



# 2025 Annual Report

# Solving problems and fulfilling dreams for the home

Lowe's Companies, Inc. (NYSE: LOW) is a FORTUNE® 100 home improvement company with total fiscal year 2025 sales of more than \$86 billion. Lowe's employs approximately 300,000 associates and operates over 1,750 home improvement stores, 540 branches and 120 distribution centers. Based in Mooresville, N.C., Lowe's supports the communities it serves through programs focused on creating safe, affordable housing, improving community spaces, helping to develop the next generation of skilled trade experts and providing disaster relief to communities in need.

→ For more information, visit [Lowes.com](https://www.Lowes.com).



## Dear Shareholders,

Despite ongoing challenges in the housing macroenvironment in 2025, we are pleased with the execution and performance of our company. This year, the company delivered sales of \$86.3 billion, with positive comparable sales of 0.2%. We maintained our rigorous focus on expense management, which has become a hallmark of this leadership team. We are also effectively integrating emerging AI technology to enhance the customer and associate experience and improve operating efficiency.



With our enterprisewide commitment to driving productivity, we delivered strong bottom-line performance as well, with adjusted operating margin<sup>1</sup> of 12.1% and adjusted diluted earnings per share of \$12.28. The company generated \$7.7 billion in free cash flow and returned \$2.6 billion in dividends to shareholders through our disciplined capital allocation strategy.

These results demonstrate that our Total Home strategy is working, as we made meaningful progress against each of the key growth objectives:



→ Drive Pro penetration



→ Accelerate online sales



→ Expand home services



→ Create a loyalty ecosystem



→ Increase space productivity

Beginning with **driving Pro penetration**, we delivered another year of positive comparable sales in Pro. In March, we launched our redesigned Pro loyalty program, **MyLowe's Pro Rewards**. This intuitive program is designed specifically for small-to-medium Pros, who earn rewards from the first dollar spent at Lowe's. We're pleased to see greater utilization, which is driving repeat purchases and higher spending.

We also began the multiyear buildout of the **Pro Extended Aisle**, which gives our Pro sales associates instant access to our suppliers' catalogs. By leveraging our suppliers' expanded product assortments, greater inventory depth and delivery capabilities, we are capturing more Pro planned spend. We look forward to adding new suppliers and new markets every week in 2026, which will create meaningful growth opportunities in the years ahead.

This year, we **accelerated online sales** with growth of 8.8%, which now represents 13% of our retail sales. We saw an increase in both traffic and conversion, driven by a more immersive shopping experience and flexible fulfillment options. In collaboration with OpenAI, we also launched **Mylow**, the first AI-powered home improvement virtual



<sup>1</sup> Adjusted operating margin, adjusted diluted earnings per share (EPS) and free cash flow are non-GAAP financial measures. Refer to the "Non-GAAP Financial Measures Reconciliation" section for additional information as well as reconciliations between the Company's GAAP and non-GAAP financial results.



adviser. Now when our customers engage Mylow with questions about their order, conversion rates double. Finally, as Pros shift more of their shopping online, they are increasingly relying on our digital tools tailored to their needs.

In June, we introduced the first Home Improvement **Creator Network**, with MrBeast, the world's most-followed creator, among the first to join. These influencers inspired customers to line up at our stores on Black Friday for our "Golden Ticket" event — and they drove viral moments around trending product offers.

Looking ahead, we're also pleased with the ongoing expansion of our online **Marketplace**. This will allow us to continue to extend our product assortments to offer our customers everything they need for their homes, across the price spectrum, without assuming the risk of owning the inventory.

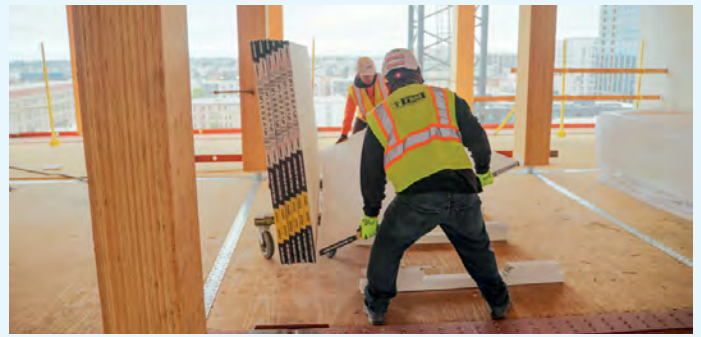
In 2025, we **expanded Home Services**, with high-single-digit growth year-over-year in the second

half of the year. Through tech-enabled solutions, we've transformed the customer journey from a cumbersome, time-consuming process to a seamless experience. We've accelerated the process from inquiry to completed installation by providing intuitive options for scheduling, quoting and payment. We're confident that we're well positioned to meet the needs of our do-it-for-me customers with cost-effective solutions for convenient installations.

Through **MyLowe's Rewards** and **MyLowe's Pro Rewards**, we're also **creating a loyalty ecosystem** that will help us tailor more personalized, value-enhancing offers through data-driven marketing. MyLowe's Rewards

now has over 30 million members, who shop twice as often and spend over 50% more than nonmembers. Lowe's is the only home improvement retailer with a separate loyalty program for Pro and DIY customers, which is a distinct competitive advantage.





We made significant progress towards **increasing space productivity**, with a 15% reduction of our in-store SKU count, which created space for more high-velocity items. We extended our rural assortment to 150 more stores, bringing the total to nearly 500 stores. We also rolled out workwear showrooms and pet grab-and-go assortments in 1,000 stores. These initiatives help us take advantage of our larger store footprints to create a more convenient shopping experience for our busy customers.

We continue to elevate the customer experience through new training programs for our frontline associates, as well as our AI-powered **Mylow Companion**, which is the same technology available in Mylow online. In fact, when associates use Mylow Companion to help customers, we're seeing satisfaction scores increase 200 basis points.

Our efforts are also being recognized externally. J.D. Power named Lowe's #1 in customer satisfaction among home improvement retailers, and Lowe's was ranked the #1 Specialty Retailer on Fortune's World's Most Admired Companies list. These recognitions

are a tribute to the dedication of our frontline associates and their steadfast commitment to serving our customers.

In 2025, the company made two acquisitions to further enhance our Pro offering and expand into a \$250 billion total addressable market. In June, we acquired



**Artisan Design Group** or ADG for \$1.3 billion. ADG is a leading nationwide provider of design, distribution and installation services for interior surface finishes, including flooring, cabinets and countertops. ADG serves national, regional and local homebuilders and property managers.

In October, we acquired **Foundation Building Materials** or FBM for \$8.8 billion. FBM is a



leading distributor of drywall, metal framing, ceiling systems and commercial doors and hardware. FBM serves a diverse, large Pro customer base with



approximately 45% residential mix, which spans single-family and multifamily construction, and 55% commercial mix, which is split evenly between new construction and repair and remodel applications. FBM's 375+ locations nationwide also strengthen our fulfillment capabilities, especially in California, the Northeast, and the Midwest, where Lowe's has less of a physical store presence.

Through our complementary product assortments, we plan to expand our Pro offering by allowing Lowe's Pro customers to gain access to FBM's core assortment and extensive delivery capabilities. At the same time, we plan to extend Lowe's broad product offering to FBM's customers to drive greater attachment.

And by bringing together the capabilities of FBM, ADG and Lowe's, we will create a comprehensive interior solution for homebuilders, with everything from drywall and insulation to doors, flooring, cabinets and appliances. This will allow us to capitalize on the expected surge in housing demand, as analysts recently estimate that more than 12 million new homes will be needed over the next decade in the U.S.

These acquisitions represent a transformational move in advancing our Total Home strategy. By diversifying our revenue streams, we expect to drive more sustainable, long-term sales and profit expansion.

I'm excited about what lies ahead for Lowe's. Our Total Home strategy is resonating with Pro and DIY customers alike. We're making the right long-term investments in growth, and we've further strengthened our competitive position through the acquisitions of FBM and ADG. And while the recovery in the home improvement industry is expected to be gradual, the structural demand drivers remain strong, with home equity at record levels and homes continuing to age.

We remain focused on managing what is within our control, which is reflected in the solid operating performance we delivered in 2025. And as we continue to support our associates, customers and communities, we will continue to deliver sustainable value for our shareholders.

God bless,

*Marvin*

**Marvin R. Ellison**

## People & Communities



**\$125 MILLION**

awarded in discretionary bonuses for our frontline associates in 2025.



**250,000  
TRADESPEOPLE**

Announced expanded commitment to train tradespeople over the next decade.

**\$650+ MILLION**

invested in our local communities by Lowe's and the Lowe's Foundation since 2018.

## Product Sustainability



**\$9+ BILLION**

customer lifetime savings from Lowe's WaterSense® products purchased in 2025.



**\$2+ BILLION**

customer lifetime savings from Lowe's ENERGY STAR® products purchased in 2025.

## Operational Excellence



**RANKED #1**

in customer satisfaction by J.D. Power among home improvement retailers.<sup>1</sup>



**FORTUNE #1**

Most Admired Specialty Retailer.

<sup>1</sup>For J.D. Power 2025 award information, visit [jdpower.com/awards](https://jdpower.com/awards).



## 2025 Financial Highlights

**\$86.3B**

IN SALES

**26.1%**

RETURN ON INVESTED CAPITAL<sup>1</sup>

**11.8%**

OPERATING MARGIN

**12.1%**

ADJUSTED OPERATING MARGIN<sup>1</sup>

**\$11.85**

DILUTED EPS

**\$12.28**

ADJUSTED DILUTED EPS<sup>1</sup>

<sup>1</sup> Return on Invested Capital (ROIC) is calculated using a non-GAAP financial measure. Adjusted operating margin and adjusted diluted earnings per share (EPS) are non-GAAP financial measures. Refer to the "Non-GAAP Financial Measures Reconciliation" section for additional information as well as reconciliations between the Company's GAAP and non-GAAP financial results.



**2025  
Form 10-K**

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended January 30, 2026

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number 1-7898



**LOWE'S COMPANIES, INC.**

(Exact name of registrant as specified in its charter)

**North Carolina**

(State or other jurisdiction of incorporation or organization)

**1000 Lowes Blvd., Mooresville, NC**

(Address of principal executive offices)

Registrant's telephone number, including area code

**56-0578072**

(I.R.S. Employer Identification No.)

**28117**

(Zip Code)

**(704) 758-1000**

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class                             | Trading Symbol(s) | Name of each exchange on which registered |
|-------------------------------------------------|-------------------|-------------------------------------------|
| <b>Common Stock, par value \$0.50 per share</b> | <b>LOW</b>        | <b>New York Stock Exchange</b>            |

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

|                         |                                     |                           |                          |
|-------------------------|-------------------------------------|---------------------------|--------------------------|
| Large accelerated filer | <input checked="" type="checkbox"/> | Accelerated filer         | <input type="checkbox"/> |
| Non-accelerated filer   | <input type="checkbox"/>            | Smaller reporting company | <input type="checkbox"/> |
|                         |                                     | Emerging growth company   | <input type="checkbox"/> |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

As of August 1, 2025, the last business day of the Company's most recent second quarter, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was \$126.9 billion based on the closing sale price as reported on the New York Stock Exchange.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

| CLASS                          | OUTSTANDING AT 3/19/2026 |
|--------------------------------|--------------------------|
| Common Stock, \$0.50 par value | 560,063,429              |

**DOCUMENTS INCORPORATED BY REFERENCE**

**Document**

Portions of the Proxy Statement for Lowe's 2026 Annual Meeting of Shareholders

**Parts Into Which Incorporated**

Part III

**LOWE'S COMPANIES, INC.**  
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## DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K 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”, “outlook”, “scenario”, “guidance”, and similar expressions are forward-looking statements. Forward-looking statements involve, among other things, expectations, projections, and assumptions about future financial and operating results, objectives (including objectives related to environmental and social matters), business outlook, priorities, sales growth, shareholder value, capital expenditures, cash flows, the housing market, the home improvement industry, demand for products and services including customer acceptance of new offerings and initiatives, macroeconomic conditions and consumer spending, trade policy changes and additional tariffs, share repurchases, and Lowe’s strategic initiatives, including those relating to acquisitions and dispositions and the impact of such transactions on our strategic and operational plans and financial results. Such statements involve risks and uncertainties, and we can give no assurance that they will prove to be correct. Actual results may differ materially from those expressed or implied in such statements.

For a detailed description of the risks and uncertainties that we are exposed to, you should read [Item 1A](#), “Risk Factors” included elsewhere in this Annual Report. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update these statements other than as required by law.

## Part I

### Item 1 - Business

#### General Information

Lowe's Companies, Inc. and subsidiaries (the Company or Lowe's) is a Fortune® 100 company and the world's second largest home improvement retailer. As of January 30, 2026, Lowe's operated 1,759 home improvement stores and outlets in the United States, representing approximately 196 million square feet of retail selling space. In addition, Lowe's operated over 540 branch locations in the United States and Canada, which include our current year acquisitions of Foundation Building Materials (FBM) and Artisan Design Group (ADG).

Lowe's was founded in 1921 with the opening of its first hardware store in North Wilkesboro, North Carolina. The Company was incorporated in North Carolina in 1952 and has been publicly held since 1961. The Company's common stock is listed on the New York Stock Exchange - ticker symbol "LOW".

For additional information about the Company's performance and financial condition, see [Item 7](#), "Management's Discussion and Analysis of Financial Condition and Results of Operations", of this Annual Report.

#### Our Strategy

Lowe's is an omnichannel retailer whose focus is on helping customers solve problems and fulfill dreams for their homes by providing an excellent customer experience, creating a great place to work for our associates, and improving our communities, which we believe will create long-term, sustainable value for our shareholders. In fiscal 2025, we continued to execute on our Total Home strategy that was introduced in fiscal 2020, by focusing on serving the professional customer (Pro customer), accelerating our online business, expanding installation services, improving localization efforts and elevating our product assortment. In December 2024, we updated our Total Home strategy, aligned with the key drivers of home improvement demand, to help our customers solve their home improvement needs with more value and exceptional service. The five pillars of our Total Home strategy are as follows:



- We continue to transform our Pro offerings to drive Pro penetration by continuing to enhance our Pro product assortment, including expanding our offerings to the larger Pro customer through our acquisitions of FBM and ADG, investing in inventory of high-volume Pro products, leveraging our redesigned loyalty program, improving job site delivery capabilities, expanding our Pro extended aisle, and building a comprehensive interior solutions platform.
- We are investing in our omnichannel retail capabilities to accelerate our online business through expansion of our product offerings, enhanced fulfillment capabilities, and a simplified user experience.
- We are expanding our installation services to create a high value simplified installation solution, which are provided by our network of independent installers or outsourced to our third-party model that sells, furnishes, and installs both smaller refresh projects and more complex projects.
- We are creating a loyalty ecosystem that drives brand preference and includes building out our MyLowe's Rewards infrastructure for both Pro and do-it-yourself (DIY) customers.
- Finally, we are increasing space productivity by optimizing our assortments and tailoring them to the local markets, and balancing our value-oriented private brands with our national brands.

## **Our Customers and Market**

The home improvement market in which we operate is highly fragmented. Our retail stores and online focus on serving individual homeowners and renters completing a wide array of projects, that vary along the spectrum of DIY and do-it-for-me (DIFM). In addition, we focus on Pro customers that are primarily the small to medium sized Pro, which includes three broad categories: tradespeople, repair and remodelers, and property managers. With the acquisitions of FBM and ADG in 2025, we are taking an important step in our Total Home strategy to serve larger Pro customers in the residential and commercial markets.

There are many variables that affect consumer demand for the home improvement products and services we offer. Key indicators we monitor include home price appreciation, age of the housing stock, real disposable personal income, housing turnover, and residential and commercial construction. We also monitor demographic and societal trends that shape home improvement industry growth over time as the U.S. population moves through major life stages and events.

## **Our Competition**

The home improvement industry includes a broad competitive landscape that continues to evolve. We compete with national and regional home improvement warehouse chains and lumber yards in most of the markets we serve. We also compete with traditional hardware, plumbing, electrical, drywall and home supply retailers and distributors, as well as paint stores, lumber yards, garden centers, and maintenance and repair organizations. In addition, we compete with general merchandise retailers, home goods specialty stores, warehouse clubs, online retailers, other specialty retailers, providers of equipment and tool rental, service providers that install home improvement products, and wholesalers that provide home-related products and services to homeowners, renters, businesses, and the government.

Location of stores and branches, product assortment, product pricing, fulfillment capabilities, and customer service continue to be key competitive factors in our industry, while the evolution of technology, including artificial intelligence (AI) and machine learning technologies and customer expectations also underscore the importance of omnichannel capabilities as a competitive factor. See further discussion of competition in [Item 1A](#), “Risk Factors”, of this Annual Report.

## **Our Omnichannel Capabilities**

We are committed to meeting customer demand to shop however, whenever, and wherever they choose. Our omnichannel retail network provides a single view of the customer, no matter where they place their order, whether in-store, online, on-site, or through the contact center. This allows our customers to move from channel to channel with simple and seamless transitions even within the same transaction. For example, for many projects, the majority of our customers conduct research online before making an in-store purchase. For purchases made on [Lowe's.com](#), customers may pick up their purchase in-store at the customer service desk, curbside, or from touchless lockers, or have their purchase delivered to their home or business. In addition, flexible fulfillment options are available for in-store purchases and those made through the contact center. Regardless of the channels through which customers choose to engage with us, we strive to provide them with a seamless experience across channels and an extended aisle of products, enabled by our flexible fulfillment capabilities. Our ability to sell products in-store, online, on-site, through one of our branch locations, or through our contact centers speaks to our leverage of our existing infrastructure with the omnichannel capabilities we continue to introduce.

### *In-Store*

Our 1,759 Lowe's-branded retail home improvement stores and outlet stores are generally open seven days per week and average approximately 112,000 square feet of retail selling space, plus approximately 32,000 square feet of outdoor garden center selling space. Our retail home improvement stores offer similar products and services, with certain variations based on localization, along with a dedicated team of knowledgeable and friendly frontline associates available to assist our customers. We continue to develop and implement productivity tools, including freight flow optimization and advanced AI customer service tools, to enhance the efficiency of our sales associates and improve the customer experience. Our 16 Lowe's Outlet stores have a smaller format and offer value to our customers through incremental savings on discontinued, overstocked, or scratch and dent items.

### *Online*

Through our websites and mobile applications, we seek to empower consumers by providing a 24/7 shopping experience, expanded product assortment, product information, customer ratings and reviews, buying guides, how-to videos, and other information. These tools help consumers make more informed purchasing decisions and give them increased confidence to undertake home improvement projects. We enable customers to choose from a variety of fulfillment options, including buying online and picking up in-store, curbside pick-up, same-day delivery through our gig network, and shipment to their homes or

businesses. Further, we also offer digital inspiration, design, and project management tools across multiple home improvement categories.

#### *On-Site*

We have on-site specialists available for our customers to assist them in selecting products and services for their projects. Our Pro sales managers meet with Pro customers at their place of business or on a job site and leverage nearby stores and our distribution network to ensure we meet customer needs for products and resources. In addition, our In-Home Sales program is available in the majority of our stores to discuss various exterior projects such as windows, doors, and fencing, whose characteristics lend themselves to an in-home consultative sales approach.

#### *Branches*

Lowe's has over 540 branch locations that serve larger Pro customers. Our nationwide branch locations specialize in the delivery and installation of building materials for residential and commercial projects, while providing reliable local service and trusted expertise. Services delivered by these locations include distribution of product to large residential and commercial professionals in both new construction and repair and remodel applications, as well as providing design, distribution and installation services to home builders and property managers.

#### *Contact Centers*

Lowe's operates contact centers utilizing a combination of internal staffing and third-party providers. These contact centers enable an omnichannel customer experience by tendering sales, assisting with order management, coordinating deliveries, managing after-sale installations, and answering general customer questions via phone, mail, e-mail, live chat, and social media.

### **Our Products**

#### *Product Selection*

To meet customers' varying needs, we offer a complete line of products for construction, maintenance, repair, remodeling, and decorating. We offer home improvement products in the following categories: Appliances, Seasonal & Outdoor Living, Lumber, Lawn & Garden, Hardware, Kitchens & Bath, Building Materials, Rough Plumbing, Paint, Millwork, Tools, Electrical, Flooring, and Décor. A typical Lowe's-branded home improvement store stocks approximately 37,000 items, with additional items available through our online selling channel. Our product assortments offered in-store strive to meet the needs of the local market for the Pro and DIY customer. See [Note 17](#) of the Notes to Consolidated Financial Statements included in [Item 8](#), "Financial Statements and Supplementary Data", of this Annual Report for historical revenues by product category for each of the last three fiscal years.

We are committed to offering a wide selection of national brand-name merchandise complemented by our selection of high-value private brands. We are balancing our value-oriented private brands with our national power brands, intensifying our localization efforts and expanding our rural assortment. In addition, we are dedicated to selling products sourced in a socially responsible, efficient, and cost-effective manner.

#### *Supply Chain*

We source our products from vendors worldwide and believe that alternative and competitive suppliers are available for virtually all of our products. Whenever possible, we purchase directly from manufacturers to provide savings for customers and improve our gross margin.

To efficiently replenish our stores and meet our customers' expectations for fast fulfillment and delivery, we own and operate more than 120 supply chain facilities in our network. These facilities include regional distribution centers, flatbed distribution centers, import distribution centers, bulk distribution centers, cross-dock terminals, and Fulfillment Centers. Each one of these distribution nodes plays a critical role in our Total Home strategy and collectively enable our products to get to their destination as efficiently as possible.

We continue to modernize our network to unlock our omnichannel capabilities while keeping our organization's sustainability goals top of mind. Through our market-based delivery model, we have been focused on improving the speed of our delivery capabilities for our customers. Most parcel-eligible items fulfilled by Lowe's can be ordered by a customer and delivered within two business days. Also, the nationwide expansion of our gig provider network enables same-day delivery of certain products from our stores, and as of fiscal 2025, we have the ability to deliver major appliances next-day to the majority of zip codes in the United States. Customer needs and buying patterns are constantly changing, and our supply chain will continue to evolve to meet their needs. We are building an omnichannel supply chain that positions the right products in the right quantities in the right places, and operates with greater network capacity with better flow management and optimization.

## **Our Services**

### *Installed Sales*

We offer installation services through independent contractors in many of our product categories, with Kitchens & Bath, Flooring, Appliances, Millwork, and Rough Plumbing accounting for the majority of installed sales. Our installed sales model, which separates selling and project administration tasks, allows our sales associates to focus on project selling, while project managers ensure that the details related to installing the products are efficiently executed. For certain installations, we simplified the process through our central selling team. This team handles building quotes, answering questions over video or phone call, and providing personalized support to our customers. We are also implementing technology that allows our customers to finalize their installation contract and checkout on [lowes.com](#) or mobile application, so they do not need to return to the store. In addition, Lowe's offers installation services for new home construction and remodeling projects.

### *Lowe's Protection Plans*

We offer extended protection plans for certain products within the Appliances, Kitchens & Bath, Décor, Millwork, Rough Plumbing, Electrical, Seasonal & Outdoor Living, Tools, and Hardware categories. These protection plans provide customers with product protection that enhances the coverage offered by the manufacturer's warranty and provide additional benefits and repair services that extend beyond the manufacturer's warranty.

## **Seasonality and Working Capital**

The home improvement business in general is subject to seasonal influences, particularly related to the spring selling season. Historically, we have realized the highest volume of sales during our second fiscal quarter (May, June, and July) and the lowest volume of sales during our fourth fiscal quarter (November, December, and January). Accordingly, our working capital requirements have historically been greater during our fourth fiscal quarter as we build inventory in anticipation of the spring selling season and as we experience lower fourth fiscal quarter sales volumes. We fund our working capital requirements primarily through cash flows generated from operations, but also with short-term borrowings, as needed. For more detailed information, see the Financial Condition, Liquidity and Capital Resources section in [Item 7](#), "Management's Discussion and Analysis of Financial Condition and Results of Operations", of this Annual Report.

## **Intellectual Property**

The name "Lowe's" is a registered service mark of one of our wholly-owned subsidiaries. We consider this mark and logo and the accompanying goodwill and name recognition to be valuable to our business. This subsidiary owns and maintains various additional registered and unregistered trademarks, service marks and trade names, including private brand product names, such as, "Kobalt", "STAINMASTER", and "allen+roth." This subsidiary also maintains various Internet domain names that are important to our business, and we also own registered and unregistered copyrights. In addition, we maintain patent portfolios related to some of our products and services and seek to patent or otherwise protect certain innovations that we incorporate into our products, services, or business operations.

## **Government Regulation**

We are subject to a wide array of federal, state, and local laws and regulations. We do not currently expect compliance with these laws and regulations to have a material effect on our capital expenditures, results of operations, and competitive position as compared to prior periods.

## **Human Capital**

When it comes to attracting and retaining top talent, Lowe's strives to be the employer of choice in retail. We are committed to creating valuable career opportunities for our associates, supporting them and the communities where they live, and cultivating a culture that invites and encourages diverse opinions and ideas. We would like our associates to see Lowe's as a "Home to Possibility" with good jobs, a sense of belonging, and a promising future.

Reflecting our commitments, in fiscal 2025 we received several notable employer of choice awards, including being named on the 2025 Disability:IN National Best Places to Work for Disability Inclusion, 2025 Fortune's World's Most Admired Companies Specialty Retailer, 2025 Great Place to Work Certified - U.S. and India, 2025 Fair360 Top Companies for Verified Meritocracy and Top Company for High Potentials, a 2025 Military Friendly Employer - Rank Gold, a 2025 VETS Indexes - 5 Star Employer, and a 2025 Best Corporation for Veteran's Business Enterprises of the Year.

### *Our People*

As of January 30, 2026, Lowe's employed approximately 167,000 full-time associates and 109,000 part-time associates, primarily in the United States and India. During the spring season, we temporarily expand our workforce by hiring associates in part-time and full-time positions to meet the elevated levels of demand.

We have a proactive associate listening strategy, most notably through our annual engagement survey. In fiscal 2025, more than 90% of our associates participated in our survey, and our people leaders use the feedback to improve our associate experience.

### *Creating Good Jobs*

We have a strong track record of investing in our workforce by offering locally competitive salaries and wages. As of fiscal 2025, our minimum wage starts at \$15 per hour, which helps us remain competitive for talent in all of our markets. These investments include incremental wages and share-based compensation for our frontline associates, which included creating many new roles for our associates to grow into as they advance along their career path.

We offer an array of health, welfare, and financial benefits to our full-time and part-time associates, including health care and insurance benefits, retirement plans, an employee stock purchase plan, paid time off, and leave programs, among many others. We have implemented workforce management tools that enable us to offer various scheduling options to our full-time associates to foster an improved experience in balancing their work and life responsibilities. This includes such options as a shortened workweek, consistent shifts, or consecutive days off.

Our focus on the associate experience begins at initial application. The implementation of improved technology in the hiring process has simplified the experience for those looking to join Lowe's and helped to drive the experience overall. We have Spanish language capabilities to promote bilingual hiring by guiding Spanish-speaking candidates through the full application process.

Providing a safe environment for both working and shopping is our highest priority at Lowe's. We strive to maintain a culture of safety, which begins with our leaders modeling the behaviors we want our associates to adopt. We embed safety into associate onboarding, developmental e-learning, and on-the-job training.

### *Sense of Belonging*

We believe that diverse and inclusive teams with a range of perspectives, backgrounds, and experiences, drive stronger ideas, better business results, and deeper connections with the communities we serve. This year, we have focused on strengthening our culture of winning through the launch of the Inclusion Network, offering new ways for associates to engage and grow. As part of this launch, we introduced two mentor programs: the Power Your Growth pilot program for store associates and the Inspire Mentor program designed for corporate associates. Additionally, we achieved a major milestone in our community impact, through completion of more than 2,000 community projects across our four core pillars: safe and affordable housing, skilled trades education, community improvements, and disaster response.

These efforts reflect our commitment to building a workplace and community environment where every associate can contribute, grow, and thrive.

### *Promising Future*

We are committed to securing top talent and providing ongoing training and other developmental opportunities to facilitate meaningful careers at Lowe's. We offer a variety of role-specific leadership and development programs that build and reinforce functional-technical/professional skills, business acumen, and leadership skills to prepare high-performing leaders for their next role. Our focus on leadership development enables us to grow talent internally and has resulted in more than 85% of store leadership positions being filled internally in the last year.

Our Lowe's University offerings include the District Manager and Store Manager immersive week-long leadership experience programs, delivered from the Lowe's University training center; the virtually-delivered store department supervisor fundamentals series; the virtually-delivered field supply chain leadership director, manager, and supervisor experience programs; and the certification programs for store and technology associates that further develop their skills and knowledge base. In addition, our in-person Lowe's University offerings include an Assistant Store Manager leadership training to further develop our store leaders.

Additionally, through Lowe's Track to the Trades program, we offer all Lowe's associates the opportunity to enroll in programs to complete apprentice certifications in electrical, plumbing, HVAC, appliance repair, or multi-family maintenance. The program also connects them with Pros to help them start a career in their area of interest. The Track to the Trades program

demonstrates Lowe's commitment to our industry and the communities we serve. This program, combined with our tuition-free education program, are further examples of how we are investing in the development of our associates.

## **Corporate Responsibility**

We take our role as a Fortune® 100 retailer seriously by managing our business responsibly, focusing on serving our associates and improving the communities where we live and work. Sustainability objectives are integrated into our business operations, particularly by focusing on the three pillars of our sustainability strategy: our people and communities, product sustainability, and operational excellence, which includes reducing the environmental footprint of our operations, which we believe will help drive long-term shareholder value.

### **Investing in our Communities**

Lowe's is committed to supporting the communities we serve, which is reflected through our philanthropic efforts. Through our community impact programs, nonprofit partnerships and associate volunteer efforts, Lowe's has continued to revitalize neighborhoods, improve essential community spaces and support natural disaster relief and recovery efforts. Our efforts maintain a special focus on veterans, active-duty military, and first responders. Additionally, since awarding its first Gable Grants in 2023, the Lowe's Foundation has invested over \$50 million to help solve the critical skilled trades workforce shortage through a growing network of community colleges and nonprofits in rural and urban communities.

### **Product Sustainability**

We are committed to promoting sustainable practices throughout our supply chain and providing customers with high quality, safe and more efficient products. Our product selection process begins with our responsible sourcing decisions and ongoing supplier engagement. Through collaboration and established management systems, we monitor our suppliers' practices to secure high-quality products from suppliers who support worker rights and protect the environment. Lowe's human rights policy supports the fundamental principles of human rights, as defined by the "Universal Declaration of Human Rights." We continue to hold all suppliers to our rigorous standards through our human rights policy, our conflict minerals policy, and our Vendor Code of Conduct, which includes enhanced environmental standards.

In addition, we have a wood sourcing policy with principles that we expect our vendors to follow, including no illegal logging; no deforestation; no sourcing of endangered species; the protection and preservation of biodiversity; and undergoing and securing Free, Prior and Informed Consent, as defined by the United Nations, wherever applicable. The policy applies risk-based approach that categorizes sourcing risk levels by country, identifies appropriate monitoring practices and includes a new forestry grievance process to share concerns.

We are dedicated to empowering our customers to lead more sustainable lives while minimizing the environmental footprint of our products. We continue to expand our offering of independently certified products that have validated environmental claims, preserve and protect natural resources, and help customers reduce energy and water consumption. These products help customers save money and lower operating costs over time while supporting more efficient use of resources. We work with local and regional utilities to offer customers assorted rebates for a variety of efficient products including ENERGY STAR® and WaterSense®.

### **Reducing Our Environmental Footprint**

We are committed to mitigating climate change by reducing the environmental impact of our operations and supply chain through targeted investments in energy efficiency, renewable energy, environmentally friendly transportation practices, and innovative water and waste management systems.

#### *Greenhouse Gas (GHG) Emissions*

In 2025, Lowe's continued to make progress toward achieving net-zero emissions across the Company's scope 1, 2, and 3 GHG emissions by 2050. That plan includes interim emissions targets for 2030: decreasing our scope 1 and 2 emissions by 42% and reducing scope 3 emissions by 25% below 2021 levels. We report our progress annually in Lowe's Corporate Responsibility Report, to the Carbon Disclosure Project (CDP), and via [lowes.com/net-zero](https://www.lowes.com/net-zero). The contents of these reports are not incorporated by reference into this Annual Report on Form 10-K or in any other report or document we file with the Securities and Exchange Commission (SEC).

To reach these targets, Lowe's continues to focus on increasing operational efficiency and reducing emissions across Lowe's value chain. We are making further investments in energy efficiency and renewable energy within our operations, while

exploring emerging technologies to reduce emissions associated with our vehicle fleet and facilities. Over the past three years, we have invested more than \$400 million across multiple projects, including replacing stores' aging HVAC units with high efficiency models, installing and updating building management systems, deploying material handling automation such as pallet grinders, and completing indoor LED lighting upgrades.

As a global home improvement retailer, Lowe's engages suppliers on the importance of measuring and reporting emissions through the CDP. Lowe's was recently recognized as a Supplier Engagement Leader for our outstanding work in 2025. This engagement supports supplier efforts to identify efficiency opportunities, adopt renewable energy and implement lower-carbon solutions.

Procuring renewable energy is another lever to reduce our emissions footprint, and in 2025, we continued to advance a pipeline of both onsite and offsite renewable energy projects. Lowe's is a member of the Clean Energy Buyers Association to evaluate emerging renewable energy opportunities and technologies, including community solar and power purchase agreements, and continues to implement on-site solar generation across our stores and supply chain network.

We collaborate with the Environmental Protection Agency's (EPA) SmartWay program to reduce transportation emissions by managing and reducing fuel usage through incentives for freight contractors to improve efficiency. Lowe's leverages SmartWay data to enhance visibility into scope 3 emissions associated with our U.S. transportation footprint.

#### *Waste*

We partner with suppliers to improve recycling and waste diversion, develop regional waste management processes, measure waste streams, and conduct waste audits. At a local level, store waste, including cardboard, broken appliances, and wood pallets, is recycled through national and regional partners. We continue to educate customers and encourage proper recycling of product packaging through our collaboration with How2Recycle®. As recycling infrastructure and technology continues to evolve, we evaluate opportunities to improve waste diversion and support circular economy solutions where feasible.

#### *Water*

While our water consumption is modest compared with other industries, we continue to focus on reducing water consumption within our operations. We use smart irrigation controllers at most stores and deploy leak detection technology to identify and address leaks promptly. We also maintain protocols for the handling and disposal of chemicals to help prevent release into local waterways.

### **Corporate Responsibility Reporting**

Lowe's participates in the CDP's climate change, forests and water security questionnaires to benchmark environmental practices and provide transparency on progress. Lowe's continues to externally verify its scope 1 and 2 GHG emissions, as well as scope 3 Use of Sold Product emissions and water usage data to increase confidence in reporting. Our annual Corporate Responsibility Report is guided by the Sustainable Accounting Standards Board, the Global Reporting Initiative, and the U.N. Sustainable Development Goals, and we publish a Task Force on Climate-related Financial Disclosures report to assess climate-related risks and opportunities.

Additional information regarding our activities related to our human capital strategy, as well as our workforce diversity data, latest community improvement projects, and sustainability efforts can be found in our Corporate Responsibility Report and Impact and Culture Report, which are published annually and can be found on our website at [responsibility.lowes.com](https://responsibility.lowes.com). The contents of these reports are not incorporated by reference into this Annual Report on Form 10-K or in any other report or document we file with the SEC.

