



2024 Analyst & Investor Conference

DECEMBER 11, 2024



Forward-looking statements



This presentation includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Statements including words such as “believe”, “expect”, “anticipate”, “plan”, “desire”, “project”, “estimate”, “intend”, “will”, “should”, “could”, “would”, “may”, “strategy”, “potential”, “opportunity”, “outlook”, “scenario”, “guidance”, and similar expressions are forward-looking statements. Forward-looking statements involve, among other things, expectations, projections, and assumptions about future financial and operating results, objectives (including objectives related to environmental and social matters), business outlook, priorities, sales growth, shareholder value, capital expenditures, cash flows, the housing market, the home improvement industry, demand for products and services including customer acceptance of new offerings and initiatives, macroeconomic conditions and consumer spending, share repurchases, and Lowe's strategic initiatives, including those relating to acquisitions and dispositions 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” in our most recent Annual Report on Form 10-K and as may be updated from time to time in Item 1A in our quarterly reports on Form 10-Q or other subsequent filings with the Securities and Exchange Commission. 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.



Marvin R. Ellison

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Strong results delivered: 2018-24E



+26%

6-year
U.S. Sales growth ¹

+380 bps

Adjusted
Operating Margin ^{1,2}

+132%

6-year Adjusted
EPS growth ^{1,2}

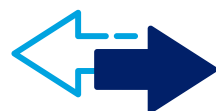
+600 bps

Customer service
scores ³



+222%

Total stock return ⁴



1.6x

Higher than S&P 500
total stock return ⁴



\$57_B

Capital return
to shareholders ⁵



2.8x

Increase in ROIC ⁶

Note:

¹ Growth in Sales, Adjusted Operating Margin (which represents Adjusted Operating Income as a percentage of Sales), and Adjusted Earnings per Share (EPS) based on mid-point of full year 2024 outlook.

² Adjusted Operating Margin and Adjusted EPS are non-GAAP financial measures. Please refer to the reconciliation of non-GAAP financial measures in the appendix for fiscal year 2018. The Company does not provide a reconciliation for non-GAAP estimates on a forward-looking basis where it is unable to provide a meaningful or accurate calculation or estimation of reconciling items (which may be significant) without unreasonable effort, including timing of adjustments associated with the sale of the Canadian retail business.

³ Customer service scores measured Q3 2018 – Q3 2024.

⁴ Total stock return for Lowe's and S&P 500 calculated for the periods November 30, 2018 – November 30, 2024.

⁵ Capital return to shareholders calculated for periods Q1 2019 – Q3 2024.

⁶ Return on Invested Capital (ROIC) is calculated using a non-GAAP financial measure and growth is based on four quarters ending November 1, 2024, compared to four quarters ending February 1, 2019. Refer to the appendix for a reconciliation of non-GAAP financial measures.

