



Q3 2018 RESULTS

“Our top priority in the third quarter was positioning Lowe’s for long-term success by identifying underperforming or non-core businesses and stores for divestiture. With our strategic reassessment substantially completed, we can now intensify our focus on the core retail business. During the quarter, the favorable macroeconomic environment, combined with great values, drove traffic to our stores and website. However, continued challenges with inventory out of stocks, poor reset execution, and assortment concerns in certain categories pressured our ability to turn those visits into transactions. Rather than chase short-term solutions to these problems, we are redesigning processes and systems to deliver sustainable improvement, and expect to see positive trends as we enter 2019.”

- Marvin R. Ellison, Lowe’s president and CEO

FINANCIAL HIGHLIGHTS

\$17.4B
IN SALES
+3.8%

+1.5%
COMP SALES

32.50%
GROSS MARGIN
-157 basis points

5.50%
OPERATING MARGIN
-373 basis points

\$0.78 Diluted EPS
-25.7%

\$1.04 Adj. Diluted EPS¹
-1.0%

WE RETURNED
\$1.0 BILLION
TO OUR SHAREHOLDERS
THROUGH DIVIDENDS
AND SHARE
REPURCHASES

COMPARABLE SALES SUMMARY

TRANSACTIONS/TICKET

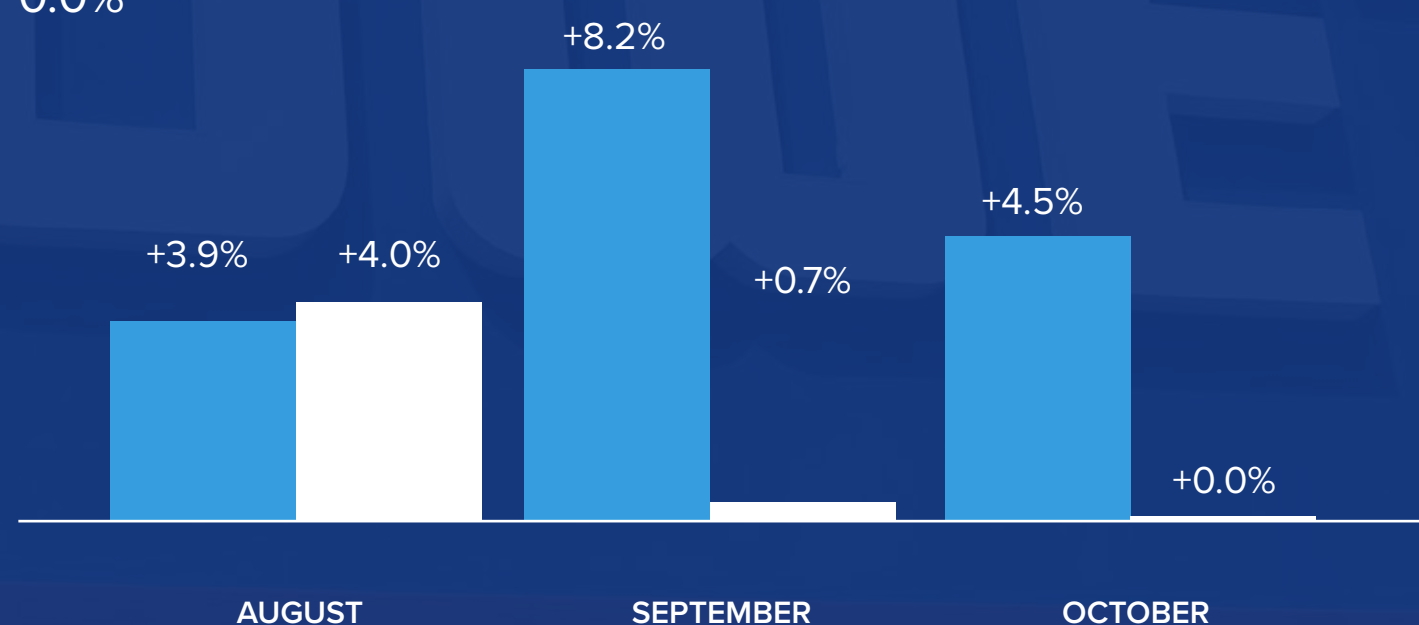
COMP TRANSACTIONS **-0.8%** COMP AVERAGE TICKET **+2.3%** PRO COMP ABOVE COMPANY AVERAGE **ProServices**

TICKET SIZE

>\$500 **+2.8%**
\$50-500 **+1.2%**
<\$50 **0.0%**

MONTHLY COMP PERFORMANCE

■ 2017 ■ 2018



PRODUCT CATEGORY PERFORMANCE

Positive comps in **7** of **11** product categories

ABOVE COMPANY AVERAGE



Positive comps in **11** of 14 regions

ONLINE

Lowe.com sales growth
+12%

STRATEGIC REASSESSMENT SUBSTANTIALLY COMPLETED

- Closing 20 U.S. Stores and 27 stores in Canada, as well as 4 other Canadian locations
- Exiting retail operations in Mexico
- Exiting Alacrity Renovation Services and Iris Smart Home Businesses

¹ Adjusted Diluted EPS is a non-GAAP financial measure. Refer to lowes.com/investor for a reconciliation of non-GAAP measures.