

10-YEAR FINANCIAL INFORMATION



Fiscal Years Ended on	February 3, 2017*	January 29, 2016	January 30, 2015	January 31, 2014	February 1, 2013	February 3, 2012*	January 28, 2011	January 29, 2010	January 30, 2009	February 1, 2008
Stores and people										
Number of stores ¹	2,365	1,857	1,840	1,832	1,754	1,745	1,749	1,710	1,649	1,534
Selling square feet (in millions)	213	202	201	200	197	197	197	193	187	174
Number of employees (in thousands)	291	272	265	263	245	248	234	239	229	216
Total customer transactions (in millions)	945	878	857	828	804	810	786	766	740	720
Average ticket	\$ 68.82	\$ 67.26	\$ 65.61	\$ 64.52	\$ 62.82	\$ 62.00	\$ 62.07	\$ 61.66	\$ 65.15	\$ 67.05
Comparative income statements										
Net sales (in millions)	\$65,017	\$59,074	\$56,223	\$53,417	\$50,521	\$50,208	\$48,815	\$47,220	\$48,230	\$48,283
Gross margin	34.55%	34.82%	34.79%	34.59%	34.30%	34.56%	35.14%	34.86%	34.21%	34.64%
Selling, general & administrative (% to sales) ³	23.27%	23.88%	23.60%	24.07%	24.22%	25.08%	24.60%	24.85%	23.17%	22.07%
Depreciation and amortization (% to sales)	2.29%	2.53%	2.66%	2.75%	3.03%	2.95%	3.25%	3.42%	3.19%	2.83%
Operating margin ^{2,3}	8.99%	8.41%	8.53%	7.77%	7.05%	6.53%	7.29%	6.59%	7.85%	9.74%
Interest—net (% to sales)	0.99%	0.93%	0.92%	0.89%	0.84%	0.74%	0.68%	0.61%	0.58%	0.40%
Net earnings (% to sales) ^{3,4}	4.76%	4.31%	4.80%	4.28%	3.88%	3.66%	4.12%	3.78%	4.55%	5.82%
Weighted-average shares, assuming dilution (in millions)	881	929	990	1,061	1,152	1,273	1,403	1,464	1,468	1,507
Diluted earnings per common share ^{3,4}	\$ 3.47	\$ 2.73	\$ 2.71	\$ 2.14	\$ 1.69	\$ 1.43	\$ 1.42	\$ 1.21	\$ 1.49	\$ 1.86
Adjusted diluted earnings per common share ⁵	\$ 3.99	\$ 3.29	—	—	—	—	—	—	—	—
Cash dividends per share	\$ 1.33	\$ 1.07	\$ 0.87	\$ 0.70	\$ 0.62	\$ 0.53	\$ 0.42	\$ 0.36	\$ 0.34	\$ 0.29
Comparative balance sheets (in millions)										
Cash and short-term investments	\$ 658	\$ 712	\$ 591	\$ 576	\$ 666	\$ 1,300	\$ 1,123	\$ 1,057	\$ 661	\$ 530
Merchandise inventory—net	10,458	9,458	8,911	9,127	8,600	8,355	8,321	8,249	8,209	7,611
Total current assets ⁶	12,000	10,561	9,851	10,044	9,567	9,889	9,774	9,524	9,085	8,386
Property, less accumulated depreciation	19,949	19,577	20,034	20,834	21,477	21,970	22,089	22,499	22,722	21,361
Total assets ⁶	34,408	31,266	31,721	32,471	32,441	33,369	33,500	32,793	32,516	30,564
Accounts payable	6,651	5,633	5,124	5,008	4,657	4,352	4,351	4,287	4,109	3,713
Total current liabilities	11,974	10,492	9,348	8,876	7,708	7,891	7,119	7,355	7,560	7,316
Total debt ^{6,7}	15,699	12,649	11,358	10,512	9,069	7,620	6,567	5,076	6,056	6,675
Total liabilities ⁶	27,974	23,612	21,753	20,618	18,584	16,836	15,388	13,724	14,461	14,466
Shareholders' equity	\$ 6,434	\$ 7,654	\$ 9,968	\$11,853	\$13,857	\$16,533	\$18,112	\$19,069	\$18,055	\$16,098
Shares outstanding, year-end	866	910	960	1,030	1,110	1,241	1,354	1,459	1,470	1,458
Cash flows (in millions)										
Net cash provided by operating activities	\$ 5,617	\$ 4,784	\$ 4,929	\$ 4,111	\$ 3,762	\$ 4,349	\$ 3,852	\$ 4,054	\$ 4,122	\$ 4,347
Capital expenditures	1,167	1,197	880	940	1,211	1,829	1,329	1,799	3,266	4,010
Cash dividend payments	1,121	957	822	733	704	647	571	391	491	428
Repurchase of common stock	\$ 3,595	\$ 3,925	\$ 3,905	\$ 3,710	\$ 4,393	\$ 2,937	\$ 2,618	\$ 504	\$ 8	\$ 2,275
Financial metrics										
Comparable sales growth ⁸	4.2%	4.8%	4.3%	4.8%	1.4%	0.0%	1.3%	(6.7%)	(7.2%)	(5.1%)
Sales per average selling square foot ⁹	\$ 313	\$ 293	\$ 280	\$ 269	\$ 257	\$ 255	\$ 250	\$ 249	\$ 267	\$ 292
Inventory turnover ¹⁰	4.05	3.92	3.85	3.74	3.74	3.72	3.63	3.65	3.91	4.06

*Years ending February 3, 2017 and February 3, 2012 were 53-week years. All other years contained 52 weeks.

Explanatory Notes:

1 RONA was acquired in 2016 adding 245 corporate-owned stores in Canada, as well as approximately 236 dealer-owned stores. 72 Orchard Supply Hardware stores acquired in 2013.

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

3 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.

4 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, and under the two-class method, the premium paid in the fourth quarter to redeem the RONA preferred shares was deducted from net earnings to compute net earnings allocable to common shareholders.

5 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.

6 Prior period balances have been retrospectively adjusted as a result of the Company's adoption of ASU 2015-03, Simplifying the Presentation of Debt Issuance Costs, and ASU 2015-17, Balance Sheet Classification of Deferred Taxes. The adoption of these accounting standards required reclassification of current deferred tax assets and liabilities to non-current, as well as reclassification of debt issuance costs from other assets to long-term debt, excluding current maturities.

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

8 Comparable sales growth for the year ended February 3, 2017 and February 3, 2012 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 Lowe's Companies, Inc. Annual Report on Form 10-K for the definition of a comparable location.

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

10 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.