



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.



Financial update

BRANDON SINK, CHIEF FINANCIAL OFFICER

Affirming 2024 financial outlook



~\$**83.0-83.5B**

Sales

Comparable Sales (-3.0% to -3.5%)

12.3 to 12.4%

Adjusted Operating Margin^{1,2}

\$11.80 - \$11.90

Adjusted Diluted EPS²

~\$**2B**

Capital Expenditures

¹ Adjusted Operating Margin represents Adjusted Operating Income as a percentage of Sales.

² Adjusted Operating Income, Adjusted Operating Margin, and Adjusted Diluted Earnings per Share (EPS) are non-GAAP financial measures that exclude the gains associated with the 2022 sale of the Canadian retail business, recorded in the second and third quarter of 2024. 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.

2025 home improvement sector outlook

BALANCE OF EXPECTED DEMAND DRIVERS AND PERSISTENT CHALLENGES

TAILWINDS



Home price appreciation



Record oldest U.S. housing stock



Real disposable income growing faster than inflation



Continued demand for Pro services

HEADWINDS



Elevated interest & mortgage rates



Weak consumer sentiment



Lock-in effect

Lowe's relevant market is expected to range from -3% to +3% in 2025

(Relevant market ~70% DIY / ~30% Pro vs. Total Market of 50% Pro / 50% DIY)

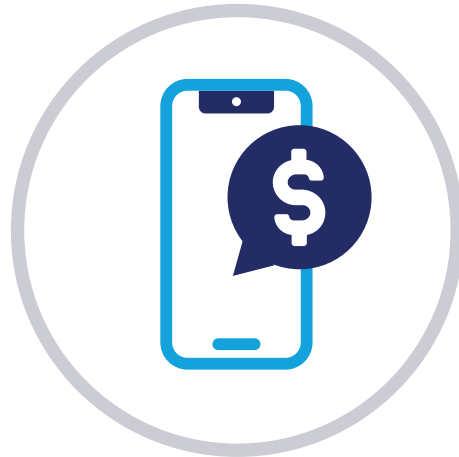
Investing in the Total Home Strategy



DRIVING LONG-TERM SHARE GAINS THROUGH MULTIPLE GROWTH INITIATIVES



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

2025 scenario planning



UNCERTAINTY AROUND TIMING AND VELOCITY OF HOME IMPROVEMENT MARKET RECOVERY

	Fiscal 2025 Scenarios ^{1,2,3}			
	OUTLOOK 2024 ³	ROBUST MARKET	MODERATE MARKET	WEAK MARKET
TOTAL SALES Comp Sales	\$83.0 – 83.5B (3.5%) – (3.0%)	\$87B +4%	\$84B +1%	\$82B (2%)
ADJ. OPERATING MARGIN % of Sales	12.3 - 12.4%	12.7%	12.4%	12.0%
ROIC		32%	30%	28%
RELEVANT MARKET		+3%	Flat	(3%)

¹ Fiscal 2025 Return on Invested Capital (ROIC) in all scenarios assumes repayment of \$2.5B in bond maturities, an effective tax rate of ~25%, and capital expenditures of ~\$2.5B. Share repurchase assumptions are ~\$1.5B in the Robust Market scenario, ~\$1B in the Moderate Market scenario, and ~\$0.5B in the Weak Market scenario.

² Fiscal 2025 scenarios do not contemplate impact of potential incremental tariffs, as timing and details remain uncertain.

³ Adjusted Operating Margin is a non-GAAP measure and ROIC is calculated using a non-GAAP financial measure. Full year 2024 outlook for Adjusted Operating Margin excludes the gains associated with the 2022 sale of the Canadian retail business, recorded in the second and third quarter of 2024. 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.



FY 2026+

AFTER EXPECTED HI MARKET RETURN TO SUSTAINABLE GROWTH

Returning to long-term market growth



ONCE HOME IMPROVEMENT MARKET STABILIZES, EXPECT ANNUAL LSD TO MSD GROWTH RATES

MEDIUM-TO-LONG TERM MARKET OUTLOOK (3 TO 5 YEARS)

Base HI Market Outlook

RELEVANT MARKET GROWTH

+Low Single Digit

CYCLICAL DRIVERS OF GROWTH

- Lower interest and mortgage rates
- Improving consumer confidence
- Strong home prices
- Strong disposable income
- Aging housing stock

Accelerated HI Market Outlook

RELEVANT MARKET GROWTH

+Mid Single Digit

CYCLICAL DRIVERS BOLSTERED BY LONG-TERM TRENDS

- Millennial household formation
- Baby boomers aging in place
- Continued remote work
- Home equity extraction

Lowe's profit expansion



SALES LEVERAGE AND PRODUCTIVITY GAINS DELIVER OPERATING MARGIN AND ROIC EXPANSION

Expectations for 2026+ after market returns to sustainable growth

	Base Market Growth (+LSD)	Accelerated Market Growth (+MSD)
 <p>COMP SALES GROWTH</p>	+~3% / YEAR	+~5% / YEAR
 <p>OPERATING MARGIN</p>	+~30 BPS / YEAR	+~50 BPS / YEAR
 <p>ROIC</p>	+~50 BPS / YEAR	+~100 BPS / YEAR
 <p>SALES PERFORMANCE RELATIVE TO MARKET</p>	+100 BPS	+100 BPS