### **Available Information**

Our Annual Report, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, are made available free of charge through our Internet website at [ir.lowes.com](https://ir.lowes.com), as soon as reasonably practicable after such documents are electronically filed with, or furnished to, the SEC. The SEC maintains an Internet site, [www.sec.gov](https://www.sec.gov), that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

## Item 1A - Risk Factors

We describe below certain risks that could adversely affect our results of operations, financial condition, business reputation, or business prospects. These risk factors may change from time to time and may be amended, supplemented, or superseded by updates to the risk factors contained in our future periodic reports on Form 10-K, Form 10-Q, and reports on other forms we file with the SEC. All forward-looking statements about our future results of operations or other matters made by us in this Annual Report, in our Annual Report to Lowe's Shareholders, and in our subsequently filed reports to the SEC, as well as in our press releases and other public communications, are qualified by the risks described below.

You should read these risk factors in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" in [Item 7](#) and our consolidated financial statements and related notes in [Item 8](#). There also may be other factors that we cannot anticipate or that are not described in this Annual Report generally because we do not currently perceive them to be material. Those factors could cause results to differ materially from our expectations. In connection with any investment decision with respect to our securities, you should carefully consider the following risk factors, as well as the other information contained in this report and our other filings with the SEC.

### Strategic, Competitive, Operational, and Reputational Risks

*We may be unable to adapt our business concept in a rapidly evolving retail environment to address the changing shopping habits, demands, and demographics of our customers.*

The home improvement retail environment, like the retail environment generally, is rapidly evolving, and adapting our business concept to respond to our customers' changing shopping habits and demands and their changing demographics is critical to our future success. Our success is dependent on our ability to identify and respond to the economic, social, style, and other trends that affect demographic and consumer preferences in a variety of our merchandise categories and service offerings, as well as consumer spending. Customers' needs and expectations about how they wish to research, purchase, and receive products and services have also evolved. It is difficult to predict the mix of products and services that our customers will demand. As our customers expect a more personalized experience, our ability to offer more localized assortments of our merchandise to appeal to local tastes within each customer group is important to our ability to effectively meet customer needs and expectations. Our Pro customers also expect more capabilities such as appropriate product assortment, strong sales support, and competitive credit options. Customers also have evolving preferences and expectations related to the sustainability of our products and operations. If we do not successfully differentiate the shopping experience to meet the individual needs and expectations of or within a customer group, we may lose market share with respect to those customers.

Failure to identify such trends, adapt our business concept, implement an increasingly localized merchandising assortment, and implement related strategic initiatives successfully, could negatively affect our relationship with our customers, the demand for the home improvement products and services we sell, the rate of growth of our business, our market share, and results of operations.

*We may not be able to realize the intended benefits of our strategic initiatives focused on providing an omnichannel shopping experience to our customers if we fail to deliver the capabilities required to execute on them.*

Our interactions with customers have evolved into an omnichannel experience as they use computers, tablets, mobile phones, other electronic devices to shop in our stores and online and provide feedback and public commentary on social media platforms about all aspects of our business. Omnichannel and digital retail is quickly evolving, and we must anticipate and meet our customers' expectations and counteract new developments and technology investments by our competitors. Our customer-facing technology systems must appeal to our customers, function as designed, and provide a consistent customer experience. We also need to collect, use, and share relevant customer data to effectively meet customer expectations of a more personalized experience. Our ability to collect, use, and share such data is subject to a number of external factors, including the impact of legislation or regulations governing data privacy and security, as well as the change of third-party policies restricting data collection, use, and sharing.

The success of our strategic initiatives to adapt our business concept to our customers' changing shopping habits and demands and changing demographics have required us to, and will continue to require us to, deliver large, complex programs requiring integrated planning, initiative prioritization, and program sequencing. These initiatives have required, and will continue to require, new competencies in many positions, and our management, associates, and contractors have had to, and will need to continue to, adapt and learn new skills and capabilities. To the extent they are unable or unwilling to make these changes, we may be unable to realize the full benefits of our strategic initiatives and expand our relevant market access. Failure to realize the benefits of amounts we invest in new technologies, products, or services could result in the value of those investments being written down or written off. In addition, to support our strategic initiatives and the related technology investments needed to

implement our strategic investments, we must attract and retain a large number of skilled professionals, including technology professionals. The market for these professionals is increasingly competitive. Our results of operations, financial condition, or business prospects could also be adversely affected if we fail to provide a consistent experience for our customers, regardless of sales channel, if our technology systems do not meet our customers' expectations, if we are unable to counteract new developments and innovations implemented by our competitors, or if we are unable to attract, retain, and manage the talent succession of additional personnel at various levels of the Company who have the skills and capabilities we need to implement our strategic initiatives and drive the changes that are essential to successfully adapting our business concept in the rapidly changing retail environment.

*We have many competitors who could take sales and market share from us if we fail to execute our strategic initiatives effectively, or if they develop a substantially more effective or lower cost means of meeting customer needs, resulting in a negative impact on our business and results of operations.*

We operate in a highly competitive market for home improvement products and services and have numerous large and small, direct and indirect competitors. The principal competitive factors in our industry include location of stores, product assortment, product pricing, in-stock levels, customer service, and the evolution of technology and customer expectations. We face growing competition from online and omnichannel retailers who have a similar product or service offering. Customers are increasingly able to quickly comparison shop and determine real-time product availability and price using digital tools. We will be at a competitive disadvantage if, over time, our competitors are more effective than us in their utilization and integration of rapidly evolving technologies, including AI and machine learning technologies. Further, online and omnichannel retailers continue to focus on delivery services, as customers are increasingly seeking faster, guaranteed delivery times, including same-day and next-day fulfillment, low-price or free shipping, and convenient pick-up options, and we must make investments to keep up with our customers' evolving shopping preferences. Our ability to be competitive on delivery times, delivery costs, and delivery options depends on many factors, including successful implementation and the continued maintenance of our initiatives related to supply chain transformation, including our market-based delivery model, and our relationships with third parties providing delivery services. Our failure to respond effectively to competitive pressures and changes in the markets for home improvement products and services could affect our financial performance. Moreover, changes in the promotional pricing and other practices of our competitors, including the effects of competitor liquidation activities, may impact our results.

*If we fail to hire, train, manage, and retain qualified associates or corporate support staff with the capabilities of delivering on strategic objectives, our labor costs and results of operations could be negatively impacted.*

Our customers expect our associates to be well trained and knowledgeable about the products we sell and the home improvement services we provide. We compete with other retailers for many of our associates, and we are experiencing a competitive labor market with low unemployment. Increasingly, our sales associates must have expanded skill sets. It is important that we attract and retain a qualified workforce that can deliver relevant, competent, and differentiated experiences for a wide variety of culturally diverse customers. Additionally, in order to deliver on the omnichannel expectations of our customers and related strategic objectives, we rely on the specialized training and capabilities of corporate support staff, which are broadly sought after by our competitors. Further, our ability to successfully execute organizational changes, including management transitions within the Company's senior leadership, are critical to our business success. The loss of key executive or senior officers or our failure to adequately plan for succession of senior management personnel could impact our ability to achieve our strategic objectives. If we are unable to hire, train, manage, and retain qualified associates, the quality of service we provide to our customers may decrease and our results of operations could be negatively affected.

Our ability to meet our labor needs, particularly in a competitive labor market, while controlling our costs is subject to a variety of external factors, including wage rates, the availability of and competition for talent, health care and other benefit costs, our brand image and reputation, changing demographics and the adoption of new or revised legislation or regulations governing immigration, employment, labor relations, minimum wage, health care benefits, and family and medical leave. We are subject to upward pressure on associate wages and employer-provided benefits, which in turn increases labor costs. Additionally, many associates are in entry-level or part-time roles with historically higher turnover rates, which leads to increased training and retention costs. A limited number of our employees at FBM are represented by labor unions, and we are also subject to labor organizing efforts from time to time. If successful, those organizing efforts may affect how we operate our business. Our response to any organizing efforts could be perceived negatively and harm our business and reputation. In addition to our United States operations, we have support offices in India and China, and any extended disruption of our operations in our different locations, whether due to labor difficulties or otherwise, could adversely affect our business and results of operations.

*Positively and effectively managing our public image and reputation is critical to our business success, and, if our public image and reputation are damaged, it could negatively impact our relationships with our customers, vendors, associates, and shareholders, and consequently, our business and results of operations.*

Our public image and reputation are critical to ensuring that our customers shop at Lowe's, our vendors want to do business with Lowe's, and our associates want to work for Lowe's. We must continue to manage, preserve, and grow Lowe's public image and reputation. Lowe's actual or perceived position or lack of position on social, environmental, political, public policy, or other sensitive issues, and any perceived lack of transparency about those matters, could harm our reputation. In addition, failure to meet our stated environmental and social objectives, and consumer, shareholder, and other stakeholder concerns about our environmental and social practices are potential sources of reputational risk. Vendors and others with whom we do business may affect our reputation. Any negative incident can erode trust and confidence quickly, and adverse publicity about us could damage our reputation and brand image, undermine our customers' confidence, reduce demand for our products and services, affect our relationships with current and future vendors, impact our results of operations, affect our ability to recruit, retain, and engage our associates, and attract regulatory scrutiny. Collaborations with social media content creators, professional athletes, celebrities, and public personalities may also expose us to brand and reputational risks. The significant expansion in the use of social media over recent years has compounded the potential scope of the negative publicity that could be generated by such negative incidents. We have been, and in the future may be, subject to criticism in the media and negative social media campaigns related to certain initiatives, including those related to diversity and inclusion, and changes in those initiatives. Widespread dissemination of such criticism at times may adversely impact our relationships with our associates, customers, shareholders, and other stakeholders. In addition, the use of social media platforms and other technologies has increased the speed and accessibility of information dissemination and given users the ability to more effectively organize collective actions such as boycotts and other actions that could have an adverse effect.

Additionally, our proprietary rights in our trademarks, trade names, service marks, domain names, copyrights, patents, trade secrets, and other intellectual property rights are valuable assets of our business. We may not be able to prevent or even discover every instance of unauthorized third-party uses of our intellectual property or dilution of our brand names, such as when a third party uses trademarks that are identical or similar to our own. If we are unable to successfully protect our intellectual property rights, our business could be adversely affected.

*Failure to achieve and maintain a high level of product and service quality could damage our image with customers, expose us to litigation and negatively impact our sales, profitability, cash flows, and financial condition.*

Product and service quality issues could result in a negative impact on customer confidence in Lowe's and our brand image. If our product and service offerings do not meet applicable safety standards or our customers' expectations regarding safety or quality, we could experience lost sales and increased costs and be exposed to legal, financial, and reputational risks. As a result, Lowe's reputation as a retailer of high-quality products and services, including both national and Lowe's private brands, could suffer and impact customer loyalty and trust. Additionally, we and our customers have expectations on responsible sourcing and compliance with applicable laws and regulations. Under our Vendor Code of Conduct, our vendors are required to meet our expectations across multiple areas of compliance, including health and safety, environmental standards, compensation, hours of work, and prohibitions on child and forced labor. Where appropriate, we request that our vendors provide additional documentation proving their compliance in these areas. If we need to seek alternative sources of supply from vendors with whom we have less familiarity, the risk of our standards not being met may increase. Actual, potential, or perceived product safety concerns or vendor non-compliance exposes us to litigation, as well as government enforcement action, and could, and in certain instances in the past has, resulted in costly product recalls, the inability to sell certain products due to customs actions, including regulatory enforcement inquiries, holds, detentions, and exclusions, and other liabilities.

*Our sales and profitability depend on our ability to maintain our store base and maintain appropriate levels of inventory and failure to do so may affect our business, financial condition and result of operations.*

We have a store base that requires maintenance, investment, and space reallocation initiatives to deliver the shopping experience that our customers desire. Our capital investments in our stores may not deliver the convenience or relevant shopping experience our customers expect. It is important that we maintain appropriate levels of inventory in our stores and supply chain facilities and respond to changing customer demands. We must also maintain a safe store environment for our customers and associates, as well as to protect against loss or theft of our inventory (known as "shrink"). Higher rates of shrink, which we have experienced from time to time, including as a result of organized retail crime, can require operational changes that may increase costs and adversely impact customer and associate experience.

## **Supply Chain and Third-Party Risks**

*Disruptions in our supply chain and our fulfillment network for our products due to various factors including, but not limited to, global health crises, geopolitical conflicts, trade policy changes, and additional tariffs, have affected and may continue to affect our business and results of operations.*

We source, stock, and sell products from domestic and international vendors, and their ability to reliably and efficiently fulfill our orders is critical to our business success. Catastrophic events, extreme weather conditions, public health crises, and global economic and political conditions may adversely affect our global supply chain. For example, impacts related to the COVID-19 pandemic placed strains on the domestic and international supply chain, which negatively affected the flow and availability of our products in the past, due to difficulties in timely obtaining products from the manufacturers and suppliers of our products.

We source, both directly and indirectly, a portion of the products we sell from foreign manufacturers, with China and Mexico being the dominant import sources. Tax and trade policies, tariffs, and other regulations affecting trade between the United States and other countries, such as China and Mexico, increase the cost of our merchandise sourced from outside of the United States, which represents a large percentage of our private branded and national brand merchandise. It remains unclear how tax or trade policies, tariffs, customs actions, or trade relations may evolve in the future, which could adversely affect our business, results of operations, effective income tax rate, liquidity, and net income. In addition, other countries have responded by changing their business and trade policies in anticipation of or in response to increased import tariffs and other changes in U.S. trade policy and regulations already enacted or that may be enacted in the future. Complications in the free movement of goods in North America, an escalation of tariff activity elsewhere in the world or changes to existing free trade agreements, like the United States-Mexico-Canada Agreement (USMCA), could adversely impact our financial results. Increased import tariffs and other changes in trade policy could also impact consumer demand for the products we sell. In addition to the potential direct impacts of increased tariff activity, longer term macroeconomic consequences could result, including slower growth, inflation, and higher interest rates. The degree of our exposure is dependent on, among other things, the type of goods, rates imposed, and timing of tariffs. The impact to our business, including net sales and gross margin, will be influenced in part by merchandising and pricing strategies in response to potential cost impacts by us and our competitors. While these potential impacts are uncertain, they could have an adverse impact on our financial results.

Financial instability among key vendors, political instability, geopolitical or armed conflicts, and labor unrest in source countries or elsewhere in our supply chain, changes in the total costs in our supply chain (including fuel), labor costs or labor shortages among our vendors, port labor disputes and security, the outbreak of pandemics, weather-related events, natural disasters, work stoppages or slowdowns, government shutdowns, shipping capacity restraints, shipping delays and disruptions, changes in trade policy, retaliatory trade restrictions imposed by either the United States or a major source country, tariffs or duties, customs actions, including regulatory enforcement inquiries, holds, detentions, and exclusions, fluctuations in transport availability, capacity, and costs are beyond our control and could negatively impact our business if they seriously disrupted the movement of products through our supply chain or increased their costs. In recent years, U.S. ports have been impacted by capacity constraints, port congestion and delays, periodic labor disputes, security issues, weather-related events, and natural disasters.

Additionally, as we add fulfillment capabilities or pursue strategies with different fulfillment requirements, our fulfillment network becomes increasingly complex and operating it becomes more challenging. If our fulfillment network does not operate properly or if a vendor fails to deliver on its commitments, we experience delays in inventory, increased delivery costs, or merchandise out-of-stocks that could lead to lost sales, decreased customer confidence, and adversely affect our results of operations and business performance.

*The execution of initiatives to transform our supply chain network could disrupt our operations in the near term, and these investments might not provide the anticipated benefits.*

We continue to transform and expand our supply chain network and existing omnichannel capabilities to meet changing customer needs and expectations. These investments are designed to promote greater network capacity and better flow management and optimization while leveraging a market delivery model. Failure to choose the right investments and implement them in the right manner and at the right pace could disrupt our operations. If we are unable to effectively manage the volume, timing, nature, location, and cost of these investments, projects, and changes, our business operations and financial results could be materially and adversely affected. The cost and potential problems, defects of design, and interruptions associated with the implementation of these initiatives, including those associated with implementing new technologies, restructuring support systems and processes, securing appropriate facility locations, addressing impacts on inventory levels, and managing third-party service providers, could disrupt or reduce the efficiency of our operations and impact our profitability. Our investments to enhance and expand our supply chain might not provide the anticipated benefits, or might take longer than expected to complete or realize anticipated benefits, or might fail altogether, each of which could adversely impact our competitive position and our financial condition, results of operations, or cash flows.

*Our inability to effectively and efficiently manage and maintain our relationships with selected suppliers of both national brand and private branded products could negatively impact our business operations and financial results.*

We form strategic relationships, some of which are exclusive, with selected suppliers to market and develop products under a variety of recognized and respected national brand names. We also have relationships with certain suppliers to enable us to sell private branded products which differentiate us from other retailers. The inability to effectively and efficiently manage and maintain our relationships with these suppliers could negatively impact our business operations and financial results. The business practices of these suppliers could be associated with us and heighten risks to our brand.

*Failure of a key vendor or service provider that we cannot quickly replace could disrupt our operations and negatively impact our business, financial condition, and results of operations.*

We rely upon a number of vendors as the sole or primary source of some of the products we sell. We also rely upon many independent service providers for technology solutions and other services that are important to many aspects of our business. Many of these vendors and service providers have certain products or specialized skills needed to support our business concept and our strategies. If these vendors or service providers discontinue operations or are unable to perform as expected, or if we fail to manage them properly or we are unable to replace them quickly, our business could be adversely affected, at least temporarily, until we are able to replace them.

*Failures relating to our third-party installer program or by our third-party installers have resulted in and could result in increased operational and legal risks and negatively impact our business, financial condition and results of operations.*

We contract with third-party installers to provide installation services to our customers, and, as the general contractor, we are subject to regulatory requirements and risks applicable to general contractors, including certain licensing and permitting requirements, and those relating to the quality and performance of our third-party installers. We have been involved in investigations by one or more government agencies relating to our compliance with applicable laws and regulations, including an investigation with respect to whether we are in compliance with applicable recordkeeping requirements and lead-safe practices. Any adverse result following such investigations could negatively affect our operations. The qualification processes and background checks we utilize when engaging third-party installers may not reveal all potentially relevant information, including accurate worker authorization information and criminal history. In addition, failures by us or our third-party installers to effectively manage such requirements and internal processes regarding installation services have, from time to time, resulted in, and in the future could result in lost sales, fines, and lawsuits, as well as damage to our reputation, and may result in the loss of our general contractor licenses, which could negatively affect our business.

## **Technology and Cybersecurity Risks**

*Our financial performance could be adversely affected if our information systems or the information systems of third-party vendors are seriously disrupted or we fail to properly maintain, improve, upgrade, and expand those systems and infrastructure.*

Our efforts to provide an omnichannel experience for our customers include investing in, maintaining, and making ongoing improvements of our existing information systems that support operations, such as sales, inventory replenishment, merchandise ordering, project design and execution, transportation, receipt processing and fulfillment. We also engage third-party vendors for a variety of reasons, including for digital storage technology and content delivery. Such vendors may have access to information about our customers, associates, or vendors. Our systems and the systems of third-party vendors are subject to damage or interruption as a result of catastrophic events, power outages, viruses, malicious attacks, and telecommunications failures, or other vulnerabilities and irregularities, and as a result we may incur significant expense, data loss, as well as an erosion of customer confidence.

Additionally, we continually make investments in our systems which may introduce disruption. In particular, the Company is undergoing a multi-year technology transformation which includes updating and modernizing our distribution and replenishment systems, as well as certain accounting and finance systems. We may not be able to achieve the anticipated benefits of these investments and may experience operational challenges such as delays or errors in implementation, security failures such as loss or corruption of data, reputational harm, increased costs and other significant disruptions. Our financial performance could be adversely affected if our information systems are seriously disrupted or we fail to properly maintain, improve, upgrade, and expand those systems.

*The failure of customer-facing technology systems to perform effectively and reliably could keep us from delivering positive customer experiences.*

Access to the Internet from computers, tablets, smartphones and other mobile devices has changed the way customers shop and interact with us. Our websites, primarily Lowe's.com, and our mobile applications are important sales channels and sources of

information that influence both online and in-store sales. We leverage other affiliated websites and mobile apps through which we seek to inspire, inform, cross-sell, establish online communities among, and otherwise interact with, our customers, including through online visualization and configuration tools. Performance issues with these customer-facing technology systems, including systems failures or interruptions, defects, capacity constraints, human error, natural disasters, power loss, failures by third parties, and cybersecurity threats such as distributed denial of service attacks, ransomware, phishing and other attempts to gain unauthorized access to or disrupt systems or data, or a complete failure of one or more of them without a disaster recovery plan that can be quickly implemented, could quickly destroy the positive benefits they provide to our home improvement business and negatively affect our customers' perceptions of Lowe's as a reliable online vendor and source of information about home improvement products and services.

*Our business, reputation, results of operations, and financial condition could be adversely affected by cybersecurity incidents and the failure to protect customer, associate, vendor, or Company information or to comply with evolving regulations relating to our obligation to protect our systems, assets, and such information.*

Cyber-attacks and tactics designed to gain access to and exploit sensitive information by breaching mission critical systems of large organizations are constantly evolving, and high profile security breaches leading to unauthorized release of sensitive customer information have occurred in recent years with increasing frequency at a number of major U.S. companies, including several large retailers, despite widespread recognition of the cyber-attack threat and improved data protection methods.

As with many other retailers, we collect, process, transmit, store, and delete certain personal information about our customers, associates, and vendors, as well as confidential, sensitive, proprietary and business, personal and payment card information. Additionally, we use third-party service providers for certain services, such as authentication, content delivery, back-office support, fraud prevention, order and service fulfillment, supply chain management, customer service, workforce management, and other functions, and we provide such third-party service providers with personal and other confidential information necessary for the services concerned.

In the normal course of business, we and our third-party service providers have in the past and will likely continue to experience cybersecurity threats and incidents, and certain of our third-party service providers have been subject to disruption due to ransomware and other cyber-attacks. Although, we do not believe such cybersecurity threats or incidents have had a material impact on us to date, there is no guarantee that a future cybersecurity threat or incident will be detected and remediated to not have a material adverse impact on our business strategy, reputation, results of operations, or financial condition. It can be difficult to preempt or detect ever-evolving forms of cyber-attacks, and we and our third-party service providers may not be able to adequately anticipate or prevent a future breach in our or their systems that results in the unauthorized access to, destruction, misuse, or release of personal information or other sensitive data. The increased levels of remote access to our information systems and the continued use of remote work infrastructure has further increased the possible attack surfaces, and we are exposed to increased risk to the security of our information systems or the information systems of third-party vendors and the confidentiality, integrity, and availability of our data.

A ransomware attack could prevent us or our third-party service providers from accessing data or systems that support Lowe's operations. Our information security or our service providers' information security may also be compromised because of human errors or acts, including by associates, or system errors. Our systems and our service providers' systems are additionally vulnerable to a number of other causes, such as critical infrastructure outages, computer viruses, technology system failures, catastrophic events or cyber-attacks, including the use of malicious codes, worms, phishing, and ransomware. In the event that our systems are breached or damaged for any reason, we may also suffer loss or unavailability of data and interruptions to our business operations while such breach or damage is being remedied. Should these events occur, the unauthorized disclosure, loss, or unavailability of data and disruption to our business may have a material adverse effect on our reputation, drive existing and potential customers away and lead to financial losses from remedial actions, or potential liability, including possible litigation and punitive damages. A security breach resulting in the unauthorized release of data from our information systems or our third-party service providers' information systems would also materially increase the costs we already incur to protect against such risks and require dedication of substantial resources to manage the aftermath of such a breach. We maintain cybersecurity insurance coverage although such insurance may be insufficient to compensate us for losses that may occur or may not cover certain cyber incidents. Additionally, the rapid evolution of AI and machine learning technologies and the implementation of pilot programs integrating generative AI into our internal and customer-facing systems may intensify our cybersecurity risks and create new risks to our business, operations, and financial condition.

Data privacy and cybersecurity laws are constantly changing, and the implementation of these laws has become more complex. In order to maintain our compliance with such laws as they come to fruition, we may sustain increased costs and change our business policies and processes in order to adapt to new requirements that are or become applicable to us. As the regulatory environment relating to retailers' and other companies' obligation to protect personal information becomes stricter, a material failure on our part to comply with applicable regulations could subject us to fines, other regulatory sanctions, or government

investigation, and potentially to lawsuits brought by private individuals, regulators or states' attorney general. Such violation or perceived violation of privacy, including improper collection, use of sharing of personal information, or failure to sufficiently disclose privacy practice, can adversely affect the trust that customers, associates, and business partners have in us related to their personal information.

See [Item 1C](#) of this Form 10-K, "Cybersecurity," for more information on our cybersecurity risk management and governance.

*We are subject to payments-related risks that could increase our operating costs, expose us to fraud, subject us to potential liability and potentially disrupt our business.*

We accept payments using a variety of methods, including credit cards, debit cards, credit accounts, our private label and co-branded credit cards, trade credit, mobile and electronic payments, digital wallets, gift cards, cash, consumer invoicing and physical bank checks, buy now pay later, and we may offer different payment options over time. These payment options subject us to many compliance requirements, including, but not limited to, compliance with payment card association operating rules, including data security rules, certification requirements, rules governing electronic funds transfers and Payment Card Industry Data Security Standards. They also subject us to potential fraud by criminal elements seeking to discover and take advantage of security vulnerabilities that may exist in some of these payment systems. If we fail to comply with these rules or requirements, or if our data security systems are breached or compromised, we may be liable for card issuing banks' costs, subject to fines and higher transaction fees, and lose our ability to accept credit and debit card payments from our customers, process electronic funds transfers, or facilitate other types of online payments, and our business and operating results could be adversely affected. For certain payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time and raise our operating costs. Additionally, we rely on third parties to provide payment processing services, including the processing of credit cards, debit cards, electronic checks, gift cards, promotional financing, and other forms of electronic payment, and it could disrupt our business if these companies become unwilling or unable to provide these services to us. National outages with our third-party credit and debit processor have resulted in lost sales and declined transactions after purchases. Future occurrences of such failures in third party systems are difficult to predict and may adversely affect our operations in unexpected ways.

*Our growing use of AI and machine learning may present additional risks, including risks associated with algorithm development or use, the tools and data sets used and/or a complex, developing regulatory environment.*

We currently leverage internally developed and third-party developed AI, including both predictive and generative AI-powered solutions, to facilitate a more efficient operation of our business and to enhance the experience of our customers. We have developed an AI framework designed to enhance the customer experience and unlock productivity across three pillars – how we sell, how we shop, and how we work. We use AI-powered solutions designed to enable quick and personalized customer interactions, design assistance platforms, and tools for better forecasting, sourcing, inventory planning, and faster fulfillment. We face risk of competitive disadvantage if our competitors more effectively use AI to better serve customers, drive internal efficiencies, and create new or enhanced products or services. Additionally, we are making investments to expand our AI capabilities in our business, including ongoing deployment and improvement of existing machine learning and AI technologies, as well as developing new features using AI technologies. We anticipate increased investments in the future to improve our use of AI, however, there can be no assurance that the development or usage of, or our investments in, AI will always enhance our products or services or be beneficial to our business. Further, the rapidly evolving legal and regulatory environment relating to AI and privacy could impact our implementation of AI technology and increase compliance costs and the risk of non-compliance. Flaws, breaches, or malfunctions in these systems could lead to operational disruptions, data loss, erroneous decision-making, regulatory scrutiny, reputational harm, or legal liability.

## **Investment-Related Risks**

*Our strategic transactions involve risks, and we may not realize the expected benefits because of numerous uncertainties and risks.*

We regularly consider and enter into strategic transactions, including mergers, acquisitions, joint ventures, investments and other growth, market and geographic expansion strategies, such as FBM and ADG in 2025, with the expectation that these transactions will result in increases in sales, cost savings, synergies, and other various benefits. Our ability to deliver the expected benefits from any strategic transaction is subject to numerous uncertainties and risks, including our ability to integrate personnel, labor models, financial, IT and other systems successfully; disruption of our ongoing business and distraction of management; hiring additional management and other critical personnel; and increasing the scope, geographic diversity, and complexity of our operations. Effective internal controls are necessary to provide reliable and accurate financial reports, and the integration of businesses may create complexity in our financial systems and internal controls and make them more difficult to manage. Integration of businesses into our internal control system could cause us to fail to meet our financial reporting

obligations. Additionally, we have recognized material impairments in the past and may do so in the future, including in connection with assets we have acquired or divested in a strategic transaction or charges to earnings associated with any strategic transaction, which have and may in the future materially reduce our earnings. Our shareholders may react unfavorably to our strategic transactions and strategic transactions may also be subject to regulatory uncertainty due to the changing enforcement landscape. We may not realize the anticipated benefits from such transactions, we may be exposed to additional liabilities of any acquired business or joint venture, and we may be exposed to litigation in connection with the strategic transaction. Further, we may finance these strategic transactions by incurring additional debt, which could increase leverage or impact our ability to access capital in the future.

## Legal, Regulatory and Other External Risks

*Our sales are dependent upon the health and stability of the general economy. Adverse changes in macroeconomic factors specific to the home improvement industry have in the past and may in the future negatively impact the rate of growth of our total sales and comparable sales.*

Many macroeconomic factors have in the past and may in the future adversely affect our financial performance. These include, but are not limited to, periods of slow economic growth or recession, home price appreciation or decreasing housing turnover, age of housing stock, volatility and/or lack of liquidity from time to time in U.S. and world financial markets and the consequent reduced availability and/or higher cost of borrowing to Lowe's and its customers, slower rates of growth in real disposable personal income that could affect the rate of growth in consumer spending, inflation and its impacts on discretionary spending and on our costs, shortages, and other disruptions in the labor supply, the impact of rising interest rates, consumer debt levels, changes in tax rates and policy, outbreak of pandemics, fluctuations in fuel and energy costs, inflation or deflation of commodity prices, natural disasters, geopolitical or armed conflicts, and acts of both domestic and international terrorism. Additionally, in fiscal 2025, we continued to operate in an environment with inflationary pressures and affordability concerns, which has adversely impacted consumer discretionary spending. If cost inflation of merchandise increases beyond our ability to control or respond effectively, we may not be able to adjust prices to sufficiently offset the effect of the various cost increases without negatively impacting consumer demand. Sales of many of our product categories and services are driven by the activity level of home improvement projects. Adverse development in these factors could result in a decrease in home improvement activity which could reduce demand for our products and services.

*Our business has been and could continue to be affected by uncharacteristic or significant weather conditions, as well as other catastrophic events, which could impact our operations.*

Natural disasters, such as hurricanes and tropical storms, fires, floods, tornadoes, and earthquakes; unseasonable, or unexpected or extreme weather conditions, such as major or extended winter storms or droughts, whether as a result of climate change or otherwise; severe changes in climate; pandemics and public health concerns; acts of terrorism or violence, including active shooter situations; civil unrest; or similar disruptions and catastrophic events could have, and in certain instances in the past had, an adverse effect on our operations or financial performance. These events can affect consumer spending and confidence and consumers' disposable income, particularly with respect to home improvement or construction projects, and could have an adverse effect on our financial performance. Natural disasters or catastrophic climate events may, and in certain instances in the past has, increased demand for certain of our products, and if we are unable to meet such customer demands, our reputation, business, and financial operations could be harmed, particularly if our responses to such events are less adequate than those of our competitors. These types of events can also adversely affect our workforce and prevent associates and customers from reaching our stores and other facilities. They can also disrupt or disable operations of stores, support centers, and portions of our supply chain and distribution network, including causing reductions in the availability of inventory and disruption of utility services. In addition, these events may affect our information systems, resulting in disruption to various aspects of our operations, including our ability to transact with customers and fulfill orders and to communicate with our stores.

Unseasonable, unexpected or extreme weather conditions such as excessive precipitation, warm temperatures during the winter season, or prolonged or extreme periods of warm or cold temperatures, could render a portion of our inventory damaged or unsellable. As a consequence of these or other catastrophic or uncharacteristic events, we may experience interruption to our operations, increased costs, or losses of property, equipment or inventory, which would adversely affect our revenue and profitability.

*Our business and operations are subject to risks related to the long-term effects of global climate change.*

Our business and operations are subject to climate-related risks. These include both physical risks (such as extreme weather conditions or rising sea levels) and transition risks (such as regulatory or technology changes), which are expected to be widespread and unpredictable. Climate change, extreme weather conditions, wildfires, droughts, and rising sea levels may impact the areas in which the Company's operations and facilities are located, and they could also affect our ability to procure commodities at costs and in quantities we currently experience. Such events could result in an increase in our costs and expenses and harm our future revenue, cash flows, and financial performance. Government regulations limiting carbon dioxide and other greenhouse gas emissions may increase compliance and merchandise costs, and other regulations affecting energy

inputs could materially affect our profitability. In addition, we use natural gas, diesel fuel, gasoline and electricity in our operations, all of which could face increased regulation as a result of climate change or other environmental concerns.

*Our costs of doing business could increase as a result of changes in, expanded enforcement of, or adoption of new international, federal, state or local laws and regulations.*

Our business is subject to a wide array of international, federal, state and local laws and regulations. In recent years, a number of new laws and regulations have been adopted, and there has been expanded enforcement of certain existing laws and regulations by federal, state, and local agencies. These laws and regulations, and related interpretations and enforcement activity, may change as a result of a variety of factors, including political, economic, or social events. Changes in, expanded enforcement of, or adoption of new federal, state or local laws and regulations governing minimum wage requirements, collective bargaining, the classification of exempt and non-exempt employees, the distinction between employees and contractors, other wage, labor or workplace regulations, health care, data privacy and cybersecurity, the sale and pricing of some of our products, transportation, logistics, international trade, responsible sourcing, supply chain transparency, taxes, unclaimed property, sustainability, the environment and climate change, including energy costs and consumption, could increase our costs of doing business or impact our operations. In addition, if we fail to comply with other applicable laws and regulations, including the Foreign Corrupt Practices Act and local anti-bribery laws, we could be subject to reputational and legal risks, including government enforcement action and class action civil litigation, which could adversely affect our business, financial condition, and results of operations.

*Future litigation or governmental proceedings could result in material adverse consequences, including judgments or settlements, negatively affecting our business, financial condition, and results of operations.*

We are, and in the future will become, involved in lawsuits, including consumer, commercial, employment, tort and other litigation, regulatory inquiries, and governmental and other legal proceedings arising out of the ordinary course of our business. Some of these proceedings raise difficult and complicated factual and legal issues and are subject to uncertainties and complexities. The timing of the final resolutions to lawsuits, regulatory inquiries and governmental and other legal proceedings is typically uncertain. Additionally, the possible outcomes of, or resolutions to, these proceedings could include adverse judgments or settlements, either of which could require substantial payments. Furthermore, defending against these proceedings may require a diversion of management's attention and resources. None of the legal proceedings in which we are currently involved, individually or collectively, are considered material.

*The inflation or deflation of commodity and other prices could affect our prices, demand for our products, and our sales.*

Prices of certain commodity products, including lumber, copper, energy, and other raw materials, are historically volatile and are subject to fluctuations arising from changes in domestic and international supply and demand, inflationary pressures, labor costs, competition, market speculation, government regulations, tariffs and trade restrictions, and periodic delays in delivery. Rapid and significant changes in commodity and other prices, such as changes in lumber prices, and our ability to pass them on to our customers or manage them through our portfolio strategy, have affected, and may continue to affect, the demand for our products and our sales.

*Tax matters could adversely affect our results of operations and financial conditions.*

We may be affected by higher rates of federal, state, or local tax imposed as a result of political developments or economic conditions, which could affect our effective tax rate. Our effective tax rate and future tax liability could be adversely affected by regulatory and legal changes, the results of tax audits and examinations, disallowed tax strategies, and changes in accounting principles and interpretations relating to tax matters, all of which could negatively impact our business. Changes in tax laws and regulations that impact our customers and counterparties or the economy generally could also impact our financial condition and results of operations.

