2022 Financial Outlook

DECEMBER 15, 2021

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, business outlook, priorities, sales growth, shareholder value, capital expenditures, cash flows, the housing market, the home improvement industry, demand for products and services, share repurchases, 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 the rate of unemployment, interest rate and currency fluctuations, fuel and other energy costs, slower growth in personal income, changes in consumer spending, changes in the rate of housing turnover, the availability of consumer credit and of mortgage financing, changes in commodity prices, trade policy changes or additional tariffs, outbreaks of public health crises, such as the COVID-19 pandemic, availability and cost of goods from suppliers, and other factors that can negatively affect our customers.

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

Non-GAAP disclosure

Management of Lowe's Companies, Inc. (the Company) uses certain non-GAAP financial measures and considers them to be important supplemental measures of the Company's performance. In addition, management believes these non-GAAP financial measures 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.

Please refer to the appendix for a reconciliation between the company’s reported GAAP and non-GAAP financial measures. 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 and the information is not available without unreasonable effort.

Marvin Ellison

CHAIRMAN AND CEO

Responsible corporate citizen

Sustainability

- Reduced enterprise GHG emissions by 29.8% since 2016
- Generated 160,000+ MWh of renewable energy in 2020
- $7B+ in customer lifetime savings from Lowe's ENERGY STAR® products and $10.4B in customer lifetime savings from Lowe's WaterSense® products sold in 2020

Our Associates

- Providing a diverse, equitable and inclusive workplace where our associates can grow and thrive
- Invested well over $2B in incremental wages and equity programs for front-line associates from 2018-21
- Investing in training and development, including opening Lowe's U in all stores

Our Communities

- Contributed $150M+ to support our communities in 2020, including $55M in grants to rural and diverse-owned small businesses
- Contributed $10M to 100 hometowns in honor of our centennial in 2021
- Making it... with Lowe's, which allows small businesses to pitch products directly to Lowe's

Home Improvement market outlook

SECULAR TAILWINDS DRIVING HOME IMPROVEMENT DEMAND

Traditional Drivers

- Strong **home price appreciation** trends
- **Aging housing** stock
- **Healthy consumer** balance sheets
- Mortgage rates **near all-time lows**

COVID Impacts

- Increased **wear and tear** due to **remote work**
- **Consumer mindset** focused on the home
- Accelerated **millennial** household formation
- Baby Boomers choosing to **age in place**

LOWE'S

Total Home Strategy

MARKET SHARE ACCELERATION

Drive **Pro penetration**

Accelerate **online business**

Expand **installation services**

Drive **localization**

Elevate **assortment**

Providing a **full complement of products and services** for Pros and consumers alike, enabling a Total Home solution for every need in the home

Lowe's is committed to the Pro

Dedicated Pro loaders

Pro Drop Zone

Job lot quantities

Pro CRM

Expanding Pro brands and products

- BOSCH
- DEWALT
- EATON
- ESTWING
- FastenMaster PRO Driven
- GRK FASTENERS
- ITW
- Little Giant
- Lufkin
- MARSHALLTOWN U.S.A.
- metabo PROFESSIONAL POWER TOOL SOLUTIONS
- SharkBite
- SIMPSON Strong-Tie
- SPYDER
- WERNER

Added in 2021

- FLEX
- LESCO
- MANSFIELD
- SPAX ENGINEERED FASTENERS

Driving long-term Pro growth

+24%

2021 YTD Pro Sales Comp

~$450B

Total Addressable Market

Pro Sales Target

Grow at 2x market rate for next 3 years

2021 Highlights

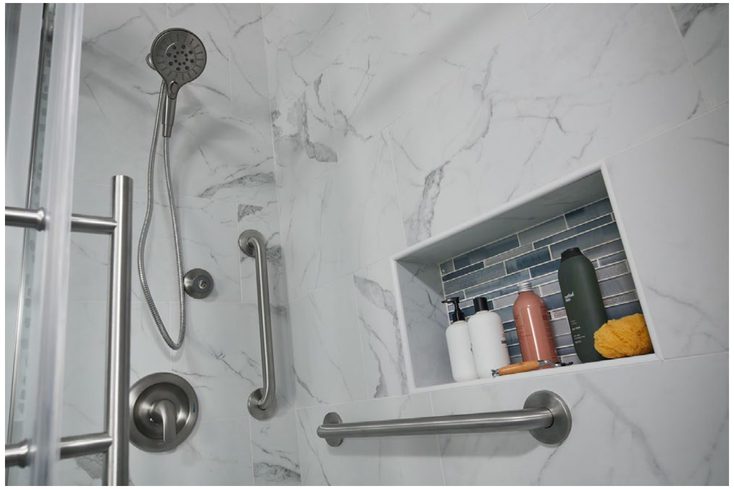
- Re-platformed Lowes4Pros.com to the cloud
- Introduced new brands and products
- Enhanced Pro experience

