Strategy and Performance Overview

Please refer to www.Lowes.com/investor for a reconciliation of non-GAAP financial measures.
EXECUTIVE SUMMARY

- **Attractive Market**
  - ~$850B
  - U.S. Home Improvement Market
  - Highly fragmented with Lowe’s share less than 10%

- **Broad Customer Base**
  - Do-It-Yourself (DIY), Do-It-For-Me (DIFM) and Pro customers

- **Diverse Product Offering**
  - Repair, maintenance, home improvement and home furnishing products

- **Strong Omni-Channel Model**
  - In-store, online, in-home, jobsite and contact center channels with an evolving distribution network situated near the customer for efficient and effective last-mile delivery

- **Solid Balance Sheet**
  - A-/A3 credit rating

- **Committed to Returning Capital to Shareholders**
  - $23B returned to shareholders through dividends and share repurchases over last 5 years

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**STRONG FINANCIAL PERFORMANCE**

- 6%
  - Average Annual Sales Growth
- 4%
  - Average Annual Comp Sales Growth
- 21%
  - Average Annual Adjusted Diluted EPS\(^1\) Growth
- $19.2B
  - Free Cash Flow\(^1\)
- 186%
  - Total Shareholder Return (top quartile performance)

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\(^1\) Adjusted Diluted Earnings Per Share and Free Cash Flow are non-GAAP financial measures.

Lowe’s is well-positioned to meet the needs of an evolving customer, driving profitable growth and shareholder value.
2017 FINANCIAL HIGHLIGHTS

STRONG FINANCIAL PERFORMANCE

$68.6B
2017 Sales
Represents YOY Growth of 5.5%

10%
Increase in 2017 Adjusted Diluted Earnings Per Share

18.8%
2017 Return on Invested Capital

$3.9B
Free Cash Flow Generated in 2017

53rd week in FY2016 reduced 2017 growth rate by 2.3%

DEMONSTRATED COMMITMENT TO RETURN CAPITAL TO SHAREHOLDERS

$1.3B
Dividends Paid in the Last Year

19%
2017 Increase in Dividend Target a Dividend Payout Ratio of 35%

$3.1B
Shares Repurchased in the Last Year

1 Adjusted Diluted Earnings Per Share, Return on Invested Capital and Free Cash Flow are non-GAAP financial measures.
OUR PURPOSE: TO HELP PEOPLE LOVE WHERE THEY LIVE

TAking Action to Meet the Needs of an Evolving Customer

EXPAND HOME IMPROVEMENT REACH
- Serve more customers, more effectively
- Differentiate by establishing market leadership for home improvement project solutions
- Continue to deepen and broaden our relationship with the Pro customer

DEVELOP CAPABILITIES TO ANTICIPATE AND SUPPORT CUSTOMER NEEDS
- Empower customers across the most relevant moments of their project journey
- Advance customer experience through our omni-channel assets

GENERATE PROFITABLE GROWTH AND SUBSTANTIAL RETURNS
- Enhance operating discipline and make productivity a core strength
- Invest in capabilities for the future

Capital Allocation Priorities

1. Strategic Investments
2. Dividend
3. Share Repurchase
OUR PROFILE

OMNI-CHANNEL RETAILING

IN-STORE

ONLINE

IN-HOME

JOBSITE

CONTACT CENTER

CUSTOMER CENTRICITY

Do-It-Yourself (DIY) Customers
- Homeowners or renters completing their own home improvement projects

Do-It-For-Me (DIFM) Customers
- Homeowners or renters engaging a Lowe’s installer or project specialist to complete their home improvement projects

Pro Customers
- Multifamily property management
- Business property management
- Repair/remodel
- Specialty trade

70% DIY / DIFM Customer
30% Pro Customer

Pro penetration has grown from 25% to 30% over the past 5 years
<table>
<thead>
<tr>
<th>OUR STRATEGY</th>
<th>KNOW THE CUSTOMER</th>
<th>CHANGE HOW WE ENGAGE</th>
<th>EXPAND OUR FULFILLMENT OPTIONS</th>
<th>DELIVER COMPELLING PRODUCT EXPERIENCES</th>
<th>GROW PRO SALES</th>
<th>DIFFERENTIATE WITH SERVICES</th>
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<tbody>
<tr>
<td></td>
<td>Enhancing our analytic capabilities to deliver insights to meet evolving customers’ needs</td>
<td>Connecting with customers and associates when, how and where they desire</td>
<td>Providing dependable, convenient and fast delivery and pickup options for customers</td>
<td>Delivering relevant and inspiring product experiences to provide value and personalized choice</td>
<td>Increasing Pro penetration by providing unique solutions for their specific needs</td>
<td>Delivering complete home improvement solutions through a differentiated services platform for the growing DIFM market</td>
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UNITED STATES: ~$850B HOME IMPROVEMENT MARKET

Lowe’s Home Improvement
- 1,740 stores with online, contact center and in-home / jobsite capabilities
- Average 110,000 square feet of selling space
- Strategic Focus – Drive asset productivity by enhancing customer experiences and improving capabilities across our omni-channel platform