*Liquidity and access to capital rely on efficient, rational, and open capital markets and are dependent on our credit strength.*

*Our inability to access capital markets could negatively affect our business, financial performance, and results of operations.*

We rely on cash flows from operations, as well as continued access to capital markets on both a short-term and long-term basis, as needed, to fund our operations, make strategic investments to support long-term growth, such as the acquisitions of FBM and ADG, return excess cash to shareholders in the form of dividends and share repurchases, and repay debt maturities as they become due. Our access to capital markets depends on our strong credit ratings, the overall condition of such capital markets, our operating performance and reputation with potential lenders. If rating agencies lower or place our credit ratings on a credit watch, or if we experience a deterioration of certain financial ratios, it could adversely affect our ability to access the public debt markets and our cost of funds. Each of the credit rating agencies reviews its ratings periodically, and there is no guarantee that our current credit ratings will remain the same. Disruption in the financial markets, including as a result of rising interest rates, bank and private credit failures or other macroeconomic conditions, or an erosion of our credit strength or declines on our credit rating could impact negatively our ability to meet capital requirements or fund working capital needs. If we are unable to

access the public debt markets, we may be required to find other sources of capital, which may result in increased borrowing costs and restrict our ability to operate.

#### **Item 1B - Unresolved Staff Comments**

None.

#### **Item 1C - Cybersecurity**

We maintain a robust cybersecurity program that we have designed with the goal of identifying, deterring, detecting, responding to, and managing potential cybersecurity risks and threats.

#### **Risk Management and Strategy**

Risk management is a central part of our cybersecurity program. We conduct regular risk assessments and monitor our information systems for potential vulnerabilities. We employ a risk quantification model to identify, measure, and prioritize cybersecurity and technology risks, and we implement corresponding security controls and safeguards based on model outputs.

As part of our focus on the use of AI technology in our business, we developed an AI cybersecurity strategy designed to enable the building of secure and reliable AI systems while also managing ethical, legal, cyber, data privacy, and other technology risks. The Company also established an AI Governance Committee, which is composed of leaders across a variety of business, technology, and support functions, to oversee and approve ongoing enhancements to our AI governance framework.

In addition to cybersecurity risks being tracked, managed, and monitored directly by the information security group, cybersecurity risks are also integrated into, and are among the risks evaluated and considered by, our enterprise risk management program. The Company's Chief Legal Officer provides centralized oversight of our enterprise risk management program, which is managed by our Chief Compliance Officer and the Office of Enterprise Risk Management in partnership with the Enterprise Risk Council (ERC). The ERC is comprised of senior Company leaders with broad enterprise experience, including our Chief Information Security Officer (CISO).

#### **Processes and Procedures**

We have adopted physical, technological, and administrative controls on cybersecurity. Our risk management processes include, among others, the following features:

- We leverage the National Institute of Standards and Technology security frameworks as well as established internal security standards, industry practices, and applicable regulatory requirements. Our program is designed to comply with a range of applicable industry standards, such as the Payment Card Industry Data Security Standard.
- We maintain cybersecurity insurance coverage that provides protection against potential losses arising from certain cybersecurity incidents.
- We require that cybersecurity awareness and data privacy training, along with company-wide and tailored training programs, be provided to associates annually. We also regularly conduct phishing and social engineering simulations, and host events to increase awareness, including an annual cybersecurity awareness summit and monthly campaigns.
- We employ operational and technical measures to embed policy-driven security controls across key information security domains, including identity and access management, network security, and data protection.
- We have a cybersecurity incident response plan in place which provides a framework for responding to cybersecurity incidents. Our information security team leverages technologies and vendors to monitor and respond to security threats via a dedicated security operations center. In the event of a security incident, a defined procedure outlines containment, response, and recovery actions that draw on resources and leadership across the Company, as needed.
- A cross-functional team conducts periodic simulated exercises, and we perform regular vulnerability scanning and conduct vulnerability testing during the software development life cycle.

- We collaborate with internal stakeholders and third-party assessors and consultants to conduct regular reviews, tests, and audits of our security program. This coordinated approach reviews security controls that safeguard our information assets, including payment information, through processes such as security control assessments and third-party penetration testing. Additionally, we utilize tabletop exercises, penetration and vulnerability testing, red team exercises, simulations, and other evaluations to improve our security measures and strategies.
- We also participate in various cybersecurity and retail industry groups to remain apprised of emerging cybersecurity risks, defense, mitigation strategies, and governance best practices.

### **Third-Party Risk Management**

Our cybersecurity risk management processes extend to the oversight and identification of threats associated with our use of third-party service providers. We have developed contracting processes and terms to gain commitments from certain vendors and third-party service providers to adhere to appropriate security practices and outline specific security requirements and expectations, including compliance with industry standards, applicable laws and regulations, and our internal security policies. We regularly evaluate and assess vendor risk levels based on a variety of factors, such as the nature of shared data, potential impact to business continuity, and vendors' security posture. Our processes extend beyond initial evaluations to include proactive monitoring and routine oversight.

Cybersecurity incidents and risks of which we are aware as of the date of this Form 10-K have not materially affected our business strategy, results of operations, and financial condition, although we face ongoing risks from cybersecurity threats that, if realized, are reasonably likely to materially affect us, including our business strategy, reputation, results of operations, or financial condition. See "Risk Factors" in [Item 1A](#) of this Annual Report on Form 10-K for more information on our cybersecurity-related risks.

### **Governance**

Our Chief Digital and Information Officer (CDIO), our CISO, and senior members of our information security group are responsible for identifying, assessing, and managing risks from cybersecurity threats. Our CISO, who manages our cybersecurity program and receives information regarding cybersecurity incidents and threats from our information security group and through internal escalation procedures, reports to the CDIO, who reports directly to our Chairman, President, and Chief Executive Officer.

The CDIO has served in various roles in information technology for over 25 years, holds undergraduate and graduate degrees in electrical and electronics engineering and computer science, and brings significant insights into cybersecurity strategies. The CISO has served in various roles in information security for over 30 years, including serving as a CISO of four public companies. The senior members of the information security group who report to the CISO have extensive experience in technology and security roles from serving with several large public companies and possess cybersecurity certifications, including Certified Information Systems Security Professional, Certified Information Security Manager, and Certified Information Systems Auditor, among others.

Oversight responsibility over cybersecurity risk is shared by the Board and the Audit Committee, with the Audit Committee being primarily responsible for overseeing risks related to cybersecurity, data protection, privacy, and significant emerging technology. The Audit Committee regularly reviews metrics about cyber threat response preparedness, program maturity milestones, risk mitigation status, and the current and emerging threat landscape, in addition to the results of third-party reviews and assessments of our security controls. Our CDIO or CISO provide regular cybersecurity updates in the form of written reports and presentations to the Audit Committee at its quarterly meetings, which are also provided to the full Board. We also have protocols by which certain cybersecurity incidents are escalated and, where appropriate, reported to the Audit Committee in a timely manner.

## Item 2 - Properties

As of January 30, 2026, our retail properties consisted of 1,759 stores and outlets in the United States with a total of approximately 196 million square feet of selling space. A summary of our retail stores is as follows:

| State                | Stores | State          | Stores       |
|----------------------|--------|----------------|--------------|
| Alabama              | 39     | Montana        | 5            |
| Alaska               | 5      | Nebraska       | 5            |
| Arizona              | 33     | Nevada         | 17           |
| Arkansas             | 21     | New Hampshire  | 13           |
| California           | 112    | New Jersey     | 40           |
| Colorado             | 29     | New Mexico     | 14           |
| Connecticut          | 17     | New York       | 70           |
| Delaware             | 10     | North Carolina | 116          |
| District of Columbia | 1      | North Dakota   | 3            |
| Florida              | 132    | Ohio           | 84           |
| Georgia              | 65     | Oklahoma       | 29           |
| Hawaii               | 4      | Oregon         | 14           |
| Idaho                | 8      | Pennsylvania   | 83           |
| Illinois             | 37     | Rhode Island   | 5            |
| Indiana              | 43     | South Carolina | 52           |
| Iowa                 | 11     | South Dakota   | 3            |
| Kansas               | 12     | Tennessee      | 60           |
| Kentucky             | 42     | Texas          | 151          |
| Louisiana            | 30     | Utah           | 17           |
| Maine                | 11     | Vermont        | 2            |
| Maryland             | 30     | Virginia       | 69           |
| Massachusetts        | 27     | Washington     | 35           |
| Michigan             | 45     | West Virginia  | 18           |
| Minnesota            | 10     | Wisconsin      | 8            |
| Mississippi          | 24     | Wyoming        | 1            |
| Missouri             | 47     | <b>Total</b>   | <b>1,759</b> |

Of the total retail stores operating as of January 30, 2026, approximately 89% are owned, which includes stores on leased land, with the remainder being leased from third parties. We also operate several facilities to support distribution and fulfillment, as well as data centers, branch locations, and various support offices. Our executive offices are located in Mooresville, North Carolina.

## Item 3 - Legal Proceedings

The Company is from time to time a party to various lawsuits, claims, and other legal proceedings that arise in the ordinary course of business. With respect to such lawsuits, claims, and proceedings, the Company records reserves when it is probable a liability has been incurred and the amount of loss can be reasonably estimated. The Company applies a threshold of \$1,000,000 for purposes of disclosing environmental proceedings involving a governmental authority, if any, under this Item 3. The Company does not believe that any of these proceedings, individually or in the aggregate, would be expected to have a material adverse effect on its results of operations, financial position, or cash flows. The Company maintains liability insurance for certain risks that are subject to certain self-insurance limits.

The U.S. Attorney's Office for the Central District of California and the U.S. EPA's Region 9 Office have been conducting an investigation with respect to whether the Company and independent contractors who performed installations under the Company's third-party installer program complied with applicable recordkeeping requirements and lead-safe practices under

the Toxic Substances Control Act, the EPA's Lead Renovation, Repair and Painting Rules, and with an EPA civil consent decree that the Company entered into in 2014 in the context of projects in homes constructed before 1978. In the third quarter of fiscal 2023, the EPA's Region 5 and other EPA and U.S. Department of Justice representatives informed the Company that they have identified possible deviations from the consent decree. On November 25, 2025, the Company, without admitting liability, agreed to resolve the matter by payment of a civil penalty of \$12,500,000 and by entering into a second consent decree to replace the 2014 consent decree. The second consent decree was lodged in the U.S. District Court for the Central District of California and is subject to a public comment period and court approval.

#### **Item 4 - Mine Safety Disclosures**

Not applicable.

## INFORMATION ABOUT OUR EXECUTIVE OFFICERS

Set forth below is a list of names and ages of the executive officers of the registrant indicating all positions and offices with the registrant held by each such person and each person's principal occupations or employment during the past five years unless otherwise noted. Each executive officer of the registrant is elected by the Board of Directors. Each executive officer of the registrant holds office from the date of election until a successor is elected or until his or her death, resignation or removal.

| Name                    | Age | Title                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Marvin R. Ellison       | 61  | Chairman, President and Chief Executive Officer since May 2021; President and Chief Executive Officer, July 2018 – May 2021; Chairman of the Board and Chief Executive Officer, J.C. Penney Company, Inc. (a department store retailer), 2016 – May 2018; Chief Executive Officer, J.C. Penney Company, Inc., 2015 – 2016; President, J.C. Penney Company, Inc., 2014 – 2015; Executive Vice President – U.S. Stores, The Home Depot, Inc. (a home improvement retailer) 2008 – 2014.                                                                                                                                                                                                                                |
| William P. Boltz        | 63  | Executive Vice President, Merchandising since August 2018; President and CEO, Chervon North America (a global power tool supplier), 2015 – 2018; President and owner of The Boltz Group, LLC (a retail consulting firm), 2013 – 2015; Senior Vice President, Merchandising, The Home Depot, Inc. (a home improvement retailer), 2010 – 2012; Vice President, Merchandising, The Home Depot, Inc., 2006 – 2010.                                                                                                                                                                                                                                                                                                       |
| Janice M. Dupré         | 61  | Executive Vice President, Human Resources since June 2020; Senior Vice President, Talent Management & Diversity and Global Chief Diversity Officer, January 2020 – June 2020; Vice President, Leadership Development and Global Chief Diversity Officer, November 2017 – January 2020; Vice President of Diversity & Inclusion and Chief Diversity Officer, McKesson Corporation (a healthcare company), June 2015 – October 2017.                                                                                                                                                                                                                                                                                   |
| Seemantini Godbole      | 56  | Executive Vice President, Chief Digital and Information Officer since September 2022; Executive Vice President, Chief Information Officer, November 2018 – September 2022; Senior Vice President, Digital and Marketing Technology, Target Corporation (a department store retailer), January 2017 – November 2018; Vice President, Digital and Marketing Technology, Target Corporation, 2013 – December 2016.                                                                                                                                                                                                                                                                                                      |
| Joseph M. McFarland III | 56  | Executive Vice President, Stores since August 2018; Executive Vice President, Chief Customer Officer, J.C. Penney Company, Inc. (a department store retailer), March 2018 – August 2018; Executive Vice President, Stores, J.C. Penney Company, Inc., 2016 – March 2018; Divisional President, The Home Depot, Inc. (a home improvement retailer), 2007 – 2015.                                                                                                                                                                                                                                                                                                                                                      |
| Juliette W. Pryor       | 61  | Executive Vice President, Chief Legal Officer and Corporate Secretary since March 2024; Executive Vice President, Chief Legal Officer, Chief Compliance Officer and Corporate Secretary, May 2023 – March 2024; Executive Vice President, General Counsel and Corporate Secretary, Albertsons Companies, Inc. (a food and drug retail company), June 2020 – May 2023; Senior Vice President, General Counsel and Corporate Secretary, Cox Enterprises, Inc. (a multi-industry communications and automotive services company), October 2016 – June 2020; Executive Vice President, General Counsel and Chief Compliance Officer, US Foods, Inc. (a food service distribution company), February 2009 – October 2016. |
| Brandon J. Sink         | 48  | Executive Vice President, Chief Financial Officer since April 2022; Senior Vice President, Retail Finance, March 2021 – April 2022; Vice President, Merchandising Finance, June 2019 – March 2021; Vice President, Enterprise Strategy, August 2018 – June 2019; Vice President, Finance, September 2016 – August 2018; Vice President, Corporate Controller, July 2015 – September 2016.                                                                                                                                                                                                                                                                                                                            |
| Margrethe R. Vagell     | 48  | Executive Vice President, Supply Chain since March 2024; Senior Vice President, Supply Chain, January 2024 – March 2024; Senior Vice President, General Merchandising Manager, June 2019 – January 2024; Senior Vice President, Store Merchandising, September 2018 – June 2019; Vice President, Chief Customer Officer Operations, July 2017 – September 2018; Vice President, Enterprise Analytics, November 2015 – July 2017; Vice President, Pricing and Promotions, October 2014 – November 2015.                                                                                                                                                                                                               |
| Quonta D. Vance         | 52  | Executive Vice President, Pro and Home Services since June 2023; Senior Vice President, Transportation and Final Mile, November 2022 – June 2023; Senior Vice President, General Merchandising Manager, January 2021 – November 2022; Division President, May 2019 – January 2021; Regional Vice President, The Home Depot, Inc. (a home improvement retailer), February 2001 – May 2018.                                                                                                                                                                                                                                                                                                                            |

## Part II

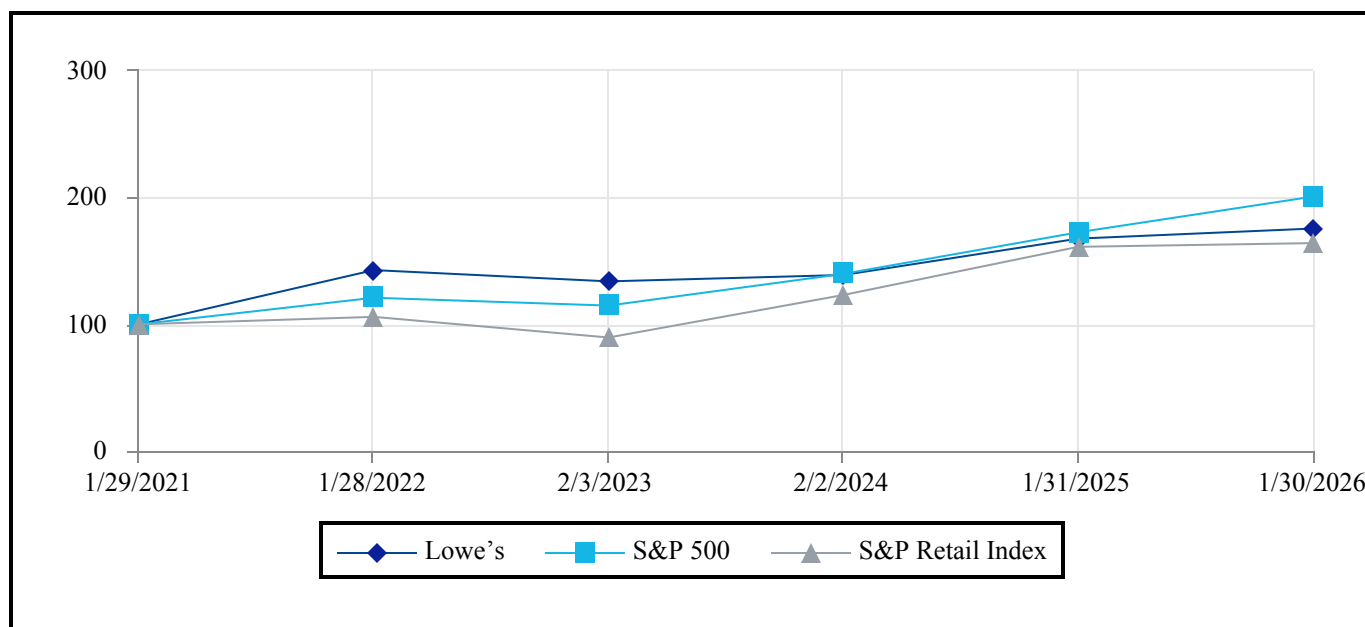
### Item 5 - Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Lowe's common stock is traded on the New York Stock Exchange (NYSE). The ticker symbol for Lowe's is "LOW". As of March 19, 2026, there were 19,110 holders of record of Lowe's common stock.

#### Total Return to Shareholders

The following information in Item 5 of this Annual Report is not deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A or 14C under the Securities Exchange Act of 1934 or to the liabilities of Section 18 of the Securities Exchange Act of 1934, and will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent we specifically incorporate it by reference into such a filing.

The following table and graph compare the total returns (assuming reinvestment of dividends) of the Company's common stock, the S&P 500 Index (S&P 500) and the S&P Retailing Industry Group Index (S&P Retail Index). The graph assumes \$100 invested on January 29, 2021, in the Company's common stock and each of the indices.



|                  | 1/29/2021 | 1/28/2022 | 2/3/2023  | 2/2/2024  | 1/31/2025 | 1/30/2026 |
|------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Lowe's           | \$ 100.00 | \$ 142.82 | \$ 133.91 | \$ 138.95 | \$ 167.67 | \$ 175.63 |
| S&P 500          | 100.00    | 120.99    | 114.80    | 139.85    | 172.66    | 200.84    |
| S&P Retail Index | 100.00    | 105.90    | 89.60     | 123.16    | 161.20    | 164.12    |

## Issuer Purchases of Equity Securities

The following table sets forth information with respect to purchases of the Company's common stock made during the fourth quarter of fiscal 2025:

|                                      | Total Number of<br>Shares Purchased <sup>1</sup> | Average Price<br>Paid per Share | Total Number of<br>Shares Purchased<br>as Part of Publicly<br>Announced Plans<br>or Programs <sup>2</sup> | Dollar Value of<br>Shares that May<br>Yet Be Purchased<br>Under the Plans<br>or Programs <sup>2,3</sup> |
|--------------------------------------|--------------------------------------------------|---------------------------------|-----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| November 1, 2025 - November 28, 2025 | 175                                              | \$ 235.09                       | —                                                                                                         | \$ 10,786,142,988                                                                                       |
| November 29, 2025 - January 2, 2026  | 954                                              | 248.60                          | —                                                                                                         | 10,786,142,988                                                                                          |
| January 3, 2026 - January 30, 2026   | 387                                              | 274.27                          | —                                                                                                         | 10,786,142,988                                                                                          |
| <b>As of January 30, 2026</b>        | <b>1,516</b>                                     | <b>\$ 253.59</b>                | <b>—</b>                                                                                                  | <b>\$ 10,786,142,988</b>                                                                                |

<sup>1</sup> The total number of shares purchased includes shares withheld from employees to satisfy either the exercise price of stock options or the statutory withholding tax liability upon the vesting of share-based awards.

<sup>2</sup> On December 7, 2022, the Company announced that its Board of Directors authorized an additional \$15.0 billion of share repurchases with no expiration.

<sup>3</sup> Excludes excise tax on share repurchases in excess of issuances, which is recognized as part of the cost basis of the shares acquired in the consolidated statements of shareholders' deficit.

## Item 6 - Reserved

Not applicable.

## Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis summarizes the significant factors affecting our consolidated operating results, financial condition, liquidity and capital resources during the two-year period ended January 30, 2026 (our fiscal years 2025 and 2024). Unless otherwise noted, all references herein for the years 2025, 2024, and 2023 represent the fiscal years ended January 30, 2026, January 31, 2025, and February 2, 2024, respectively. We intend for this discussion to provide the reader with information that will assist in understanding our financial statements, the changes in certain key items in those financial statements from year to year, and the primary factors that accounted for those changes, as well as how certain accounting principles affect our financial statements. This discussion should be read in conjunction with our consolidated financial statements and notes to the consolidated financial statements included in this Annual Report that have been prepared in accordance with accounting principles generally accepted in the United States of America. This discussion and analysis is presented in four sections:

- [Executive Overview](#)
- [Operations](#)
- [Financial Condition, Liquidity and Capital Resources](#)
- [Critical Accounting Policies and Estimates](#)

### EXECUTIVE OVERVIEW

The following table highlights our annual financial results:

| (in millions, except per share data)      | 2025      | 2024      | 2023      |
|-------------------------------------------|-----------|-----------|-----------|
| Net sales                                 | \$ 86,286 | \$ 83,674 | \$ 86,377 |
| Net earnings                              | 6,654     | 6,957     | 7,726     |
| Diluted earnings per share                | \$ 11.85  | \$ 12.23  | \$ 13.20  |
| Net cash provided by operating activities | \$ 9,864  | \$ 9,625  | \$ 8,140  |
| Capital expenditures                      | 2,213     | 1,927     | 1,964     |
| Repurchases of common stock <sup>1</sup>  | 75        | 3,929     | 6,334     |
| Cash dividend payments                    | 2,636     | 2,566     | 2,531     |

<sup>1</sup> Repurchases of common stock on a trade-date basis.

Net sales for fiscal 2025 increased 3.1% from fiscal 2024 to \$86.3 billion. Comparable sales for fiscal 2025 increased 0.2%, consisting of a 3.0% increase in comparable average ticket, partially offset by a 2.8% decrease in comparable customer transactions. Net earnings for fiscal 2025 decreased 4.4% to \$6.7 billion. Diluted earnings per common share decreased 3.1% in fiscal 2025 to \$11.85 from \$12.23 in fiscal 2024. Included in fiscal 2025 results are pre-tax expenses of \$321 million consisting of transaction costs and intangible asset amortization related to the acquisition of ADG and FBM, which decreased diluted earnings per share by \$0.43 in fiscal year 2025. Included in the fiscal 2024 results is \$177 million of pre-tax income associated with the fiscal 2022 sale of the Canadian retail business, which increased diluted earnings per share by \$0.24 in fiscal year 2024. Adjusting for these items, adjusted diluted earnings per common share increased 2.4% to \$12.28 in 2025 from adjusted diluted earnings per common share of \$11.99 in 2024 (see the [non-GAAP financial measures](#) discussion).

For fiscal 2025, cash flows from operating activities were \$9.9 billion, with \$2.2 billion used for capital expenditures. Continuing to deliver on our commitment to return excess cash to shareholders, the Company paid \$2.6 billion in dividends during the year.

During 2025, we continued to drive progress across all five key initiatives of our Total Home strategy, which was reflected in the strength we delivered with our Pro customers, online, and home services. Our Total Home strategic initiatives have appealed to both the value-conscious homeowner and the busy Pro customer.

To expand our Pro customer market, we completed the acquisitions of FBM and ADG. We believe these acquisitions, along with our retail home improvement business, provide the large Pro customer with everything they need for the interior space of the home and position the Company to benefit when there is a recovery in the housing industry.

In addition, we continued to deliver on our Perpetual Productivity Improvement (PPI) initiatives, including completing the rollout of our front-end transformation across our store portfolio, streamlining our Freight Flow process, and driving inventory productivity while also navigating dynamic trade policies and tariffs.

Given the persistent volatility in the housing macro environment, heading into 2026 we continue our focus on our PPI initiatives and managing what is within our control. We are pleased with our current track record of disciplined execution and are confident we are making the right investments to continue to deliver long-term sales growth and sustainable shareholder value.

## OPERATIONS

The following table sets forth the percentage relationship to net sales of each line item of the consolidated statements of earnings. This table should be read in conjunction with the following discussion and analysis and the consolidated financial statements, including the related notes to the consolidated financial statements.

|                                     | Basis Point Increase/(Decrease)<br>in Percentage of Net Sales |          |          |               |               |
|-------------------------------------|---------------------------------------------------------------|----------|----------|---------------|---------------|
|                                     | 2025                                                          | 2024     | 2023     | 2025 vs. 2024 | 2024 vs. 2023 |
| Net sales                           | 100.00 %                                                      | 100.00 % | 100.00 % |               |               |
| Gross margin                        | 33.48                                                         | 33.32    | 33.39    | 16            | (7)           |
| Expenses:                           |                                                               |          |          |               |               |
| Selling, general and administrative | 19.46                                                         | 18.74    | 18.02    | 72            | 72            |
| Depreciation and amortization       | 2.25                                                          | 2.07     | 1.99     | 18            | 8             |
| Operating income                    | 11.77                                                         | 12.51    | 13.38    | (74)          | (87)          |
| Interest – net                      | 1.63                                                          | 1.57     | 1.60     | 6             | (3)           |
| Pre-tax earnings                    | 10.14                                                         | 10.94    | 11.78    | (80)          | (84)          |
| Income tax provision                | 2.43                                                          | 2.63     | 2.83     | (20)          | (20)          |
| Net earnings                        | 7.71 %                                                        | 8.31 %   | 8.95 %   | (60)          | (64)          |

The following table sets forth key metrics utilized by management in assessing business performance. This table should be read in conjunction with the following discussion and analysis and the consolidated financial statements, including the related notes to the consolidated financial statements.

| Other Metrics                                                             | 2025      | 2024      | 2023      |
|---------------------------------------------------------------------------|-----------|-----------|-----------|
| Comparable sales increase/(decrease) <sup>1</sup>                         | 0.2 %     | (2.7)%    | (4.7)%    |
| Customer transactions (in millions) <sup>2,3</sup>                        | 780       | 801       | 827       |
| Average ticket <sup>3</sup>                                               | \$ 106.13 | \$ 102.93 | \$ 102.47 |
| <b>At end of year:</b>                                                    |           |           |           |
| Number of retail stores                                                   | 1,759     | 1,748     | 1,746     |
| Sales floor square feet (in millions)                                     | 196       | 195       | 195       |
| Average retail store size selling square feet (in thousands) <sup>4</sup> | 112       | 112       | 112       |
| Net earnings to average debt and shareholders' deficit                    | 22.1 %    | 27.5 %    | 31.6 %    |
| Return on invested capital <sup>5</sup>                                   | 26.1 %    | 32.0 %    | 36.4 %    |

<sup>1</sup> A comparable location is a retail location that has been open longer than 13 months. A location that is identified for relocation is no longer considered comparable in the month of its relocation. The relocated location must then remain open longer than 13 months to be considered comparable. A location we have decided to close is no longer considered comparable as of the beginning of the month in which we announce its closing. Comparable sales include online sales, which positively impacted comparable sales in fiscal 2025, fiscal 2024, and fiscal 2023 by approximately 105 basis points, 50 basis points, and 25 basis points, respectively. Acquisitions are typically included in comparable sales after they have been owned for more than 12 months.

<sup>2</sup> In the first quarter of fiscal 2025, the Company adjusted its customer transactions metric to exclude certain order modifications which were previously included as a separate transaction. The prior year periods have been adjusted to align with the current period presentation.

<sup>3</sup> Customer transactions and average ticket represent metrics used by management to evaluate performance of our retail locations.

<sup>4</sup> Average store size selling square feet is defined as sales floor square feet divided by the number of stores open at the end of the period.

<sup>5</sup> *Return on invested capital is calculated using a non-GAAP financial measure. See below for additional information and reconciliations of non-GAAP measures.*

## Fiscal 2025 Compared to Fiscal 2024

**Net Sales** – Net sales increased 3.1% to \$86.3 billion in fiscal 2025, driven by sales associated with new acquisitions during the year, and an increase in comparable sales of 0.2% over the same period. The increase in comparable sales was driven by a 3.0% increase in comparable average ticket, partially offset by a decline in comparable customer transactions of 2.8%. Comparable sales change during each quarter of the fiscal year, as reported, were a decline of 1.7% in the first quarter, an increase of 1.1% in the second quarter, an increase of 0.4% in the third quarter, and an increase of 1.3% in the fourth quarter.

During fiscal 2025, we had comparable sales increases in five of 14 product categories, including Rough Plumbing, Appliances, Building Materials, Lawn & Garden, and Paint. Strength in these categories reflects continued growth with our Pro customer and online, as well as our broad assortment of appliances available next-day to our customers in the majority of zip codes in the United States.

**Gross Margin** – Gross margin as a percentage of sales for fiscal 2025 increased 16 basis points compared to fiscal 2024. The gross margin increase for the year was primarily driven by favorability from credit revenue and improvements in inventory shrink, partially offset by the operational cost structure of acquisitions during 2025.

**SG&A** – SG&A expense for fiscal 2025 deleveraged 72 basis points as a percentage of sales compared to fiscal 2024. This was primarily driven by employee compensation and benefits, along with cycling prior year realized gains on contingent consideration associated with the 2022 sale of the Canadian retail business, partially offset by the operational cost structure of acquisitions during 2025.

**Depreciation and Amortization** – Depreciation and amortization expense deleveraged 18 basis points for fiscal 2025 as a percentage of sales compared to fiscal 2024, primarily due to amortization of intangible assets of acquired businesses in 2025.

**Interest – Net** – Net interest expense is comprised of the following:

| (In millions)                                          | 2025            | 2024            |
|--------------------------------------------------------|-----------------|-----------------|
| Interest expense, net of amount capitalized            | \$ 1,471        | \$ 1,445        |
| Amortization of original issue discount and loan costs | 25              | 24              |
| Interest on tax uncertainties                          | 3               | 3               |
| Interest income                                        | (121)           | (159)           |
| Other                                                  | 28              | —               |
| <b>Interest – net</b>                                  | <b>\$ 1,406</b> | <b>\$ 1,313</b> |

Net interest expense in fiscal 2025 deleveraged six basis points.

**Income Tax Provision** – Our effective income tax rate was 23.9% in fiscal 2025 compared to 24.0% in fiscal 2024.

## Fiscal 2024 Compared to Fiscal 2023

For a comparison of our results of operations, financial condition, liquidity, and capital resources for the fiscal years ended January 31, 2025, and February 2, 2024, see “[Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations](#)” of our Annual Report on Form 10-K for the fiscal year ended January 31, 2025, filed with the SEC on March 24, 2025.

## Non-GAAP Financial Measures

### Adjusted Diluted Earnings Per Share

Adjusted diluted earnings per share is considered a non-GAAP financial measure. The Company believes this non-GAAP financial measure provides useful insight for analysts and investors in understanding the comparison of operational performance for fiscal 2025 and fiscal 2024. Adjusted diluted earnings per share excludes the impact of certain items, further described below, not contemplated in the Company's business outlook for fiscal 2025 and fiscal 2024.

#### Fiscal 2025 Impacts

- In fiscal 2025, the Company recognized pre-tax expenses of \$321 million consisting of transaction costs and intangible asset amortization related to the acquisitions of Artisan Design Group and Foundation Building Materials (Acquisition of businesses).

#### Fiscal 2024 Impacts

- In fiscal 2024, the Company recognized pre-tax income of \$177 million consisting of realized gains on the contingent consideration associated with the fiscal 2022 sale of the Canadian retail business (Canadian retail business transaction).

Adjusted diluted earnings per share should not be considered an alternative to, or more meaningful indicator of, the Company's diluted earnings per common share as prepared in accordance with GAAP. The Company's methods of determining this non-GAAP financial measure may differ from the method used by other companies and may not be comparable.

|                                                 | 2025             |                  |                 | 2024             |                  |                 |
|-------------------------------------------------|------------------|------------------|-----------------|------------------|------------------|-----------------|
|                                                 | Pre-Tax Earnings | Tax <sup>1</sup> | Net Earnings    | Pre-Tax Earnings | Tax <sup>1</sup> | Net Earnings    |
| <b>Diluted earnings per share, as reported</b>  |                  |                  | <b>\$ 11.85</b> |                  |                  | <b>\$ 12.23</b> |
| <b>Non-GAAP adjustments – per share impacts</b> |                  |                  |                 |                  |                  |                 |
| Acquisition of businesses                       | 0.57             | (0.14)           | 0.43            | —                | —                | —               |
| Canadian retail business transaction            | —                | —                | —               | (0.31)           | 0.07             | (0.24)          |
| <b>Adjusted diluted earnings per share</b>      |                  |                  | <b>\$ 12.28</b> |                  |                  | <b>\$ 11.99</b> |

<sup>1</sup> Represents the tax benefit or expense related to the item excluded from adjusted diluted earnings per share.

### Return on Invested Capital

Return on Invested Capital (ROIC) is calculated using a non-GAAP financial measure. Management believes ROIC is a meaningful metric for analysts and investors as a measure of how effectively the Company is using capital to generate financial returns. Although ROIC is a common financial metric, numerous methods exist for calculating ROIC. Accordingly, the method used by our management may differ from the methods used by other companies. We encourage you to understand the methods used by another company to calculate ROIC before comparing its ROIC to ours.

We define ROIC as the rolling 12 months' lease adjusted net operating profit after tax (Lease adjusted NOPAT) divided by the average of current year and prior year ending debt and shareholders' deficit. Lease adjusted NOPAT is a non-GAAP financial measure, and net earnings is considered to be the most comparable GAAP financial measure. The calculation of ROIC, together with a reconciliation of net earnings to Lease adjusted NOPAT, is as follows:

| (In millions, except percentage data)                         | 2025             | 2024             | 2023             |
|---------------------------------------------------------------|------------------|------------------|------------------|
| <b>Calculation of Return on Invested Capital</b>              |                  |                  |                  |
| <b>Numerator</b>                                              |                  |                  |                  |
| Net earnings                                                  | \$ 6,654         | \$ 6,957         | \$ 7,726         |
| Plus:                                                         |                  |                  |                  |
| Interest expense – net                                        | 1,406            | 1,314            | 1,382            |
| Operating lease interest                                      | 179              | 173              | 157              |
| Provision for income taxes                                    | 2,093            | 2,196            | 2,449            |
| Lease adjusted net operating profit                           | 10,332           | 10,640           | 11,714           |
| Less:                                                         |                  |                  |                  |
| Income tax adjustment <sup>1</sup>                            | 2,473            | 2,552            | 2,819            |
| Lease adjusted net operating profit after tax                 | <u>\$ 7,859</u>  | <u>\$ 8,088</u>  | <u>\$ 8,895</u>  |
| <b>Denominator</b>                                            |                  |                  |                  |
| Average debt and shareholders' deficit <sup>2</sup>           | <u>\$ 30,104</u> | <u>\$ 25,270</u> | <u>\$ 24,418</u> |
| <b>Net earnings to average debt and shareholders' deficit</b> | <b>22.1 %</b>    | <b>27.5 %</b>    | <b>31.6 %</b>    |
| <b>Return on invested capital</b>                             | <b>26.1 %</b>    | <b>32.0 %</b>    | <b>36.4 %</b>    |

<sup>1</sup> Income tax adjustment is defined as net operating profit multiplied by the effective tax rate, which was 23.9%, 24.0%, and 24.1% for fiscal 2025, fiscal 2024, and fiscal 2023, respectively.