Accomplished leadership team



30+
YEARS
experience

Bill Boltz
EVP, Merchandising



15+
YEARS
experience

Janice Dupré
EVP, Human Resources



25+
YEARS
experience

Seemantini Godbole
EVP, Chief Digital &
Information Officer



25+
YEARS
experience

Joe McFarland
EVP, Stores



30+
YEARS
experience

Juliette Pryor
EVP, Chief Legal Officer
& Corp. Secretary



20+
YEARS
experience

Brandon Sink
EVP, Chief Financial Officer



20+
YEARS
experience

Margi Vagell
EVP, Supply Chain



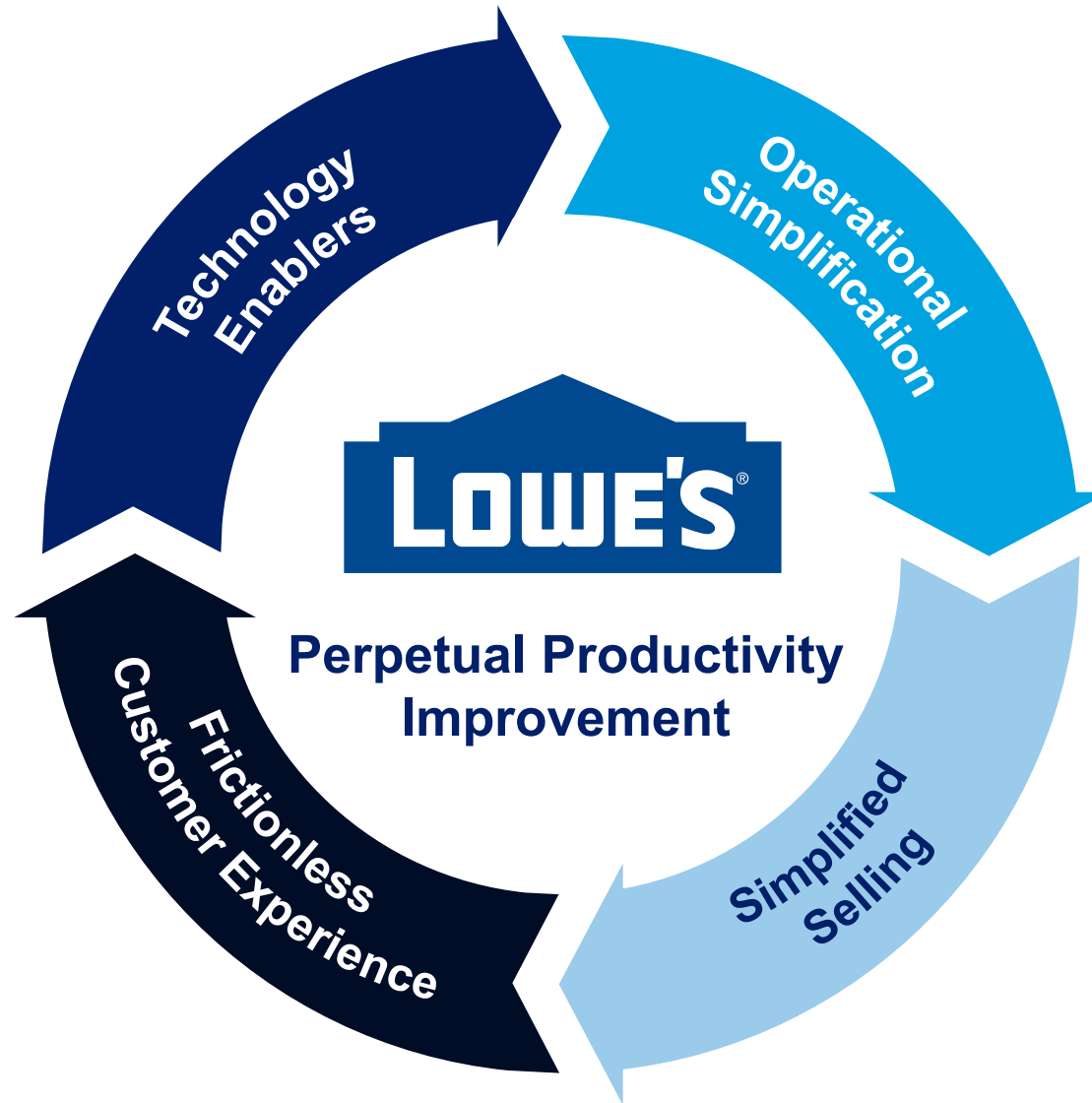
25+
YEARS
experience

Quonta Vance
EVP, Pro & Home Services

Culture of continuous improvement



LAUNCHED PERPETUAL PRODUCTIVITY IMPROVEMENT (PPI) ACROSS THE COMPANY



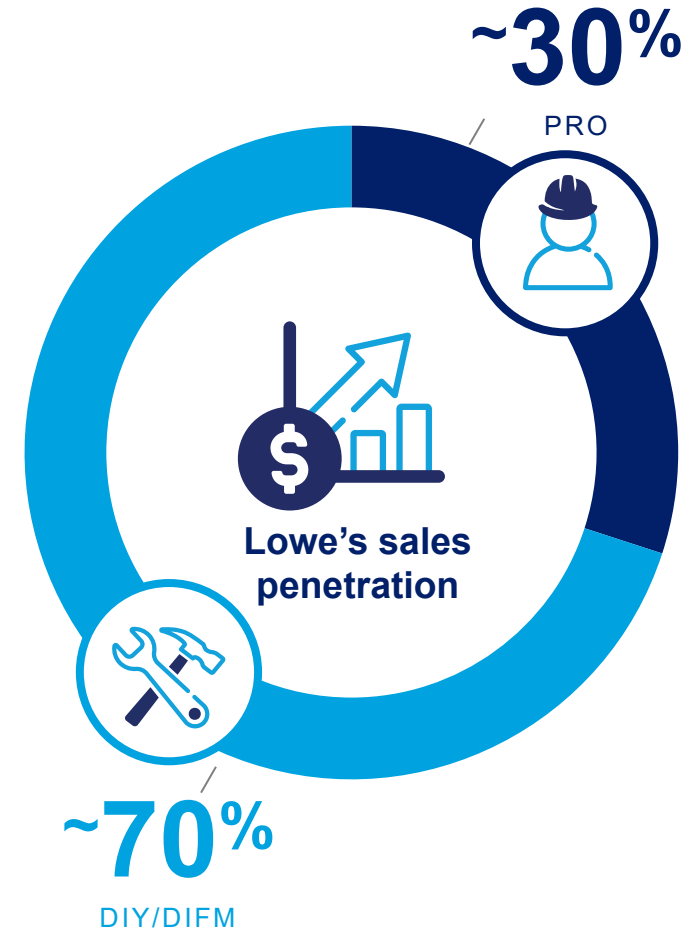
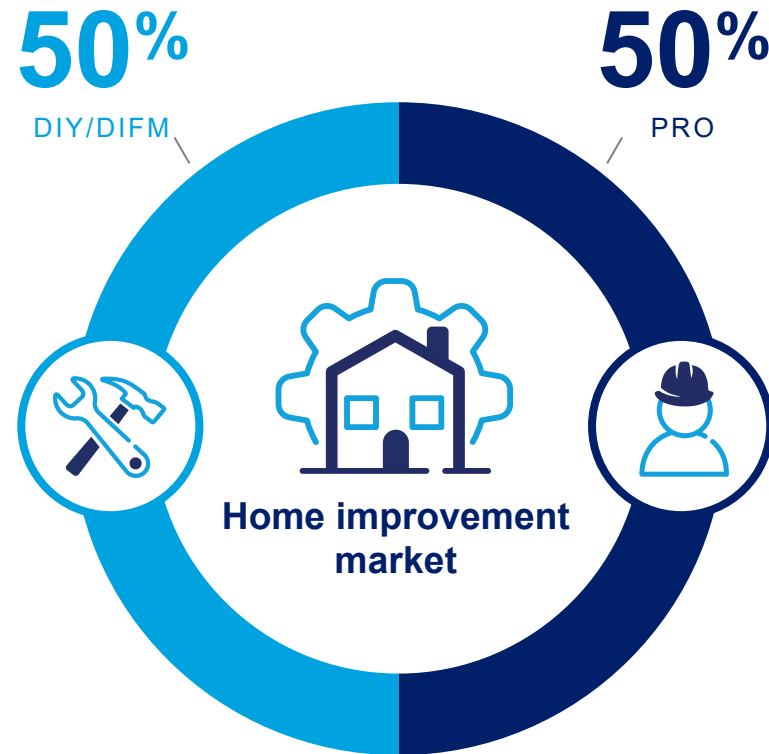
Home improvement market



AMPLE OPPORTUNITY TO EXPAND MARKET SHARE



U.S. HOME IMPROVEMENT (HI)
TOTAL ADDRESSABLE MARKET



Home improvement market outlook



MORE DIFFICULT BACKDROP THAN ANTICIPATED

Primary drivers remain strong



Home price appreciation



Disposable personal income



Aging housing stock

Temporary headwinds



COVID pull forward of HI spending



Inflation & higher interest rates



Prioritizing experiences over goods

Home improvement market recovery



SUPPORTED BY CYCLICAL AND STRUCTURAL DEMAND DRIVERS

CYCLICAL FACTORS



Lower interest & mortgage rates



Improving consumer confidence



Normalization of spending on goods

DEMOGRAPHIC TRENDS



Millennial household formation



Baby Boomers aging in place



Extension of remote work

Phased recovery expected



Lower interest & mortgage rates



Improving consumer confidence



Equity extraction, tapping record \$35T homeowner equity



Homeowners re-engage first in simpler refresh and repair projects...