Launching Lowe's Livable Home

MODIFYING CUSTOMERS' HOMES TO FIT THEIR LIFESTYLE NEEDS

Lowe's Livable Home

AARP®
Real Possibilities



Increasing private brand penetration

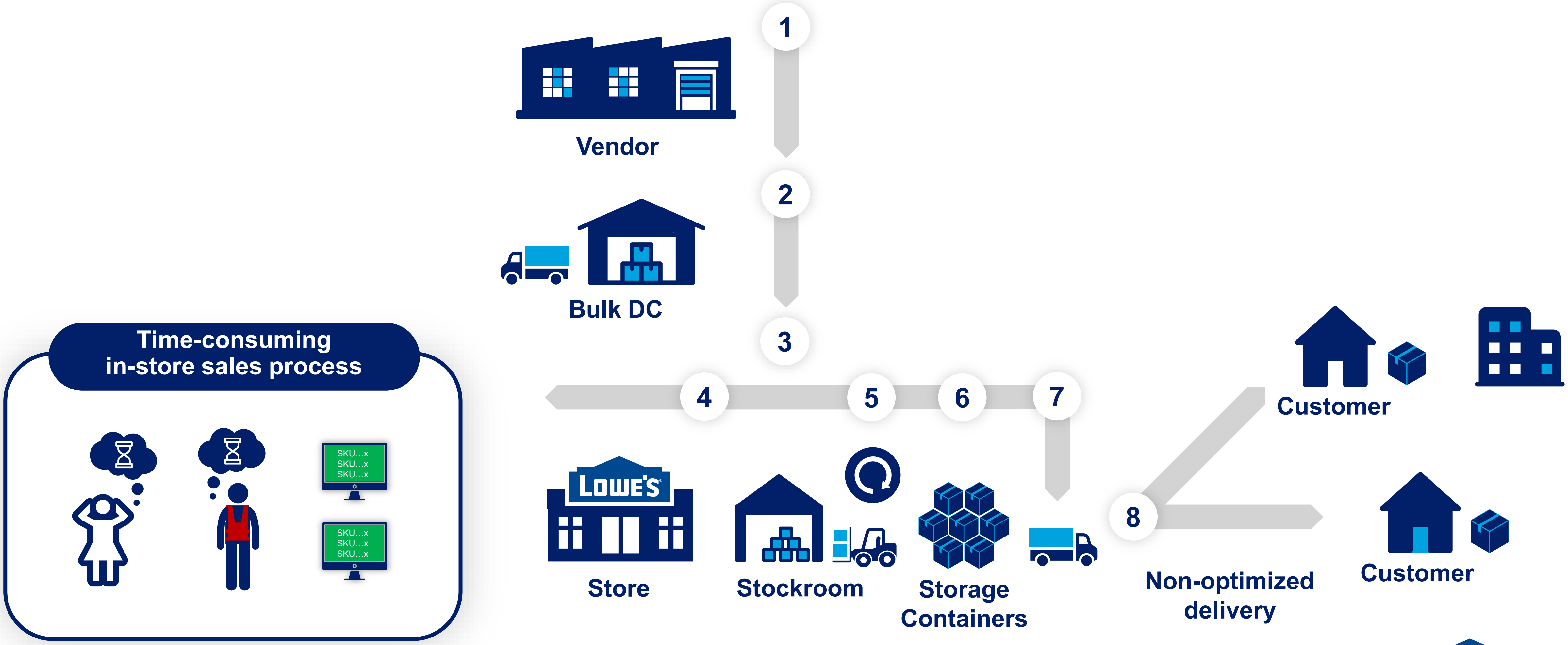
WITHIN A BALANCED BRAND STRATEGY

Launching Origin 21

Extending exclusive STAINMASTER lineup

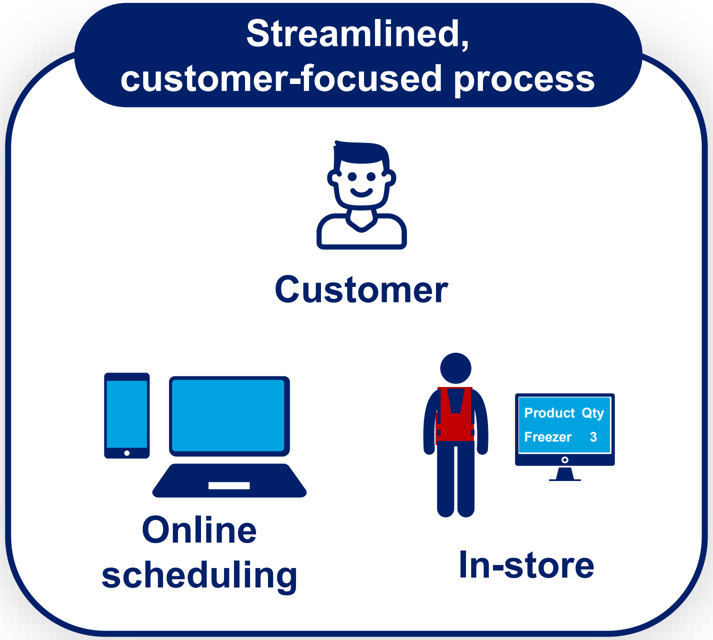
Transitioning from store delivery model…