<sup>2</sup> Average debt and shareholders' deficit is defined as average current year and prior year ending debt, including current maturities, short-term borrowings, and operating lease liabilities, plus the average current year and prior year ending total shareholders' deficit.

## FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

### Sources of Liquidity

Cash flows from operations, combined with our continued access to capital markets on both a short-term and long-term basis, as needed, remain adequate to fund our operations, make strategic investments to support long-term growth, return cash to shareholders in the form of dividends, and repay debt maturities as they become due. We believe these sources of liquidity will continue to support our business for the next twelve months. As of January 30, 2026, we held \$1.0 billion of cash and cash equivalents, as well as \$5.0 billion in undrawn capacity on our Revolving Credit Facilities.

As of January 30, 2026, our material contractual obligations and commercial commitments consist of leases, long-term debt, purchase obligations, and letters of credit. See [Note 7](#), [Note 8](#), and [Note 15](#) of the Notes to the Consolidated Financial Statements in [Item 8](#), "Financial Statements and Supplementary Data", of this Annual Report for amounts outstanding related to leases, long-term debt, and commitments, respectively, as of January 30, 2026.

### Cash Flows Provided by Operating Activities

| (In millions)                             | 2025     | 2024     |
|-------------------------------------------|----------|----------|
| Net cash provided by operating activities | \$ 9,864 | \$ 9,625 |

Cash flows from operating activities continued to provide the primary source of our liquidity. The increase in net cash provided by operating activities for the year ended January 30, 2026, compared to the year ended January 31, 2025, was primarily driven by changes in merchandise inventory due to inventory optimization efforts during the year, partially offset by lower net earnings and the timing of income tax payments which were previously deferred under the income tax relief announced by the IRS for businesses impacted by Hurricane Helene.

### Cash Flows Used in Investing Activities

| (In millions)                         | 2025        | 2024       |
|---------------------------------------|-------------|------------|
| Net cash used in investing activities | \$ (12,264) | \$ (1,738) |

Net cash used in investing activities is primarily driven by our acquisitions of ADG and FBM, which used \$10.1 billion in fiscal year 2025, in addition to transactions related to capital expenditures.

### *Capital expenditures*

Our capital expenditures generally consist of investments in our strategic initiatives to enhance our ability to serve customers, improve existing stores, and support expansion plans. Capital expenditures were \$2.2 billion in fiscal 2025 and \$1.9 billion in fiscal 2024.

For fiscal 2026, our guidance for capital expenditures is approximately \$2.5 billion. We may adjust our capital expenditures, if necessary or appropriate, to support our operations, to enhance long-term strategic positioning, or in response to the economic environment.

### ***Cash Flows Provided by/Used in Financing Activities***

| (In millions)                                       | 2025     | 2024       |
|-----------------------------------------------------|----------|------------|
| Net cash provided by/(used in) financing activities | \$ 1,621 | \$ (7,047) |

Net cash provided by/(used in) financing activities primarily consists of transactions related to our debt, share repurchases, and cash dividend payments.

### *Total Debt*

During fiscal 2025, the Company issued \$5.0 billion of unsecured notes. In addition, the Company entered into a \$2.0 billion unsecured term loan credit agreement (2025 Term Loan) which has a maturity date of October 2028. The proceeds from the unsecured notes and the 2025 Term Loan were designated to finance, in part, our acquisition of FBM. We also repaid \$2.5 billion and \$450 million in senior notes at maturity in fiscal 2025 and fiscal 2024, respectively.

In fiscal 2025, we entered into a \$2.0 billion five-year unsecured credit agreement (2025 Credit Agreement), which has a maturity of September 2030, replacing the Company's \$2.0 billion five-year unsecured revolving credit agreement entered into in December 2021, and as amended (Third Amended and Restated Credit Agreement). We also have amended the five-year unsecured revolving credit agreement dated September 1, 2023 (the 2023 Credit Agreement), with a syndicate of banks, which has a maturity date of September 2028 and an aggregate availability of \$2.0 billion. Under the amendment, borrowings under the 2023 Credit Agreement will no longer be subject to a SOFR credit spread adjustment.

The 2025 Credit Agreement and the 2023 Credit Agreement (collectively the Long-Term Credit Agreements) support the Company's commercial paper program. The amounts available to be drawn under the Credit Agreements is reduced by the amount of borrowings under our commercial paper program. As of January 30, 2026, and January 31, 2025, there were no outstanding borrowings under the Company's commercial paper program or the Long-Term Credit Agreements.

In fiscal 2025, the Company also entered into a \$1.0 billion 364-day unsecured revolving credit agreement (collectively with the Long-term Credit Agreements the "Revolving Credit Facilities") which has a maturity date of September 2026 and had no outstanding borrowings as of January 30, 2026.

The following table includes additional information related to our debt for fiscal 2025 and fiscal 2024:

| (In millions, except for interest rate data)       | 2025       | 2024     |
|----------------------------------------------------|------------|----------|
| Net proceeds from issuance of debt                 | \$ 6,974   | \$ —     |
| Repayment of debt                                  | \$ (2,587) | \$ (545) |
| Net change in commercial paper                     | \$ —       | \$ —     |
| Maximum commercial paper outstanding at any period | \$ 500     | \$ 250   |

### *Share Repurchases*

We have a share repurchase program, authorized by the Company's Board of Directors, that is executed through purchases made from time to time either in the open market or through private off-market transactions. We also withhold shares from employees to satisfy tax withholding liabilities on share-based payments. Shares repurchased are retired and returned to

authorized and unissued status. The following table provides, on a settlement date basis, the total number of shares repurchased, average price paid per share, and the total amount paid for share repurchases for fiscal 2025 and fiscal 2024:

| (In millions, except per share data)                 | 2025      | 2024      |
|------------------------------------------------------|-----------|-----------|
| Total amount paid for share repurchases <sup>1</sup> | \$ 116    | \$ 4,053  |
| Total number of shares repurchased                   | 0.5       | 16.6      |
| Average price paid per share                         | \$ 243.48 | \$ 244.63 |

<sup>1</sup> Excludes unsettled share repurchases and excise taxes.

As of January 30, 2026, we had \$10.8 billion remaining under our share repurchase program with no expiration date. In fiscal 2025, the Company paused its share repurchase program.

### Dividends

In the third quarter of fiscal 2025, we increased our quarterly dividend payment by 4% to \$1.20 per share. Our dividend payment dates are established such that dividends are paid in the quarter immediately following the quarter in which they are declared. The following table provides additional information related to our dividend payments for fiscal 2025 and fiscal 2024:

| (In millions, except per share data and percentage data) | 2025     | 2024     |
|----------------------------------------------------------|----------|----------|
| Total cash dividend payments                             | \$ 2,636 | \$ 2,566 |
| Dividends paid per share                                 | \$ 4.70  | \$ 4.50  |
| Dividend payout ratio                                    | 40 %     | 37 %     |

### Capital Resources

We expect to continue to have access to the capital markets on both short-term and long-term bases when needed for liquidity purposes by issuing commercial paper or new long-term debt. The availability and the borrowing costs of these funds could be adversely affected, however, by a downgrade of our debt ratings or a deterioration of certain financial ratios. The table below reflects our debt ratings by Standard & Poor's (S&P) and Moody's as of March 23, 2026, which is disclosed to provide an enhanced understanding of our sources of liquidity and the effect of our ratings on our cost of funds. Our debt ratings have enabled, and should continue to enable, us the option to refinance our debt as it becomes due. Our commercial paper and senior debt ratings may be subject to revision or withdrawal at any time by the assigning rating organization, and each rating should be evaluated independently of any other rating.

| Debt Ratings     | S&P           | Moody's       |
|------------------|---------------|---------------|
| Commercial Paper | A-2           | P-2           |
| Senior Debt      | BBB+          | Baa1          |
| <b>Outlook</b>   | <b>Stable</b> | <b>Stable</b> |

There are no provisions in any agreements that would require early cash settlement of existing debt or leases as a result of a downgrade in our debt rating or a decrease in our stock price.

### CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the consolidated financial statements and notes to consolidated financial statements presented in this Annual Report requires us to make estimates that affect the reported amounts of assets, liabilities, sales and expenses, and related disclosures of contingent assets and liabilities. We base these estimates on historical results and various other assumptions believed to be reasonable, all of which form the basis for making estimates concerning the carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates.

Our significant accounting policies are described in [Note 1](#) to the consolidated financial statements included herein. We believe that the following accounting policies affect the most significant estimates and management judgments used in preparing the consolidated financial statements.

## Merchandise Inventory

### *Description*

We record an inventory reserve for the estimated adjustment to mark down merchandise inventory to the lower of cost or net realizable value (LCNRV). This reserve is based on our current knowledge with respect to inventory levels, sales trends and historical experience. During fiscal 2025, our reserve increased approximately \$7 million to \$229 million as of January 30, 2026.

We also record an inventory reserve for the estimated shrinkage between physical inventories. This reserve is based primarily on actual shrink results from previous physical inventories. During fiscal 2025, the inventory shrink reserve increased approximately \$9 million to \$436 million as of January 30, 2026.

In addition, we receive funds from vendors in the normal course of business, principally as a result of purchase volumes, early payments, or sales-based promotions of vendors' products. Generally, these vendor funds do not represent the reimbursement of specific, incremental, and identifiable costs that we incurred to sell the vendor's product. The majority of the vendor funds associated with these purchases are earned under agreements that are negotiated on an annual basis or shorter. The funds are recorded as a reduction to the cost of inventory as they are earned. As the related inventory is sold, the amounts are recorded as a reduction to cost of sales. Funds that are determined to be reimbursements of specific, incremental, and identifiable costs incurred to sell vendors' products are recorded as an offset to the related expense.

### *Judgments and uncertainties involved in the estimate*

We do not believe that our merchandise inventories are subject to significant risk of markdown in the near term in excess of our established reserves, and we have the ability to adjust purchasing practices based on anticipated sales trends and general economic conditions. However, changes in consumer purchasing patterns or a deterioration in product quality could result in the need for additional reserves. Likewise, changes in the estimated shrink reserve may be necessary, based on the timing and results of physical inventories. We also apply judgment in the determination of obsolete inventory and assumptions about net realizable value.

For vendor funds, we develop accrual rates based on the provisions of the agreements in place. Due to the diversity of the individual vendor agreements, we perform analyses and review historical purchase trends and volumes throughout the year, adjust accrual rates as appropriate and confirm actual amounts with select vendors to ensure the amounts earned are appropriately recorded. Amounts accrued throughout the year could be impacted if actual purchase volumes differ from projected purchase volumes, especially in the case of programs that provide for increased funding when graduated purchase volumes are met.

### *Effect if actual results differ from assumptions*

We have not made any material changes in the methodology used to establish our inventory valuation or the related reserves for inventory during the past three fiscal years. We believe that we have sufficient current and historical knowledge to record reasonable estimates for both of these inventory reserves. However, it is possible that actual results could differ from recorded reserves. A 10% change in either the amount of inventory subject to markdown or the weighted average estimated loss rate used in the calculation of our LCNRV inventory reserve would each have affected net earnings by approximately \$17 million for fiscal 2025. A 10% change in the estimated shrinkage rate included in the calculation of our inventory shrink reserve would have affected net earnings by approximately \$33 million for fiscal 2025.

We have not made any material changes in the methodology used to recognize vendor funds during the past three fiscal years. If actual results are not consistent with the assumptions and estimates used, we could be exposed to additional adjustments that could positively or negatively impact gross margin and inventory. However, substantially all receivables associated with these activities do not require subjective long-term estimates because they are collected within the following fiscal year. Adjustments to gross margin and inventory in the following fiscal year have historically not been material.

## Self-Insurance

### *Description*

We are self-insured for certain losses relating to workers' compensation, automobile, property, general and product liability, extended protection plans, and certain medical and dental claims. We have excess insurance coverage above certain retention amounts to limit exposure from single events and earnings volatility. Our self-insured retention or deductible, as applicable, is limited to \$2 million per occurrence involving workers' compensation, and \$10 million per occurrence involving general liability, product liability, and automobile liability. We do not have any excess insurance coverage for self-insured extended protection plan or medical and dental claims. Self-insurance claims filed and claims incurred but not reported are accrued

based upon our estimates of the discounted ultimate cost for self-insured claims incurred using actuarial assumptions followed in the insurance industry and historical experience. During fiscal 2025, our self-insurance liabilities increased approximately \$5 million to \$971 million as of January 30, 2026.

*Judgments and uncertainties involved in the estimate*

These estimates are subject to changes in the regulatory environment, utilized discount rate, projected exposures including payroll, sales and vehicle units, as well as the frequency, lag and severity of claims.

*Effect if actual results differ from assumptions*

We have not made any material changes in the methodology used to establish our self-insurance liability during the past three fiscal years. Although we believe that we have the ability to reasonably estimate losses related to claims, it is possible that actual results could differ from recorded self-insurance liabilities. A 10% change in our self-insurance liability would have affected net earnings by approximately \$73 million for fiscal 2025. A 100 basis point change in our discount rate would have affected net earnings by approximately \$16 million for fiscal 2025.

## **Business Combinations**

*Description*

We account for business combinations using the acquisition method of accounting, which requires that once control is obtained, all the assets acquired and liabilities assumed are recorded at their respective fair values at the date of acquisition. Goodwill is measured as of the acquisition date as the excess of consideration transferred over the net acquisition-date fair value of the net identifiable assets acquired and liabilities assumed. During the measurement period, which is up to one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill due to the use of preliminary information in our initial estimates. Subsequent to the measurement period, any adjustments are recorded to earnings.

*Judgments and uncertainties involved in the estimate*

The determination of fair values of identifiable assets and liabilities requires estimates and the use of valuation techniques when fair value is not readily available and requires a significant amount of management judgment. For the valuation of intangible assets acquired in a business combination, we typically use an income approach. Specifically, for the acquisitions of ADG and FBM, we used the multi-period excess earnings method to value Customer Relationships and the relief from royalty method to value Tradenames. The significant assumptions used to estimate the fair value of intangibles included forecasted revenues and expenses, growth rates, royalty rates, attrition rates, and discount rates.

*Effect if actual results differ from assumptions*

Although the Company believes its estimates of fair value are reasonable, actual financial results could differ from those estimates due to the inherent uncertainty involved in making such estimates. Changes in assumptions concerning future financial results or other underlying assumptions could have a significant impact on the determination of the fair value of the intangible assets acquired.

## **Item 7A - Quantitative and Qualitative Disclosures about Market Risk**

In addition to the risks inherent in our operations, we are exposed to certain market risks, including changes in interest rates and commodity prices.

### **Interest Rate Risk**

We use interest rate swap agreements as fair value hedges on certain debt. The fair value of our derivative financial instruments as of January 30, 2026, was not material. Fluctuations in interest rates do not have a material impact on our financial condition and results of operations because nearly all of our long-term debt is carried at amortized cost and consists primarily of fixed-rate instruments. Therefore, providing quantitative information about interest rate risk is not meaningful.

### **Commodity Price Risk**

We purchase certain commodity products that are subject to price volatility caused by factors beyond our control, which could potentially have a material impact on our financial condition and/or results of operations. We believe that the price volatility of these products is partially mitigated by our ability to adjust selling prices. The selling prices of these commodity products are influenced, in part, by the market price we pay and our competitive environment.

## Item 8 - Financial Statements and Supplementary Data

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## MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of Lowe's Companies, Inc. and its subsidiaries is responsible for establishing and maintaining adequate internal control over financial reporting (Internal Control) as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended. Our Internal Control was designed to provide reasonable assurance to our management and the Board of Directors regarding the reliability of financial reporting and the preparation and fair presentation of published financial statements.

All internal control systems, no matter how well designed, have inherent limitations, including the possibility of human error and the circumvention or overriding of controls. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to the reliability of financial reporting and financial statement preparation and presentation. Further, because of changes in conditions, the effectiveness may vary over time.

Our management, with the participation of the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our Internal Control as of January 30, 2026. In evaluating our Internal Control, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control – Integrated Framework (2013). Based on our management's assessment, we have concluded that, as of January 30, 2026, our Internal Control is effective.

Under guidelines established by the SEC, companies are permitted to exclude acquisitions from their first assessment of internal control over financial reporting following the date of acquisition. Management's assessment of the effectiveness of the Company's internal control over financial reporting excluded Foundation Building Materials (FBM), a wholly owned subsidiary of Lowe's Companies Inc. that consists of the net assets purchased in October 2025. FBM aggregate assets, excluding goodwill and intangible assets - net, and net sales represented 4.5% and 1.5% of the Company's consolidated total assets and consolidated net sales, respectively, as of and for the year ended January 30, 2026. This acquisition is more fully discussed in [Note 2](#) to our Consolidated Financial Statements for fiscal year 2025.

Deloitte & Touche LLP, the independent registered public accounting firm that audited the financial statements contained in this Annual Report, was engaged to audit our Internal Control. Their report appears on page [37](#).

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Lowe's Companies, Inc. and subsidiaries

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Lowe's Companies, Inc. and subsidiaries (the "Company") as of January 30, 2026 and January 31, 2025, the related consolidated statements of earnings, comprehensive income, shareholders' deficit, and cash flows, for each of the three years in the period ended January 30, 2026, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of January 30, 2026 and January 31, 2025, and the results of its operations and its cash flows for each of the three years in the period ended January 30, 2026, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of January 30, 2026, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 23, 2026, expressed an unqualified opinion on the Company's internal control over financial reporting.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which they relate.

#### ***Merchandise Inventory – Vendor Funds – Refer to Note 1 to the financial statements***

##### *Critical Audit Matter Description*

The Company receives funds from vendors in the normal course of business, principally as a result of purchase volumes, early payments, or sales-based promotions of vendors' products. Generally, these vendor funds do not represent the reimbursement of specific, incremental, and identifiable costs incurred by the Company to sell the vendor's product. Therefore, the Company treats these funds as a reduction in the cost of inventory and are recognized as a reduction of cost of sales when the inventory is sold. Funds that are determined to be reimbursements of specific, incremental, and identifiable costs incurred to sell vendors' products are recorded as an offset to the related expense. The Company develops accrual rates for vendor funds based on the provisions of the agreements in place. Due to the diversity of the individual vendor agreements, the Company performs analyses and reviews historical trends throughout the year and confirms actual amounts with select vendors to ensure the amounts earned are appropriately recorded. Amounts accrued throughout the year could be impacted if actual purchase volumes differ from projected annual purchase volumes, especially in the case of programs that provide for increased funding when graduated purchase volumes are met.

We identified vendor funds as a critical audit matter due to the volume of the individual vendor agreements and extent of audit effort required when performing audit procedures to evaluate whether the vendor funds were recorded in accordance with the vendor agreements.

*How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to whether the vendor funds were recorded in accordance with the terms of the vendor agreements included the following, among others:

- We tested the design and operating effectiveness of controls over vendor funds, including management's controls over the identification of vendor agreements as well as the accrual and recording of vendor funds in accordance with the terms the vendor agreements.
- We selected a sample of vendor programs and tested the terms of the agreement and amount earned under the agreement by sending confirmations and, as necessary, following up on non-replies and performing alternative procedures.
- We selected a sample from an independent population and tested the completeness of vendor funds by sending confirmations and, as necessary, following up on non-replies.

**Acquisitions – Foundation Building Materials (FBM) – Valuation of Customer Relationships - Refer to Note 2 to the financial statements**

*Critical Audit Matter Description*

The assets acquired and liabilities assumed in the Foundation Building Materials ("FBM") transaction are recorded at their respective fair values at the date of the acquisition, based on management's estimates and assumptions. Of the total assets acquired and liabilities assumed, the Company acquired intangible assets totaling \$5,041 million, inclusive of customer relationships of \$3,920 million.

We identified the fair valuation of the customer relationships intangible asset related to the FBM acquisition as a critical audit matter because the valuation relies on significant estimates and assumptions made by management. Auditing these estimates and assumptions require a high degree of auditor judgment and increased audit effort, including involvement of fair value specialists, to evaluate the appropriateness of the valuation methodologies and the reasonableness of key inputs, including, but not limited to, average revenue growth rate from existing customer relationships, Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA") margin, and discount rate.

*How the Critical Audit Matter was Addressed in the Audit*

Our audit procedures related to the valuation of customer relationships intangible assets as part of the FBM acquisition included the following, among others:

- We tested the design and operating effectiveness of controls over management's purchase price allocation procedures, including controls over the key assumptions used to value customer relationships under the multi-period excess earnings method – a form of the income approach—specifically average revenue growth rate, EBITDA margin, and discount rate—and controls over management's review of the work performed by its third party valuation specialists.
- With the assistance of our fair value specialists, we evaluated the appropriateness of the valuation methodologies used by management to fair value customer relationships.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the discount rate by developing a range of independent estimates and comparing those to the discount rate selected by management.
- We evaluated the reasonableness of management's forecasts for the average revenue growth rate and EBITDA margin by comparing them to:
  - historical results; and
  - third party economic research, industry performance, and peer company performance.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina  
March 23, 2026

We have served as the Company's auditor since 1962.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Lowe's Companies, Inc.

### Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Lowe's Companies, Inc. and subsidiaries (the "Company") as of January 30, 2026, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 30, 2026, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the fiscal year ended January 30, 2026, of the Company and our report dated March 23, 2026, expressed an unqualified opinion on those financial statements.

As described in Management's Report on Internal Control over Financial Reporting, management excluded from its assessment the internal control over financial reporting at Foundation Building Materials (FBM), which was acquired on October 9, 2025, and whose financial statements constitute approximately 4.5% of the Company's consolidated total assets (excluding goodwill and intangibles - net) and approximately 1.5% of the consolidated net sales as of and for the year ended January 30, 2026. Accordingly, our audit did not include the internal control over financial reporting at FBM.

### Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Charlotte, North Carolina  
March 23, 2026

**Lowe's Companies, Inc.**
**Consolidated Statements of Earnings**

(In millions, except per share and percentage data)

|                                          | Fiscal Years Ended |               |                  |               |                  |               |
|------------------------------------------|--------------------|---------------|------------------|---------------|------------------|---------------|
|                                          | January 30, 2026   |               | January 31, 2025 |               | February 2, 2024 |               |
|                                          | Amount             | % Sales       | Amount           | % Sales       | Amount           | % Sales       |
| <b>Current Earnings</b>                  |                    |               |                  |               |                  |               |
| <b>Net sales</b>                         | \$ 86,286          | 100.00 %      | \$ 83,674        | 100.00 %      | \$ 86,377        | 100.00 %      |
| Cost of sales                            | 57,401             | 66.52         | 55,797           | 66.68         | 57,533           | 66.61         |
| <b>Gross margin</b>                      | <b>28,885</b>      | <b>33.48</b>  | <b>27,877</b>    | <b>33.32</b>  | <b>28,844</b>    | <b>33.39</b>  |
| Expenses:                                |                    |               |                  |               |                  |               |
| Selling, general and administrative      | 16,791             | 19.46         | 15,682           | 18.74         | 15,570           | 18.02         |
| Depreciation and amortization            | 1,941              | 2.25          | 1,729            | 2.07          | 1,717            | 1.99          |
| <b>Operating income</b>                  | <b>10,153</b>      | <b>11.77</b>  | <b>10,466</b>    | <b>12.51</b>  | <b>11,557</b>    | <b>13.38</b>  |
| Interest – net                           | 1,406              | 1.63          | 1,313            | 1.57          | 1,382            | 1.60          |
| <b>Pre-tax earnings</b>                  | <b>8,747</b>       | <b>10.14</b>  | <b>9,153</b>     | <b>10.94</b>  | <b>10,175</b>    | <b>11.78</b>  |
| Income tax provision                     | 2,093              | 2.43          | 2,196            | 2.63          | 2,449            | 2.83          |
| <b>Net earnings</b>                      | <b>\$ 6,654</b>    | <b>7.71 %</b> | <b>\$ 6,957</b>  | <b>8.31 %</b> | <b>\$ 7,726</b>  | <b>8.95 %</b> |
| <b>Basic earnings per common share</b>   | <b>\$ 11.87</b>    |               | <b>\$ 12.25</b>  |               | <b>\$ 13.23</b>  |               |
| <b>Diluted earnings per common share</b> | <b>\$ 11.85</b>    |               | <b>\$ 12.23</b>  |               | <b>\$ 13.20</b>  |               |

**Lowe's Companies, Inc.**
**Consolidated Statements of Comprehensive Income**

(In millions, except percentage data)

|                                                       | Fiscal Years Ended |               |                  |               |                  |               |
|-------------------------------------------------------|--------------------|---------------|------------------|---------------|------------------|---------------|
|                                                       | January 30, 2026   |               | January 31, 2025 |               | February 2, 2024 |               |
|                                                       | Amount             | % Sales       | Amount           | % Sales       | Amount           | % Sales       |
| <b>Net earnings</b>                                   | <b>\$ 6,654</b>    | <b>7.71 %</b> | <b>\$ 6,957</b>  | <b>8.31 %</b> | <b>\$ 7,726</b>  | <b>8.95 %</b> |
| Foreign currency translation adjustments – net of tax | —                  | —             | —                | —             | 5                | 0.01          |
| Cash flow hedges – net of tax                         | (17)               | (0.02)        | (13)             | (0.02)        | (14)             | (0.02)        |
| Other                                                 | —                  | —             | 1                | 0.01          | 2                | —             |
| <b>Other comprehensive loss</b>                       | <b>(17)</b>        | <b>(0.02)</b> | <b>(12)</b>      | <b>(0.01)</b> | <b>(7)</b>       | <b>(0.01)</b> |
| <b>Comprehensive income</b>                           | <b>\$ 6,637</b>    | <b>7.69 %</b> | <b>\$ 6,945</b>  | <b>8.30 %</b> | <b>\$ 7,719</b>  | <b>8.94 %</b> |

See accompanying notes to consolidated financial statements.

**Lowe's Companies, Inc.**  
**Consolidated Balance Sheets**  
(In millions, except par value)

|                                                                                                                                      | January 30, 2026 | January 31, 2025 |
|--------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>Assets</b>                                                                                                                        |                  |                  |
| <b>Current assets:</b>                                                                                                               |                  |                  |
| Cash and cash equivalents                                                                                                            | \$ 982           | \$ 1,761         |
| Short-term investments                                                                                                               | 370              | 372              |
| Receivables - net                                                                                                                    | 1,090            | 94               |
| Merchandise inventory - net                                                                                                          | 17,300           | 17,409           |
| Other current assets                                                                                                                 | 1,213            | 722              |
| <b>Total current assets</b>                                                                                                          | <b>20,955</b>    | <b>20,358</b>    |
| Property, less accumulated depreciation                                                                                              | 18,362           | 17,649           |
| Operating lease right-of-use assets                                                                                                  | 4,303            | 3,738            |
| Long-term investments                                                                                                                | 319              | 277              |
| Deferred income taxes - net                                                                                                          | —                | 244              |
| Goodwill                                                                                                                             | 3,945            | 311              |
| Intangible assets - net                                                                                                              | 5,908            | 277              |
| Other assets                                                                                                                         | 352              | 248              |
| <b>Total assets</b>                                                                                                                  | <b>\$ 54,144</b> | <b>\$ 43,102</b> |
| <b>Liabilities and shareholders' deficit</b>                                                                                         |                  |                  |
| <b>Current liabilities:</b>                                                                                                          |                  |                  |
| Current maturities of long-term debt                                                                                                 | \$ 2,431         | \$ 2,586         |
| Current operating lease liabilities                                                                                                  | 713              | 563              |
| Accounts payable                                                                                                                     | 9,762            | 9,290            |
| Accrued compensation and employee benefits                                                                                           | 1,285            | 1,008            |
| Deferred revenue                                                                                                                     | 1,477            | 1,358            |
| Other current liabilities                                                                                                            | 3,795            | 3,952            |
| <b>Total current liabilities</b>                                                                                                     | <b>19,463</b>    | <b>18,757</b>    |
| Long-term debt, excluding current maturities                                                                                         | 37,490           | 32,901           |
| Noncurrent operating lease liabilities                                                                                               | 4,043            | 3,628            |
| Deferred income taxes - net                                                                                                          | 1,039            | —                |
| Deferred revenue - Lowe's protection plans                                                                                           | 1,262            | 1,268            |
| Other liabilities                                                                                                                    | 764              | 779              |
| <b>Total liabilities</b>                                                                                                             | <b>64,061</b>    | <b>57,333</b>    |
| Commitments and contingencies                                                                                                        |                  |                  |
| <b>Shareholders' deficit:</b>                                                                                                        |                  |                  |
| Preferred stock — \$5 par value: Authorized — 5.0 million shares; Issued and outstanding — none                                      | —                | —                |
| Common stock — \$0.50 par value: Authorized — 5.6 billion shares; Issued and outstanding — 561 million and 560 million, respectively | 281              | 280              |
| Capital in excess of par value                                                                                                       | 370              | —                |
| Accumulated deficit                                                                                                                  | (10,839)         | (14,799)         |
| Accumulated other comprehensive income                                                                                               | 271              | 288              |
| <b>Total shareholders' deficit</b>                                                                                                   | <b>(9,917)</b>   | <b>(14,231)</b>  |
| <b>Total liabilities and shareholders' deficit</b>                                                                                   | <b>\$ 54,144</b> | <b>\$ 43,102</b> |

See accompanying notes to consolidated financial statements.

**Lowe's Companies, Inc.**
**Consolidated Statements of Shareholders' Deficit**

(In millions, except per share data)

|                                                          | Common Stock |               | Capital in |              | Accumulated        | Accumulated         |                    |
|----------------------------------------------------------|--------------|---------------|------------|--------------|--------------------|---------------------|--------------------|
|                                                          | Shares       | Amount        | Excess     | of Par Value | Deficit            | Other Comprehensive | Total              |
|                                                          |              |               |            |              |                    | (Loss)/Income       |                    |
| <b>Balance February 3, 2023</b>                          | <b>601</b>   | <b>\$ 301</b> | <b>\$</b>  | <b>—</b>     | <b>\$ (14,862)</b> | <b>\$ 307</b>       | <b>\$ (14,254)</b> |
| Net earnings                                             | —            | —             | —          | —            | 7,726              | —                   | 7,726              |
| Other comprehensive loss                                 | —            | —             | —          | —            | —                  | (7)                 | (7)                |
| Cash dividends declared, \$4.35 per share                | —            | —             | —          | —            | (2,531)            | —                   | (2,531)            |
| Share-based payment expense                              | —            | —             | 209        | —            | —                  | —                   | 209                |
| Repurchases of common stock                              | (30)         | (15)          | (349)      | —            | (5,970)            | —                   | (6,334)            |
| Issuance of common stock under share-based payment plans | 3            | 1             | 140        | —            | —                  | —                   | 141                |
| <b>Balance February 2, 2024</b>                          | <b>574</b>   | <b>\$ 287</b> | <b>\$</b>  | <b>—</b>     | <b>\$ (15,637)</b> | <b>\$ 300</b>       | <b>\$ (15,050)</b> |
| Net earnings                                             | —            | —             | —          | —            | 6,957              | —                   | 6,957              |
| Other comprehensive loss                                 | —            | —             | —          | —            | —                  | (12)                | (12)               |
| Cash dividends declared, \$4.55 per share                | —            | —             | —          | —            | (2,578)            | —                   | (2,578)            |
| Share-based payment expense                              | —            | —             | 222        | —            | —                  | —                   | 222                |
| Repurchases of common stock                              | (16)         | (8)           | (380)      | —            | (3,541)            | —                   | (3,929)            |
| Issuance of common stock under share-based payment plans | 2            | 1             | 158        | —            | —                  | —                   | 159                |
| <b>Balance January 31, 2025</b>                          | <b>560</b>   | <b>\$ 280</b> | <b>\$</b>  | <b>—</b>     | <b>\$ (14,799)</b> | <b>\$ 288</b>       | <b>\$ (14,231)</b> |
| Net earnings                                             | —            | —             | —          | —            | 6,654              | —                   | 6,654              |
| Other comprehensive loss                                 | —            | —             | —          | —            | —                  | (17)                | (17)               |
| Cash dividends declared, \$4.75 per share                | —            | —             | —          | —            | (2,664)            | —                   | (2,664)            |
| Share-based payment expense                              | —            | —             | 247        | —            | —                  | —                   | 247                |
| Repurchases of common stock                              | —            | —             | (45)       | —            | (30)               | —                   | (75)               |
| Issuance of common stock under share-based payment plans | 1            | 1             | 148        | —            | —                  | —                   | 149                |
| Other                                                    | —            | —             | 20         | —            | —                  | —                   | 20                 |
| <b>Balance January 30, 2026</b>                          | <b>561</b>   | <b>\$ 281</b> | <b>\$</b>  | <b>370</b>   | <b>\$ (10,839)</b> | <b>\$ 271</b>       | <b>\$ (9,917)</b>  |

See accompanying notes to consolidated financial statements.

**Lowe's Companies, Inc.**  
**Consolidated Statements of Cash Flows**  
(In millions)

|                                                                                     | Fiscal Years Ended  |                     |                     |
|-------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|
|                                                                                     | January 30,<br>2026 | January 31,<br>2025 | February 2,<br>2024 |
| <b>Cash flows from operating activities:</b>                                        |                     |                     |                     |
| Net earnings                                                                        | \$ 6,654            | \$ 6,957            | \$ 7,726            |
| Adjustments to reconcile net earnings to net cash provided by operating activities: |                     |                     |                     |
| Depreciation and amortization                                                       | 2,194               | 1,972               | 1,923               |
| Noncash lease expense                                                               | 572                 | 520                 | 499                 |
| Deferred income taxes                                                               | 256                 | 9                   | 6                   |
| Asset impairment and loss on property - net                                         | 53                  | 5                   | 83                  |
| Gain on sale of business                                                            | —                   | (177)               | (79)                |
| Share-based payment expense                                                         | 247                 | 221                 | 210                 |
| Changes in operating assets and liabilities:                                        |                     |                     |                     |
| Merchandise inventory – net                                                         | 703                 | (514)               | 1,637               |
| Other operating assets                                                              | (243)               | 93                  | 182                 |
| Accounts payable                                                                    | 73                  | 633                 | (1,820)             |
| Other operating liabilities                                                         | (645)               | (94)                | (2,227)             |
| <b>Net cash provided by operating activities</b>                                    | <b>9,864</b>        | <b>9,625</b>        | <b>8,140</b>        |
| <b>Cash flows from investing activities:</b>                                        |                     |                     |                     |
| Purchases of investments                                                            | (1,693)             | (1,286)             | (1,785)             |
| Proceeds from sale/maturity of investments                                          | 1,658               | 1,204               | 1,722               |
| Capital expenditures                                                                | (2,213)             | (1,927)             | (1,964)             |
| Proceeds from sale of property and other long-term assets                           | 82                  | 105                 | 53                  |
| Acquisition of businesses - net                                                     | (10,088)            | —                   | —                   |
| Proceeds from sale of business                                                      | —                   | 177                 | 100                 |
| Other – net                                                                         | (10)                | (11)                | (27)                |
| <b>Net cash used in investing activities</b>                                        | <b>(12,264)</b>     | <b>(1,738)</b>      | <b>(1,901)</b>      |
| <b>Cash flows from financing activities:</b>                                        |                     |                     |                     |
| Net change in commercial paper                                                      | —                   | —                   | (499)               |
| Net proceeds from issuance of debt                                                  | 6,974               | —                   | 2,983               |
| Repayment of debt                                                                   | (2,587)             | (545)               | (601)               |
| Proceeds from issuance of common stock under share-based payment plans              | 149                 | 159                 | 141                 |
| Cash dividend payments                                                              | (2,636)             | (2,566)             | (2,531)             |
| Repurchases of common stock                                                         | (211)               | (4,053)             | (6,138)             |
| Other – net                                                                         | (68)                | (42)                | (21)                |
| <b>Net cash provided by/(used in) financing activities</b>                          | <b>1,621</b>        | <b>(7,047)</b>      | <b>(6,666)</b>      |
| Net (decrease)/increase in cash and cash equivalents                                | (779)               | 840                 | (427)               |
| Cash and cash equivalents, beginning of year                                        | 1,761               | 921                 | 1,348               |
| <b>Cash and cash equivalents, end of year</b>                                       | <b>\$ 982</b>       | <b>\$ 1,761</b>     | <b>\$ 921</b>       |

See accompanying notes to consolidated financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED JANUARY 30, 2026, JANUARY 31, 2025, AND FEBRUARY 2, 2024

### NOTE 1: Summary of Significant Accounting Policies

Lowe's Companies, Inc. and subsidiaries (the Company) is the world's second-largest home improvement retailer and operated 1,759 stores and outlets in the United States as of January 30, 2026. In addition, Lowe's operates over 540 branch locations in the United States and Canada, which include our current year acquisitions of Foundation Building Materials (FBM) and Artisan Design Group (ADG). See [Note 2](#) for information on these acquisitions.

