions from the Plan and all other plans maintained by the Company or an affiliated company (within the meaning of Code section 414(b), (c), (m) or (o)) to the Qualified Individual exceed \$100,000.

(ii) **Repayment.** A Qualified Individual who receives a Coronavirus-Related Distribution may, at any time during the three-year period beginning on the day after the date on which the Coronavirus-Related Distribution was received by the Qualified Individual, repay all or a portion of such Coronavirus-Related Distribution by making one or more contributions to the Plan in an aggregate amount not to exceed the amount of the Coronavirus-Related Distribution. The Plan's receipt of any amount of a Coronavirus-Related Distribution that is so repaid within the three-year period shall be treated as the receipt of an eligible rollover distribution (as defined in Code section 402(c)(4) of the Code) having transferred in a direct trustee-to-trustee transfer within sixty (60) days of distribution. The Committee may apply the provisions of this clause (b) to the repayment of a Plan distribution that was made to a Qualified Individual during the CRD Distribution Period but was not treated as a Coronavirus-Related Distribution by the Plan at the time of distribution despite being eligible for such treatment as a Coronavirus-Related Distribution

(iii) **Interpretation and Administration.** This Section shall be interpreted and administered in accordance with the requirements of Section 2202(a) of the Coronavirus Aid, Relief, and Economic Security Act and any guidance issued thereunder, including I.R.S. Notice 2020-50. The Corporate Benefits Committee may establish such rules or procedures necessary to implement the provisions of this Section in accordance with such Act and such guidance."

3. Except as expressly or by necessary implication amended hereby, the Plan shall continue in full force and effect.

IN WITNESS WHEREOF, the Committee has caused this Amendment 2023-2 to be executed by a duly authorized member and effective on September 25, 2023.

LOWE'S COMPANIES, INC.

By: /S/ David R. Green

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2024, Refinitiv. All rights reserved. Patents Pending.