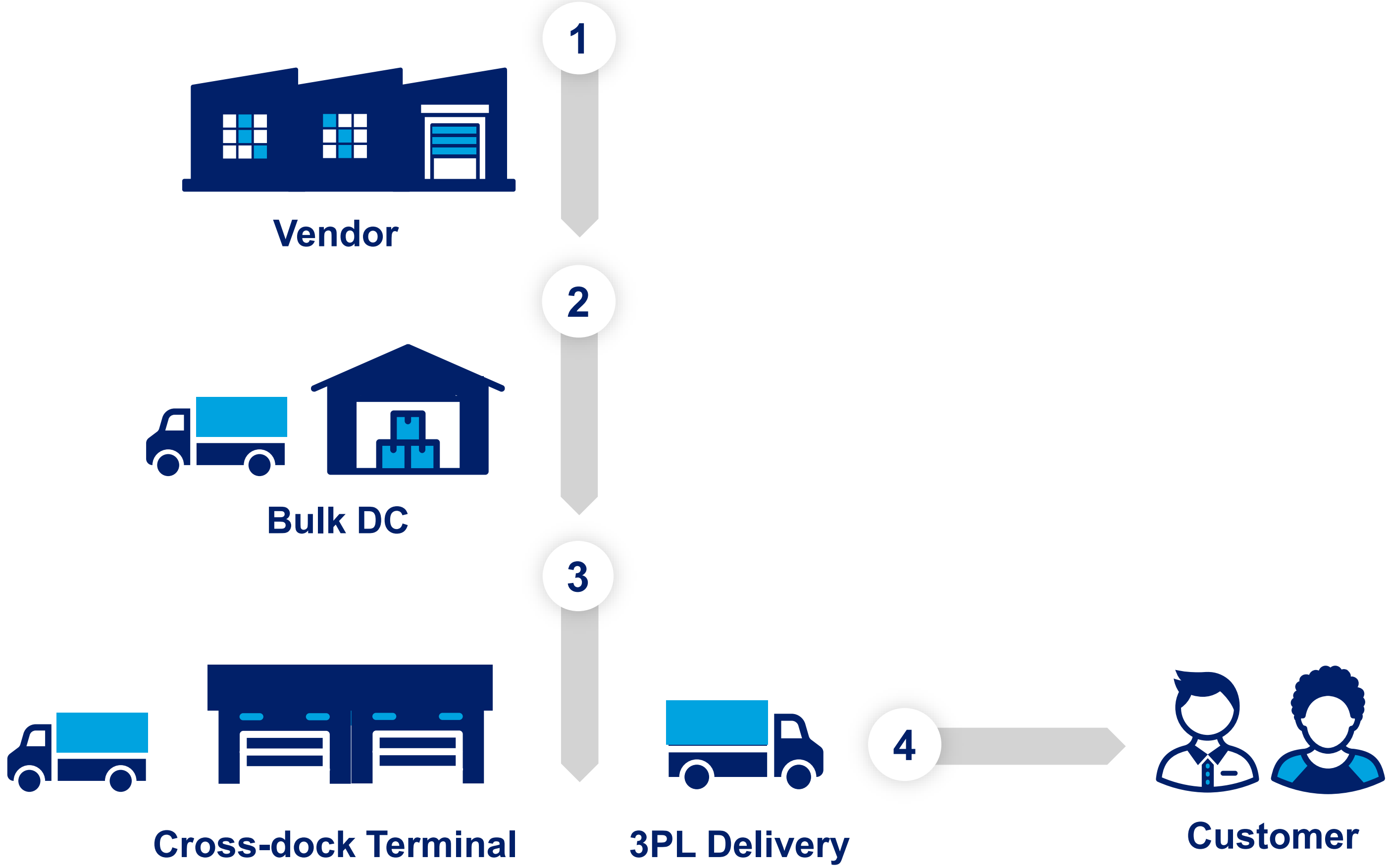
INEFFICIENT AND OVERLY COMPLICATED



…to market delivery model

FULLY ROLLED OUT IN 2023

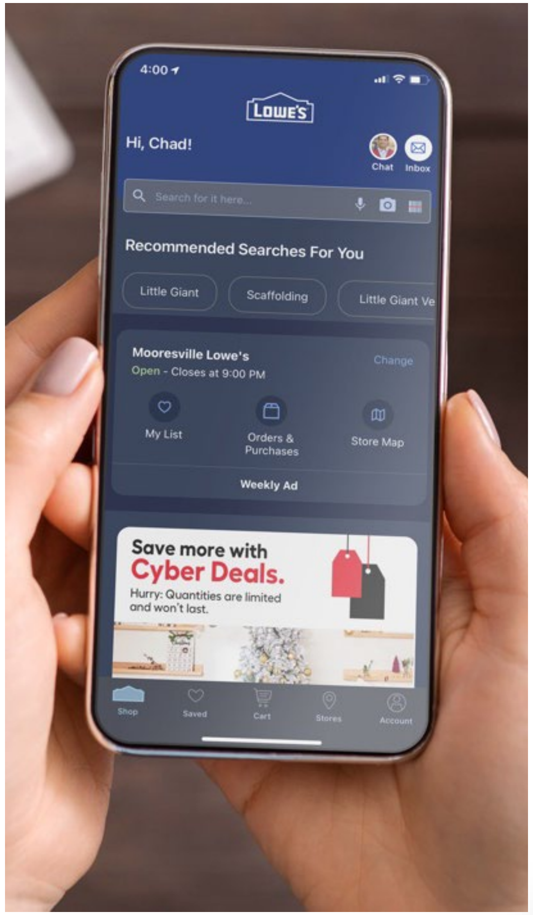




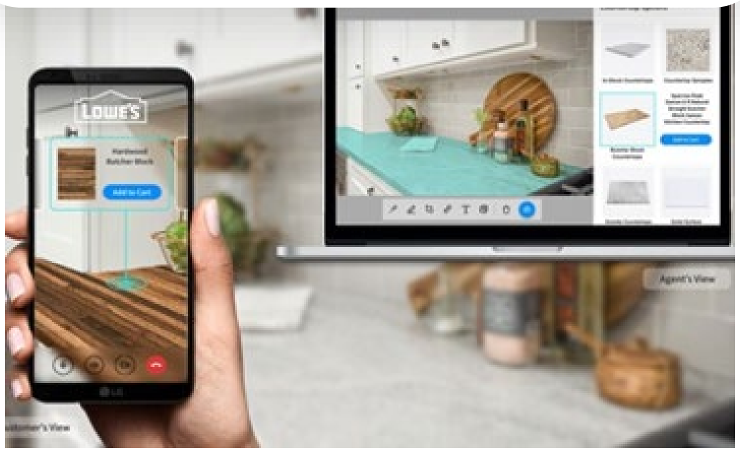
Drives **operating margin expansion, incremental sales,** improved **inventory turns** and better **customer experience**