Below are those accounting policies considered by the Company to be significant.

**Fiscal Year** - The Company's fiscal year ends on the Friday nearest the end of January. Each of the fiscal years presented contained 52 weeks. All references herein for the years 2025, 2024, and 2023 represent the fiscal years ended January 30, 2026, January 31, 2025, and February 2, 2024, respectively.

**Principles of Consolidation** - The consolidated financial statements include the accounts of the Company and its wholly-owned or controlled subsidiaries. The Company consolidates the financial results of FBM and ADG on a one-month lag due to differences in reporting calendars. All intercompany accounts and transactions have been eliminated.

**Foreign Currency** - Gains and losses from foreign currency transactions are included in SG&A expense. Foreign currency denominated assets and liabilities are translated into U.S. dollars using the exchange rates in effect at the balance sheet date. Results of operations and cash flows are translated using the average exchange rates throughout the period. The effect of exchange rate fluctuations on translation of assets and liabilities is included as a component of shareholders' deficit in accumulated other comprehensive income.

**Use of Estimates** - The preparation of the Company's financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates that affect the reported amounts of assets, liabilities, sales and expenses, and related disclosures of contingent assets and liabilities. The Company bases these estimates on historical results and various other assumptions believed to be reasonable, all of which form the basis for making estimates concerning the carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates.

**Business Combinations** - The assets and liabilities of acquired businesses are recorded at their fair values at the date of acquisition. The excess of the purchase price over the fair values of the identifiable assets acquired and liabilities assumed is recorded as goodwill. During the measurement period, which is up to one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon conclusion of the measurement period, any subsequent adjustments are recorded to earnings.

**Cash and Cash Equivalents** - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less when purchased. Cash and cash equivalents are carried at amortized cost on the consolidated balance sheets. The majority of payments due from financial institutions for the settlement of credit card and debit card transactions process within two business days and are, therefore, classified as cash and cash equivalents.

**Investments** - Investments generally consist of certificates of deposit, commercial paper, corporate debt securities, governmental securities, and money market funds, which are classified as available-for-sale. Available-for-sale debt securities are recorded at fair value, and unrealized gains and losses are recorded, net of tax, as a component of accumulated other comprehensive income. The proceeds from sales and gross realized gains and losses on available-for-sale debt securities were not significant for any of the periods presented.

Also included in long-term investments is performance-based contingent consideration associated with the sale of the Canadian retail business. The Company accounts for the contingent consideration under the fair value option under Accounting Standards Codification (ASC) 825, *Financial Instruments*, which requires the contingent consideration to be recorded at fair value upon recognition and as of each balance sheet date thereafter. Changes in the estimated fair value of the contingent consideration are recognized within selling, general, and administrative (SG&A) expense in the consolidated statements of earnings.

Investments with a stated maturity date of one year or less from the balance sheet date or that are expected to be used in current operations are classified as short-term investments. All other investments are classified as long-term. Available-for-sale debt securities classified as long-term as of January 30, 2026, will mature in one to three years, based on stated maturity dates.

The Company classifies as investments restricted balances pledged as collateral for the Company's extended protection plan program. Restricted balances included in short-term investments were \$370 million as of January 30, 2026, and \$372 million as of January 31, 2025. Restricted balances included in long-term investments were \$319 million as of January 30, 2026, and \$277 million as of January 31, 2025.

**Receivables - net** - The Company's receivables relate to credit extended directly to certain customers in the ordinary course of business and are stated net of the allowance for credit losses, which are recorded based on historical collection trends as well as management's expectation of future collections. The allowance for credit losses related to these receivables was not material to our consolidated financial statements at the end of fiscal 2025 or fiscal 2024.

**Merchandise Inventory** - The Company's inventory is stated at the lower of cost and net realizable value (LCNRV) using primarily the first-in, first-out method of inventory accounting. The cost of inventory includes certain costs associated with the preparation of inventory for resale, including distribution center costs, and is net of vendor funds.

The Company records an inventory reserve for the estimated adjustment to mark down merchandise inventory to the lower of cost or net realizable value. This reserve is based on management's current knowledge with respect to inventory levels, sales trends, and historical experience. Management does not believe the Company's merchandise inventories are subject to significant risk of markdown in the near term in excess of established reserves, and management has the ability to adjust purchasing patterns based on anticipated sales trends and general economic conditions. However, changes in consumer purchasing patterns could result in the need for additional reserves. The Company's LCNRV inventory reserve was \$229 million as of January 30, 2026, and \$222 million as of January 31, 2025.

The Company also records an inventory reserve for the estimated shrinkage between physical inventories. This reserve is based primarily on actual shrink results from previous physical inventories. Changes in the estimated shrink reserve are made based on the timing and results of physical inventories. The Company's reserve for inventory shrinkage was \$436 million as of January 30, 2026, and \$427 million as of January 31, 2025.

The Company receives funds from vendors in the normal course of business, principally as a result of purchase volumes, early payments, or sales-based promotions of vendors' products. Generally, these vendor funds do not represent the reimbursement of specific, incremental, and identifiable costs incurred by the Company to sell the vendor's product. Therefore, the Company treats these funds as a reduction in the cost of inventory and are recognized as a reduction of cost of sales when the inventory is sold. Funds that are determined to be reimbursements of specific, incremental, and identifiable costs incurred to sell vendors' products are recorded as an offset to the related expense. The Company develops accrual rates for vendor funds based on the provisions of the agreements in place. Due to the diversity of the individual vendor agreements, the Company performs analyses and reviews historical trends throughout the year and confirms actual amounts with select vendors to ensure the amounts earned are appropriately recorded. Amounts accrued throughout the year could be impacted if actual purchase volumes differ from projected annual purchase volumes, especially in the case of programs that provide for increased funding when graduated purchase volumes are met.

**Derivative Financial Instruments** - The Company is exposed to the impact of changes in benchmark interest rates and the prices of commodities used in the normal course of business. The Company occasionally utilizes derivative financial instruments to manage certain business risks. All derivative financial instruments are recognized at their fair values as either assets or liabilities at the balance sheet date and reported on a gross basis.

The Company held fixed-to-floating interest rate swap agreements as fair value hedges on certain debt as of January 30, 2026, and January 31, 2025. The Company evaluates the effectiveness of the fair value hedges using the shortcut method of accounting under which the hedges are assumed to be perfectly effective. Thus, the change in fair value of the derivative instruments offsets the change in fair value on the hedged debt, and there is no net impact in the consolidated statements of earnings from the fair value of the derivatives.

**Credit Programs and Sale of Business Accounts Receivable** - The Company has branded and private label proprietary credit cards which generate sales that are not reflected in receivables. Under an agreement with Synchrony Bank (Synchrony), credit is extended directly to customers by Synchrony. All credit program-related services are performed and controlled directly by Synchrony. The Company has the option, but no obligation, to purchase the receivables at the end of the agreement.

**Property and Depreciation** - Property is recorded at cost. Costs associated with major additions are capitalized and depreciated. Capital assets are expected to yield future benefits and have original useful lives which exceed one year. The total cost of a capital asset generally includes all applicable sales taxes, delivery costs, installation costs, and other appropriate costs incurred by the Company, including interest in the case of self-constructed assets. Upon disposal, the cost of properties and related accumulated depreciation is removed from the accounts, with gains and losses reflected in SG&A expense in the consolidated statements of earnings.

Property consists of land, buildings and building improvements, equipment, and construction in progress. Buildings and building improvements includes owned buildings, as well as buildings under finance lease and leasehold improvements. Equipment primarily includes store racking and displays, computer hardware and software, forklifts, vehicles, finance lease equipment, and other store equipment. In addition, excess properties held for use are included within land and buildings.

Depreciation is recognized over the estimated useful lives of the depreciable assets. Assets are depreciated using the straight-line method. Leasehold improvements and finance lease assets are depreciated and amortized, respectively, over the shorter of their estimated useful lives or the term of the related lease. The amortization of these assets is included in depreciation and amortization expense in the consolidated statements of earnings.

**Long-Lived Asset Impairment** - The carrying amounts of long-lived assets are reviewed whenever certain events or changes in circumstances indicate that the carrying amounts may not be recoverable. A potential impairment has occurred for long-lived assets held-for-use if projected future undiscounted cash flows expected to result from the use and eventual disposition of the assets are less than the carrying amounts of the assets. For operating locations identified for sale or closure, a market approach is used to determine the fair value of the asset group. The carrying value of an operating location's asset group includes inventory, property, operating and finance lease right-of-use assets, and operating liabilities, including accounts payables, accrued compensation, and operating lease liabilities. Financial and non-operating liabilities are excluded from the carrying value of the asset group. An impairment loss is recorded for long-lived assets held-for-use when the carrying amount of the asset is not recoverable and exceeds its fair value. Impairment losses are included in SG&A expense in the consolidated statements of earnings.

Excess properties that are expected to be sold within the next twelve months and meet the other relevant held-for-sale criteria are classified as long-lived assets held-for-sale. Excess properties consist primarily of retail outparcels and property associated with relocated or closed locations. An impairment loss is recorded for long-lived assets held-for-sale when the carrying amount of the asset exceeds its fair value less cost to sell. A long-lived asset is not depreciated while it is classified as held-for-sale.

For long-lived assets to be abandoned, the Company considers the asset to be disposed of when it ceases to be used. Until it ceases to be used, the Company continues to classify the asset as held-for-use and tests for potential impairment accordingly. If the Company commits to a plan to abandon a long-lived asset before the end of its previously estimated useful life, its depreciable life is evaluated.

**Goodwill** - Goodwill is the excess of the purchase price over the fair value of identifiable assets acquired, less liabilities assumed, in a business combination. The Company reviews goodwill for impairment at the reporting unit level, which is the operating segment level or one level below the operating segment level. Goodwill is not amortized but is evaluated for impairment at least annually on the first day of the fourth quarter or whenever events or changes in circumstances indicate that it is more likely than not that the carrying amount may not be recoverable. The evaluation begins with a qualitative assessment to determine whether a quantitative impairment test is necessary. If, after assessing qualitative factors, we determine it is more likely than not that the fair value of the reporting unit is less than the carrying amount, then the quantitative goodwill impairment test is performed.

The quantitative goodwill impairment test used to identify potential impairment compares the fair value of a reporting unit with its carrying amount, including goodwill. Fair value represents the price a market participant would be willing to pay in a potential sale of the reporting unit and is based on a combination of an income approach, using discounted future cash flows, and a market approach, using market multiples applied to free cash flow. If the fair value exceeds carrying value, then no goodwill impairment has occurred. If the carrying value of the reporting unit exceeds its fair value, an impairment loss is recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. Any impairment identified is included within SG&A expense in the consolidated statements of earnings. The income tax effect from any tax deductible goodwill on the carrying amount of the reporting unit, if applicable, is considered in determining the goodwill impairment loss.

A reporting unit is an operating segment or a business unit one level below that operating segment, for which discrete financial information is prepared and regularly reviewed by segment management. In fiscal 2025, we completed our annual qualitative

assessment of the recoverability of goodwill for our reporting units and concluded that the fair value of the reporting units exceeded their carrying value.

**Intangible Assets - net** - Intangible assets with indefinite lives are evaluated for impairment on the first day of the fourth quarter or whenever events or changes in circumstances indicate that it is more likely than not that the carrying amount may not be recoverable. The cost of definite-lived intangible assets is amortized over their estimated useful lives, which range up to 20 years.

**Leases** - The Company leases certain retail stores, warehouses, distribution centers, office space, land, and equipment under finance and operating leases. Lease commencement occurs on the date the Company takes possession or control of the property or equipment. Original terms for facility-related leases are generally between five and 20 years. These leases generally contain provisions for four to six renewal options of five years each. Original terms for equipment-related leases, primarily material handling equipment and vehicles, are generally between one and seven years. Some of the Company's leases also include rental escalation clauses and/or termination provisions. Renewal options and termination options are included in the determination of lease payments when management determines the options are reasonably certain of exercise, considering financial performance, strategic importance and/or invested capital. Leases with an original term of twelve months or less are not recognized on the Company's balance sheet, and the lease expense related to those short-term leases is recognized over the lease term. The Company does not account for lease and non-lease (e.g., common area maintenance) components of contracts separately for any underlying asset class.

If readily determinable, the rate implicit in the lease is used to discount lease payments to present value; however, substantially all of the Company's leases do not provide a readily determinable implicit rate. When the implicit rate is not determinable, the Company's estimated incremental borrowing rate is utilized, determined on a collateralized basis, to discount lease payments based on information available at lease commencement.

The Company's real estate leases typically require payment of common area maintenance and real estate taxes which represent the majority of variable lease costs. Certain lease agreements also provide for variable rental payments based on sales performance in excess of specified minimums, usage measures, or changes in the consumer price index. Variable rent payments based on future performance, usage, or changes in indices were not significant for any of the periods presented. Variable lease costs are excluded from the present value of lease obligations.

The Company's lease agreements do not contain any material restrictions, covenants, or any material residual value guarantees. The Company subleases certain properties that are not used in its operations. Sublease income was not significant for any of the periods presented.

**Accounts Payable** - The Company has an agreement with a third party to provide a supplier finance program which facilitates participating suppliers' ability to finance payment obligations from the Company with designated third-party financial institutions. Participating suppliers may, at their sole discretion, make offers to finance one or more payment obligations of the Company prior to their scheduled due dates at a discounted price to participating financial institutions. The Company's goal in entering into these arrangements is to capture overall savings in the form of pricing, payment terms, or vendor funding, created by facilitating suppliers' ability to finance payment obligations at more favorable discount rates, while providing them with greater working capital flexibility.

The Company's obligations to its suppliers, including amounts due and scheduled payment dates, are not impacted by suppliers' decisions to finance amounts under these arrangements. However, the Company's right to offset balances due from suppliers against payment obligations is restricted by these arrangements for those payment obligations that have been financed by suppliers. The rollforward of the Company's outstanding payment obligations that suppliers financed to participating financial institutions, which are included in accounts payable on the consolidated balance sheets, are as follows:

| (In millions)                                                                | Years Ended      |                  |                  |
|------------------------------------------------------------------------------|------------------|------------------|------------------|
|                                                                              | January 30, 2026 | January 31, 2025 | February 2, 2024 |
| <b>Financed payment obligations outstanding at the beginning of the year</b> | <b>\$ 1,511</b>  | <b>\$ 1,356</b>  | <b>\$ 2,257</b>  |
| Payment obligations financed during the year                                 | 9,341            | 9,926            | 9,573            |
| Financed payment obligations paid during the year                            | (9,412)          | (9,771)          | (10,474)         |
| <b>Financed payment obligations outstanding at the end of the year</b>       | <b>\$ 1,440</b>  | <b>\$ 1,511</b>  | <b>\$ 1,356</b>  |

**Other Current Liabilities** - Other current liabilities on the consolidated balance sheets consist of:

| (In millions)              | January 30, 2026 | January 31, 2025 |
|----------------------------|------------------|------------------|
| Accrued dividends          | \$ 673           | \$ 645           |
| Accrued interest           | 485              | 449              |
| Self-insurance liabilities | 426              | 432              |
| Sales tax liabilities      | 245              | 195              |
| Sales return reserve       | 178              | 167              |
| Accrued property taxes     | 153              | 138              |
| Income taxes payable       | 23               | 491              |
| Other                      | 1,612            | 1,435            |
| <b>Total</b>               | <b>\$ 3,795</b>  | <b>\$ 3,952</b>  |

**Self-Insurance** - The Company is self-insured for certain losses relating to workers' compensation, automobile, property, and general and product liability claims. The Company has excess insurance coverage above certain retention amounts to limit exposure from these claims. The Company is also self-insured for certain losses relating to extended protection plans, as well as medical and dental claims. Self-insurance claims filed and claims incurred but not reported are accrued based upon management's estimates of the discounted ultimate cost for self-insured claims incurred using actuarial assumptions followed in the insurance industry and historical experience. Although management believes it has the ability to reasonably estimate losses related to claims, it is possible that actual results could differ from recorded self-insurance liabilities. Total self-insurance liabilities, including the current and non-current portions, were \$971 million as of January 30, 2026, and \$966 million as of January 31, 2025.

The Company provides surety bonds issued by insurance companies to secure payment of workers' compensation liabilities as required in certain states where the Company is self-insured. Outstanding surety bonds relating to self-insurance were \$269 million as of January 30, 2026, and \$272 million as of January 31, 2025.

**Income Taxes** - The Company establishes deferred income tax assets and liabilities for temporary differences between the tax and financial accounting bases of assets and liabilities. The tax effects of such differences are reflected in the consolidated balance sheets at the enacted tax rates expected to be in effect when the differences reverse. A valuation allowance is recorded to reduce the carrying amount of deferred tax assets if it is more likely than not that all or a portion of the asset will not be realized. The tax balances and income tax expense recognized by the Company are based on management's interpretation of the tax statutes of multiple jurisdictions.

The Company establishes a liability for tax positions for which there is uncertainty as to whether or not the position will be ultimately sustained. The Company includes interest related to tax issues as part of net interest on the consolidated statements of earnings. The Company records any applicable penalties related to tax issues within the income tax provision.

#### *Transferable Tax Credits*

In August 2022, the Inflation Reduction Act was enacted which included provisions that allow for the transfer of certain federal clean energy tax credits (Federal Transferable Tax Credits). The Company paid \$1.0 billion, \$909 million and \$143 million for the purchase of Federal Transferable Tax Credits in 2025, 2024 and 2023, respectively. All amounts paid have been included in payments for income taxes, and differences between tax credits purchased and amounts paid are included as a component of the income tax provision.

**Shareholders' Deficit** - The Company has a share repurchase program that is executed through purchases made from time to time either in the open market or through private market transactions. Shares purchased under the repurchase program are returned to authorized and unissued status. Any excess of cost over par value is charged to additional paid-in capital to the extent that a balance is present. Once additional paid-in capital is fully depleted, remaining excess of cost over par value is charged to accumulated deficit.

In August 2022, the Inflation Reduction Act enacted a 1% excise tax on net share repurchases after December 31, 2022. Any excise tax incurred on share repurchases is recognized as part of the cost basis of the shares acquired in the consolidated statements of shareholders' deficit.

**Revenue Recognition** - The Company recognizes revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. A description of the Company's principal revenue generating activities is as follows:

- *Products* - Revenue from products primarily relates to in-store and online merchandise purchases, which are recognized at the point in time when the customer obtains control of the merchandise. This occurs at the time of in-store purchase or delivery of the product to the customer. A provision for anticipated merchandise returns is provided through a reduction of sales and cost of sales in the period that the related sales are recorded. The merchandise return reserve is presented on a gross basis, with a separate asset and liability included in the consolidated balance sheets.
- *Services* - Revenues from services primarily relate to professional installation services the Company provides through subcontractors related to merchandise purchased by a customer. In certain instances, installation services include materials provided by the subcontractor, and both product and installation are included in service revenue. The Company recognizes revenue associated with services as they are rendered, and the majority of services are completed within one week from initiation.

Retail deferred revenue consists of amounts received for which customers have not yet taken possession of the merchandise or for which installation has not yet been completed. Deferred revenue is recognized in sales either at a point in time when the customer obtains control of merchandise through pickup or delivery, or over time as services are provided to the customer. The majority of revenue for goods and services is recognized in the quarter following revenue deferral. In addition, the Company defers revenues from stored-value cards, which include gift cards and returned merchandise credits, and recognizes revenue into sales when the cards are redeemed.

The Company also defers revenue for its separately-priced long-term protection plan contracts (Lowe's protection plans), which is a Lowe's-branded program for which the Company is ultimately self-insured. The Company recognizes revenue from Lowe's protection plan sales on a straight-line basis over the respective contract term. Expenses for claims are recognized in cost of sales when incurred. Incremental direct acquisition costs and administrative costs to fulfill the contracts associated with Lowe's protection plans for contracts greater than one year are also deferred and recognized as expense on a straight-line basis over the respective contract term. Lowe's protection plan contract terms primarily range from one to five years from the date of purchase or the end of the manufacturer's warranty, as applicable.

**Cost of Sales and Selling, General and Administrative Expenses** - The following lists the primary costs classified in each major expense category:

| Cost of Sales                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Selling, General and Administrative                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>■ Total cost of products sold, including: <ul style="list-style-type: none"> <li>- Purchase costs, net of vendor funds;</li> <li>- Freight expenses associated with moving merchandise inventories from vendors to selling locations;</li> <li>- Costs associated with operating the Company's distribution network, including employee compensation and benefit costs and occupancy costs;</li> <li>- Depreciation of assets associated with the Company's distribution network;</li> </ul> </li> <li>■ Costs associated with operating FBM and ADG branch locations;</li> <li>■ Costs of installation services provided;</li> <li>■ Costs associated with shipping and handling to customers, as well as directly from vendors to customers by third parties;</li> <li>■ Depreciation of assets used in delivering product to customers;</li> <li>■ Costs associated with inventory shrinkage and markdown;</li> <li>■ Costs of services performed under the Lowe's protection plan.</li> </ul> | <ul style="list-style-type: none"> <li>■ Generally, payroll and benefit costs for retail and corporate employees;</li> <li>■ Occupancy costs of retail and corporate facilities;</li> <li>■ Advertising;</li> <li>■ Store environment costs;</li> <li>■ Tender costs, including bank charges, costs associated with credit card interchange fees;</li> <li>■ Costs associated with self-insured plans, and premium costs for stop-loss coverage and fully insured plans;</li> <li>■ Long-lived asset impairment losses, gains/losses on disposal of assets, and exit costs;</li> <li>■ Other administrative costs, such as supplies, and travel and entertainment.</li> </ul> |

**Advertising** - Costs associated with advertising are charged to SG&A expense as incurred. Advertising expenses were \$978 million, \$921 million, and \$831 million in 2025, 2024, and 2023, respectively.

**Comprehensive Income** - The Company reports comprehensive income in its consolidated statements of comprehensive income and consolidated statements of shareholders' deficit. Comprehensive income represents changes in shareholders' deficit from non-owner sources and is comprised of net earnings adjusted primarily for cash flow hedge derivative contracts. Net cash flow hedge gains, net of tax, classified in accumulated other comprehensive income were \$270 million, \$288 million, and \$301 million as of January 30, 2026, January 31, 2025, and February 2, 2024, respectively.

**Reclassifications** - Accounts receivable-net, Goodwill, and Intangible assets - net for the prior year were reclassified to conform with current year presentation and were previously included in Other current assets and Other assets on the consolidated balance sheets.

**Accounting Pronouncements Recently Adopted** - In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The ASU expands income tax disclosures in the effective tax rate reconciliation table and income taxes paid. The ASU is effective for the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 2026. See [Note 13](#) for additional details of the Company's income taxes.

**Accounting Pronouncements Not Yet Adopted** - In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures*. The ASU requires a public business entity to provide disaggregated disclosures of certain categories of expenses on an annual and interim basis including purchase of inventory, employee compensation, depreciation, and intangible asset amortization for each income statement line item that contains those expenses. The ASU is effective for the Company's Annual Report on Form 10-K for the fiscal year ended January 28, 2028, and subsequent interim periods, with early adoption permitted. The Company is currently evaluating the impact of adopting this ASU on its disclosures.

In September 2025, the FASB issued ASU 2025-06, *Intangibles - Goodwill and Other Internal-Use Software*. The ASU amends certain aspects of the accounting for and disclosure of internal-use software and clarifies the threshold that entities apply to begin capitalizing costs. The ASU is effective for the Company's Annual Report on Form 10-K for the fiscal year ended February 2, 2029. The Company plans to early adopt the guidance in the first quarter of fiscal year ending January 29, 2027.

Recent accounting pronouncements pending adoption not discussed in this Form 10-K are either not applicable to the Company or are not expected to have a material impact on the Company.

## Note 2: Acquisitions

### *Artisan Design Group (ADG)*

On June 2, 2025, the Company completed the acquisition of ADG for an aggregate cash purchase price of \$1.3 billion, which is included in the investing section of the consolidated statements of cash flows, net of cash acquired. Acquisition-related costs were expensed as incurred. ADG is a leading nationwide provider of design, distribution and installation services for interior surface finishers, including flooring, cabinets and countertops, to national, regional and local home builders and property managers. The acquisition is expected to expand the Company's Pro customer offering into a new distribution channel within a highly fragmented market.

Intangible assets acquired totaled \$714 million and include trademarks of \$130 million with a useful life of 15 years, customer relationships of \$550 million with a useful life of 20 years, backlog of \$26 million, and non-compete agreements of \$8 million with a useful life of 5 years, each of which are included in the intangible assets - net line item within the accompanying consolidated balance sheet. Goodwill of \$366 million is primarily attributable to the synergies expected to arise after the acquisition. We expect \$302 million of goodwill to be deductible for tax purposes.

### *Foundation Building Materials (FBM)*

On October 9, 2025, the Company completed the acquisition of FBM for an aggregate cash purchase price of \$8.8 billion, which is included in the investing section of the consolidated statements of cash flows, net of cash acquired. Acquisition-related costs were expensed as incurred. FBM is expected to accelerate the Company's Total Home strategy by enhancing its

offering to Pro customers through expanded capabilities, faster fulfillment, improved digital tools, a robust trade credit platform, and significant cross-selling opportunities between FBM and Lowe's.

Intangible assets acquired totaled \$5,041 million, and include trademarks of \$950 million with a useful life of 15 years, customer relationships of \$3,920 million with a useful life of 20 years, backlog of \$75 million, and a non-compete agreement of \$96 million with a useful life of 5 years, each of which are included in the intangible assets - net line item within the accompanying consolidated balance sheet. Goodwill of \$3,254 million is primarily attributable to the synergies expected to arise after the acquisition. We expect \$993 million of goodwill to be deductible for tax purposes.

The following table summarizes our preliminary aggregate purchase price allocations:

|                                            | ADG          |       | FBM             |       |
|--------------------------------------------|--------------|-------|-----------------|-------|
| (In millions)                              | June 2, 2025 |       | October 9, 2025 |       |
| Allocation:                                |              |       |                 |       |
| Cash acquired                              | \$           | 2     | \$              | 71    |
| Receivables                                |              | 202   |                 | 912   |
| Merchandise inventory                      |              | 106   |                 | 485   |
| Other current assets                       |              | 28    |                 | 95    |
| Property                                   |              | 36    |                 | 512   |
| Operating lease right-of-use assets        |              | 137   |                 | 470   |
| Goodwill                                   |              | 366   |                 | 3,254 |
| Intangible assets                          |              | 714   |                 | 5,041 |
| Other assets                               |              | 35    |                 | 17    |
| Current operating lease liabilities        |              | (31)  |                 | (92)  |
| Accounts payable                           |              | (73)  |                 | (325) |
| Accrued compensation and employee benefits |              | (29)  |                 | (77)  |
| Deferred revenue                           |              | (22)  |                 | (66)  |
| Other current liabilities                  |              | (35)  |                 | (150) |
| Noncurrent operating lease liabilities     |              | (95)  |                 | (348) |
| Deferred income taxes, net                 |              | (36)  |                 | (995) |
| Other liabilities                          |              | (5)   |                 | (26)  |
| Net assets acquired                        | \$           | 1,300 | \$              | 8,778 |

We have prepared analyses necessary to assess the fair values of the assets acquired and liabilities assumed and the amount of goodwill to be recognized as of the acquisition dates. These fair values were based on management's estimates and assumptions; however, the amounts indicated above are preliminary in nature and are subject to adjustment as additional information is obtained about the facts and circumstances that existed as of the acquisition dates. Accordingly, there may be adjustments to the assigned values of acquired assets and liabilities assumed. The final determination of acquisition date fair values and residual goodwill will be completed as soon as practicable, and within the measurement period of up to one year from the acquisition dates as permitted under GAAP. Any adjustments to provisional amounts that are identified during the measurement period will be recorded in the reporting period in which the adjustment is determined. Measurement period adjustments recorded during fiscal 2025 were immaterial.

Pro forma revenue and earnings since the acquisitions have not been provided as the acquisitions were not material to the consolidated financial statements.

Additional asset acquisitions by FBM of approximately \$49 million were made since our acquisition on October 9, 2025.

### NOTE 3: Revenue

Net sales consists primarily of revenue, net of sales tax, associated with contracts with customers for the sale of goods and services in amounts that reflect consideration the Company is entitled to in exchange for those goods and services.

The following table presents the Company's sources of revenue:

| (In millions)    | Years Ended      |                  |                  |
|------------------|------------------|------------------|------------------|
|                  | January 30, 2026 | January 31, 2025 | February 2, 2024 |
| Products         | \$ 82,352        | \$ 80,538        | \$ 83,002        |
| Services         | 2,542            | 1,934            | 2,097            |
| Other            | 1,392            | 1,202            | 1,278            |
| <b>Net sales</b> | <b>\$ 86,286</b> | <b>\$ 83,674</b> | <b>\$ 86,377</b> |

The balances and classification within the consolidated balance sheets for anticipated sales returns and the associated right of return assets are as follows:

| (In millions)             | Classification            | January 30, 2026 | January 31, 2025 |
|---------------------------|---------------------------|------------------|------------------|
| Anticipated sales returns | Other current liabilities | \$ 178           | \$ 167           |
| Right of return assets    | Other current assets      | 109              | 99               |

*Deferred revenue - retail and stored-value cards*

Deferred revenue for retail and stored-value cards are as follows:

| (In millions)                       | January 30, 2026 | January 31, 2025 |
|-------------------------------------|------------------|------------------|
| Retail deferred revenue             | \$ 936           | \$ 770           |
| Stored-value cards deferred revenue | 541              | 588              |
| <b>Deferred revenue</b>             | <b>\$ 1,477</b>  | <b>\$ 1,358</b>  |

*Deferred revenue - Lowe's protection plans*

Deferred revenue associated with Lowe's protection plans is as follows:

| (In millions)                              | January 30, 2026 | January 31, 2025 |
|--------------------------------------------|------------------|------------------|
| Deferred revenue - Lowe's protection plans | \$ 1,262         | \$ 1,268         |

Lowe's protection plan sales previously recorded as deferred revenue and claim expenses incurred are as follows:

| (In millions)                                                 | Years Ended      |                  |                  |
|---------------------------------------------------------------|------------------|------------------|------------------|
|                                                               | January 30, 2026 | January 31, 2025 | February 2, 2024 |
| Lowe's protection plan deferred revenue recognized into sales | \$ 580           | \$ 561           | \$ 549           |
| Lowe's protection plan claim expenses                         | 239              | 210              | 224              |

### Disaggregation of Revenues

The following table presents the Company's net sales disaggregated by merchandise division within our Retail Home Improvement segment, as well as Other segment net sales:

|                                | Years Ended      |                |                  |                |                  |                |
|--------------------------------|------------------|----------------|------------------|----------------|------------------|----------------|
|                                | January 30, 2026 |                | January 31, 2025 |                | February 2, 2024 |                |
| (In millions)                  | Total Sales      | %              | Total Sales      | %              | Total Sales      | %              |
| Home Décor <sup>1</sup>        | \$ 31,527        | 36.5 %         | \$ 31,307        | 37.5 %         | \$ 32,535        | 37.5 %         |
| Building Products <sup>2</sup> | 26,533           | 30.7           | 26,338           | 31.4           | 26,901           | 31.1           |
| Hardlines <sup>3</sup>         | 24,185           | 28.0           | 24,329           | 29.0           | 25,021           | 28.9           |
| Other                          | 1,833            | 2.2            | 1,700            | 2.1            | 1,920            | 2.5            |
| <b>Retail Home Improvement</b> | <b>84,078</b>    | <b>97.4</b>    | <b>83,674</b>    | <b>100.0</b>   | <b>86,377</b>    | <b>100.0</b>   |
| Other segment net sales        | 2,208            | 2.6            | —                | —              | —                | —              |
| <b>Total</b>                   | <b>\$ 86,286</b> | <b>100.0 %</b> | <b>\$ 83,674</b> | <b>100.0 %</b> | <b>\$ 86,377</b> | <b>100.0 %</b> |

Note: Merchandise division net sales for prior periods have been reclassified to conform to the current year presentation.

<sup>1</sup> Home Decor includes the following product categories: Appliances, Decor, Flooring, Kitchens & Bath, and Paint

<sup>2</sup> Building Products includes the following product categories: Building Materials, Electrical, Lumber, Millwork, and Rough Plumbing

<sup>3</sup> Hardlines includes the following product categories: Hardware, Lawn & Garden, Seasonal & Outdoor Living, and Tools

The following table presents the Company's net sales disaggregated by geographical area:

|                  | Years Ended      |                  |                  |
|------------------|------------------|------------------|------------------|
|                  | January 30, 2026 | January 31, 2025 | February 2, 2024 |
| (In millions)    |                  |                  |                  |
| United States    | \$ 86,225        | \$ 83,674        | \$ 86,377        |
| Canada           | 61               | —                | —                |
| <b>Net Sales</b> | <b>\$ 86,286</b> | <b>\$ 83,674</b> | <b>\$ 86,377</b> |

### NOTE 4: Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The authoritative guidance for fair value measurements establishes a three-level hierarchy, which encourages an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of the hierarchy are defined as follows:

- Level 1 - inputs to the valuation techniques that are quoted prices in active markets for identical assets or liabilities
- Level 2 - inputs to the valuation techniques that are other than quoted prices but are observable for the assets or liabilities, either directly or indirectly
- Level 3 - inputs to the valuation techniques that are unobservable for the assets or liabilities

### Assets and Liabilities that are Measured at Fair Value on a Recurring Basis

The following table presents the Company's financial assets and financial liabilities measured at fair value on a recurring basis.

| (In millions)                         | Classification            | Measurement Level | Fair Value Measurements at |                  |
|---------------------------------------|---------------------------|-------------------|----------------------------|------------------|
|                                       |                           |                   | January 30, 2026           | January 31, 2025 |
| Available-for-sale securities:        |                           |                   |                            |                  |
| U.S. Treasury securities              | Short-term investments    | Level 1           | \$ 195                     | \$ 199           |
| Money market funds                    | Short-term investments    | Level 1           | 81                         | 91               |
| Corporate debt securities             | Short-term investments    | Level 2           | 32                         | 16               |
| Certificates of deposit               | Short-term investments    | Level 1           | 31                         | 13               |
| Foreign government debt securities    | Short-term investments    | Level 2           | 21                         | 4                |
| Municipal obligations                 | Short-term investments    | Level 2           | 10                         | —                |
| Commercial paper                      | Short-term investments    | Level 2           | —                          | 49               |
| U.S. Treasury securities              | Long-term investments     | Level 1           | 211                        | 150              |
| Corporate debt securities             | Long-term investments     | Level 2           | 92                         | 88               |
| Foreign government debt securities    | Long-term investments     | Level 2           | 16                         | 37               |
| Municipal obligations                 | Long-term investments     | Level 2           | —                          | 2                |
| Derivative instruments:               |                           |                   |                            |                  |
| Fixed-to-floating interest rate swaps | Other current liabilities | Level 2           | \$ 15                      | \$ 11            |
| Fixed-to-floating interest rate swaps | Other liabilities         | Level 2           | —                          | 35               |

There were no transfers between Levels 1, 2, or 3 during any of the periods presented.

