

# 10-YEAR FINANCIAL INFORMATION



Fiscal Years Ended On	February 3, 2023*	January 28, 2022	January 29, 2021	January 31, 2020	February 1, 2019	February 2, 2018	February 3, 2017*	January 29, 2016	January 30, 2015	January 31, 2014
<b>Stores and people</b>										
Number of stores <sup>1</sup>	1,738	2,197	2,205	2,214	2,246	2,394	2,365	1,857	1,840	1,832
Selling square feet (in millions)	195	208	208	208	209	215	213	202	201	200
Number of employees (in thousands)	307	335	340	318	298	311	291	272	265	263
Total customer transactions (in millions)	937	1,002	1,046	921	941	953	945	878	857	828
Average ticket	\$ 103.64	\$ 96.09	\$ 85.67	\$ 78.36	\$ 75.79	\$ 72.00	\$ 68.83	\$ 67.26	\$ 65.61	\$ 64.52
<b>Comparative income statements</b>										
Net sales (in millions) <sup>2</sup>	\$ 97,059	\$96,250	\$89,597	\$72,148	\$71,309	\$68,619	\$65,017	\$59,074	\$56,223	\$53,417
Gross margin <sup>2,3,5</sup>	33.23%	33.30%	33.01%	31.80%	32.12%	32.69%	33.34%	34.82%	34.79%	34.59%
Selling, general & administrative (% to sales) <sup>2,3,5</sup>	20.94%	19.01%	20.68%	21.30%	24.41%	21.04%	22.12%	23.88%	23.60%	24.07%
Depreciation and amortization (% to sales) <sup>3,5</sup>	1.82%	1.73%	1.56%	1.75%	2.07%	2.05%	2.23%	2.53%	2.66%	2.75%
Operating margin <sup>2,4,5</sup>	10.47%	12.56%	10.77%	8.75%	5.64%	9.60%	8.99%	8.41%	8.53%	7.77%
Interest—net (% to sales)	1.16%	0.92%	0.95%	0.96%	0.88%	0.92%	0.99%	0.93%	0.92%	0.89%
Net earnings (% to sales) <sup>5,6</sup>	6.63%	8.77%	6.51%	5.93%	3.24%	5.02%	4.76%	4.31%	4.80%	4.28%
Weighted-average shares, assuming dilution (in millions)	631	699	750	778	812	840	881	929	990	1,061
Diluted earnings per common share <sup>5,6</sup>	\$ 10.17	\$ 12.04	\$ 7.75	\$ 5.49	\$ 2.84	\$ 4.09	\$ 3.47	\$ 2.73	\$ 2.71	\$ 2.14
Adjusted diluted earnings per common share <sup>7</sup>	\$ 13.81	N/A	\$ 8.86	\$ 5.74	\$ 5.11	\$ 4.39	\$ 3.99	\$ 3.29	N/A	N/A
Cash dividends per share	\$ 3.70	\$ 2.80	\$ 2.30	\$ 2.13	\$ 1.85	\$ 1.58	\$ 1.33	\$ 1.07	\$ 0.87	\$ 0.70
<b>Comparative balance sheets (in millions)</b>										
Cash and short-term investments	\$ 1,732	\$ 1,404	\$ 5,196	\$ 876	\$ 729	\$ 690	\$ 658	\$ 712	\$ 591	\$ 576
Merchandise inventory—net	18,532	17,605	16,193	13,179	12,561	11,393	10,458	9,458	8,911	9,127
Total current assets	21,442	20,060	22,326	15,318	14,228	12,772	12,000	10,561	9,851	10,044
Property, less accumulated depreciation <sup>8</sup>	17,567	19,071	19,155	18,669	18,432	19,721	19,949	19,577	20,034	20,834
Total assets <sup>8</sup>	43,708	44,640	46,735	39,471	34,508	35,291	34,408	31,266	31,721	32,471
Accounts payable	10,524	11,354	10,884	7,659	8,279	6,590	6,651	5,633	5,124	5,008
Total current liabilities <sup>8</sup>	19,511	19,668	18,730	15,182	14,497	12,096	11,974	10,492	9,348	8,876
Total debt <sup>9</sup>	33,960	24,727	21,780	19,306	16,223	16,995	15,699	12,649	11,358	10,512
Total liabilities <sup>8</sup>	57,962	49,456	45,298	37,499	30,864	29,418	27,974	23,612	21,753	20,618
Shareholders' (deficit)/equity	\$(14,254)	\$ (4,816)	\$1,437	\$ 1,972	\$ 3,644	\$ 5,873	\$ 6,434	\$ 7,654	\$ 9,968	\$ 11,853
Shares outstanding, year-end	601	670	731	763	801	830	866	910	960	1,030
<b>Cash flows (in millions)</b>										
Net cash provided by operating activities	\$ 8,589	\$ 10,113	\$11,049	\$ 4,296	\$ 6,193	\$ 5,065	\$ 5,617	\$ 4,784	\$ 4,929	\$ 4,111
Capital expenditures	1,829	1,853	1,791	1,484	1,174	1,123	1,167	1,197	880	940
Cash dividend payments	2,370	1,984	1,704	1,618	1,455	1,288	1,121	957	822	733
Repurchase of common stock	\$ 14,124	\$ 13,012	\$ 4,971	\$ 4,313	\$ 3,037	\$ 3,192	\$ 3,595	\$ 3,925	\$ 3,905	\$ 3,710
<b>Financial metrics</b>										
Comparable sales (decline)/growth <sup>10</sup>	(0.9%)	6.9%	26.1%	2.6%	2.2%	4.0%	4.2%	4.8%	4.3%	4.8%
Sales per average selling square foot <sup>11</sup>	\$ 482	\$ 463	\$ 431	\$ 346	\$ 336	\$ 320	\$ 313	\$ 293	\$ 280	\$ 269
Inventory turnover <sup>12</sup>	3.39	3.72	4.10	3.61	3.94	3.90	4.05	3.92	3.85	3.74

\* Years ending February 3, 2023 and February 3, 2017 were 53-week years. All other years contained 52 weeks.