PROFITABILITY ALGORITHM

- Operating margin expansion driven by sales leverage
- Gross margins roughly flat as PPI initiatives offset Pro & Supply Chain investments
- OPEX PPI initiatives offset inflationary pressures & strategic investments
- Delivering on Lowe's value commitment to customers

Merchandising and Supply Chain PPI



MERCHANDISING AND SUPPLY CHAIN PPI

AVERAGE ANNUAL IMPACT

~\$500M

- Optimize product margins to support every day competitive prices for customers
- Win-win supplier relationships
- Leverage supply chain as a catalyst to enable sales and inventory productivity

KEY EFFORTS

- ✓ Product cost management
- ✓ Increase private brand penetration
- ✓ Drive inventory productivity
- ✓ Data-driven pricing and promotions
- ✓ Accelerate growth of Lowe's Media Network
- ✓ Reduce transportation costs
- ✓ Rationalize our supply chain footprint
- ✓ Leverage supply chain technology and process optimization

OPEX Productivity

STORE OPERATIONS AND OTHER OPEX PPI



AVERAGE ANNUAL IMPACT

~\$500M

- Supports Lowe's value commitment to customers: **We Help. You Save.**
- Drive strong customer satisfaction and loyalty through seamless omnichannel shopping experience
- Higher levels of associate engagement

KEY EFFORTS

- ✓ Finalize front-end transformation
- ✓ Improve omni fulfillment experience
- ✓ Optimize freight flow
- ✓ Further reduce returns rate
- ✓ New Dwell technology
- ✓ Tech-enabled productivity across all support functions

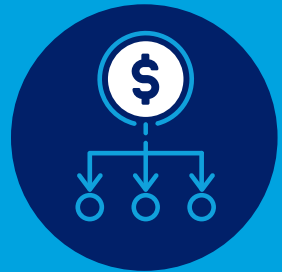
Value creation roadmap



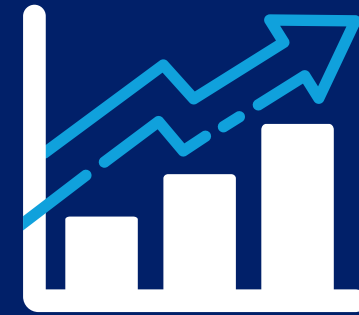
**Core operational
excellence**



**Significant cash
flow generation**



**Optimized capital
deployment**



**Enhanced
shareholder
returns**

Robust shareholder returns



ROBUST CASH FLOWS AND BEST-IN-CLASS CAPITAL ALLOCATION DRIVE VALUE CREATION

Expectations for 2026 and beyond after market returns to sustainable growth



OPERATING
CASH FLOWS

\$9B to \$10B
per year



CAPITAL
EXPENDITURES

~\$2.5B per year
(includes 10-15
new stores
per year)



NET DEBT

\$1B to \$2B
per year after
returning
to leverage
target

Commitment to
BBB+/Baa1 debt rating



CASH AVAILABLE
TO RETURN
TO SHAREHOLDERS

\$7.5B to \$9.5B
per year

Strong record of capital allocation



FUND GROWTH

Invest in the Business

Strategic Outlays

GROWTH

OPPORTUNISTIC

- Run the business
- Strategic investments
- New store growth

- Build or acquire capabilities
- Minimum risk adjusted hurdle rate: Mid-teens

RETURN OF CAPITAL

Balance Sheet Management

Dividends

Share Repurchases

STRONG

CONSISTENCY

VALUE-ENHANCING

- Return to target leverage (Adjusted Debt to EBITDAR) ratio of 2.75x
- Solid investment grade rating of BBB+ / Baa1

- Target payout ratio of 35%
- Strong track record of increases for over 25+ years

- Return excess capital to shareholders via share repurchases
- ~\$12B authorization¹

¹Share repurchase authorization as of November 1, 2024.

Key investment highlights



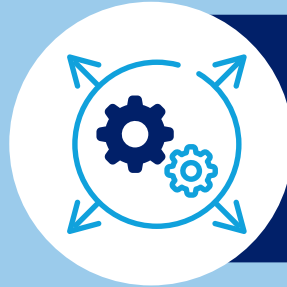
Favorable long-term industry trends & resilient business model



Well-capitalized and investing in omnichannel capabilities



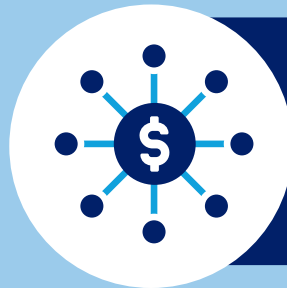
Well-positioned to capture share across DIY and Pro



Significant productivity expansion opportunity



Responsible corporate citizen



Disciplined capital allocation



Appendix

Non-GAAP disclosure



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.