When available, quoted prices were used to determine fair value. When quoted prices in active markets were available, financial assets were classified within Level 1 of the fair value hierarchy. When quoted prices in active markets were not available, fair values for financial assets and liabilities classified within Level 2 were determined using pricing models, and the inputs to those pricing models were based on observable market inputs. The inputs to the pricing models were typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads, and benchmark securities, among others.

In addition, the Company has previously received performance-based contingent consideration related to the fiscal 2022 sale of the Canadian retail business, which is classified as a Level 3 long-term investment. The Company determined the initial fair value for contingent consideration as of February 3, 2023, based on an income approach using an option pricing model, calculated using the significant unobservable inputs such as total equity value, volatility, and expected term. Subsequent measurements of fair value of the contingent consideration are based on an income approach, which requires certain assumptions considering operating performance of the business and a risk-adjusted discount rate.

The rollforward of the fair value of contingent consideration is as follows:

| (In millions)            | Years Ended      |                  |
|--------------------------|------------------|------------------|
|                          | January 30, 2026 | January 31, 2025 |
| <b>Beginning balance</b> | \$ —             | \$ —             |
| Change in fair value     | —                | 177              |
| Proceeds received        | —                | (177)            |
| <b>Ending balance</b>    | \$ —             | \$ —             |

#### Assets and Liabilities that are Measured at Fair Value on a Nonrecurring Basis

For the fiscal years ended January 30, 2026, and January 31, 2025, the Company had no material measurements of assets and liabilities at fair value on a nonrecurring basis subsequent to their initial recognition.

#### Other Fair Value Disclosures

The Company's financial assets and liabilities not measured at fair value on a recurring basis include cash and cash equivalents, accounts receivable, short-term borrowings, accounts payable, and long-term debt and are reflected in the financial statements at cost. With the exception of long-term debt, cost approximates fair value for these items due to their short-term nature. As further described in [Note 9](#), certain long-term debt is associated with a fair value hedge, and the changes in fair value of the

hedged debt is included in the carrying value of long-term debt on the consolidated balance sheets. The fair values of the Company's unsecured notes were estimated using quoted market prices.

Carrying amounts and the related estimated fair value of the Company's long-term debt, excluding finance lease obligations and the 2025 Term Loan, are as follows:

| (In millions)             | January 30, 2026 |            | January 31, 2025 |            |
|---------------------------|------------------|------------|------------------|------------|
|                           | Carrying Amount  | Fair Value | Carrying Amount  | Fair Value |
| Unsecured notes (Level 1) | \$ 37,530        | \$ 34,907  | \$ 35,011        | \$ 31,557  |

#### NOTE 5: Property and Accumulated Depreciation

Property is summarized by major class in the following table:

| (In millions)                                  | Estimated Depreciable Lives, In Years | January 30, 2026 | January 31, 2025 |
|------------------------------------------------|---------------------------------------|------------------|------------------|
| <b>Cost:</b>                                   |                                       |                  |                  |
| Land                                           | N/A                                   | \$ 6,868         | \$ 6,811         |
| Buildings and building improvements            | 7-40                                  | 18,953           | 18,386           |
| Equipment                                      | 2-15                                  | 11,848           | 10,988           |
| Construction in progress                       | N/A                                   | 712              | 616              |
| <b>Total cost</b>                              |                                       | <b>38,381</b>    | <b>36,801</b>    |
| Accumulated depreciation                       |                                       | (20,019)         | (19,152)         |
| <b>Property, less accumulated depreciation</b> |                                       | <b>\$ 18,362</b> | <b>\$ 17,649</b> |

Included in property, less accumulated depreciation are right-of-use assets under finance leases. The related amortization expense for right-of-use assets under finance leases is included in depreciation and amortization expense. The Company recognized depreciation and amortization expense, inclusive of amounts presented in cost of sales, of \$2.1 billion in 2025, \$2.0 billion in 2024, and \$1.9 billion in 2023.

#### NOTE 6: Goodwill and Intangible Assets

##### Goodwill

The changes in the carrying amount of goodwill by reportable segment for 2025, 2024, and 2023 were as follows:

| (In millions)                                | Retail Home Improvement | Other    | Consolidated |
|----------------------------------------------|-------------------------|----------|--------------|
| <b>Goodwill, balance at February 2, 2024</b> | \$ 311                  | \$ —     | \$ 311       |
| Acquisitions                                 | —                       | —        | —            |
| <b>Goodwill, balance at January 31, 2025</b> | \$ 311                  | \$ —     | \$ 311       |
| Acquisitions                                 | —                       | 3,634    | 3,634        |
| <b>Goodwill, balance at January 30, 2026</b> | \$ 311                  | \$ 3,634 | \$ 3,945     |

As of January 30, 2026, and January 31, 2025, the Company does not have any goodwill impairment.

## Intangible Assets

The gross carrying amount and accumulated amortization of intangible assets, consist of the following:

| (In millions)                                 | January 30, 2026      |                          |                     | January 31, 2025      |                          |                     |
|-----------------------------------------------|-----------------------|--------------------------|---------------------|-----------------------|--------------------------|---------------------|
|                                               | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount |
| <b>Definite-lived intangible assets:</b>      |                       |                          |                     |                       |                          |                     |
| Customer-related                              | \$ 4,722              | \$ (174)                 | \$ 4,548            | \$ 238                | \$ (96)                  | \$ 142              |
| Trademarks and trade names                    | 1,100                 | (40)                     | 1,060               | 20                    | (19)                     | 1                   |
| Other                                         | 208                   | (42)                     | 166                 | 1                     | (1)                      | —                   |
| <b>Total definite-lived intangible assets</b> | <b>\$ 6,030</b>       | <b>\$ (256)</b>          | <b>\$ 5,774</b>     | <b>\$ 259</b>         | <b>\$ (116)</b>          | <b>\$ 143</b>       |
| <b>Indefinite-lived intangible assets:</b>    |                       |                          |                     |                       |                          |                     |
| Trademark                                     | \$ 134                | \$ —                     | \$ 134              | \$ 134                | \$ —                     | \$ 134              |
| <b>Total intangible assets</b>                | <b>\$ 6,164</b>       | <b>\$ (256)</b>          | <b>\$ 5,908</b>     | <b>\$ 393</b>         | <b>\$ (116)</b>          | <b>\$ 277</b>       |

Amortization expense for intangible assets is as follows:

| (In millions)        | Years Ended      |                  |                  |
|----------------------|------------------|------------------|------------------|
|                      | January 30, 2026 | January 31, 2025 | February 2, 2024 |
| Amortization expense | \$ 140           | \$ 13            | \$ 13            |

Amortization expense expected to be recognized in future periods for intangible assets is as follows:

| (In millions) | Amortization Expense |
|---------------|----------------------|
| Fiscal 2026   | \$ 397               |
| Fiscal 2027   | 329                  |
| Fiscal 2028   | 329                  |
| Fiscal 2029   | 329                  |
| Fiscal 2030   | 323                  |
| Thereafter    | 4,067                |
| <b>Total</b>  | <b>\$ 5,774</b>      |

## NOTE 7: Leases

The lease-related assets and liabilities recorded on the balance sheet are summarized in the following table:

| (In millions)                  | Classification                                       | January 30, 2026 | January 31, 2025 |
|--------------------------------|------------------------------------------------------|------------------|------------------|
| <b>Assets</b>                  |                                                      |                  |                  |
| Operating lease assets         | Operating lease right-of-use assets                  | \$ 4,303         | \$ 3,738         |
| Finance lease assets           | Property, less accumulated depreciation <sup>1</sup> | 319              | 395              |
| <b>Total lease assets</b>      |                                                      | <b>4,622</b>     | <b>4,133</b>     |
| <b>Liabilities</b>             |                                                      |                  |                  |
| Current                        |                                                      |                  |                  |
| Operating                      | Current operating lease liabilities                  | 713              | 563              |
| Finance                        | Current maturities of long-term debt                 | 81               | 87               |
| Noncurrent                     |                                                      |                  |                  |
| Operating                      | Noncurrent operating lease liabilities               | 4,043            | 3,628            |
| Finance                        | Long-term debt, excluding current maturities         | 310              | 388              |
| <b>Total lease liabilities</b> |                                                      | <b>\$ 5,147</b>  | <b>\$ 4,666</b>  |

<sup>1</sup> Finance lease assets are recorded net of accumulated amortization of \$394 million as of January 30, 2026, and \$373 million as of January 31, 2025.

The table below presents the lease costs for finance and operating leases:

| (In millions)                     | Years Ended      |                  |                  |
|-----------------------------------|------------------|------------------|------------------|
|                                   | January 30, 2026 | January 31, 2025 | February 2, 2024 |
| <b>Finance lease cost</b>         |                  |                  |                  |
| Amortization of leased assets     | \$ 82            | \$ 92            | \$ 88            |
| Interest on lease liabilities     | 20               | 23               | 24               |
| Operating lease cost <sup>1</sup> | 768              | 712              | 630              |
| Variable lease cost               | 305              | 268              | 258              |
| <b>Total lease cost</b>           | <b>\$ 1,175</b>  | <b>\$ 1,095</b>  | <b>\$ 1,000</b>  |

<sup>1</sup> Includes short-term leases and sublease income, which are immaterial.

The future minimum rental payments required under operating and finance lease obligations as of January 30, 2026, having initial or remaining non-cancelable lease terms in excess of one year are summarized as follows:

| (In millions)                                         | Operating Leases <sup>1</sup> | Finance Leases <sup>2</sup> | Total           |
|-------------------------------------------------------|-------------------------------|-----------------------------|-----------------|
| Fiscal 2026                                           | \$ 873                        | \$ 92                       | \$ 965          |
| Fiscal 2027                                           | 879                           | 64                          | 943             |
| Fiscal 2028                                           | 868                           | 59                          | 927             |
| Fiscal 2029                                           | 688                           | 47                          | 735             |
| Fiscal 2030                                           | 531                           | 37                          | 568             |
| Thereafter                                            | 2,054                         | 178                         | 2,232           |
| <b>Total lease payments</b>                           | <b>5,893</b>                  | <b>477</b>                  | <b>6,370</b>    |
| Less: interest <sup>3</sup>                           | (1,137)                       | (86)                        | (1,223)         |
| <b>Present value of lease liabilities<sup>4</sup></b> | <b>\$ 4,756</b>               | <b>\$ 391</b>               | <b>\$ 5,147</b> |

<sup>1</sup> Operating lease payments include \$499 million related to options to extend lease terms that are reasonably certain of being exercised and

exclude \$52 million of minimum lease payments for leases signed but not yet commenced.

<sup>2</sup> Finance lease payments exclude \$16 million of minimum lease payments for leases signed but not yet commenced.

<sup>3</sup> Calculated using the lease-specific incremental borrowing rate.

<sup>4</sup> Includes the current portion of \$713 million for operating leases and \$81 million for finance leases.

| Lease Term and Discount Rate                  | January 30, 2026 | January 31, 2025 |
|-----------------------------------------------|------------------|------------------|
| Weighted-average remaining lease term (years) |                  |                  |
| Operating leases                              | 7.81             | 8.97             |
| Finance leases                                | 8.57             | 8.68             |
| Weighted-average discount rate                |                  |                  |
| Operating leases                              | 4.43 %           | 4.28 %           |
| Finance leases                                | 4.85 %           | 4.89 %           |

| Other Information                                                                   | Years Ended      |                  |                  |
|-------------------------------------------------------------------------------------|------------------|------------------|------------------|
|                                                                                     | January 30, 2026 | January 31, 2025 | February 2, 2024 |
| (In millions)                                                                       |                  |                  |                  |
| Cash paid for amounts included in the measurement of lease liabilities              |                  |                  |                  |
| Operating cash flows used for operating leases                                      | \$ 743           | \$ 743           | \$ 689           |
| Operating cash flows used for finance leases                                        | 19               | 22               | 24               |
| Financing cash flows used for finance leases                                        | 85               | 86               | 92               |
| Leased assets obtained in exchange for new finance lease liabilities                | 5                | 47               | 50               |
| Leased assets obtained in exchange for new operating lease liabilities <sup>1</sup> | 398              | 545              | 696              |

<sup>1</sup> Excludes \$52 million of leases signed but not yet commenced as of January 30, 2026.

## NOTE 8: Debt

### Revolving Credit Facilities

On September 16, 2025, the Company entered into a \$2.0 billion five-year unsecured credit agreement (2025 Credit Agreement) with a syndicate of banks, which has a maturity date of September 2030, replacing the Company's \$2.0 billion five-year unsecured revolving credit agreement entered into in December 2021, and as amended (Third Amended and Restated Credit Agreement).

On September 16, 2025, the Company also amended the five-year unsecured revolving credit agreement dated September 1, 2023 (the 2023 Credit Agreement) with a syndicate of banks, which has a maturity date of September 2028 and an aggregate availability of \$2.0 billion. Under the amendment, borrowings under the 2023 Credit Agreement will no longer be subject to a SOFR credit spread adjustment.

The 2025 Credit Agreement and the 2023 Credit Agreement (collectively the Long-Term Credit Agreements) support the Company's commercial paper program. The amounts available to be drawn under the Long-Term Credit Agreements are reduced by the amount of borrowings under the commercial paper program. As of January 30, 2026, and January 31, 2025, there were no outstanding borrowings under the Company's commercial paper program or the Long-Term Credit Agreements.

On September 16, 2025, the Company also entered into a \$1.0 billion 364-day unsecured revolving credit agreement (collectively with the Long-Term Credit Agreements the "Revolving Credit Facilities") which has a maturity date of September 2026 and had no outstanding borrowings as of January 30, 2026.

Total combined availability under the Revolving Credit Facilities was \$5.0 billion as of January 30, 2026.

## Long-Term Debt

| Debt Category<br>(In millions, except percentage data) | Weighted-Average<br>Interest Rate as of<br>January 30, 2026 | January 30, 2026 | January 31, 2025 |
|--------------------------------------------------------|-------------------------------------------------------------|------------------|------------------|
| <b>Secured debt:</b>                                   |                                                             |                  |                  |
| Mortgage notes due through fiscal 2027 <sup>1</sup>    | 6.24 %                                                      | \$ 1             | \$ 1             |
| <b>Unsecured debt:</b>                                 |                                                             |                  |                  |
| Notes due through fiscal 2030                          | 3.29 %                                                      | 12,638           | 13,700           |
| Notes due fiscal 2031-2035                             | 4.26 %                                                      | 9,140            | 5,565            |
| Notes due fiscal 2036-2040                             | 5.74 %                                                      | 1,054            | 1,054            |
| Notes due fiscal 2041-2045                             | 3.88 %                                                      | 2,456            | 2,454            |
| Notes due fiscal 2046-2050                             | 3.78 %                                                      | 5,574            | 5,572            |
| Notes due fiscal 2051-2055                             | 4.86 %                                                      | 3,954            | 3,953            |
| Notes due fiscal 2061-2065                             | 5.19 %                                                      | 2,714            | 2,713            |
| 2025 Term Loan                                         | 4.88 %                                                      | 1,999            | —                |
| Finance lease obligations due through fiscal 2043      |                                                             | 391              | 475              |
| <b>Total long-term debt</b>                            |                                                             | <b>39,921</b>    | <b>35,487</b>    |
| Less: current maturities                               |                                                             | (2,431)          | (2,586)          |
| <b>Long-term debt, excluding current maturities</b>    |                                                             | <b>\$ 37,490</b> | <b>\$ 32,901</b> |

<sup>1</sup> Real properties with an aggregate book value of \$11 million as of January 30, 2026, were pledged as collateral for secured debt.

Principal amount of debt maturities, exclusive of unamortized original issue discounts, unamortized debt issuance costs, fair-value hedge adjustments, and finance lease obligations, for the next five fiscal years and thereafter are as follows:

| (In millions) | Principal        |
|---------------|------------------|
| Fiscal 2026   | \$ 2,350         |
| Fiscal 2027   | 3,018            |
| Fiscal 2028   | 5,005            |
| Fiscal 2029   | 1,811            |
| Fiscal 2030   | 2,500            |
| Thereafter    | 25,135           |
| <b>Total</b>  | <b>\$ 39,819</b> |

The Company's unsecured notes are issued under indentures that generally have similar terms and, therefore, have been grouped by maturity date for presentation purposes in the table above. The notes contain certain restrictive covenants, none of which are expected to impact the Company's capital resources or liquidity. The Company was in compliance with all financial covenants of these agreements as of January 30, 2026.

On September 16, 2025, the Company entered into a \$2.0 billion unsecured term loan credit agreement (2025 Term Loan) which has a maturity date of October 2028. There was \$2.0 billion in outstanding borrowings under the 2025 Term Loan as of January 30, 2026, with a weighted average interest rate of 4.880%.

In addition, on September 30, 2025, the Company issued \$5.0 billion of unsecured fixed rate notes (collectively, the September 2025 Notes) as follows:

| Principal Amount<br>(in millions) | Maturity Date | Interest Rate | Discount<br>(in millions) |
|-----------------------------------|---------------|---------------|---------------------------|
| \$ 650                            | October 2027  | 3.950%        | \$ 2                      |
| \$ 750                            | October 2028  | 4.000%        | \$ 3                      |
| \$ 1,100                          | March 2031    | 4.250%        | \$ 6                      |
| \$ 1,300                          | October 2032  | 4.500%        | \$ 8                      |
| \$ 1,200                          | October 2035  | 4.850%        | \$ 8                      |

Interest on the September 2025 Notes with October maturity dates is payable semiannually in arrears in April and October of each year until maturity. Interest on the September 2025 Notes with a March maturity date is payable semiannually in arrears in March and September of each year until maturity.

The indenture governing the September 2025 Notes contains a provision that allows the Company to redeem these notes at any time, in whole or in part, at specified redemption prices, plus accrued and unpaid interest. The indenture also contains a provision that allows the holders of the notes to require the Company to repurchase all or any part of their notes if a change of control triggering event occurs. If elected under the change of control provisions, the repurchase of the notes will occur at a purchase price of 101% of the principal amount, plus accrued and unpaid interest. The indenture governing the September 2025 Notes does not limit the aggregate principal amount of debt securities that the Company may issue and does not require the Company to maintain specified financial ratios or levels of net worth or liquidity.

The discounts associated with these issuances, which include the underwriting and issuance discounts, are recorded in long-term debt and are being amortized over the respective terms of the notes using the effective interest method.

#### NOTE 9: Derivative Instruments

The notional amounts of the Company's material derivative instruments are as follows:

| (In millions)                                   | January 30, 2026 | January 31, 2025 |
|-------------------------------------------------|------------------|------------------|
| <b>Fair value hedges:</b>                       |                  |                  |
| Fixed-to-floating interest rate swap agreements | \$ 550           | \$ 850           |

See [Note 4](#) for the gross fair values of the Company's outstanding derivative financial instruments and corresponding fair value classifications. The cash flows related to settlement of the Company's hedging derivative financial instruments are classified in the consolidated statements of cash flows based on the nature of the underlying hedged items.

The Company accounts for the fixed-to-floating interest rate swap agreements as fair value hedges using the shortcut method of accounting under which the hedges are assumed to be perfectly effective. Thus, the change in fair value of the derivative instruments offsets the change in fair value on the hedged debt, and there is no net impact in the consolidated statements of earnings from the fair value of the derivatives.

#### NOTE 10: Shareholders' Deficit

Authorized shares of preferred stock were 5.0 million (\$5 par value) as of January 30, 2026, and January 31, 2025, none of which have been issued. The Board of Directors may issue the preferred stock (without action by shareholders) in one or more series, having such voting rights, dividend and liquidation preferences, and such conversion and other rights as may be designated by the Board of Directors at the time of issuance.

Authorized shares of common stock were 5.6 billion (\$0.50 par value) as of January 30, 2026, and January 31, 2025.

The Company has a share repurchase program that is executed through purchases made from time to time either in the open market, which may be made under pre-set trading plans meeting the requirements of Rule 10b5-1(c) of the Securities Exchange

Act of 1934, or through private off-market transactions. Shares purchased under the repurchase program are returned to authorized and unissued status. Any excess of cost over par value is charged to additional paid-in capital to the extent that a balance is present. Once additional paid-in capital is fully depleted, remaining excess of cost over par value is charged to accumulated deficit. On December 7, 2022, the Company announced that its Board of Directors authorized \$15.0 billion of share repurchases under the program. As of January 30, 2026, the Company had \$10.8 billion remaining under the program. In fiscal 2025, the Company paused its share repurchase program.

From time to time, the Company may enter into Accelerated Share Repurchase (ASR) agreements with third-party financial institutions. At inception of an ASR, the Company pays the financial institutions using cash on hand and takes initial delivery of shares. Under the terms of the ASR agreements, upon settlement, the Company either receives additional shares from the financial institution or is required to deliver additional shares or cash to the financial institution. The Company controls its election to either deliver additional shares or cash to the financial institution and is subject to provisions which limit the number of shares the Company would be required to deliver.

The final number of shares received upon settlement of an ASR agreement is determined with reference to the volume-weighted average price of the Company's common stock over the term of the ASR agreement. The initial repurchase of shares under these agreements result in an immediate reduction of the outstanding shares used to calculate the weighted-average common shares outstanding for basic and diluted earnings per share.

Any ASR agreements are accounted for as treasury stock transactions and forward stock purchase contracts. The par value of the shares received is recorded as a reduction to common stock with the remainder recorded as a reduction to capital in excess of par value and accumulated deficit. The forward stock purchase contracts are considered indexed to the Company's own stock and are classified as equity instruments.

The terms of each ASR agreement entered into during the last three fiscal years, structured as outlined above, are as follows (in millions):

| Agreement Execution Date | ASR Settlement Date | ASR Agreement Amount | Initial Shares Delivered | Additional Shares Delivered at Settlement | Total Shares Delivered |
|--------------------------|---------------------|----------------------|--------------------------|-------------------------------------------|------------------------|
| Q1 2023                  | Q1 2023             | \$ 750               | 3.1                      | 0.7                                       | 3.8                    |
| Q2 2023                  | Q2 2023             | \$ 1,000             | 3.9                      | 0.7                                       | 4.6                    |
| Q3 2023                  | Q3 2023             | \$ 1,500             | 5.3                      | 1.7                                       | 7.0                    |
| Q1 2024                  | Q1 2024             | \$ 325               | 1.1                      | 0.2                                       | 1.3                    |
| Q2 2024                  | Q2 2024             | \$ 375               | 1.4                      | 0.3                                       | 1.7                    |
| Q3 2024                  | Q3 2024             | \$ 400               | 1.3                      | 0.2                                       | 1.5                    |
| Q4 2024                  | Q4 2024             | \$ 400               | 1.2                      | 0.4                                       | 1.6                    |

The Company also withholds shares from employees to satisfy either the exercise price of stock options exercised or the statutory withholding tax liability resulting from the vesting of restricted stock awards and performance share units.

Total shares repurchased for 2025, 2024, and 2023 were as follows:

| (In millions)                         | Years Ended      |              |                  |                 |                  |                 |
|---------------------------------------|------------------|--------------|------------------|-----------------|------------------|-----------------|
|                                       | January 30, 2026 |              | January 31, 2025 |                 | February 2, 2024 |                 |
|                                       | Shares           | Cost         | Shares           | Cost            | Shares           | Cost            |
| Share repurchase program <sup>1</sup> | —                | \$ —         | 15.4             | \$ 3,834        | 29.2             | \$ 6,199        |
| Shares withheld from employees        | 0.3              | 75           | 0.4              | 94              | 0.7              | 135             |
| <b>Total share repurchases</b>        | <b>0.3</b>       | <b>\$ 75</b> | <b>15.8</b>      | <b>\$ 3,928</b> | <b>29.9</b>      | <b>\$ 6,334</b> |

<sup>1</sup> As of January 1, 2023, share repurchases in excess of issuances are subject to a 1% excise tax, which is included as part of the cost basis of the shares acquired.

## NOTE 11: Share-Based Payments

### Overview of Share-Based Payment Plans

The Company has an active equity incentive plan (the Incentive Plan) under which the Company has been authorized to grant share-based awards to key employees and non-employee directors. The Company also has an employee stock purchase plan (the ESPP) that allows employees to purchase Company shares at a discount through payroll deductions. Both of these plans contain a non-discretionary anti-dilution provision that is designed to equalize the value of an award as a result of any stock dividend, stock split, recapitalization, or any other similar equity restructuring.

A total of 80.0 million shares were authorized for grants of share-based awards to key employees and non-employee directors under the Company's currently active Incentive Plan, of which there were 22.4 million shares remaining available for grants as of January 30, 2026. The ESPP permits a maximum of 20.0 million shares to be offered for purchase. As of January 30, 2026, there were 16.8 million shares remaining available for purchase.

The Company recognized share-based payment expense within SG&A expense in the consolidated statements of earnings of \$247 million, \$221 million, and \$210 million in 2025, 2024, and 2023, respectively. The total associated income tax benefit recognized, exclusive of excess tax benefits, was \$45 million, \$42 million, and \$30 million in 2025, 2024, and 2023, respectively.

Total unrecognized share-based payment expense for all share-based payment plans was \$323 million as of January 30, 2026, of which \$187 million will be recognized in 2026, \$115 million in 2027, and \$21 million thereafter. This results in these amounts being recognized over a weighted-average period of 1.5 years.

For all share-based payment awards, the expense recognized has been adjusted for estimated forfeitures where the requisite service is not expected to be met. Estimated forfeiture rates are developed based on the Company's analysis of historical forfeiture data for homogeneous employee groups.

General terms and methods of valuation for the Company's share-based awards are as follows:

### Stock Options

Stock options have terms of 10 years, with one-third of each grant vesting each year for three years, subsequent to the date of the grant, and are assigned an exercise price equal to the closing market price of a share of the Company's common stock on the date of grant. Options are expensed on a straight-line basis over the grant vesting period, which is considered to be the requisite service period.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model. When determining expected volatility, the Company considers the historical volatility of the Company's stock price, as well as implied volatility. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant, based on the options' expected term. The expected term of the options is based on the Company's evaluation of option holders' exercise patterns and represents the period of time that options are expected to remain unexercised. The Company uses historical data to estimate the timing and amount of forfeitures. The weighted average assumptions used in the Black-Scholes option-pricing model and weighted-average grant date fair value for options granted in 2025, 2024, and 2023 are as follows:

|                                        | Years Ended      |                  |                  |
|----------------------------------------|------------------|------------------|------------------|
|                                        | January 30, 2026 | January 31, 2025 | February 2, 2024 |
| Weighted-average assumptions used:     |                  |                  |                  |
| Expected volatility                    | 31.4 %           | 31.6 %           | 32.2 %           |
| Dividend yield                         | 1.80 %           | 1.79 %           | 1.74 %           |
| Risk-free interest rate                | 4.03 %           | 4.33 %           | 3.59 %           |
| Expected term, in years                | 7.00             | 7.00             | 6.50             |
| Weighted-average grant date fair value | \$ 77.51         | \$ 84.76         | \$ 64.41         |

The total intrinsic value of options exercised, representing the difference between the exercise price and the market price on the date of exercise, was approximately \$25 million, \$45 million, and \$28 million in 2025, 2024, and 2023, respectively.

Transactions related to stock options for the fiscal year ended January 30, 2026, are summarized as follows:

| (in thousands, except per share and years data)                 | Shares       | Weighted-Average Exercise Price Per Share | Weighted-Average Remaining Term | Aggregate Intrinsic Value |
|-----------------------------------------------------------------|--------------|-------------------------------------------|---------------------------------|---------------------------|
| <b>Outstanding as of January 31, 2025</b>                       | <b>1,625</b> | <b>\$ 150.23</b>                          |                                 |                           |
| Granted                                                         | 138          | 234.01                                    |                                 |                           |
| Canceled, forfeited or expired                                  | (4)          | 200.43                                    |                                 |                           |
| Exercised                                                       | (181)        | 115.75                                    |                                 |                           |
| <b>Outstanding as of January 30, 2026</b>                       | <b>1,578</b> | <b>\$ 161.38</b>                          | <b>5.42</b>                     | <b>\$ 166,736</b>         |
| Vested and expected to vest as of January 30, 2026 <sup>1</sup> | 1,572        | \$ 161.09                                 | 5.41                            | \$ 166,533                |
| Exercisable as of January 30, 2026                              | 1,278        | \$ 145.59                                 | 4.73                            | \$ 155,227                |

<sup>1</sup> Includes outstanding vested options as well as outstanding nonvested options after a forfeiture rate is applied.

### Restricted Stock Awards

Restricted stock awards are valued at the market price of a share of the Company's common stock on the date of grant. In general, these awards vest ratably over a three-year period from the date of grant. Certain awards vest 100% at the end of a three-year period from the date of grant. All awards are expensed on a straight-line basis over a three-year period, which is considered to be the requisite service period. The Company uses historical data to estimate the timing and amount of forfeitures. The weighted-average grant-date fair value per share of restricted stock awards granted was \$234.64, \$249.31, and \$201.78 in 2025, 2024, and 2023, respectively. The total fair value of restricted stock awards vesting each year was approximately \$133 million, \$158 million, and \$208 million in 2025, 2024, and 2023, respectively.

Transactions related to restricted stock awards for the fiscal year ended January 30, 2026, are summarized as follows:

| (in thousands, except per share data)   | Shares       | Weighted-Average Grant-Date Fair Value Per Share |
|-----------------------------------------|--------------|--------------------------------------------------|
| <b>Nonvested as of January 31, 2025</b> | <b>1,277</b> | <b>\$ 224.15</b>                                 |
| Granted                                 | 764          | 234.64                                           |
| Vested                                  | (567)        | 215.22                                           |
| Canceled or forfeited                   | (119)        | 232.46                                           |
| <b>Nonvested as of January 30, 2026</b> | <b>1,355</b> | <b>\$ 233.07</b>                                 |

### Deferred Stock Units

Deferred stock units are valued at the market price of a share of the Company's common stock on the date of grant and earn dividend equivalents. For non-employee Directors, these awards vest on the earlier of the first anniversary of the grant date or the day immediately preceding the next Annual Meeting of Shareholders, subject to acceleration in certain circumstances, and are expensed on a straight-line basis over the requisite service period. Awards granted prior to 2022 vested immediately and were expensed on the grant date. Deferred stock units granted to non-employee Directors in 2025, 2024, and 2023 are as follows:

| (In thousands, except per share data)             | Years Ended      |                  |                  |
|---------------------------------------------------|------------------|------------------|------------------|
|                                                   | January 30, 2026 | January 31, 2025 | February 2, 2024 |
| Deferred shares granted to non-employee Directors | 11               | 12               | 11               |
| Weighted-average grant date fair value per share  | \$ 225.73        | \$ 221.29        | \$ 206.52        |

### Performance Share Units

The Company issues performance share units classified as equity awards. Expense is recognized on a straight-line basis over the requisite service period, based on the probability of achieving the performance condition, with changes in expectations recognized as an adjustment to earnings in the period of the change. Compensation cost is not recognized for performance

share units that do not vest because service or performance conditions are not satisfied, and any previously recognized compensation cost is reversed. Performance share units do not have dividend rights. The Company uses historical data to estimate the timing and amount of forfeitures.

The Company's performance share units contain performance and service conditions that must be satisfied for an employee to earn the right to benefit from the award, as well as a market condition modifier. The performance condition for these awards continues to be based primarily on the achievement of the Company's return on invested capital (ROIC) targets. The market condition is based on the Company's total shareholder return (TSR) compared to the median TSR of companies listed in the S&P 500 Index over a three-year performance period. The Company uses a Monte-Carlo simulation to determine the grant date fair value for these awards, which takes into consideration the market price of a share of the Company's common stock on the date of grant less the present value of dividends expected during the requisite service period, as well as the possible outcomes pertaining to the TSR market condition.

The weighted-average assumptions used in the Monte Carlo simulations for these awards granted in 2025, 2024, and 2023 are as follows:

|                                    | Years Ended      |                  |                  |
|------------------------------------|------------------|------------------|------------------|
|                                    | January 30, 2026 | January 31, 2025 | February 2, 2024 |
| Weighted-average assumptions used: |                  |                  |                  |
| Expected volatility                | 25.4 %           | 27.1 %           | 29.3 %           |
| Dividend yield                     | 1.97 %           | 1.77 %           | 2.10 %           |
| Risk-free interest rate            | 3.82 %           | 4.49 %           | 3.83 %           |
| Expected term, in years            | 2.83             | 2.83             | 2.82             |

In general, 0% to 200% of the Company's performance share units vest at the end of a three-year service period from the date of grant based upon achievement of the performance condition, or a combination of the performance and market conditions, specified in the performance share unit agreement.

The weighted-average grant-date fair value per unit of performance share units classified as equity awards granted was \$225.57, \$273.37, and \$209.50 in 2025, 2024, and 2023, respectively. The total fair value of performance share units vesting was approximately \$30 million, \$55 million and \$105 million in 2025, 2024 and 2023, respectively.

Transactions related to performance share units classified as equity awards for the fiscal year ended January 30, 2026, are summarized as follows:

| (in thousands, except per share data)   | Units <sup>1</sup> | Weighted-Average Grant-Date Fair Value Per Unit |
|-----------------------------------------|--------------------|-------------------------------------------------|
| <b>Nonvested as of January 31, 2025</b> | <b>454</b>         | <b>\$ 227.46</b>                                |
| Granted                                 | 146                | 225.57                                          |
| Vested                                  | (126)              | 200.06                                          |
| Canceled or forfeited                   | (24)               | 217.78                                          |
| <b>Nonvested as of January 30, 2026</b> | <b>450</b>         | <b>\$ 235.07</b>                                |

<sup>1</sup> As of January 30, 2026, the maximum number of nonvested units that could vest under the provisions of the agreements was 0.9 million.

## Restricted Stock Units

Restricted stock units do not have dividend rights and are valued at the market price of a share of the Company's common stock on the date of grant less the present value of dividends expected during the requisite service period. In general, these awards vest ratably over a three-year period from the date of grant. Certain awards vest 100% at the end of a three-year period from the date of grant. All awards are expensed on a straight-line basis over that period, which is considered to be the requisite service period. The Company uses historical data to estimate the timing and amount of forfeitures. The weighted-average grant-date fair value per share of restricted stock units granted was \$221.68, \$236.96, and \$188.22 in 2025, 2024, and 2023, respectively. The total fair value of restricted stock units vesting was approximately \$50 million, \$56 million, and \$67 million in 2025, 2024, and 2023, respectively.