## Explanatory Notes:

1 In 2022, sold the Canadian retail business, which operated 232 stores in Canada as well as serviced 210 dealer-owned stores. In 2019, closed 10 stores in Mexico and 34 stores in Canada associated with our strategic reassessment. In 2018, exited Orchard Supply Hardware Operations resulting in closing 99 stores. In 2016, RONA was acquired adding 245 corporate-owned stores in Canada, as well as approximately 236 dealer-owned stores. In 2013, acquired 72 Orchard Supply Hardware stores.

2 Results for reporting periods beginning after February 2, 2018 are presented under ASU 2014-09, Revenue from Contracts with Customers (Topic 606), while comparative prior period amounts have not been restated and continue to be presented under accounting standards in effect for those periods.

3 Fiscal years ended February 3, 2017 and later include shipping and handling costs within cost of sales, whereas fiscal years ended January 29, 2016 and prior include shipping and handling costs within selling, general & administrative and depreciation & amortization expense due to change in method of accounting adopted in fiscal 2018.

4 Operating margin is defined as operating income as a percentage of sales.

5 2022 results include costs associated with the sale of the Canadian retail business, consisting of long-lived asset impairment, loss on the sale, and other closing costs. 2020 results include costs including inventory writedowns and other costs related to our strategic review of our Canadian operations; additionally the Company recognized a loss on extinguishment of debt in connection with our cash tender offers in the third quarter. 2019 results include costs associated with the exit and ongoing wind-down of our Mexico retail operations as part of a strategic reassessment of our business; costs associated with the Company's decision to close 34 underperforming stores as part of a strategic review of our Canadian operations including inventory liquidation, accelerated depreciation and amortization, severance and other costs. 2018 results include non-cash goodwill impairment charge associated with the Company's Canadian operations; long-lived asset impairment charges, discontinued project charges, and closing costs associated with Orchard Supply Hardware; long-lived asset impairment, and severance-related costs associated with the Company's closure of 20 U.S. and 31 Canada locations; asset impairment charges associated with the Company's decision to exit its Mexico operations; long-lived asset impairment, inventory write-down, and other costs related to the decision to exit certain non-core activities, including Alacrity Renovation Services and Iris Smart Home; and severance costs associated with the elimination of the Project Specialists Interiors position. 2017 results include a gain from the sale of the Company's interest in its Australian joint venture during the second quarter and one-time cash bonuses attributable to tax reform during the fourth quarter. 2016 results include the net settlement of a foreign currency hedge entered into in advance of the Company's acquisition of RONA in the first half of the year, a charge related to the joint

venture with Woolworths in Australia recognized in the third quarter, project write-offs recognized in the third quarter that were canceled as a part of the Company's ongoing review of strategic initiatives in an effort to focus on the critical projects that will drive desired outcomes, goodwill and long-lived asset impairment charges associated with the Company's Orchard Supply Hardware operations as part of a strategic reassessment of this business during the third quarter and severance-related costs associated with the Company's productivity efforts in the fourth quarter. 2015 results include a non-cash impairment charge in connection with the Company's decision to exit its joint venture with Woolworths Limited in Australia.

6 2020 results include the impact of loss on extinguishment of debt in connection with our tender offers in the third quarter. 2019 results include the impact of a tax benefit related to the decision to sell the assets of the Mexico business during the first quarter, as well as impact from income tax expense related to income tax valuation allowance. 2017 results include the impact of loss on extinguishment of debt during the first quarter and tax charge associated with Tax Cuts and Jobs Act of 2017 during the fourth quarter. 2016 results include the impact of a tax charge primarily related to the issuance of final Internal Revenue Code Section 987 regulations in December 2016.

7 Adjusted diluted earnings per common share is a non-GAAP financial measure. Refer to the Management's Discussion and Analysis section of our Annual Report on Form 10-K for additional information, as well as reconciliations between the Company's GAAP and non-GAAP financial results.

8 Results for reporting periods beginning after February 1, 2019 are presented under ASU 2016-02, Leases (Topic 842), while comparative prior period amounts have not been restated and continue to be presented under accounting standards in effect in those periods.

9 Total debt is defined as short-term borrowings and long-term debt, including current maturities.

10 Beginning on February 1, 2020, the Company changed the basis in which it presents the comparable sales metric. For fiscal years ended February 1, 2019 and later, comparable sales is presented on a transacted basis when tender is accepted from a customer. For fiscal years ended February 2, 2018 and prior, the Company's comparable sales metric was based on when control of the good or service passed to the customer, which included timing impacts of deferred sales. Comparable sales growth for the years ended February 3, 2023 and February 3, 2017 were calculated using sales for comparable 53-week periods. Comparable sales growth for all other years was calculated using sales for comparable 52-week periods. Please refer to the Management's Discussion & Analysis section of our Annual Report on Form 10-K for the definition of a comparable location.

11 Sales per selling square foot is defined as sales divided by the average of beginning and ending selling square feet.

12 Inventory turnover is calculated by dividing the sum of the last four quarters' cost of goods sold by the average of the last five quarters' ending inventory.