

INVESTOR FACT SHEET

As of February 3, 2017



GENERAL

- A Fortune® 50 company and the world's second largest home improvement retailer
- Operate or service 2,365 home improvement and hardware stores
 - 1,733 Lowe's Home Improvement stores across 50 U.S. states
 - 87 Orchard Supply Hardware stores in California, Oregon, and Florida
 - 299 stores in Canada including 245 corporate-owned stores from RONA acquisition
 - » Additionally, we serve 236 dealer-owned stores
 - 10 stores in Mexico
- Approximately 213 million square feet of retail selling space
- More than 17 million customers served each week
- Employs approximately 190,000 full-time and 100,000 part-time people
- Headquartered in Mooresville, NC

HISTORY

- Founded in 1946 in North Wilkesboro, NC
- Incorporated in North Carolina in 1952 and publicly held since 1961
- Listed on the New York Stock Exchange—ticker symbol "LOW"
- Reached one million customers served annually in 1964
- First 100,000 square foot store opened in 1990
- First regional distribution center opened in North Vernon, IN in 1994
- Launched first Lowe's web site in 1995
- Fortified Canadian market presence with acquisition of RONA in 2016



CUSTOMERS

We serve retail and professional (Pro) customers.

- Retail customers include individual homeowners and renters who complete a wide array of projects and vary along the spectrum of do-it-yourself (DIY) and do-it-for-me (DIFM)
- Pro customers shop at Lowe's to support their business activities and represent approximately 30% of total sales. Pro customers consist of two broad categories:
 - Maintenance, Repair and Operations (MRO)—Customers whose business activities include property management as well as the operations and maintenance functions of business, retail, industrial, government, schools and non-profit organizations
 - Construction Trades—Customers whose business activities are associated with construction, repair/remodeling, or specialty trades (i.e. electrician, plumber, etc.)

MARKET AND COMPETITION

- Lowe's is classified within the Building Material and Garden Equipment and Supplies Dealers Subsector (444) of the Retail Trade Sector of the North American Industry Classification System (NAICS)
- However, NAICS 444 represents less than half of what Lowe's considers as the total market for its products and services
 - Many home improvement products are sold by retailers who are not included in NAICS 444 (i.e. mass retailers, home furnishings stores, and online retailers, as well as wholesalers that provide home-related products and services to homeowners, businesses, and the government)
 - Conversely, Lowe's does not sell some products included within NAICS 444 (i.e., some farm supplies)

PRODUCTS

We offer a complete line of products for maintenance, repair, remodeling, and decorating, including the following categories:

Appliances	Lawn & Garden	Paint
Fashion Fixtures	Lumber & Building Materials	Rough Plumbing & Electrical
Flooring	Millwork	Seasonal Living
Home Fashions	Outdoor Power Equipment	Tools & Hardware
Kitchens		

A typical Lowe's home improvement store stocks approximately 37,000 items, with hundreds of thousands of additional items available through our Special Order Sales system, Lowe.com, LoweForPros.com, Lowe.ca, and TheMine.com.

Brands:

- A wide selection of national brand-name merchandise
- Complemented by our selection of private brands, including the following:

allen+roth® home décor products	Aquasource® faucets, sinks and toilets	Blue Hawk® home improvement products
Garden Treasures® lawn and patio products	Harbor Breeze® ceiling fans	Iris® home automation and management products
Kobalt® tools	Portfolio® lighting products	Project Source® basic value products
Reliabl® doors and windows	Top Choice® lumber products	Utilitech® electrical and utility products

SERVICES

We provide services that address customer needs through various steps in the home improvement process. These services include:

Installed Sales:

Installation services provided through independent contractors, primarily in Appliances, Flooring, Kitchens, Lumber & Building Materials and Millwork

- Project managers supervise programs for customers on behalf of Lowe’s

Extended Protection Plans:

Offered in Appliances, Kitchens, Outdoor Power Equipment, Rough Plumbing, Electrical Fixtures, Seasonal Living, Garage Door Openers, and Tools & Hardware to provide customers with product protection that enhances or extends the manufacturer’s warranty

In-Warranty and Out-of-Warranty Repair Services:

Offered for major appliances, outdoor power equipment, tools, grills, fireplaces, air conditioners, water heaters, and other eligible products through our stores or in the home through Lowe’s Authorized Service Repair Network

SELLING CHANNELS

We are evolving in order to connect with customers at every critical moment—whether they choose to build relationships in the store, online, in their home, on their job site, or through Lowe’s contact centers.

In-store:

- 1,797 Lowe’s branded home improvement stores
 - Generally open seven days per week and average approximately 112,000 square feet of retail selling space
- 87 hardware stores
 - Generally open seven days per week and average 36,000 square feet of retail selling space
- 245 stores acquired in the RONA acquisition
 - Stores operate under various complementary formats that address target customers and occasions

Online:

- 24/7 shopping experience through Lowes.com, Lowes.ca, LowesForPros.com, TheMine.com and mobile applications
- Online product information, customer ratings and reviews, online buying guides, and how-to videos and other information
- Accounts for approximately 3.5% of total sales
- In-store pickup as well as home delivery and parcel shipment

Job-site:

- Specialists meet with Pro customers in their work places or at job sites and leverage stores within the area to ensure customer needs for products and resources are met

In-home:

- Project specialists meet with customers in their homes to design, plan, and manage their home improvement projects

Contact centers:

- Direct phone sales and customer support
- Located in Wilkesboro, NC, Albuquerque, NM, and Indianapolis, IN

We strive to deliver home improvement solutions to customers seamlessly, across all of our selling channels, enabled by our flexible fulfillment capabilities.

SUPPLY CHAIN

We ship approximately 80% of the total dollar amount of stock merchandise purchased through Lowe’s distribution network, while the remaining portion is shipped directly to stores from vendors. Most parcel post items can be ordered by a customer and delivered within two business days at standard shipping rates.

- Regional Distribution Centers, “RDCs”—15 highly automated facilities in the U.S. used to efficiently and effectively move product from vendors to stores. Products are received from vendors, stored and picked or cross-docked, and then shipped to retail locations.
- We also own and operate 10 distribution centers, including four lumber yards, to serve our Canadian market, and operate a distribution facility to serve our Orchard stores. Additionally, we have a service agreement with a third party logistics provider to manage a distribution facility to serve our stores in Mexico.
- We also operate coastal holding facilities, transload facilities, appliance distribution centers, and flatbed distribution centers “FDCs”. The FDCs distribute merchandise that require special handling due to size or type of packaging such as lumber, boards, panel products, pipe, siding, ladders, and building materials.