Transactions related to restricted stock units for the fiscal year ended January 30, 2026, are summarized as follows:

| (in thousands, except per share data)   | Shares     | Weighted-Average Grant-Date Fair Value Per Share |
|-----------------------------------------|------------|--------------------------------------------------|
| <b>Nonvested as of January 31, 2025</b> | <b>452</b> | <b>\$ 213.52</b>                                 |
| Granted                                 | 292        | 221.68                                           |
| Vested                                  | (214)      | 206.24                                           |
| Canceled or forfeited                   | (59)       | 219.93                                           |
| <b>Nonvested as of January 30, 2026</b> | <b>471</b> | <b>\$ 221.09</b>                                 |

## ESPP

The purchase price of the shares under the ESPP equals 85% of the closing price on the date of purchase. The Company's share-based payment expense per share is equal to 15% of the closing price on the date of purchase. The ESPP is considered a liability award and is measured at fair value at each reporting date, and the share-based payment expense is recognized over the six-month offering period. Under the ESPP, the Company issued 0.6 million shares of common stock in 2025, 0.6 million shares of common stock in 2024, and 0.7 million shares of common stock in 2023, and recognized share-based payment expense of \$22 million, \$22 million, and \$21 million in 2025, 2024, and 2023, respectively.

## NOTE 12: Employee Retirement Plans

The Company maintains a defined contribution retirement plan for eligible employees (the 401(k) Plan). Eligible employees may participate in the 401(k) Plan the first of the month after thirty days of employment. The Company makes contributions to the 401(k) Plan each payroll period, based upon a matching formula applied to employee deferrals (the Company Match). Participants are eligible to receive the Company Match pursuant to the terms of the 401(k) Plan. The Company Match varies based on how much the employee elects to defer up to a maximum of 4.25% of eligible compensation. The Company Match is invested identically to employee contributions and is immediately vested. As of January 1, 2025, the 401(k) Plan allows participants to borrow from his or her account balance and receive required minimum distributions over the maximum time periods allowable under the Internal Revenue Code.

The Company maintains a Benefit Restoration Plan to supplement benefits provided under the 401(k) Plan to participants whose benefits are restricted as a result of certain provisions of the Internal Revenue Code of 1986. This plan provides for employee salary deferrals and employer contributions in the form of a Company Match.

The Company maintains a non-qualified deferred compensation program called the Lowe's Cash Deferral Plan. This plan is designed to permit certain employees to defer receipt of portions of their compensation, thereby delaying taxation on the deferral amount and on subsequent earnings until the balance is distributed. This plan does not provide for Company contributions.

The Company recognized expense associated with these employee retirement plans of \$201 million, \$172 million, and \$167 million in 2025, 2024, and 2023, respectively.

## NOTE 13: Income Taxes

The following is a reconciliation of the federal statutory tax rate to the effective tax rate:

| (In millions, except percentage data)                       | Years Ended      |               |                  |               |                  |               |
|-------------------------------------------------------------|------------------|---------------|------------------|---------------|------------------|---------------|
|                                                             | January 30, 2026 |               | January 31, 2025 |               | February 2, 2024 |               |
| Statutory federal income tax rate                           | \$ 1,837         | 21.0 %        | \$ 1,922         | 21.0 %        | \$ 2,137         | 21.0 %        |
| State income taxes, net of federal tax benefit <sup>1</sup> | 333              | 3.8           | 343              | 3.7           | 389              | 3.8           |
| Other, net                                                  | (77)             | (0.9)         | (69)             | (0.7)         | (77)             | (0.7)         |
| <b>Effective tax rate</b>                                   | <b>\$ 2,093</b>  | <b>23.9 %</b> | <b>\$ 2,196</b>  | <b>24.0 %</b> | <b>\$ 2,449</b>  | <b>24.1 %</b> |

<sup>1</sup> State taxes in CA, FL, PA, NY, VA, NC, TN, NJ, and SC contributed to the majority of the tax effect in this category.

The components of the income tax provision are as follows:

| (In millions)                     | Years Ended      |                  |                  |
|-----------------------------------|------------------|------------------|------------------|
|                                   | January 30, 2026 | January 31, 2025 | February 2, 2024 |
| <b>Current:</b>                   |                  |                  |                  |
| Federal                           | \$ 1,443         | \$ 1,764         | \$ 1,955         |
| State                             | 386              | 424              | 489              |
| <b>Total current<sup>1</sup></b>  | <b>1,829</b>     | <b>2,188</b>     | <b>2,444</b>     |
| <b>Deferred:</b>                  |                  |                  |                  |
| Federal                           | 236              | —                | 3                |
| State                             | 28               | 8                | 2                |
| <b>Total deferred<sup>1</sup></b> | <b>264</b>       | <b>8</b>         | <b>5</b>         |
| <b>Total income tax provision</b> | <b>\$ 2,093</b>  | <b>\$ 2,196</b>  | <b>\$ 2,449</b>  |

<sup>1</sup> Amounts applicable to foreign income taxes were insignificant for all periods presented.

The tax effects of cumulative temporary differences that gave rise to the deferred tax assets and liabilities were as follows:

| (In millions)                                | January 30, 2026  | January 31, 2025 |
|----------------------------------------------|-------------------|------------------|
| <b>Deferred tax assets:</b>                  |                   |                  |
| Self-insurance                               | \$ 240            | \$ 233           |
| Share-based payment expense                  | 49                | 46               |
| Operating lease liabilities                  | 1,266             | 1,143            |
| Capital loss carryforwards                   | 691               | 645              |
| Net operating losses                         | 283               | 261              |
| Other, net                                   | 559               | 390              |
| <b>Total deferred tax assets</b>             | <b>3,088</b>      | <b>2,718</b>     |
| Valuation allowance                          | (1,072)           | (1,003)          |
| <b>Net deferred tax assets</b>               | <b>2,016</b>      | <b>1,715</b>     |
| <b>Deferred tax liabilities:</b>             |                   |                  |
| Operating lease right-of-use assets          | (1,136)           | (1,012)          |
| Goodwill and Other Intangibles               | (1,089)           | (37)             |
| Property                                     | (731)             | (315)            |
| Other, net                                   | (99)              | (107)            |
| <b>Total deferred tax liabilities</b>        | <b>(3,055)</b>    | <b>(1,471)</b>   |
| <b>Net deferred tax (liabilities)/assets</b> | <b>\$ (1,039)</b> | <b>\$ 244</b>    |

As of January 30, 2026, and January 31, 2025, the Company had Canadian net operating loss carryforwards of \$1.1 billion and \$1.0 billion, respectively. The net operating losses expire in 2026 through 2043. As of January 30, 2026, and January 31, 2025, the Company had capital loss carryforwards of \$2.7 billion and \$2.5 billion, respectively, for Canadian tax purposes which do not expire. A valuation allowance of \$1.1 billion and \$1.0 billion was recorded as of January 30, 2026, and January 31, 2025, respectively.

A reconciliation of the beginning and ending balances of unrecognized tax benefits is as follows:

| (In millions)                                 | Years Ended      |                  |                  |
|-----------------------------------------------|------------------|------------------|------------------|
|                                               | January 30, 2026 | January 31, 2025 | February 2, 2024 |
| Unrecognized tax benefits, beginning of year  | \$ 37            | \$ 37            | \$ 37            |
| Additions for tax positions of prior years    | —                | —                | —                |
| Settlements                                   | —                | —                | —                |
| <b>Unrecognized tax benefits, end of year</b> | <b>\$ 37</b>     | <b>\$ 37</b>     | <b>\$ 37</b>     |

The unrecognized tax benefits that, if recognized, would favorably impact the effective tax rate were \$37 million as of January 30, 2026, and January 31, 2025.

The net interest expense recognized by the Company related to uncertain tax positions was \$3 million for 2025, \$1 million for 2024, and \$1 million for 2023. The Company had \$18 million and \$15 million of accrued interest related to uncertain tax positions as of January 30, 2026, and January 31, 2025, respectively.

No penalties were recognized related to uncertain tax positions for 2025, 2024, and 2023. The Company had \$4 million of accrued penalties related to uncertain tax positions as of January 30, 2026, and January 31, 2025, respectively.

The Company is subject to examination by various foreign and domestic taxing authorities. There are ongoing U.S. state audits covering tax years 2017 to 2024. Audits performed by the Canada Revenue Agency for fiscal years 2021 and 2022 are ongoing. The Company remains subject to income tax examinations for fiscal years 2015 through 2024. The Company believes appropriate provisions for all outstanding issues have been made for all jurisdictions and all open years.

#### Note 14: Earnings Per Share

The Company calculates basic and diluted earnings per common share using the two-class method. Under the two-class method, net earnings are allocated to each class of common stock and participating security as if all of the net earnings for the period had been distributed. The Company's participating securities consist of share-based payment awards that contain a non-forfeitable right to receive dividends and, therefore, are considered to participate in undistributed earnings with common shareholders.

Basic earnings per common share excludes dilution and is calculated by dividing net earnings allocable to common shares by the weighted-average number of common shares outstanding for the period. Diluted earnings per common share is calculated by dividing net earnings allocable to common shares by the weighted-average number of common shares as of the balance sheet date, as adjusted for the potential dilutive effect of non-participating share-based awards. The following table reconciles earnings per common share for 2025, 2024, and 2023:

| (In millions, except per share data)                     | Years Ended      |                  |                  |
|----------------------------------------------------------|------------------|------------------|------------------|
|                                                          | January 30, 2026 | January 31, 2025 | February 2, 2024 |
| <b>Basic earnings per common share:</b>                  |                  |                  |                  |
| Net earnings attributable to Lowe's Companies, Inc.      | \$ 6,654         | \$ 6,957         | \$ 7,726         |
| Less: Net earnings allocable to participating securities | (18)             | (17)             | (20)             |
| <b>Net earnings allocable to common shares, basic</b>    | <b>\$ 6,636</b>  | <b>\$ 6,940</b>  | <b>\$ 7,706</b>  |
| <b>Weighted-average common shares outstanding</b>        | <b>559</b>       | <b>567</b>       | <b>582</b>       |
| <b>Basic earnings per common share</b>                   | <b>\$ 11.87</b>  | <b>\$ 12.25</b>  | <b>\$ 13.23</b>  |

| (In millions, except per share data)                                          | Years Ended      |                  |                  |
|-------------------------------------------------------------------------------|------------------|------------------|------------------|
|                                                                               | January 30, 2026 | January 31, 2025 | February 2, 2024 |
| <b>Diluted earnings per common share:</b>                                     |                  |                  |                  |
| Net earnings attributable to Lowe's Companies, Inc.                           | \$ 6,654         | \$ 6,957         | \$ 7,726         |
| Less: Net earnings allocable to participating securities                      | (18)             | (17)             | (20)             |
| <b>Net earnings allocable to common shares, diluted</b>                       | <b>\$ 6,636</b>  | <b>\$ 6,940</b>  | <b>\$ 7,706</b>  |
| Weighted-average common shares outstanding                                    | 559              | 567              | 582              |
| Dilutive effect of non-participating share-based awards                       | 1                | 1                | 2                |
| <b>Weighted-average common shares, as adjusted</b>                            | <b>560</b>       | <b>568</b>       | <b>584</b>       |
| <b>Diluted earnings per common share</b>                                      | <b>\$ 11.85</b>  | <b>\$ 12.23</b>  | <b>\$ 13.20</b>  |
| Anti-dilutive securities excluded from diluted weighted-average common shares | 0.2              | 0.1              | 0.5              |

#### NOTE 15: Commitments and Contingencies

The Company is, from time to time, party to various legal proceedings considered to be in the normal course of business, none of which, individually or in the aggregate, are expected to be material to the Company's financial statements. In evaluating liabilities associated with its various legal proceedings, the Company has accrued for probable liabilities associated with these matters. The amounts accrued were not material to the Company's consolidated financial statements in any of the years presented. Reasonably possible losses for any of the individual legal proceedings which have not been accrued were not material to the Company's consolidated financial statements.

As of January 30, 2026, the Company had non-cancellable commitments of \$2.3 billion related to certain marketing and information technology programs, and purchases of merchandise inventory. These commitments include agreements to purchase goods or services that are enforceable, are legally binding, and specify all significant terms, including fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction. Payments under these commitments are scheduled to be made as follows:

| (In millions) | Commitments     |
|---------------|-----------------|
| Fiscal 2026   | \$ 999          |
| Fiscal 2027   | 728             |
| Fiscal 2028   | 261             |
| Fiscal 2029   | 120             |
| Fiscal 2030   | 27              |
| Thereafter    | 134             |
| <b>Total</b>  | <b>\$ 2,269</b> |

As of January 30, 2026, the Company held standby and documentary letters of credit issued under banking arrangements which totaled \$509 million. The majority of the Company's letters of credit were issued to support the Company's warranty program.

#### NOTE 16: Related Parties

The Company's President and Chief Executive Officer also serves on the Board of Directors of a vendor that provides transportation and business services to the Company. The Company purchased services from this vendor in the amount of \$237 million in 2025, \$240 million in 2024, and \$217 million in 2023. Amounts payable to this vendor were insignificant to the Company as of January 30, 2026, and January 31, 2025.

## NOTE 17: Other Information

Interest – net is comprised of the following:

| (In millions)                 | Years Ended      |                  |                  |
|-------------------------------|------------------|------------------|------------------|
|                               | January 30, 2026 | January 31, 2025 | February 2, 2024 |
| Long-term debt                | \$ 1,487         | \$ 1,452         | \$ 1,438         |
| Finance lease obligations     | 20               | 23               | 24               |
| Short-term borrowings         | —                | —                | 15               |
| Interest income               | (121)            | (159)            | (101)            |
| Interest capitalized          | (8)              | (6)              | (4)              |
| Interest on tax uncertainties | 3                | 1                | 1                |
| Other                         | 25               | 2                | 9                |
| <b>Interest – net</b>         | <b>\$ 1,406</b>  | <b>\$ 1,313</b>  | <b>\$ 1,382</b>  |

Supplemental disclosures of cash flow information:

| (In millions)                                             | Years Ended      |                  |                  |
|-----------------------------------------------------------|------------------|------------------|------------------|
|                                                           | January 30, 2026 | January 31, 2025 | February 2, 2024 |
| Cash paid for interest, net of amount capitalized         | \$ 1,489         | \$ 1,475         | \$ 1,464         |
| Cash paid for income taxes, net <sup>1</sup>              | \$ 2,505         | \$ 1,648         | \$ 3,700         |
| Non-cash investing and financing activities: <sup>2</sup> |                  |                  |                  |
| Cash dividends declared but not paid                      | \$ 673           | \$ 645           | \$ 633           |

<sup>1</sup> Includes \$401 million, \$471 million, and \$527 million of cash paid for state, local, and foreign income taxes in the years ended January 30, 2026, January 31, 2025, and February 2, 2024, respectively.

<sup>2</sup> See [Note 7](#) for supplemental cash flow disclosures related to finance and operating leases.

Sales by product category:

| (In millions, except percentage data) | Years Ended      |                |                  |                |                  |                |
|---------------------------------------|------------------|----------------|------------------|----------------|------------------|----------------|
|                                       | January 30, 2026 |                | January 31, 2025 |                | February 2, 2024 |                |
|                                       | Total Sales      | %              | Total Sales      | %              | Total Sales      | %              |
| Appliances                            | \$ 12,891        | 14.9 %         | \$ 12,514        | 15.0 %         | \$ 12,738        | 14.7 %         |
| Seasonal & Outdoor Living             | 7,065            | 8.2            | 7,231            | 8.6            | 7,542            | 8.7            |
| Lumber                                | 6,680            | 7.7            | 6,723            | 8.0            | 7,021            | 8.1            |
| Lawn & Garden                         | 6,577            | 7.6            | 6,523            | 7.8            | 6,714            | 7.8            |
| Hardware                              | 6,029            | 7.0            | 6,045            | 7.2            | 6,072            | 7.0            |
| Kitchens & Bath                       | 5,866            | 6.8            | 5,889            | 7.0            | 6,169            | 7.1            |
| Building Materials                    | 5,539            | 6.4            | 5,414            | 6.5            | 5,268            | 6.1            |
| Rough Plumbing                        | 5,107            | 5.9            | 4,935            | 5.9            | 5,014            | 5.8            |
| Paint                                 | 5,000            | 5.8            | 4,979            | 6.0            | 5,117            | 5.9            |
| Millwork                              | 4,927            | 5.7            | 4,965            | 5.9            | 5,121            | 5.9            |
| Tools                                 | 4,514            | 5.2            | 4,530            | 5.4            | 4,693            | 5.4            |
| Electrical                            | 4,280            | 5.0            | 4,301            | 5.1            | 4,477            | 5.2            |
| Flooring                              | 4,044            | 4.7            | 4,068            | 4.9            | 4,355            | 5.0            |
| Decor                                 | 3,726            | 4.3            | 3,857            | 4.6            | 4,156            | 4.8            |
| Other                                 | 1,833            | 2.2            | 1,700            | 2.1            | 1,920            | 2.5            |
| <b>Retail Home Improvement</b>        | <b>84,078</b>    | <b>97.4</b>    | <b>83,674</b>    | <b>100.0</b>   | <b>86,377</b>    | <b>100.0</b>   |
| Other segment net sales               | 2,208            | 2.6            | —                | —              | —                | —              |
| <b>Net sales</b>                      | <b>\$ 86,286</b> | <b>100.0 %</b> | <b>\$ 83,674</b> | <b>100.0 %</b> | <b>\$ 86,377</b> | <b>100.0 %</b> |

Note: Product category sales for prior periods have been reclassified to conform to the current year presentation.

## NOTE 18: Segment Information

The Company's operations include one reportable operating segment, Retail Home Improvement, and the chief operating decision maker (CODM) is the Chairman, President, and Chief Executive Officer. Our operating segments reflect the way in which internally reported financial information is regularly reviewed by the CODM who has the ultimate decision-making authority for resource allocation and assessing performance of our segments.

- **Retail Home Improvement Reportable Segment** - We are engaged in retail operations that sell a wide assortment of home décor, hardlines, and building products both in stores and online throughout the United States. In addition, we have specialists on-site to provide services, including home improvement installation services, and tool and equipment rental.
- **Other** - As discussed in [Note 2](#), in 2025, Lowe's acquired FBM, a leading distributor of interior building products, and ADG, a nationwide provider of design, distribution and installation services for interior surface finishes. FBM operations are organized into two lines of business and represent two operating segments, Ceilings and Wall Systems and Commercial Doors and Hardware. ADG is deemed to be a separate operating segment, referred to as Interior Finishes. These three operating segments do not meet the thresholds prescribed under ASC Topic 280 to be deemed a reportable segment, therefore, results from these operating segments are presented in "Other".

The CODM regularly reviews operating income as the measure of each operating segment's profit or loss, as well as significant segment expenses of our Retail Home Improvement segment to evaluate operating performance, generate future operating plans and make strategic decisions regarding the allocation of capital. Corporate expenses are allocated to the individual operating segments. The CODM also uses these measures in monitoring plan versus actual results. The CODM does not review segment assets at a different asset level or category than those disclosed in the consolidated balance sheets.

The following table presents the Company's operating income results for its Retail Home Improvement reportable segment, including significant segment expenses:

| (In millions, except percentage data) | Years Ended      |                |                  |                |                  |                |
|---------------------------------------|------------------|----------------|------------------|----------------|------------------|----------------|
|                                       | January 30, 2026 |                | January 31, 2025 |                | February 2, 2024 |                |
|                                       | Amount           | % Sales        | Amount           | % Sales        | Amount           | % Sales        |
| Net Sales                             | \$ 84,078        | 100.00 %       | \$ 83,674        | 100.00 %       | \$ 86,377        | 100.00 %       |
| Less:                                 |                  |                |                  |                |                  |                |
| Cost of sales                         | 55,615           | 66.15          | 55,797           | 66.68          | 57,533           | 66.61          |
| Expenses:                             |                  |                |                  |                |                  |                |
| Employee compensation and benefits    | 11,147           | 13.26          | 10,830           | 12.94          | 10,801           | 12.50          |
| Occupancy and facility costs          | 1,932            | 2.30           | 1,897            | 2.27           | 1,836            | 2.13           |
| Advertising                           | 973              | 1.16           | 921              | 1.10           | 831              | 0.96           |
| Other segment items <sup>1</sup>      | 2,380            | 2.82           | 2,034            | 2.43           | 2,102            | 2.43           |
| Selling, general and administrative:  | 16,432           | 19.54          | 15,682           | 18.74          | 15,570           | 18.02          |
| Depreciation and amortization         | 1,808            | 2.15           | 1,729            | 2.07           | 1,717            | 1.99           |
| <b>Operating income</b>               | <b>\$ 10,223</b> | <b>12.16 %</b> | <b>\$ 10,466</b> | <b>12.51 %</b> | <b>\$ 11,557</b> | <b>13.38 %</b> |

<sup>1</sup> Other segment items primarily include financial services costs, technology service costs, insurance costs, impairment costs, and store environment initiative and display costs.

The following table presents a reconciliation of our Retail Home Improvement results to our consolidated totals:

|                                       | January 30, 2026        |          |          |          |                 |               |
|---------------------------------------|-------------------------|----------|----------|----------|-----------------|---------------|
|                                       | Retail Home Improvement |          | Other    |          | Consolidated    |               |
| (In millions, except percentage data) | Amount                  | % Sales  | Amount   | % Sales  | Amount          | % Sales       |
| Net sales                             | \$ 84,078               | 100.00 % | \$ 2,208 | 100.00 % | \$ 86,286       | 100.00 %      |
| <b>Operating income</b>               | 10,223                  | 12.16    | (70)     | (3.17)   | 10,153          | 11.77         |
| Interest – net                        |                         |          |          |          | 1,406           | 1.63          |
| <b>Pre-tax earnings</b>               |                         |          |          |          | <b>8,747</b>    | <b>10.14</b>  |
| Income tax provision                  |                         |          |          |          | 2,093           | 2.43          |
| <b>Net earnings</b>                   |                         |          |          |          | <b>\$ 6,654</b> | <b>7.71 %</b> |

Prior to 2025, Retail Home Improvement was our only operating segment and represented our total Company consolidated results. Therefore, a reconciliation to our consolidated totals is not applicable for fiscal 2024 or 2023.

#### NOTE 19 : Subsequent Events

On February 20, 2026, the Supreme Court declared that tariffs imposed under the International Emergency Economic Powers Act (IEEPA) were invalid as they exceeded the President’s authority. Further, on March 4, 2026, the Court of International Trade ordered U.S. Customs and Border Protection to liquidate all entries which are not final without regard to IEEPA duties. We are evaluating these court rulings and will continue to monitor ongoing developments. At this time, we are unable to reasonably estimate the extent to which the rulings will impact our consolidated financial position, consolidated results of operations, and consolidated cash flows for the fiscal year ending January 29, 2027.

## **Item 9 - Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

### **Item 9A - Controls and Procedures**

The Company's management, with the participation of the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's "disclosure controls and procedures", (as such term is defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended, (the Exchange Act)). Based upon their evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this Annual Report, the Company's disclosure controls and procedures were effective for the purpose of ensuring that the information required to be disclosed in the reports that the Company files or submits under the Exchange Act with the Securities and Exchange Commission (the SEC) (1) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (2) is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Under guidelines established by the SEC, companies are permitted to exclude acquisitions from their first assessment of internal control over financial reporting following the date of acquisition. Management's assessment of the effectiveness of the Company's internal control over financial reporting excluded FBM, a wholly owned subsidiary of Lowe's Companies Inc. that consists of the net assets purchased in October 2025. FBM's aggregate assets, excluding goodwill and intangible assets - net, and net sales represented 4.5% and 1.5% of the Company's consolidated total assets and consolidated net sales, respectively, as of and for the year ended January 30, 2026. This acquisition is more fully discussed in [Note 2](#) to our Consolidated Financial Statements for fiscal year 2025.

Management's report on internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) and the report of Deloitte & Touche LLP, the Company's independent registered public accounting firm, are included in [Item 8](#) of this Annual Report.

The Company is undergoing a multi-year technology transformation which includes updating and modernizing our distribution and replenishment systems, as well as certain accounting and finance systems. These updates are expected to continue for the next few years, and management will continue to evaluate the design and implementation of the Company's internal controls over financial reporting as the transformation continues. No change in the Company's internal control over financial reporting occurred during the fiscal fourth quarter ended January 30, 2026, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

### **Item 9B - Other Information**

During the three months ended January 30, 2026, none of the Company's directors or executive officers adopted or terminated any contract, instruction, or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement" (as that term is defined in Regulation S-K, Item 408).

### **Item 9C - Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

## Part III

### Item 10 - Directors, Executive Officers and Corporate Governance

The information required by this item with respect to our executive officers appears in Part I of this Annual Report under the heading, “Information About Our Executive Officers”. The other information required by this item is furnished by incorporation by reference to the information under the headings “Proposal 1: Election of Directors”, “Corporate Governance”, “Additional Information - Shareholder Proposals for the 2027 Annual Meeting”, and “Compensation Discussion and Analysis - Other Compensation Policies - Trading in Company Securities” in the definitive Proxy Statement for the 2026 annual meeting of shareholders, which will be filed with the SEC within 120 days after the fiscal year ended January 30, 2026 (the Proxy Statement).

We have adopted a written code of business conduct and ethics, which is intended to qualify as a “code of ethics” within the meaning of Item 406 of Regulation S-K of the Exchange Act, which we refer to as the Lowe’s Code of Business Conduct and Ethics (the Code). The Code applies to all employees of the Company, including our principal executive officer, principal financial officer, principal accounting officer or persons performing similar functions. The Code is designed to ensure that the Company’s business is conducted in a legal and ethical manner. The Code covers all areas of professional conduct, including compliance with laws and regulations, conflicts of interest, fair dealing among customers and suppliers, corporate opportunity, confidential information, insider trading, employee relations, and accounting complaints. The full text of the Code can be found on our website at [ir.lowes.com](http://ir.lowes.com), under the “Investors”, and “Corporate Governance - Governance Documents” headings. You can also obtain a copy of the complete Code by contacting Investor Relations by phone at 1-800-813-7613 or email at [investorrelations@lowes.com](mailto:investorrelations@lowes.com).

We will disclose information pertaining to amendments or waivers to provisions of the Code that apply to our principal executive officer, principal financial officer, principal accounting officer or persons performing similar functions and that relate to any element of the Code enumerated in the SEC rules and regulations by posting this information on our website at [ir.lowes.com](http://ir.lowes.com). The information on our website is not a part of this Annual Report and is not incorporated by reference in this report or any of our other filings with the SEC.

### Item 11 - Executive Compensation

The information required by this item is furnished by incorporation by reference to the information under the headings “Corporate Governance – Compensation of Directors”, “Compensation Discussion and Analysis”, “Compensation Tables”, and “Compensation Committee Interlocks and Insider Participation” in the Proxy Statement, except as to information required pursuant to Item 402(v) of SEC Regulation S-K relating to pay versus performance.

### Item 12 - Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item is furnished by incorporation by reference to the information under the headings “Security Ownership of Certain Beneficial Owners and Management” and “Equity Compensation Plan Information” in the Proxy Statement.

### Item 13 - Certain Relationships and Related Transactions, and Director Independence

The information required by this item is furnished by incorporation by reference to the information under the headings “Corporate Governance – Director Independence”, and “Related Person Transactions” in the Proxy Statement.

### Item 14 - Principal Accountant Fees and Services

The information required by this item is furnished by incorporation by reference to the information under the heading “Audit Matters – Fees Paid to the Independent Registered Public Accounting Firm” in the Proxy Statement.

## Part IV

### Item 15 – Exhibits and Financial Statement Schedules

#### 1. Financial Statements

See the following items and page numbers appearing in [Item 8](#) of this Annual Report:

|                                                                                                                                          | <u>Page No.</u>    |
|------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| <a href="#">Reports of Independent Registered Public Accounting Firm</a>                                                                 | <a href="#">35</a> |
| <a href="#">Consolidated Statements of Earnings for each of the three fiscal years in the period ended January 30, 2026</a>              | <a href="#">38</a> |
| <a href="#">Consolidated Statements of Comprehensive Income for each of the three fiscal years in the period ended January 30, 2026</a>  | <a href="#">38</a> |
| <a href="#">Consolidated Balance Sheets as of January 30, 2026 and January 31, 2025</a>                                                  | <a href="#">39</a> |
| <a href="#">Consolidated Statements of Shareholders' Deficit for each of the three fiscal years in the period ended January 30, 2026</a> | <a href="#">40</a> |
| <a href="#">Consolidated Statements of Cash Flows for each of the three fiscal years in the period ended January 30, 2026</a>            | <a href="#">41</a> |
| <a href="#">Notes to Consolidated Financial Statements for each of the three fiscal years in the period ended January 30, 2026</a>       | <a href="#">42</a> |

#### 2. Financial Statement Schedules

All schedules have been omitted as they are either not applicable or the information is included within our consolidated financial statements and notes to the consolidated financial statements.

### 3. Exhibits

| Exhibit Number | Exhibit Description                                                                                                                                                                                                                                                                                                                                                                                                                | Incorporated by Reference |            |         |                    |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|------------|---------|--------------------|
|                |                                                                                                                                                                                                                                                                                                                                                                                                                                    | Form                      | File No.   | Exhibit | Filing Date        |
| 3.1            | <a href="#">Restated Charter of Lowe's Companies, Inc.</a>                                                                                                                                                                                                                                                                                                                                                                         | 10-Q                      | 001-07898  | 3.1     | September 1, 2009  |
| 3.2            | <a href="#">Bylaws of Lowe's Companies, Inc., as amended and restated November 11, 2022.</a>                                                                                                                                                                                                                                                                                                                                       | 8-K                       | 001-07898  | 3.1     | November 16, 2022  |
| 4.1            | <a href="#">Amended and Restated Indenture, dated as of December 1, 1995, between Lowe's Companies, Inc. and U.S. Bank National Association, as successor trustee.</a>                                                                                                                                                                                                                                                             | 8-K                       | 001-07898  | 4.1     | December 15, 1995  |
| 4.2            | <a href="#">Form of Lowe's Companies, Inc.'s 6 7/8% Debentures due February 15, 2028.</a>                                                                                                                                                                                                                                                                                                                                          | 8-K                       | 001-07898  | 4.2     | February 20, 1998  |
| 4.3            | <a href="#">First Supplemental Indenture, dated as of February 23, 1999, to the Amended and Restated Indenture, dated as of December 1, 1995, between Lowe's Companies, Inc. and U.S. Bank National Association, as successor trustee.</a>                                                                                                                                                                                         | 10-K                      | 001-07898  | 10.13   | April 19, 1999     |
| 4.4            | <a href="#">Form of Lowe's Companies, Inc.'s 6 1/2% Debentures due March 15, 2029.</a>                                                                                                                                                                                                                                                                                                                                             | 10-K                      | 001-07898  | 10.19   | April 19, 1999     |
| 4.5            | <a href="#">Third Supplemental Indenture, dated as of October 6, 2005, to the Amended and Restated Indenture, dated as of December 1, 1995, between Lowe's Companies, Inc. and U.S. Bank National Association, as successor trustee, including as an exhibit thereto a form of Lowe's Companies, Inc.'s 5.5% Notes maturing in October 2035.</a>                                                                                   | 10-K                      | 001-07898  | 4.5     | April 3, 2007      |
| 4.6            | <a href="#">Fourth Supplemental Indenture, dated as of October 10, 2006, to the Amended and Restated Indenture, dated as of December 1, 1995, between Lowe's Companies, Inc. and U.S. Bank National Association, as successor trustee, including as an exhibit thereto a form of Lowe's Companies, Inc.'s 5.80% Notes maturing in October 2036.</a>                                                                                | S-3 (POSASR)              | 333-137750 | 4.5     | October 10, 2006   |
| 4.7            | <a href="#">Fifth Supplemental Indenture, dated as of September 11, 2007, to the Amended and Restated Indenture, dated as of December 1, 1995, between Lowe's Companies, Inc. and U.S. Bank National Association, as successor trustee, including as exhibits thereto a form of Lowe's Companies, Inc.'s 6.10% Notes maturing in September 2017 and a form of Lowe's Companies, Inc.'s 6.65% Notes maturing in September 2037.</a> | 8-K                       | 001-07898  | 4.1     | September 11, 2007 |

| Exhibit Number | Exhibit Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Incorporated by Reference |           |         |                    |
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|                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Form                      | File No.  | Exhibit | Filing Date        |
| 4.8            | <a href="#"><u>Sixth Supplemental Indenture, dated as of April 15, 2010, to the Amended and Restated Indenture, dated as of December 1, 1995, between Lowe's Companies, Inc. and U.S. Bank National Association, as successor trustee, including as exhibits thereto a form of Lowe's Companies, Inc.'s 4.625% Notes maturing in April 2020 and a form of Lowe's Companies, Inc.'s 5.800% Notes maturing in April 2040.</u></a>                                                                                                   | 8-K                       | 001-07898 | 4.1     | April 15, 2010     |
| 4.9            | <a href="#"><u>Eighth Supplemental Indenture, dated as of November 23, 2011, to the Amended and Restated Indenture, dated as of December 1, 1995, between Lowe's Companies, Inc. and U.S. Bank National Association, as successor trustee, including as exhibits thereto a form of Lowe's Companies, Inc.'s 3.800% Notes maturing in November 2021 and a form of Lowe's Companies, Inc.'s 5.125% Notes maturing in November 2041.</u></a>                                                                                         | 8-K                       | 001-07898 | 4.1     | November 23, 2011  |
| 4.10           | <a href="#"><u>Ninth Supplemental Indenture, dated as of April 23, 2012, to the Amended and Restated Indenture, dated as of December 1, 1995, between Lowe's Companies, Inc. and U.S. Bank National Association, as successor trustee, including as exhibits thereto a form of Lowe's Companies, Inc.'s 1.625% Notes maturing in April 2017, a form of Lowe's Companies, Inc.'s 3.120% Notes maturing in April 2022 and a form of Lowe's Companies, Inc.'s 4.650% Notes maturing in April 2042.</u></a>                           | 8-K                       | 001-07898 | 4.1     | April 23, 2012     |
| 4.11           | <a href="#"><u>Tenth Supplemental Indenture, dated as of September 11, 2013, to the Amended and Restated Indenture, dated as of December 1, 1995, between Lowe's Companies, Inc. and U.S. Bank National Association, as successor trustee, including as exhibits thereto a form of Lowe's Companies, Inc.'s 3.875% Notes maturing in September 2023 and a form of Lowe's Companies, Inc.'s 5.000% Notes maturing in September 2043.</u></a>                                                                                       | 8-K                       | 001-07898 | 4.1     | September 11, 2013 |
| 4.12           | <a href="#"><u>Eleventh Supplemental Indenture, dated as of September 10, 2014, to the Amended and Restated Indenture, dated as of December 1, 1995, between Lowe's Companies, Inc. and U.S. Bank National Association, as successor trustee, including as exhibits thereto a form of Lowe's Companies, Inc.'s Floating Rate Notes maturing in September 2019, a form of Lowe's Companies, Inc.'s 3.125% Notes maturing in September 2024 and a form of Lowe's Companies, Inc.'s 4.250% Notes maturing in September 2044.</u></a> | 8-K                       | 001-07898 | 4.1     | September 10, 2014 |

