

Lowe's Companies, Inc.
Consolidated Statements of Current Earnings and (Accumulated Deficit)/Retained Earnings (Unaudited)

In Millions, Except Per Share and Percentage Data

	Three Months Ended				Six Months Ended			
	July 29, 2022		July 30, 2021		July 29, 2022		July 30, 2021	
	Amount	% Sales	Amount	% Sales	Amount	% Sales	Amount	% Sales
Current Earnings								
Net sales	\$ 27,476	100.00	\$ 27,570	100.00	\$ 51,135	100.00	\$ 51,993	100.00
Cost of sales	18,343	66.76	18,258	66.22	33,952	66.40	34,551	66.45
Gross margin	9,133	33.24	9,312	33.78	17,183	33.60	17,442	33.55
Expenses:								
Selling, general and administrative	4,455	16.22	4,693	17.02	8,758	17.12	9,187	17.67
Depreciation and amortization	449	1.63	409	1.49	894	1.75	800	1.54
Operating income	4,229	15.39	4,210	15.27	7,531	14.73	7,455	14.34
Interest – net	264	0.96	216	0.78	507	0.99	427	0.82
Pre-tax earnings	3,965	14.43	3,994	14.49	7,024	13.74	7,028	13.52
Income tax provision	973	3.54	976	3.54	1,699	3.33	1,688	3.25
Net earnings	\$ 2,992	10.89	\$ 3,018	10.95	\$ 5,325	10.41	\$ 5,340	10.27
Weighted average common shares outstanding – basic	638		705		649		711	
Basic earnings per common share ⁽¹⁾	\$ 4.68		\$ 4.27		\$ 8.18		\$ 7.48	
Weighted average common shares outstanding – diluted	639		707		651		713	
Diluted earnings per common share ⁽¹⁾	\$ 4.67		\$ 4.25		\$ 8.16		\$ 7.46	
Cash dividends per share	\$ 1.05		\$ 0.80		\$ 1.85		\$ 1.40	
(Accumulated Deficit)/Retained Earnings								
Balance at beginning of period	\$ (7,367)		\$ 98		\$ (5,115)		\$ 1,117	
Net earnings	2,992		3,018		5,325		5,340	
Cash dividends declared	(666)		(563)		(1,190)		(993)	
Share repurchases	(3,854)		(3,013)		(7,915)		(5,924)	
Balance at end of period	\$ (8,895)		\$ (460)		\$ (8,895)		\$ (460)	

⁽¹⁾ Under the two-class method, earnings per share is calculated using net earnings allocable to common shares, which is derived by reducing net earnings by the earnings allocable to participating securities. Net earnings allocable to common shares used in the basic and diluted earnings per share calculation were \$2,983 million for the three months ended July 29, 2022, and \$3,007 million for the three months ended July 30, 2021. Net earnings allocable to common shares used in the basic and diluted earnings per share calculation were \$5,308 million for the six months ended July 29, 2022, and \$5,318 million for the six months ended July 30, 2021.

Lowe's Companies, Inc.
Consolidated Statements of Comprehensive Income (Unaudited)

In Millions, Except Percentage Data

	Three Months Ended				Six Months Ended			
	July 29, 2022		July 30, 2021		July 29, 2022		July 30, 2021	
	Amount	% Sales	Amount	% Sales	Amount	% Sales	Amount	% Sales
Net earnings	\$ 2,992	10.89	\$ 3,018	10.95	\$ 5,325	10.41	\$ 5,340	10.27
Foreign currency translation adjustments – net of tax	12	0.05	(44)	(0.17)	(5)	(0.02)	58	0.11
Cash flow hedges – net of tax	(38)	(0.14)	(9)	(0.03)	181	0.36	15	0.03
Other	(1)	—	(1)	—	(3)	0.01	(2)	—
Other comprehensive (loss)/income	(27)	(0.09)	(54)	(0.20)	173	0.35	71	0.14
Comprehensive income	\$ 2,965	10.80	\$ 2,964	10.75	\$ 5,498	10.76	\$ 5,411	10.41

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

	July 29, 2022	July 30, 2021	January 28, 2022
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,482	\$ 4,835	\$ 1,133
Short-term investments	450	1,420	271
Merchandise inventory – net	19,329	17,322	17,605
Other current assets	1,406	1,506	1,051
Total current assets	22,667	25,083	20,060
Property, less accumulated depreciation	18,713	19,031	19,071
Operating lease right-of-use assets	4,158	3,820	4,108
Long-term investments	56	225	199
Deferred income taxes – net	104	221	164
Other assets	1,027	1,024	1,038
Total assets	\$ 46,725	\$ 49,404	\$ 44,640
Liabilities and shareholders' deficit			
Current liabilities:			
Short-term borrowings	\$ —	\$ 1,000	\$ —
Current maturities of long-term debt	121	1,344	868
Current operating lease liabilities	652	557	636
Accounts payable	12,631	12,011	11,354
Accrued compensation and employee benefits	1,227	1,331	1,561
Deferred revenue	1,968	2,041	1,914
Other current liabilities	3,767	3,380	3,335
Total current liabilities	20,366	21,664	19,668
Long-term debt, excluding current maturities	28,763	21,967	23,859
Noncurrent operating lease liabilities	4,069	3,841	4,021
Deferred revenue – Lowe's protection plans	1,169	1,097	1,127
Other liabilities	800	1,010	781
Total liabilities	55,167	49,579	49,456
Shareholders' deficit:			
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 – 631 million, 699 million, and 670 million shares, respectively	316	350	335
Capital in excess of par value	—	—	—
Accumulated deficit	(8,895)	(460)	(5,115)
Accumulated other comprehensive income/(loss)	137	(65)	(36)
Total shareholders' deficit	(8,442)	(175)	(4,816)
Total liabilities and shareholders' deficit	\$ 46,725	\$ 49,404	\$ 44,640

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

	Six Months Ended	
	July 29, 2022	July 30, 2021
Cash flows from operating activities:		
Net earnings	\$ 5,325	\$ 5,340
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	1,007	907
Noncash lease expense	273	252
Deferred income taxes	—	110
Loss on property and other assets – net	32	1
Share-based payment expense	110	115
Changes in operating assets and liabilities:		
Merchandise inventory – net	(1,728)	(1,096)
Other operating assets	(120)	(203)
Accounts payable	1,279	1,115
Deferred revenue	97	511
Other operating liabilities	(263)	(139)
Net cash provided by operating activities	6,012	6,913
Cash flows from investing activities:		
Purchases of investments	(330)	(1,635)
Proceeds from sale/maturity of investments	290	692
Capital expenditures	(687)	(846)
Proceeds from sale of property and other long-term assets	19	78
Other – net	(1)	(134)
Net cash used in investing activities	(709)	(1,845)
Cash flows from financing activities:		
Net proceeds from issuance of debt	4,964	2,988
Repayment of debt	(799)	(568)
Proceeds from issuance of common stock under share-based payment plans	72	63
Cash dividend payments	(1,061)	(870)
Repurchases of common stock	(8,128)	(6,174)
Other – net	(2)	(366)
Net cash used in financing activities	(4,954)	(4,927)
Effect of exchange rate changes on cash		
	—	4
Net increase in cash and cash equivalents	349	145
Cash and cash equivalents, beginning of period	1,133	4,690
Cash and cash equivalents, end of period	\$ 1,482	\$ 4,835