...then engage in more complex remodel projects

2025 AND BEYOND

DIY and Pro customer overview



OUR TARGET CUSTOMERS



DIY/DIFM



Millennial homeowners
with kids



Baby Boomers



SMALL-TO-MEDIUM PRO



Tradespeople



Repair &
remodelers



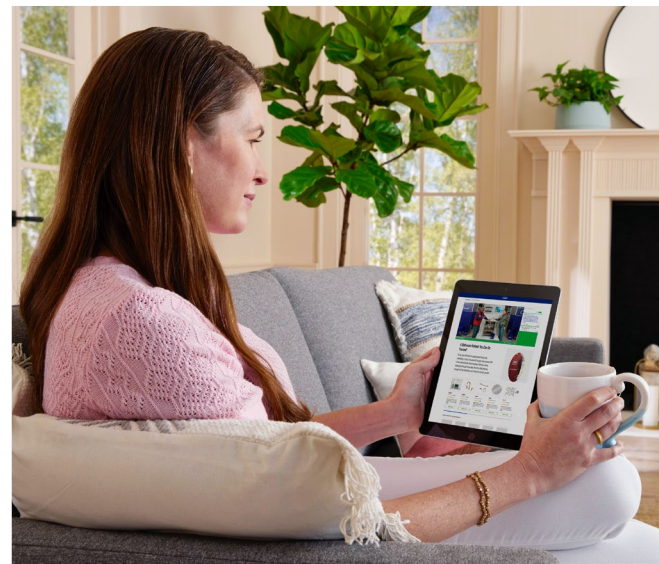
Property
managers

We Help. You Save.