Omni-channel evolution

TRANSFORMING ONLINE USER EXPERIENCE…



Innovating to add product visualization & configuration



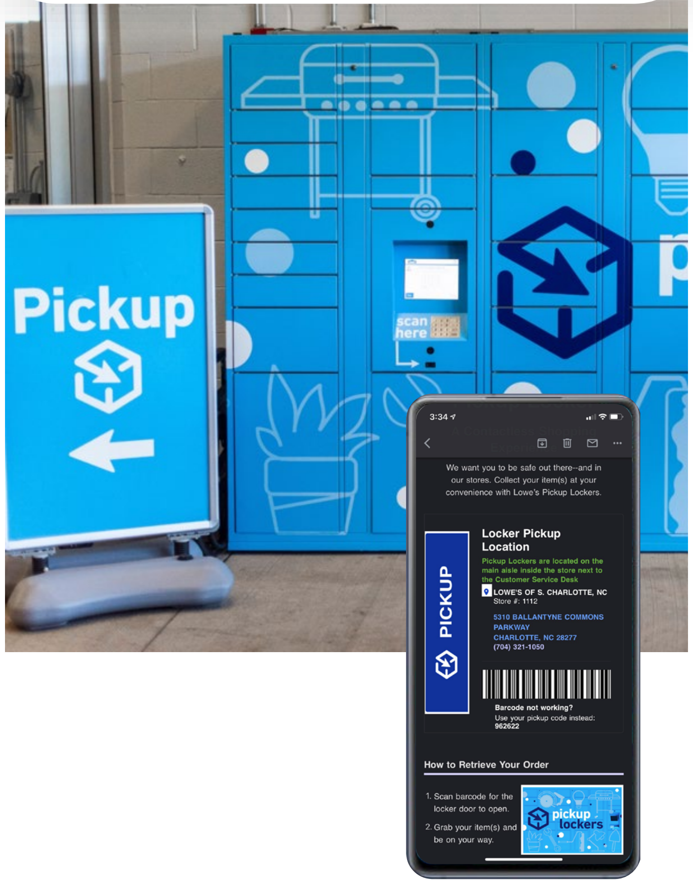
Launching "Measure Your Space" … end-to-end room scanning & measurement tool

Omni-channel evolution

...AND EXPANDING BOPIS AND FULFILLMENT OPTIONS

Curbside pickup

New touchless lockers



Leverage 10k sq ft backroom for same-day / next-day fulfillment

Elevating brand reputation

#1 Specialty Retailer

FORTUNE
WORLD'S MOST ADMIRED COMPANIES® 2021

3 years in a row

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

#22 Overall in 2021

AXIOS × The Harris Poll
A STAGWELL COMPANY

Recognized by leading voices in Diversity and Inclusion

HUMAN RIGHTS CAMPAIGN FOUNDATION
BEST PLACES TO WORK for LGBTQ Equality 2021
100% CORPORATE EQUALITY INDEX

DEI BEST PLACE TO WORK FOR DISABILITY INCLUSION 2021
100% DISABILITY EQUALITY INDEX

MILITARY FRIENDLY® COMPANY 2022

Total Home Strategy

MARKET SHARE ACCELERATION

Drive **Pro penetration**

Accelerate **online business**

Expand **installation services**

Drive **localization**

Elevate **assortment**

Providing a **full complement of products and services** for Pros and consumers alike, enabling a Total Home solution for every need in the home

