

# INVESTOR FACT SHEET

As of February 2, 2018



## GENERAL

- A Fortune® 50 company and the world's second largest home improvement retailer
- Operate or service more than 2,390 home improvement and hardware stores
  - › 1,740 Lowe's Home Improvement stores across the U.S.
  - › 99 Orchard Supply Hardware stores in California, Oregon, and Florida
  - › 303 stores in Canada; Additionally, we serve 242 dealer-owned stores
  - › 10 stores in Mexico
- Approximately 215 million square feet of retail selling space
- More than 18 million customers served each week
- Employs approximately 200,000 full-time and 110,000 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 our presence in Canada 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 roughly 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 home repair, maintenance and improvement projects in the following categories:**

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

**A typical Lowe's home improvement store stocks approximately 39,000 items, with hundreds of thousands of additional items available through our Special Order Sales system, [Lowe.com](http://Lowe.com), [LoweForPros.com](http://LoweForPros.com), [Lowe.ca](http://Lowe.ca), and [Lowe.com.mx](http://Lowe.com.mx).**

## BRANDS

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

allen+roth® home décor products	Harbor Breeze® ceiling fans	Project Source® basic value products
Aquasource® faucets, sinks and toilets	Iris® home automation and management products	Reliablitt® doors and windows
Blue Hawk® home improvement products	Kobalt® tools	Top Choice® lumber products
Garden Treasures® lawn and patio products	Portfolio® lighting 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, Fashion Fixtures, Millwork, Rough Plumbing & Electrical, Seasonal & Outdoor Living, 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

## OMNI-CHANNEL RETAILING

**We connect with customers whenever, wherever, and however they choose, including:**

### In-store:

- 2,053 home improvement stores
  - › Generally open seven days per week and average approximately 112,000 square feet of retail selling space
- 99 hardware stores
  - › Generally open seven days per week and average 36,000 square feet of retail selling space

### Online:

- 24/7 shopping experience through Lowes.com, Lowes.com.mx, Lowes.ca, LowesForPros.com, and mobile applications
- Online product information, customer ratings and reviews, online buying guides, and how-to videos and other information
- In-store pickup as well as home delivery and parcel shipment
- Accounts for approximately 5% of total sales

### On-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
- 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

## 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 or directly to customers.
- We own and operate 8 distribution centers, including four lumber yards, to serve our Canadian market, and we lease 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 requires special handling due to size or type of packaging such as lumber, boards, panel products, pipe, siding, ladders, and building materials.