LOWE'S DISTINCT VALUE COMMITMENT THAT SETS US APART



Delivering the most helpful experiences to save our customers time and money

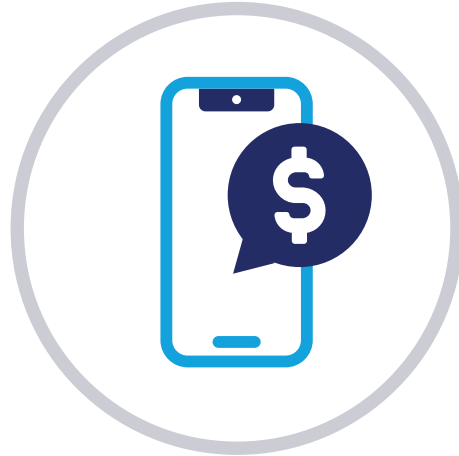


Total Home Strategy 2025

CAPTURING MARKET SHARE ACROSS DIY AND PRO



Drive
Pro penetration



Accelerate
online sales



Expand
home services



Create a
loyalty
ecosystem



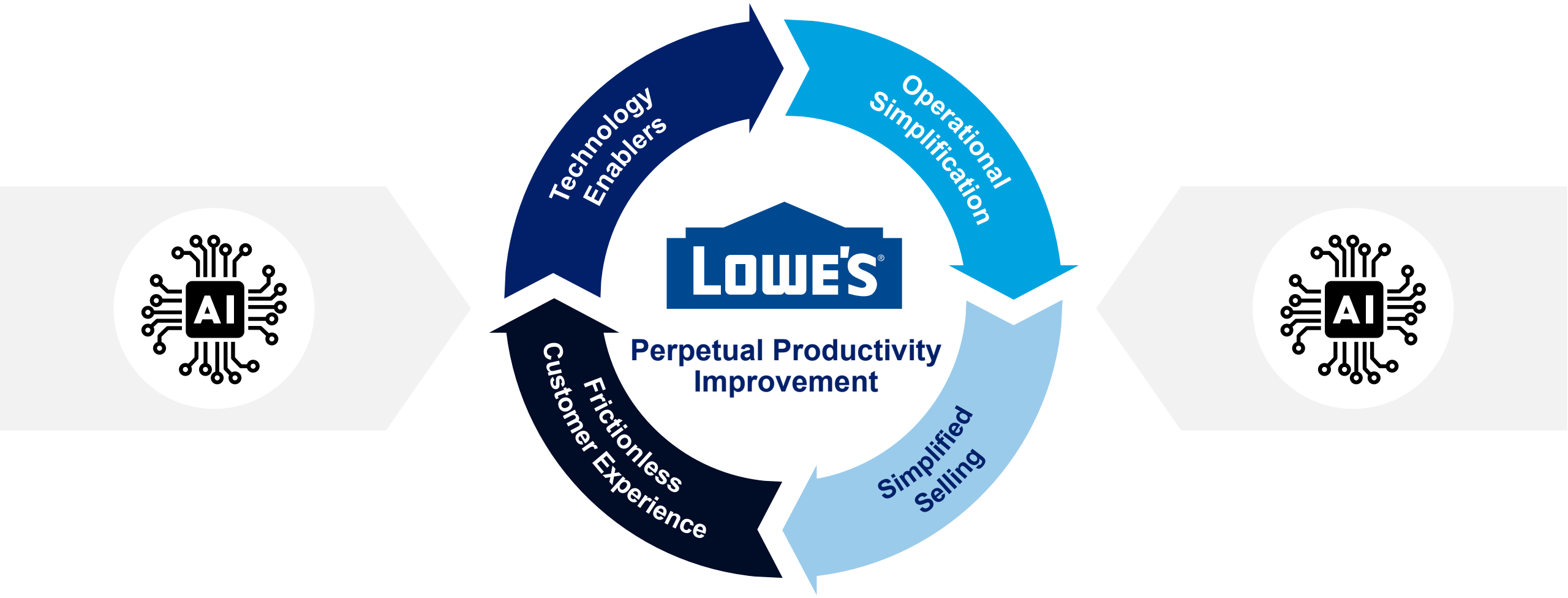
Increase
space
productivity

Helping to solve problems and fulfill dreams for the home

More productivity still ahead



ONLY IN THE MIDDLE INNINGS OF OUR PPI JOURNEY



Leveraging new AI-enabled solutions in our ongoing PPI roadmap, across the company

Key investment highlights



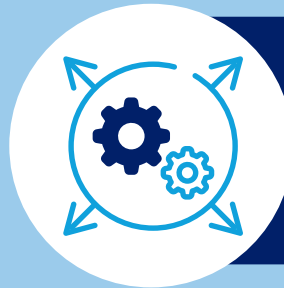
Favorable long-term industry trends & resilient business model



Well-capitalized and investing in omnichannel capabilities



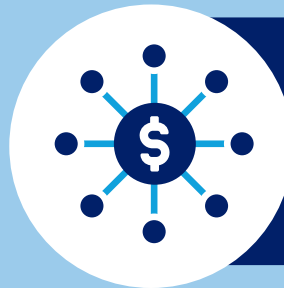
Well-positioned to capture share across DIY and Pro



Significant productivity expansion opportunity



Responsible corporate citizen



Disciplined capital allocation



Appendix

Reconciliation of Non-GAAP measures



Management of Lowe's Companies, Inc. (the Company) uses certain non-GAAP financial measures to provide additional insight for analysts and investors in evaluating the Company's financial and operating performance. These non-GAAP financial measures should not be considered alternatives to, or more meaningful indicators of, the Company's financial measures as prepared in accordance with GAAP. The Company's methods of determining these non-GAAP financial measures may differ from the methods used by other companies and may not be comparable.

The Company does not provide a reconciliation for non-GAAP estimates on a forward-looking basis where it is unable to provide a meaningful or accurate calculation or estimation of reconciling items (which may be significant) without unreasonable effort, including timing of adjustments associated with the sale of the Canadian retail business.

Operating Performance



The Company has provided the non-GAAP financial measures of adjusted operating income; adjusted operating margin; and adjusted diluted earnings per share for fiscal year 2018. These measures exclude the impacts of certain items, as further described below, not contemplated in the Company's business outlook for fiscal year 2018.