Dave Denton

EVP, CHIEF FINANCIAL OFFICER

Value Creation Roadmap

Core operational excellence

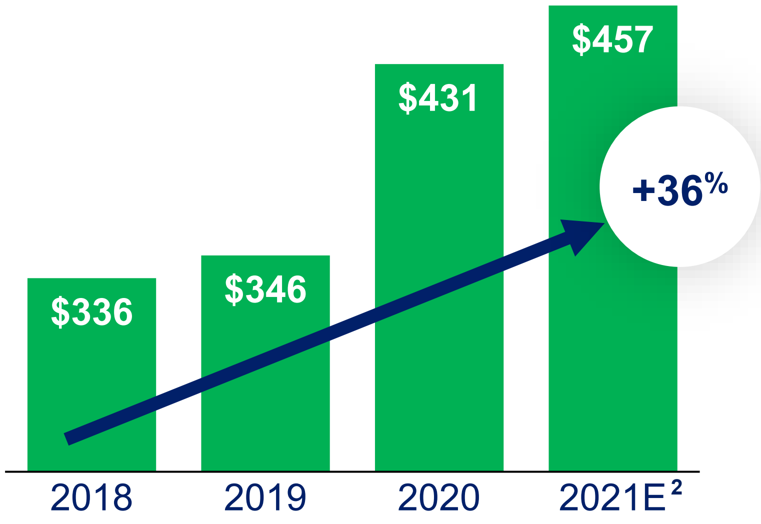
Significant cash flow generation

Optimized capital deployment

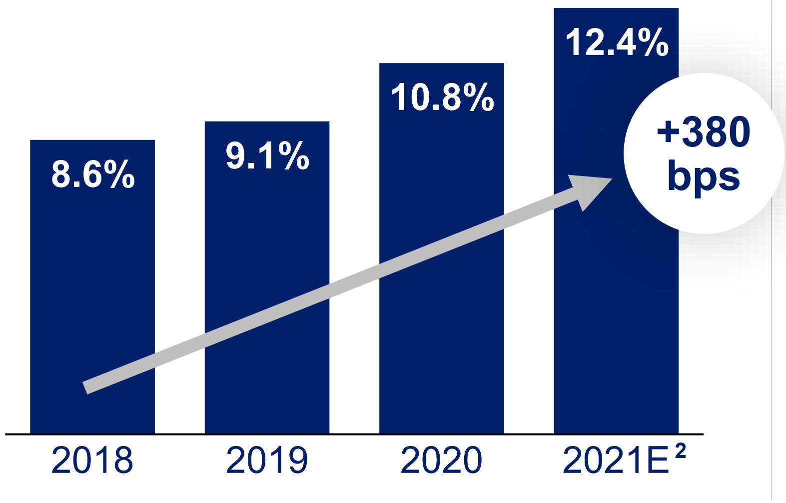
Enhanced shareholder returns

Strong operating performance

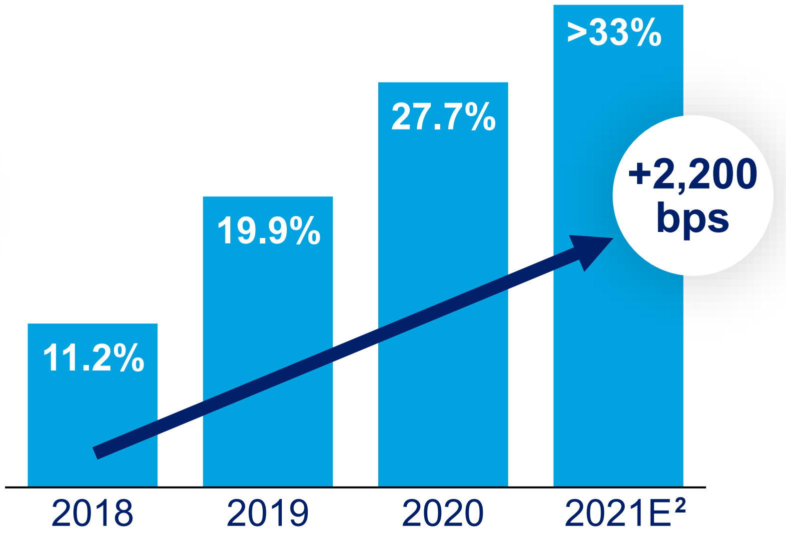
SALES PER SQUARE FOOT



ADJ. OPERATING MARGIN[1]



RETURN ON INVESTED CAPITAL (ROIC)[1]



Over $30B returned to shareholders, 2018-2021

[1] Adjusted operating margin and return on invested capital are non-GAAP financial measures. Refer to the appendix for a reconciliation between the company's GAAP and non-GAAP financial measures.
[2] 2021 expected results are based on FY2021 outlook. FY2021 expected results reflect comparisons to the non-GAAP financial measure of adjusted operating margin for fiscal years 2018-2020 and do not exclude any discrete items from that same measure presented on a GAAP basis.

Affirming 2021 financial outlook

\$95B
Sales
~33% 2-YR COMP

Gross Margin rate up slightly vs. prior year

12.4%
Operating Margin[1]

~\$2B
Capital Expenditures

~\$12B
Share Repurchases

>33%
ROIC[2]

[1] Operating income as a percentage of sales
[2] Return on Invested Capital is a Non-GAAP financial measure

Lowe's 2022 relevant market expectations

Relevant market expected to **decline mid-single digits**

~$**900B**

Total Addressable Market

~**75/25%**

Lowe's DIY / Pro Mix

~**50/50%**

NAICS DIY / Pro Mix

2022 financial outlook

OUTPERFORM RELEVANT MARKET BY 300-400 BPS

$94-97B **Sales**[1] Comparable Sales (-3% to Flat)	12.5-12.8% **Operating Margin**[2,3]	$12.25-$13.00 **Diluted EPS**[3]
~$2B **Capital Expenditures**	~$12B **Share Repurchases**	~35% **ROIC**[4]

[1] Sales include 53rd week for Fiscal 2022 and comparable sales excludes 53rd week
[2] Operating income as a percentage of sales
[3] Does not include impact from proposed excise tax for share repurchases
[4] Return on Invested Capital is a non-GAAP financial measure

2022 operating margin drivers

	Gross Margin	SG&A
Pricing & product cost management	✔	
Higher private brand penetration	✔	
Supply chain cost increases	✘	
Product inflation	✘	
Market Delivery Model	✘	✔
Perpetual Productivity Improvement (PPI)		✔
Wage & COVID cost increases		✘
	Gross Margin rate flat vs. prior-year	**SG&A levers 10 – 30 bps vs. prior-year[1]**

