

Lowe's Companies, Inc.
Consolidated Statements of Earnings

(In millions, except per share and percentage data)

	Fiscal Years Ended					
	January 31, 2020		February 1, 2019		February 2, 2018	
	Amount	% Sales	Amount	% Sales	Amount	% Sales
Current Earnings						
Net sales	\$ 72,148	100.00%	\$ 71,309	100.00%	\$ 68,619	100.00%
Cost of sales	49,205	68.20	48,401	67.88	46,185	67.31
Gross margin	22,943	31.80	22,908	32.12	22,434	32.69
Expenses:						
Selling, general and administrative	15,367	21.30	17,413	24.41	14,444	21.04
Depreciation and amortization	1,262	1.75	1,477	2.07	1,404	2.05
Operating income	6,314	8.75	4,018	5.64	6,586	9.60
Interest - net	691	0.96	624	0.88	633	0.92
Loss on extinguishment of debt	—	—	—	—	464	0.68
Pre-tax earnings	5,623	7.79	3,394	4.76	5,489	8.00
Income tax provision	1,342	1.86	1,080	1.52	2,042	2.98
Net earnings	\$ 4,281	5.93%	\$ 2,314	3.24%	\$ 3,447	5.02%
Basic earnings per common share	\$ 5.49		\$ 2.84		\$ 4.09	
Diluted earnings per common share	\$ 5.49		\$ 2.84		\$ 4.09	
Cash dividends per share	\$ 2.13		\$ 1.85		\$ 1.58	

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

(In millions, except percentage data)

	Fiscal Years Ended					
	January 31, 2020		February 1, 2019		February 2, 2018	
	Amount	% Sales	Amount	% Sales	Amount	% Sales
Net earnings	\$ 4,281	5.93 %	\$ 2,314	3.24 %	\$ 3,447	5.02%
Foreign currency translation adjustments - net of tax	94	0.13	(221)	(0.30)	251	0.37
Other	(21)	(0.03)	1	—	—	—
Other comprehensive income/(loss)	73	0.10	(220)	(0.30)	251	0.37
Comprehensive income	\$ 4,354	6.03 %	\$ 2,094	2.94 %	\$ 3,698	5.39%

See accompanying notes to consolidated financial statements.

Lowe's Companies, Inc.
Consolidated Balance Sheets
(In millions, except par value)

	January 31, 2020	February 1, 2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 716	\$ 511
Short-term investments	160	218
Merchandise inventory - net	13,179	12,561
Other current assets	1,263	938
Total current assets	15,318	14,228
Property, less accumulated depreciation	18,669	18,432
Operating lease right-of-use assets	3,891	—
Long-term investments	372	256
Deferred income taxes - net	216	294
Goodwill	303	303
Other assets	702	995
Total assets	\$ 39,471	\$ 34,508
Liabilities and shareholders' equity		
Current liabilities:		
Short-term borrowings	\$ 1,941	\$ 722
Current maturities of long-term debt	597	1,110
Current operating lease liabilities	501	—
Accounts payable	7,659	8,279
Accrued compensation and employee benefits	684	662
Deferred revenue	1,219	1,299
Other current liabilities	2,581	2,425
Total current liabilities	15,182	14,497
Long-term debt, excluding current maturities	16,768	14,391
Noncurrent operating lease liabilities	3,943	—
Deferred revenue - extended protection plans	894	827
Other liabilities	712	1,149
Total liabilities	37,499	30,864
Commitments and contingencies		
Shareholders' equity:		
Preferred stock - \$5 par value, none issued	—	—
Common stock - \$0.50 par value;		
Shares issued and outstanding		
January 31, 2020	763	
February 1, 2019	801	381
Capital in excess of par value	—	—
Retained earnings	1,727	3,452
Accumulated other comprehensive loss	(136)	(209)
Total shareholders' equity	1,972	3,644
Total liabilities and shareholders' equity	\$ 39,471	\$ 34,508

See accompanying notes to consolidated financial statements.