Fiscal 2018 Impacts

- During the fourth quarter of fiscal 2018, the Company recorded \$952 million of goodwill impairment associated with its Canadian operations (Canadian goodwill impairment).
- On August 17, 2018, the Company committed to exit its Orchard Supply Hardware operations. As a result, the Company recognized pre-tax charges of \$561 million associated with long-lived asset impairment and discontinued projects, accelerated depreciation and amortization, severance, and lease obligation costs in fiscal year 2018 (Orchard Supply Hardware charges).
- On October 31, 2018, the Company committed to close 20 under-performing stores across the U.S. and 31 locations in Canada, including 27 under-performing stores. As a result, the Company recognized pre-tax charges of \$271 million associated with long-lived asset impairment, severance, lease obligation costs, and accelerated depreciation in fiscal year 2018 (U.S. and Canada charges).
- On November 20, 2018, the Company announced its plans to exit retail operations in Mexico and was exploring strategic alternatives. The Company recognized \$244 million associated with long-lived asset impairment in fiscal year 2018 (Mexico impairment charges).
- During the third quarter of fiscal 2018, the Company identified certain non-core activities within its U.S. home improvement business to exit, including Alacrity Renovation Services and Iris Smart Home. As a result, the Company recognized pre-tax charges of \$46 million primarily associated with long-lived asset impairment and inventory write-downs in fiscal year 2018 (Non-core activities charges).
- During fiscal year 2018, the Company recorded a pre-tax charge of \$13 million associated with severance costs due to the elimination of the Project Specialists Interiors position (Project Specialists Interiors charge).

Operating Performance



The following measures are presented for comparison of operating performance for the fiscal year ended February 1, 2019:

Adjusted Operating Income (in millions, except percentage data)	Year Ended	
	February 1, 2019	
Net Sales, As Reported	\$	71,309
Operating Income, As Reported	\$	4,018
Canadian goodwill impairment		952
Orchard Supply Hardware charges		561
U.S. and Canada charges		271
Mexico impairment charges		244
Non-core activities charges		46
Project Specialists Interiors charge		13
Adjusted Operating Income	\$	6,105
Operating Margin, % of sales		5.64%
Adjusted Operating Margin, % of sales		8.56%

Operating Performance



Adjusted Diluted Earnings Per Share	Year Ended		
	February 1, 2019		
	Pre-Tax Earnings	Tax ¹	Net Earnings
Diluted Earnings Per Share, As Reported			\$ 2.84
Canadian goodwill impairment	1.17	(0.03)	1.14
Orchard Supply Hardware charges	0.68	(0.17)	0.51
U.S. and Canada charges	0.33	(0.08)	0.25
Mexico impairment charges	0.30	0.01	0.31
Non-core activities charges	0.06	(0.02)	0.04
Project Specialists Interiors charge	0.02	—	0.02
Adjusted Diluted Earnings Per Share			\$ 5.11

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

Capital / Asset productivity measures



Return on Invested Capital

Return on Invested Capital (ROIC) is calculated using a non-GAAP financial measure. Lowe's 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)/equity. 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:

Capital / Asset productivity measures



ROIC (in millions, except percentage data)	For the Periods Ended	
	November 1, 2024	February 1, 2019
Numerator		
Net Earnings	\$ 6,853	\$ 2,314
Plus:		
Interest expense, net	1,333	624
Operating lease interest ¹	172	206
Provision for income taxes	2,137	1,080
Lease adjusted net operating profit	10,495	4,224
Less:		
Income tax adjustment ²	2,495	1,344
Lease adjusted net operating profit after tax	\$ 8,000	\$ 2,880
Denominator		
Average debt and shareholders' (deficit)/equity ³	\$ 25,603	\$ 25,713
Net Earnings to Average Debt and Shareholders' (Deficit)/Equity	26.8%	9.0%
Return on Invested Capital	31.2%	11.2%

¹ Includes a proforma estimate of operating lease interest for the period ended February 1, 2019, prior to the adoption of ASU 2016-02, Leases (Topic 842).

² Income tax adjustment is defined as lease adjusted net operating profit multiplied by the effective tax rate, which was 23.8% and 31.8% for the periods ended November 1, 2024, and February 1, 2019, respectively.

³ Average debt and shareholders' (deficit)/equity 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)/equity.