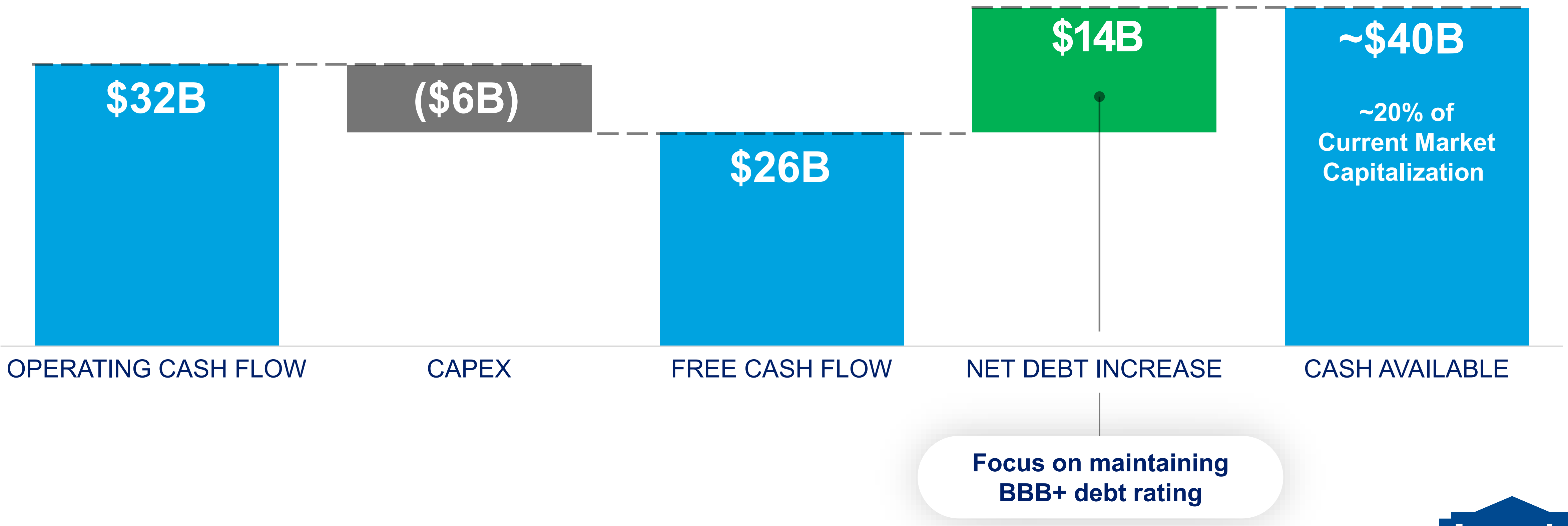
12.5 - 12.8%
2022 Operating Margin outlook

[1] SG&A as a percentage of sales is expected to decrease 10-30 basis points vs prior year

LOWE'S

Expecting to return nearly $40B in capital over next 3 years

CASH GENERATION & CAPITAL ALLOCATION
ARE MAJOR CONTRIBUTORS TO VALUE CREATION



Continue to enhance shareholder value

Cash available for enhancing shareholder value

~\$15B[1] annually

Return on Invested Capital

Drive ROIC with profit-enhancing projects

Dividends

Target payout ratio of 35%

Share repurchases

~\$12B[1] annually value-creating

Board increased share repurchase authorization to total of \$20B

[1] Company plans to repurchase ~\$12B annually until reaching 2.75x leverage target

Key investment highlights

Favorable Industry Backdrop & Resilient Business Model

Well-Capitalized Big Box Retailers Investing in
Omni-channel Capabilities in Advantageous Position

Taking Market Share Across DIY and Pro

Significant Productivity Expansion Opportunity

Responsible Corporate Citizen

Disciplined Capital Allocation

APPENDIX

Strong record of capital allocation

FUND GROWTH

Invest in the Business

Growth

- Run the business
- Strategic omni-channel investments

Strategic Outlays

Opportunistic

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

RETURN OF CAPITAL

Balance Sheet Management

Strong

- Return to target leverage (Adjusted Debt to EBITDAR) ratio of 2.75x over next two years
- Solid investment grade rating of BBB+

Dividends

Consistency

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

Share Repurchase

Value-Enhancing

- Plan to repurchase ~$12B in 2021 and 2022
- ~$20B authorization

Reconciliation of Non-GAAP measures

Management of Lowe's Companies, Inc. (the Company) uses certain non-GAAP financial measures and considers them to be important supplemental measures of the Company's performance. In addition, management believes these non-GAAP financial measures 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's non-GAAP financial measures are intended to provide better visibility to the following:

1. Operating performance, and
2. Capital/asset productivity measures.

Operating performance

The Company has provided the non-GAAP financial measure of adjusted operating margin for fiscal years 2020, 2019, and 2018 for comparing its operating performance to the Lowe's Business Outlook for fiscal year 2021. This measure excludes the impacts of certain discrete items, as further described below, to assist the user in further understanding the Company's operational performance for fiscal years 2020, 2019 and 2018.