Orchard Supply Hardware
- 99 stores with online capabilities
- Average 36,000 square feet of selling space, offering a product selection focused on paint, repair and backyard categories
- Strategic Focus – Deliver an enhanced customer experience while accessing high-density neighborhoods on the West Coast and Florida

Note: All data as of February 2, 2018.
GEOGRAPHIC FOOTPRINT

CANADA: ~$40B / MEXICO: ~$60B HOME IMPROVEMENT MARKET

**Canada**
- 303 stores with online capabilities
- Additionally, we serve ~332 dealer-owned stores
- Strategic Focus - Bring together Lowe’s global scale and resources with RONA’s local expertise to become the first choice for home improvement in Canada

**Mexico**
- 10 stores with online capabilities
- Strategic Focus – Build scale to capitalize on a rapidly growing home improvement market

Note: All data as of February 2, 2018.
• Integration is progressing well, 2017 comps for RONA were the highest in 13 years
  • On track to double operating profit in Canada by 2021
SALES PER SELLING SQUARE FOOT

ADJUSTED DILUTED EPS

PROFITABILITY

ROIC

1 Adjusted Diluted Earnings Per Share and Return on Invested Capital are non-GAAP financial measures.
INVENTORY TURNS

CAPITAL EXPENDITURES

LEASE-ADJUSTED DEBT TO EBITDAR
Target: 2.25x

FREE CASH FLOW

1 Lease-Adjusted Debt to EBITDAR and Free Cash Flow are non-GAAP financial measures.
FORWARD LOOKING STATEMENT

This presentation includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Statements including words such as “believe”, “expect”, “anticipate”, “plan”, “desire”, “project”, “estimate”, “intend”, “will”, “should”, “could”, “would”, “may”, “strategy”, “potential”, “opportunity” and similar expressions are forward-looking statements. Forward-looking statements involve estimates, expectations, projections, goals, forecasts, assumptions, risks and uncertainties. Forward-looking statements include, but are not limited to, statements about future financial and operating results, Lowe’s plans, objectives, business outlook, priorities, expectations and intentions, expectations for sales growth, comparable sales, earnings and performance, shareholder value, capital expenditures, cash flows, the housing market, the home improvement industry, demand for services, share repurchases, Lowe’s strategic initiatives, including those relating to acquisitions by Lowe’s and the expected impact of such transactions on our strategic and operational plans and financial results, and any statement of an assumption underlying any of the foregoing and other statements that are not historical facts. Although we believe that the expectations, opinions, projections, and comments reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and we can give no assurance that such statements will prove to be correct. Actual results may differ materially from those expressed or implied in such statements. A wide variety of potential risks, uncertainties, and other factors could materially affect our ability to achieve the results either expressed or implied by these forward-looking statements including, but not limited to, changes in general economic conditions, such as the rate of unemployment, interest rate and currency fluctuations, changes to tax laws applicable to corporate multinationals, such as the recently enacted U.S. Tax Cuts and Jobs Act of 2017, fuel and other energy costs, slower growth in personal income, changes in consumer spending, changes in the rate of housing turnover, the availability of consumer credit and of mortgage financing, inflation or deflation of commodity prices, and other factors that can negatively affect our customers, as well as our ability to: (i) respond to adverse trends in the housing industry, a reduced rate of growth in household formation, and slower rates of growth in housing renovation and repair activity, as well as uneven recovery in commercial building activity; (ii) secure, develop, and otherwise implement new technologies and processes necessary to realize the benefits of our strategic initiatives focused on omni-channel sales and marketing presence and enhance our efficiency; (iii) attract, train, and retain highly-qualified associates; (iv) manage our business effectively as we adapt our operating model to meet the changing expectations of our customers; (v) maintain, improve, upgrade and protect our critical information systems from data security breaches, ransomware and other cyber threats; (vi) respond to fluctuations in the prices and availability of services, supplies, and products; (vii) respond to the growth and impact of competition; (viii) address changes in existing or new laws or regulations that affect consumer credit, employment/labor, trade, product safety, transportation/logistics, energy costs, health care, tax or environmental issues; (ix) positively and effectively integrate personnel, labor models, financial, IT and others systems successfully; disruption of our ongoing business and distraction of management; hiring additional management and other critical personnel; increasing the scope, geographic diversity and complexity of our operations; significant integration costs or unknown liabilities; and failure to realize the expected benefits of the transaction. For more information about these and other risks and uncertainties that we are exposed to, you should read the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates” included in our most recent Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the “SEC”) and the description of material changes thereto, if any, included in our Quarterly Reports on Form 10-Q or subsequent filings with the SEC.

The forward-looking statements contained in this presentation are expressly qualified in their entirety by the foregoing cautionary statements. The foregoing list of important factors that may affect future results is not exhaustive. When relying on forward-looking statements to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. All such forward-looking statements are based upon data available as of the date of this presentation or other specified date and speak only as of such date. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf about any of the matters covered in this presentation are qualified by these cautionary statements and in the “Risk Factors” included in our most recent Annual Report on Form 10-K and the description of material changes thereto, if any, included in our Quarterly Reports on Form 10-Q or subsequent filings with the SEC. We expressly disclaim any obligation to update or revise any forward-looking statement, whether as a result of new information, change in circumstances, future events, or otherwise, except as may be required by law.
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