Lowe's Companies, Inc.
Consolidated Statements of Shareholders' Equity

(In millions, except per share data)

	Common Stock		Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Total Shareholders' Equity
	Shares	Amount				
Balance February 3, 2017	866	\$ 433	\$ —	\$ 6,241	\$ (240)	\$ 6,434
Net earnings				3,447		3,447
Other comprehensive income					251	251
Cash dividends declared, \$1.58 per share				(1,324)		(1,324)
Share-based payment expense			99			99
Repurchase of common stock	(40)	(20)	(215)	(2,939)		(3,174)
Issuance of common stock under share-based payment plans	4	2	138			140
Balance February 2, 2018	830	\$ 415	\$ 22	\$ 5,425	\$ 11	\$ 5,873
Cumulative effect of accounting change				33		33
Net earnings				2,314		2,314
Other comprehensive loss					(220)	(220)
Cash dividends declared, \$1.85 per share				(1,500)		(1,500)
Share-based payment expense			74			74
Repurchase of common stock	(32)	(16)	(209)	(2,820)		(3,045)
Issuance of common stock under share-based payment plans	3	2	113			115
Balance February 1, 2019	801	\$ 401	\$ —	\$ 3,452	\$ (209)	\$ 3,644
Cumulative effect of accounting change				(263)		(263)
Net earnings				4,281		4,281
Other comprehensive income					73	73
Cash dividends declared, \$2.13 per share				(1,653)		(1,653)
Share-based payment expense			98			98
Repurchase of common stock	(41)	(21)	(214)	(4,090)		(4,325)
Issuance of common stock under share-based payment plans	3	1	116			117
Balance January 31, 2020	763	\$ 381	\$ —	\$ 1,727	\$ (136)	\$ 1,972

See accompanying notes to consolidated financial statements.

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

	Fiscal Years Ended		
	January 31, 2020	February 1, 2019	February 2, 2018
Cash flows from operating activities:			
Net earnings	\$ 4,281	\$ 2,314	\$ 3,447
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	1,410	1,607	1,540
Noncash lease expense	468	—	—
Deferred income taxes	177	(151)	53
Loss on property and other assets - net	117	630	40
Impairment of goodwill	—	952	—
Loss on extinguishment of debt	—	—	464
Loss/(gain) on cost method and equity method investments	12	9	(82)
Share-based payment expense	98	74	99
Changes in operating assets and liabilities:			
Merchandise inventory – net	(600)	(1,289)	(791)
Other operating assets	(376)	(110)	250
Accounts payable	(637)	1,720	(92)
Other operating liabilities	(654)	437	137
Net cash provided by operating activities	4,296	6,193	5,065
Cash flows from investing activities:			
Purchases of investments	(743)	(1,373)	(981)
Proceeds from sale/maturity of investments	695	1,393	1,114
Capital expenditures	(1,484)	(1,174)	(1,123)
Proceeds from sale of property and other long-term assets	163	76	45
Acquisition of business - net	—	—	(509)
Other – net	—	(2)	13
Net cash used in investing activities	(1,369)	(1,080)	(1,441)
Cash flows from financing activities:			
Net change in commercial paper	220	(415)	625
Net proceeds from issuance of debt	3,972	—	2,968
Repayment of long-term debt	(1,113)	(326)	(2,849)
Proceeds from issuance of common stock under share-based payment plans	118	114	139
Cash dividend payments	(1,618)	(1,455)	(1,288)
Repurchase of common stock	(4,313)	(3,037)	(3,192)
Other – net	(1)	(5)	(10)
Net cash used in financing activities	(2,735)	(5,124)	(3,607)
Effect of exchange rate changes on cash	1	(12)	13
Net increase/(decrease) in cash and cash equivalents, including cash classified within current assets held for sale	193	(23)	30
Less: Net increase/(decrease) in cash classified within current assets held for sale	12	(54)	—
Net increase/(decrease) in cash and cash equivalents	205	(77)	30
Cash and cash equivalents, beginning of year	511	588	558
Cash and cash equivalents, end of year	\$ 716	\$ 511	\$ 588

See accompanying notes to consolidated financial statements.