The non-GAAP financial measure of operating margin presented as part of the outlook for fiscal 2021 reflects comparisons to the respective non-GAAP financial measures for fiscal years 2020, 2019, and 2018 and does not exclude any discrete items from that same measure presented on a GAAP basis.

Operating performance

FISCAL 2020 AND 2019 IMPACTS

For fiscal 2020, the Company recognized financial impacts from the following discrete item:

- In the third quarter of fiscal 2019, the Company began a strategic review of its Canadian operations, and in the fourth quarter of fiscal 2019, the Company announced additional restructuring actions to improve future performance and profitability of its Canadian operations. As a result of these actions, the Company recognized pre-tax operating costs of $45 million related to inventory write-downs and other closing costs in fiscal 2020 (Canada restructuring).

For fiscal 2019, the Company recognized financial impacts from the following discrete items:

- Prior to the beginning of fiscal 2019, the Company announced its intention to exit its Mexico retail operations and had planned to sell the operating business. However, in the first quarter of fiscal 2019, after an extensive market evaluation, the decision was made to instead sell the assets of the business. That decision resulted in an $82 million tax benefit. Additionally, the Company recognized $35 million of pre-tax operating costs associated with the exit and ongoing wind-down of the Mexico retail operations in fiscal 2019 (Mexico adjustments), and;

- During fiscal 2019, the Company began a strategic review of its Canadian operations resulting in the decision to close 34 under-performing stores and additional actions to improve future performance and profitability of its Canadian operations. As a result of these actions, the Company recognized pre-tax operating costs and charges of $230 million, consisting of inventory liquidation, long-lived asset impairment, accelerated depreciation and amortization, severance, and other costs, as well as a net $26 million impact to income tax expense related to income tax valuation allowance (Canada restructuring).

Operating performance

FISCAL 2018 IMPACTS

For fiscal 2018, the Company recognized financial impacts from the following discrete items:

- 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 closing charges);
- As previously discussed above, 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), and;
- 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 years ended January 29, 2021, January 31, 2020, and February 1, 2019:

Adjusted Operating Income (in millions, except percentage data)	Year Ended January 29, 2021	January 31, 2020	February 1, 2019
Net Sales, As Reported	**$ 89,597**	**$ 72,148**	**$ 71,309**
Operating Income, As Reported	**$ 9,647**	**$ 6,314**	**$ 4,018**
Canada restructuring	45	230	—
Mexico adjustments	—	35	—
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	**$ 9,692**	**$ 6,579**	**$ 6,105**
Operating Margin, % of sales	**10.77 %**	**8.75 %**	**5.64 %**
Adjusted Operating Margin, % of sales	**10.82 %**	**9.13 %**	**8.56 %**

Capital/asset productivity measures

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 profits. 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 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 for the fiscal years ended January 29, 2021, January 31, 2020, and February 1, 2019, is as follows (on the next page):

Capital/asset productivity measures

Return on Invested Capital (in millions, except percentage data)	Year Ended January 29, 2021	January 31, 2020	February 1, 2019
Numerator			
Net earnings	$ 5,835	$ 4,281	$ 2,314
Plus:			
Interest expense – net	848	691	624
Operating lease interest	171	195	206
Loss on extinguishment of debt	1,060	—	—
Provision for income taxes	1,904	1,342	1,080
Lease adjusted net operating profit	9,818	6,509	4,224
Less:			
Income tax adjustment [1]	2,416	1,554	1,344
Lease adjusted net operating profit after tax	**$ 7,402**	**$ 4,955**	**$ 2,880**
Denominator			
Average debt to equity [2]	**$ 26,686**	**$ 24,950**	**$ 25,713**
Net earnings to average debt and equity	**21.9 %**	**17.2 %**	**9.0 %**
Return on invested capital	**27.7 %**	**19.9 %**	**11.2 %**

[1] *Income tax adjustment is defined as net operating profit multiplied by the effective tax rate, which was 24.6%, 23.9%, and 31.8% for the fiscal years ended January 29, 2021, January 31, 2020, and February 1, 2019, respectively.*

[2] *Average debt to 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 equity.*