| Exhibit Number | Exhibit Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Incorporated by Reference |           |         |                    |
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|                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Form                      | File No.  | Exhibit | Filing Date        |
| 4.13           | <a href="#"><u>Twelfth Supplemental Indenture, dated as of September 16, 2015, to the Amended and Restated Indenture, dated as of December 1, 1995, between Lowe's Companies, Inc. and U.S. Bank National Association, as successor trustee, including as exhibits thereto a form of Lowe's Companies, Inc.'s Floating Rate Notes maturing in September 2018, a form of Lowe's Companies, Inc.'s 3.375% Notes maturing in September 2025 and a form of Lowe's Companies, Inc.'s 4.375% Notes maturing in September 2045.</u></a>                                               | 8-K                       | 001-07898 | 4.1     | September 16, 2015 |
| 4.14           | <a href="#"><u>Thirteenth Supplemental Indenture, dated as of April 20, 2016, to the Amended and Restated Indenture, dated as of December 1, 1995, between Lowe's Companies, Inc. and U.S. Bank National Association, as trustee, including as exhibits thereto a form of Lowe's Companies, Inc.'s Floating Rate Notes maturing in April 2019, a form of Lowe's Companies, Inc.'s 1.15% Notes maturing in April 2019, a form of Lowe's Companies, Inc.'s 2.50% Notes maturing in April 2026 and a form of Lowe's Companies, Inc.'s 3.70% Notes maturing in April 2046.</u></a> | 8-K                       | 001-07898 | 4.1     | April 20, 2016     |
| 4.15           | <a href="#"><u>Fourteenth Supplemental Indenture, dated as of May 3, 2017, between Lowe's Companies, Inc. and U.S. Bank National Association, as successor trustee, including as exhibits thereto a form of 3.100% Notes due May 3, 2027 and a form of 4.050% Notes due May 3, 2047.</u></a>                                                                                                                                                                                                                                                                                   | 8-K                       | 001-07898 | 4.1     | May 3, 2017        |
| 4.16           | <a href="#"><u>Fifteenth Supplemental Indenture, dated as of April 5, 2019, between Lowe's Companies, Inc. and U.S. Bank National Association (as successor trustee), including as exhibits thereto a form of 3.650% Notes due April 5, 2029 and a form of 4.550% Notes due April 5, 2049.</u></a>                                                                                                                                                                                                                                                                             | 8-K                       | 001-07898 | 4.2     | April 5, 2019      |
| 4.17           | <a href="#"><u>Sixteenth Supplemental Indenture, dated as of March 26, 2020, between Lowe's Companies, Inc. and U.S. Bank National Association (as successor trustee), including as exhibits thereto a form of 4.000% Notes due April 15, 2025, a form of 4.500% Notes due April 15, 2030, a form of 5.000% Notes due April 15, 2040 and a form of 5.125% Notes due April 15, 2050.</u></a>                                                                                                                                                                                    | 8-K                       | 001-07898 | 4.2     | March 27, 2020     |

| Exhibit Number | Exhibit Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Incorporated by Reference |           |         |                    |
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|                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Form                      | File No.  | Exhibit | Filing Date        |
| 4.18           | <a href="#"><u>Seventeenth Supplemental Indenture, dated as of October 22, 2020, between Lowe's Companies, Inc. and U.S. Bank National Association (as successor trustee), including as exhibits thereto a form of 1.300% Notes due April 15, 2028, a form of 1.700% Notes due October 15, 2030 and a form of 3.000% Notes due October 15, 2050.</u></a>                                                                                                                           | 8-K                       | 001-07898 | 4.2     | October 22, 2020   |
| 4.19           | <a href="#"><u>Eighteenth Supplemental Indenture, dated as of March 31, 2021, between Lowe's Companies, Inc. and U.S. Bank National Association (as successor trustee), including as exhibits thereto a form of 2.625% Notes due April 1, 2031 and a form of 3.500% Notes due April 1, 2051.</u></a>                                                                                                                                                                               | 8-K                       | 001-07898 | 4.2     | March 31, 2021     |
| 4.20           | <a href="#"><u>Nineteenth Supplemental Indenture, dated as of September 20, 2021, between Lowe's Companies, Inc. and U.S. Bank Association (as successor trustee), including as exhibits thereto a form of 1.700% Notes due September 15, 2028 and a form of 2.800% Notes due September 15, 2041.</u></a>                                                                                                                                                                          | 8-K                       | 001-07898 | 4.2     | September 20, 2021 |
| 4.21           | <a href="#"><u>Twentieth Supplemental Indenture, dated as of March 24, 2022, between Lowe's Companies, Inc. and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association as successor trustee), including as exhibits thereto a form of 3.350% Notes due April 1, 2027, a form of 3.750% Notes due April 1, 2032, a form of 4.250% notes due April 1, 2052 and a form of 4.450% Notes due April 1, 2062.</u></a>                  | 8-K                       | 001-07898 | 4.2     | March 24, 2022     |
| 4.22           | <a href="#"><u>Twenty-First Supplemental Indenture, dated as of September 8, 2022, between Lowe's Companies, Inc. and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association as successor trustee), including as exhibits thereto a form of 4.400% Notes due September 8, 2025, a form of 5.000% Notes due April 15, 2033, a form of 5.625% notes due April 15, 2053 and a form of 5.800% Notes due September 15, 2062.</u></a> | 8-K                       | 001-07898 | 4.2     | September 8, 2022  |

| Exhibit Number | Exhibit Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Incorporated by Reference |           |         |                    |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------|---------|--------------------|
|                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Form                      | File No.  | Exhibit | Filing Date        |
| 4.23           | <a href="#"><u>Twenty-Second Supplemental Indenture, dated as of March 30, 2023, between Lowe's Companies, Inc. and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association as successor trustee), including as exhibits thereto a form of 4.800% Notes due April 1, 2026, a form of 5.150% Notes due July 1, 2033, a form of 5.750% notes due July 1, 2053 and a form of 5.850% Notes due April 1, 2063.</u></a>                                                                      | 8-K                       | 001-07898 | 4.2     | March 30, 2023     |
| 4.24           | <a href="#"><u>Twenty-Third Supplemental Indenture, dated as of September 30, 2025, between Lowe's Companies, Inc. and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association as successor trustee), including as exhibits thereto a form of 3.950% Notes due October 15, 2027, and form of 4.000% Notes due October 15, 2028, a form of 4.250% Notes due March 15, 2031, a form of 4.500% Notes due October 15, 2032 and a form of 4.850% Notes due October 15, 2035.</u></a>        | 8-K                       | 001-07898 | 4.2     | September 30, 2025 |
| 4.25           | <a href="#"><u>Third Amended and Restated Credit Agreement, dated as of December 14, 2021, by and among Lowe's Companies, Inc., Bank of America, N.A., as administrative agent, swing line lender and a letter of credit issuer, U.S. Bank National Association and Wells Fargo Bank, National Association, as co-syndication agents and letter of credit issuers, and Citibank, N.A., Goldman Sachs Bank USA, JPMorgan Chase Bank, N.A. and Barclays Bank PLC, as co-documentation agents, and the other lenders party thereto.</u></a> | 8-K                       | 001-07898 | 10.1    | December 15, 2021  |
| 4.26           | <a href="#"><u>Amendment No. 1 to Third Amended and Restated Credit Agreement, dated as of January 17, 2023, by and among Lowe's Companies, Inc., Bank of America, N.A., as administrative agent, swing line lender and a letter of credit issuer, and the other lenders party thereto.</u></a>                                                                                                                                                                                                                                          | 8-K                       | 001-07898 | 10.1    | January 23, 2023   |

| Exhibit Number | Exhibit Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Incorporated by Reference |            |            |                   |
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|                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Form                      | File No.   | Exhibit    | Filing Date       |
| 4.27           | <a href="#">Amended and Restated Credit Agreement, dated as of September 1, 2023, by and among Lowe's Companies, Inc., Bank of America, N.A., as administrative agent, swing line lender and a letter of credit issuer, U.S. Bank National Association and Wells Fargo Bank, National Association, as co-syndication agents and letter of credit issuers, Citibank, N.A., Goldman Sachs Bank USA, JPMorgan Chase Bank, N.A. and Barclays Bank PLC, as co-documentation agents, and the other lenders party thereto.</a> | 8-K                       | 001-07898  | 10.1       | September 7, 2023 |
| 4.28           | <a href="#">Description of Securities.</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 10-K                      | 001-07898  | 4.27       | March 25, 2024    |
| 10.1           | <a href="#">Lowe's Companies, Inc. Directors' Deferred Compensation Plan, as amended and restated May 28, 2021.*</a>                                                                                                                                                                                                                                                                                                                                                                                                    | 10-Q                      | 001-07898  | 10.1       | August 26, 2021   |
| 10.2           | <a href="#">Lowe's Companies, Inc. 2020 Employee Stock Purchase Plan.*</a>                                                                                                                                                                                                                                                                                                                                                                                                                                              | S-8                       | 333-249586 | 99.1       | October 21, 2020  |
| 10.3           | <a href="#">Lowe's Companies Benefit Restoration Plan, as amended and restated as of January 1, 2025.*†</a>                                                                                                                                                                                                                                                                                                                                                                                                             | 10-K                      | 001-07898  | 10.3       | March 24, 2025    |
| 10.4           | <a href="#">Lowe's Companies, Inc. Cash Deferral Plan, as amended and restated as of January 1, 2025.*†</a>                                                                                                                                                                                                                                                                                                                                                                                                             | 10-K                      | 001-07898  | 10.4       | March 24, 2025    |
| 10.5           | <a href="#">Form of Lowe's Companies, Inc. Deferred Stock Unit Agreement for Outside Directors.*</a>                                                                                                                                                                                                                                                                                                                                                                                                                    | 10-Q                      | 001-07898  | 10.1       | September 3, 2019 |
| 10.6           | <a href="#">Form of Lowe's Companies, Inc. Deferred Stock Unit Agreement for Nonemployee Directors.*</a>                                                                                                                                                                                                                                                                                                                                                                                                                | 10-Q                      | 001-07898  | 10.2       | August 25, 2022   |
| 10.7           | <a href="#">Form of Lowe's Companies, Inc. Deferred Stock Unit Agreement for Nonemployee Directors.*</a>                                                                                                                                                                                                                                                                                                                                                                                                                | 10-Q                      | 001-07898  | 10.1       | August 30, 2023   |
| 10.8           | <a href="#">Lowe's Companies, Inc. 2006 Long Term Incentive Plan, as amended and restated effective as of May 27, 2022.*</a>                                                                                                                                                                                                                                                                                                                                                                                            | 8-K                       | 001-07898  | 10.1       | June 2, 2022      |
| 10.9           | <a href="#">Lowe's Companies, Inc. 2016 Annual Incentive Plan, effective as of February 1, 2016.*</a>                                                                                                                                                                                                                                                                                                                                                                                                                   | DEF 14A                   | 001-07898  | Appendix C | April 11, 2016    |
| 10.10          | <a href="#">Offer Letter between Marvin R. Ellison and Lowe's Companies, Inc. entered into on May 21, 2018.*</a>                                                                                                                                                                                                                                                                                                                                                                                                        | 8-K                       | 001-07898  | 10.1       | May 22, 2018      |
| 10.11          | <a href="#">Offer Letter between Lowe's Companies, Inc. and Joseph M. McFarland III entered into on July 18, 2018.*</a>                                                                                                                                                                                                                                                                                                                                                                                                 | 10-Q                      | 001-07898  | 10.2       | September 4, 2018 |

| Exhibit Number | Exhibit Description                                                                                                   | Incorporated by Reference |           |         |                   |
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|                |                                                                                                                       | Form                      | File No.  | Exhibit | Filing Date       |
| 10.12          | <a href="#">Offer Letter between Lowe's Companies, Inc. and William P. Boltz entered into on July 15, 2018.*</a>      | 10-K                      | 001-07898 | 10.20   | March 21, 2022    |
| 10.13          | <a href="#">Offer Letter between Lowe's Companies, Inc. and Seemantini Godbole entered into on October 30, 2018.*</a> | 10-K                      | 001-07898 | 10.21   | March 21, 2022    |
| 10.14          | <a href="#">Offer Letter between Lowe's Companies, Inc. and Brandon J. Sink entered into on April 8, 2022.*</a>       | 8-K                       | 001-07898 | 10.1    | April 8, 2022     |
| 10.15          | <a href="#">Offer Letter between Lowe's Companies, Inc. and Juliette W. Pryor entered into on March 15, 2023.*†</a>   | 10-K                      | 001-07898 | 10.24   | March 25, 2024    |
| 10.16          | <a href="#">Form of Lowe's Companies, Inc. Restricted Stock Award Agreement for Tier I Officers.*</a>                 | 10-K                      | 001-07898 | 10.28   | March 23, 2020    |
| 10.17          | <a href="#">Form of Lowe's Companies, Inc. Performance Share Unit Award Agreement for Tier I Officers.*</a>           | 10-Q                      | 001-07898 | 10.2    | June 3, 2019      |
| 10.18          | <a href="#">Form of Lowe's Companies, Inc. Non-Qualified Stock Option Agreement for Tier I Officers.*</a>             | 10-Q                      | 001-07898 | 10.6    | June 3, 2019      |
| 10.19          | <a href="#">Form of Lowe's Companies, Inc. Change in Control Agreement for Tier I Senior Officers.*</a>               | 10-Q                      | 001-07898 | 10.7    | August 1, 2025    |
| 10.20          | <a href="#">Form of Lowe's Companies, Inc. Performance Share Unit Award Agreement.*</a>                               | 10-Q                      | 001-07898 | 10.1    | November 25, 2020 |
| 10.21          | <a href="#">Form of Lowe's Companies, Inc. Non-Qualified Stock Option Agreement.*</a>                                 | 10-Q                      | 001-07898 | 10.2    | May 28, 2020      |
| 10.22          | <a href="#">Form of Lowe's Companies, Inc. Director Indemnification Agreement.*</a>                                   | 10-Q                      | 001-07898 | 10.6    | December 6, 2018  |
| 10.23          | <a href="#">Form of Lowe's Companies, Inc. Officer Indemnification Agreement.*</a>                                    | 10-K                      | 001-07898 | 10.43   | April 2, 2019     |
| 10.24          | <a href="#">Form of Lowe's Companies, Inc. 2021 Restricted Stock Award Agreement.*</a>                                | 10-Q                      | 001-07898 | 10.4    | May 27, 2021      |
| 10.25          | <a href="#">Form of Lowe's Companies, Inc. 2021 Performance Share Unit Award Agreement.*</a>                          | 10-Q                      | 001-07898 | 10.2    | May 27, 2021      |
| 10.26          | <a href="#">Form of Lowe's Companies, Inc. 2021 Non-Qualified Stock Option Agreement.*</a>                            | 10-Q                      | 001-07898 | 10.3    | May 27, 2021      |
| 10.27          | <a href="#">Form of Lowe's Companies, Inc. 2022 Performance Share Unit Award Agreement.*</a>                          | 10-Q                      | 001-07898 | 10.2    | May 26, 2022      |

| Exhibit Number | Exhibit Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Incorporated by Reference |           |         |                    |
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|                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Form                      | File No.  | Exhibit | Filing Date        |
| 10.28          | <a href="#">Lowe's Companies, Inc. Severance Plan for Senior Officers as amended and restated May 26, 2022.*</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 10-Q                      | 001-07898 | 10.1    | November 27, 2024  |
| 10.29          | <a href="#">Form of Lowes Companies, Inc. 2023 Non-Qualified Stock Option Agreement.*</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 10-Q                      | 001-07898 | 10.1    | June 1, 2023       |
| 10.30          | <a href="#">Form of Lowes Companies, Inc. 2023 Performance Share Unit Award Agreement.*</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 10-Q                      | 001-07898 | 10.2    | June 1, 2023       |
| 10.31          | <a href="#">Form of Lowes Companies, Inc. 2023 Restricted Stock Award Agreement.*</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 10-Q                      | 001-07898 | 10.3    | June 1, 2023       |
| 10.32          | <a href="#">Credit Agreement, dated as of September 16, 2025, by and among, among others, Lowe's Companies, Inc., Bank of America, N.A., as administrative processing agent, co-administrative agent, swing line lender and letter of credit issuer, Wells Fargo Bank, National Association, as co-administrative agent and letter of credit issuer, U.S. Bank National Association, as syndication agent and L/C issuer, the co-documentation agents party thereto, the joint lead arrangers and joint bookrunners party thereto, and the lenders party thereto.</a> | 8-K                       | 001-07898 | 10.1    | September 19, 2025 |
| 10.33          | <a href="#">Term Loan Credit Agreement, dated as of September 16, 2025, by and among, among others, Lowe's Companies, Inc., Bank of America, N.A., as administrative agent, Goldman Sachs Bank USA, as syndication agent, the co-documentation agents party thereto, the joint lead arrangers and joint bookrunners party thereto, the lenders party thereto.</a>                                                                                                                                                                                                     | 8-K                       | 001-07898 | 10.2    | September 19, 2025 |
| 10.34          | <a href="#">364-Day Revolving Credit Agreement, dated as of September 16, 2025, by and among, among others, Lowe's Companies, Inc., Bank of America, N.A., as administrative processing agent and co-administrative agent, Wells Fargo Bank, National Association, as co-administrative agent, U.S. Bank National Association, as syndication agent, the co-documentation agents party thereto, the joint lead arrangers and joint bookrunners party thereto, and the lenders party thereto.</a>                                                                      | 8-K                       | 001-07898 | 10.3    | September 19, 2025 |
| 10.35          | <a href="#">Amendment No. 1 to Amended and Restated Credit Agreement, dated as of September 16, 2025, by and among Lowe's Companies, Inc., Bank of America, N.A., as administrative agent, and the other lenders party thereto.</a>                                                                                                                                                                                                                                                                                                                                   | 8-K                       | 001-07898 | 10.4    | September 19, 2025 |

| Exhibit Number | Exhibit Description                                                                                                                                                                                                                     | Incorporated by Reference |           |         |                 |
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|                |                                                                                                                                                                                                                                         | Form                      | File No.  | Exhibit | Filing Date     |
| 10.36          | <a href="#">Stock Purchase Agreement, dated as of August 19, 2025, by and among Lowe's Companies, Inc., ASP Flag Parent Holdings, Inc. and ASP Flag Holdings LP.</a>                                                                    | 8-K                       | 001-07898 | 2.1     | August 20, 2025 |
| 19.1           | <a href="#">Lowe's Companies, Inc. Insider Trading Policy and Trading Window and Pre-Clearance Policy.</a> †                                                                                                                            | 10-K                      | 001-07898 | 19.1    | March 24, 2025  |
| 21.1           | <a href="#">List of Subsidiaries.</a> †                                                                                                                                                                                                 |                           |           |         |                 |
| 23.1           | <a href="#">Consent of Deloitte &amp; Touche LLP.</a> †                                                                                                                                                                                 |                           |           |         |                 |
| 24.1           | <a href="#">Power of Attorney (included on the Signatures page of this Annual Report on Form 10-K).</a> †                                                                                                                               |                           |           |         |                 |
| 31.1           | <a href="#">Certification of Principal Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a> †                                                              |                           |           |         |                 |
| 31.2           | <a href="#">Certification of Principal Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a> †                                                              |                           |           |         |                 |
| 32.1           | <a href="#">Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a> †                                                                |                           |           |         |                 |
| 32.2           | <a href="#">Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a> †                                                                |                           |           |         |                 |
| 97.1           | <a href="#">Lowe's Companies, Inc. Rule 10D-1 Compensation Recovery (Clawback) Policy.</a>                                                                                                                                              | 10-K                      | 001-07898 | 97.1    | March 25, 2024  |
| 97.2           | <a href="#">Lowe's Companies, Inc. Senior Officer Compensation Recovery (Clawback) Policy.</a>                                                                                                                                          | 10-K                      | 001-07898 | 97.2    | March 25, 2024  |
| 99.1           | <a href="#">Lowe's 401(k) Plan, as amended and restated, executed on July 15, 2024 (filed to include this amendment as an exhibit to the Registration Statement on Form S-8, Registration No.033-29772).</a>                            | 10-Q                      | 001-07898 | 99.1    | August 29, 2024 |
| 99.2           | <a href="#">Amendment Number 2024-1 (Plan Loans) to the Lowe's 401(k) Plan, effective as of January 1, 2025 (filed to include this amendment as an exhibit to the Registration Statement on Form S-8, Registration No.033-29772).</a> † | 10-K                      | 001-07898 | 99.2    | March 24, 2025  |

| Exhibit Number | Exhibit Description                                                                                                                                                                                                                           | Incorporated by Reference |           |         |                |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------|---------|----------------|
|                |                                                                                                                                                                                                                                               | Form                      | File No.  | Exhibit | Filing Date    |
| 99.3           | <a href="#"><u>Amendment Number 2024-2 (RMDs) to the Lowe's 401(k) Plan, effective January 1, 2025 (filed to include this amendment as an exhibit to the Registration Statement on Form S-8, Registration No.033-29772).</u></a> <sup>‡</sup> | 10-K                      | 001-07898 | 99.3    | March 24, 2025 |
| 101.INS        | XBRL Instance Document – the XBRL Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. <sup>‡</sup>                                                             |                           |           |         |                |
| 101.SCH        | XBRL Taxonomy Extension Schema Document. <sup>‡</sup>                                                                                                                                                                                         |                           |           |         |                |
| 101.CAL        | XBRL Taxonomy Extension Calculation Linkbase Document. <sup>‡</sup>                                                                                                                                                                           |                           |           |         |                |
| 101.DEF        | XBRL Taxonomy Extension Definition Linkbase Document. <sup>‡</sup>                                                                                                                                                                            |                           |           |         |                |
| 101.LAB        | XBRL Taxonomy Extension Label Linkbase Document. <sup>‡</sup>                                                                                                                                                                                 |                           |           |         |                |
| 101.PRE        | XBRL Taxonomy Extension Presentation Linkbase Document. <sup>‡</sup>                                                                                                                                                                          |                           |           |         |                |
| 104            | Cover Page Interactive Data File (formatted as Inline XBRL document and included in Exhibit 101). <sup>‡</sup>                                                                                                                                |                           |           |         |                |

\* Indicates a management contract or compensatory plan or arrangement.

<sup>‡</sup> Filed herewith.

<sup>†</sup> Furnished herewith.

## Item 16 – Form 10-K Summary

None.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

|                                 |                                                                                                                      |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------|
|                                 | <hr/> LOWE'S COMPANIES, INC. <hr/> (Registrant)                                                                      |
| <hr/> March 23, 2026 <hr/> Date | <hr/> By: /s/ Marvin R. Ellison <hr/> Marvin R. Ellison<br>Chairman, President and Chief Executive Officer           |
| <hr/> March 23, 2026 <hr/> Date | <hr/> By: /s/ Brandon J. Sink <hr/> Brandon J. Sink<br>Executive Vice President, Chief Financial Officer             |
| <hr/> March 23, 2026 <hr/> Date | <hr/> By: /s/ Dan C. Griggs, Jr. <hr/> Dan C. Griggs, Jr.<br>Senior Vice President, Tax and Chief Accounting Officer |

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated. Each of the directors of the registrant whose signature appears below hereby appoints Brandon J. Sink, Dan C. Griggs, Jr., and Juliette W. Pryor, and each of them severally, as his or her attorney-in-fact to sign in his or her name and behalf, in any and all capacities stated below, and to file with the Securities and Exchange Commission any and all amendments to this report, making such changes in this report as appropriate, and generally to do all such things on their behalf in their capacities as directors and/or officers to enable the registrant to comply with the provisions of the Securities Exchange Act of 1934, and all requirements of the Securities and Exchange Commission.

|                                                       |                                                    |                               |
|-------------------------------------------------------|----------------------------------------------------|-------------------------------|
| <u>/s/ Marvin R. Ellison</u><br>Marvin R. Ellison     | Chairman, President<br>and Chief Executive Officer | <u>March 23, 2026</u><br>Date |
| <u>/s/ Raul Alvarez</u><br>Raul Alvarez               | Director                                           | <u>March 23, 2026</u><br>Date |
| <u>/s/ Scott H. Baxter</u><br>Scott H. Baxter         | Director                                           | <u>March 23, 2026</u><br>Date |
| <u>/s/ Sandra B. Cochran</u><br>Sandra B. Cochran     | Director                                           | <u>March 23, 2026</u><br>Date |
| <u>/s/ Laurie Z. Douglas</u><br>Laurie Z. Douglas     | Director                                           | <u>March 23, 2026</u><br>Date |
| <u>/s/ Richard W. Dreiling</u><br>Richard W. Dreiling | Director                                           | <u>March 23, 2026</u><br>Date |
| <u>/s/ Navdeep Gupta</u><br>Navdeep Gupta             | Director                                           | <u>March 23, 2026</u><br>Date |
| <u>/s/ Brian C. Rogers</u><br>Brian C. Rogers         | Director                                           | <u>March 23, 2026</u><br>Date |
| <u>/s/ Bertram L. Scott</u><br>Bertram L. Scott       | Director                                           | <u>March 23, 2026</u><br>Date |
| <u>/s/ Lawrence Simkins</u><br>Lawrence Simkins       | Director                                           | <u>March 23, 2026</u><br>Date |
| <u>/s/ Colleen Taylor</u><br>Colleen Taylor           | Director                                           | <u>March 23, 2026</u><br>Date |
| <u>/s/ Mary Beth West</u><br>Mary Beth West           | Director                                           | <u>March 23, 2026</u><br>Date |

## CERTIFICATION

I, Marvin R. Ellison, certify that:

- (1) I have reviewed this Annual Report on Form 10-K for the fiscal year ended January 30, 2026 of Lowe's Companies, Inc. (the Registrant);
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
- (4) The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
- (5) The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

March 23, 2026

Date

/s/ Marvin R. Ellison

Marvin R. Ellison  
Chairman, President and Chief Executive Officer

## CERTIFICATION

I, Brandon J. Sink, certify that:

- (1) I have reviewed this Annual Report on Form 10-K for the fiscal year ended January 30, 2026 of Lowe's Companies, Inc. (the Registrant);
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
- (4) The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
- (5) The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

March 23, 2026

Date

/s/ Brandon J. Sink

Brandon J. Sink  
Executive Vice President, Chief Financial Officer

**Certification Pursuant to 18 U.S.C. Section 1350,  
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report on Form 10-K of Lowe's Companies, Inc. (the Company) for the fiscal year ended January 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Marvin R. Ellison, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Marvin R. Ellison

Marvin R. Ellison

Chairman, President and Chief Executive Officer

March 23, 2026

**Certification Pursuant to 18 U.S.C. Section 1350,  
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report on Form 10-K of Lowe's Companies, Inc. (the Company) for the fiscal year ended January 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Brandon J. Sink, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Brandon J. Sink

Brandon J. Sink

Executive Vice President, Chief Financial Officer

March 23, 2026

## Reconciliation of Non-GAAP Financial Measures

Management of Lowe's Companies, Inc. (the Company) uses certain non-GAAP financial measures to provide additional insight for analysts and investors in evaluating the Company's financial and operating performance. These non-GAAP financial measures should not be considered alternatives to, or more meaningful indicators of, the Company's financial measures as prepared in accordance with GAAP. The Company's methods of determining these non-GAAP financial measures may differ from the methods used by other companies and may not be comparable.

| Adjusted Operating Income (in millions, except percentage data) | Year Ended       |                |
|-----------------------------------------------------------------|------------------|----------------|
|                                                                 | January 30, 2026 |                |
| <b>Operating Income, As Reported</b>                            | <b>\$</b>        | <b>10,153</b>  |
| Acquisition of businesses <sup>1</sup>                          |                  | 293            |
| <b>Adjusted Operating Income</b>                                | <b>\$</b>        | <b>10,446</b>  |
| <b>Operating Margin, % of Sales</b>                             |                  | <b>11.77 %</b> |
| <b>Adjusted Operating Margin, % of Sales</b>                    |                  | <b>12.11 %</b> |

| Adjusted Diluted Earnings Per Share            | Year Ended       |                  |              |
|------------------------------------------------|------------------|------------------|--------------|
|                                                | January 30, 2026 |                  |              |
|                                                | Pre-Tax Earnings | Tax <sup>2</sup> | Net Earnings |
| <b>Diluted Earnings Per Share, As Reported</b> |                  | <b>\$</b>        | <b>11.85</b> |
| Acquisition of businesses <sup>1</sup>         | 0.57             | (0.14)           | 0.43         |
| <b>Adjusted Diluted Earnings Per Share</b>     |                  | <b>\$</b>        | <b>12.28</b> |

<sup>1</sup> Represents transaction costs and intangible asset amortization associated with the acquisitions of Artisan Design Group and Foundation Building Materials

<sup>2</sup> Represents the tax benefit or expense related to the item excluded from adjusted diluted earnings per share.

## Return on Invested Capital

Return on Invested Capital (ROIC) is calculated using a non-GAAP financial measure. Lowe's believes ROIC is a meaningful metric for analysts and investors as a measure of how effectively the Company is using capital to generate financial returns. Although ROIC is a common financial metric, numerous methods exist for calculating ROIC. Accordingly, the method used by our management may differ from the methods used by other companies. We encourage you to understand the methods used by another company to calculate ROIC before comparing its ROIC to ours.

We define ROIC as the rolling 12 months' lease adjusted net operating profit after tax (Lease adjusted NOPAT) divided by the average of current year and prior year ending debt and shareholders' deficit. Lease adjusted NOPAT is a non-GAAP financial measure, and net earnings is considered to be the most comparable GAAP financial measure. The calculation of ROIC, together with a reconciliation of net earnings to Lease adjusted NOPAT, is as follows:

|                                                               | Four Quarters<br>Ended |
|---------------------------------------------------------------|------------------------|
| ROIC (in millions, except percentage data)                    | January 30, 2026       |
| <b>Numerator</b>                                              |                        |
| Net Earnings                                                  | \$ 6,654               |
| Plus:                                                         |                        |
| Interest expense – net                                        | 1,406                  |
| Operating lease interest                                      | 179                    |
| Provision for income taxes                                    | 2,093                  |
| Lease adjusted net operating profit                           | 10,332                 |
| Less:                                                         |                        |
| Income tax adjustment <sup>1</sup>                            | 2,473                  |
| Lease adjusted net operating profit after tax                 | \$ 7,859               |
| <b>Denominator</b>                                            |                        |
| Average debt and shareholders' deficit <sup>2</sup>           | \$ 30,104              |
| <b>Net earnings to average debt and shareholders' deficit</b> | <b>22.1 %</b>          |
| <b>Return on invested capital</b>                             | <b>26.1 %</b>          |

<sup>1</sup> Income tax adjustment is defined as lease adjusted net operating profit multiplied by the effective tax rate, which was 23.9% for the four quarters ended January 30, 2026.

<sup>2</sup> Average debt and shareholders' deficit is defined as average current year and prior year ending debt, including current maturities, short-term borrowings, and operating lease liabilities, plus the average current year and prior year ending total shareholders' deficit.

## Free Cash Flow

Lowe's believes Free Cash Flow is a useful measure and focuses on the Company's ability to generate excess cash from its business operations. The Company defines Free Cash Flow as net cash provided by operating activities less capital expenditures.

|                                           | Year Ended       |
|-------------------------------------------|------------------|
| Free Cash Flow (in millions)              | January 30, 2026 |
| Net cash provided by operating activities | \$ 9,864         |
| Capital expenditures                      | (2,213)          |
| <b>Free Cash Flow</b>                     | <b>\$ 7,651</b>  |



# 2025 Annual Report

## Board of Directors



**MARVIN R. ELLISON**  
Chairman, President and  
Chief Executive Officer,  
Lowe's Companies, Inc.



**RAUL ALVAREZ**<sup>2\*, 5</sup>  
Operating Partner,  
Advent International  
Corporation



**SCOTT H. BAXTER**<sup>2, 4, 5</sup>  
President, Chief  
Executive Officer  
and Chair of Board,  
Kontoor Brands, Inc.



**SANDRA B. COCHRAN**<sup>1\*, 4</sup>  
Former President and  
Chief Executive Officer,  
Cracker Barrel Old  
Country Store, Inc.



**LAURIE Z. DOUGLAS**<sup>1, 5\*</sup>  
Senior Vice President,  
Chief Information Officer  
and Chief Digital Officer,  
Publix Super Markets, Inc.



**RICHARD W. DREILING**<sup>3\*</sup>  
Lead Independent  
Director of Lowe's  
Companies, Inc.,  
Former Chairman and  
Chief Executive Officer,  
Dollar Tree, Inc.



**NAVDEEP GUPTA**<sup>2, 5</sup>  
Executive Vice President,  
Chief Financial Officer,  
DICK'S Sporting  
Goods, Inc.



**BRIAN C. ROGERS**<sup>1, 3, 5</sup>  
Former Chairman  
and Chief Investment  
Officer, T. Rowe Price  
Group, Inc.



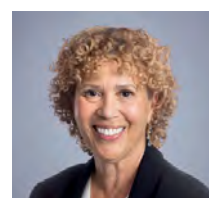
**BERTRAM L. SCOTT**<sup>1, 3</sup>  
Former Senior Vice  
President of Population  
Health and Value Based  
Care, Novant Health



**LAWRENCE SIMKINS**<sup>3, 4</sup>  
Former President and  
Chief Executive Officer,  
The Washington  
Companies



**COLLEEN TAYLOR**<sup>1, 4, 5</sup>  
Former President,  
U.S. Merchant Services,  
American Express  
Company



**MARY BETH WEST**<sup>2, 4\*</sup>  
Former Senior Vice  
President and Chief  
Growth Officer,  
The Hershey Company

### Committee Membership

**1** Audit Committee

**2** Compensation Committee

**3** Nominating and Governance Committee

**4** Sustainability Committee

**5** Technology Committee

**\*** Committee Chair

## Executive Officers



**MARVIN R. ELLISON**  
Chairman, President and  
Chief Executive Officer



**WILLIAM P. (BILL) BOLTZ**  
Executive Vice President,  
Merchandising



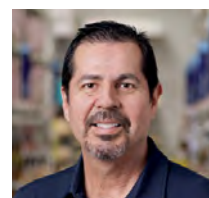
**JANICE M. DUPRÉ**  
Executive Vice President,  
Human Resources



**SEEMANTINI GODBOLE**  
Executive Vice President,  
Chief Digital and  
Information Officer



**JOSEPH M. MCFARLAND III**  
Executive Vice President,  
Stores



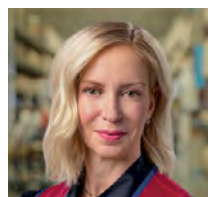
**RUBEN MENDOZA**<sup>\*\*</sup>  
Executive Vice President,  
President of FBM



**JULIETTE W. PRYOR**  
Executive Vice President,  
Chief Legal Officer and  
Corporate Secretary



**BRANDON J. SINK**  
Executive Vice President,  
Chief Financial Officer



**MARGI R. VAGELL**  
Executive Vice President,  
Supply Chain



**QUONTA D. VANCE**  
Executive Vice President,  
Pro and Home Services

<sup>\*\*</sup> Mr. Mendoza is a member of the executive leadership team of Lowe's but is not an executive officer of Lowe's pursuant to the rules of the Securities and Exchange Commission.

# Corporate Information

## BUSINESS DESCRIPTION

Lowe's Companies, Inc. (NYSE: LOW) is a FORTUNE® 100 home improvement company with total fiscal year 2025 sales of more than \$86 billion. Lowe's employs approximately 300,000 associates and operates over 1,750 home improvement stores, 540 branches and 120 distribution centers. Based in Mooresville, N.C., Lowe's supports the communities it serves through programs focused on creating safe, affordable housing, improving community spaces, helping to develop the next generation of skilled trade experts and providing disaster relief to communities in need. For more information, visit [Lowes.com](https://www.lowes.com).

Lowe's files reports with the Securities and Exchange Commission (SEC), including annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any other filings required by the SEC.

The reports Lowe's files with, or furnishes to, the SEC, and all amendments to those reports, are available without charge on Lowe's website ([ir.lowes.com](https://ir.lowes.com)) as soon as reasonably practicable after Lowe's files them with, or furnishes them to, the SEC.

Copies of Lowe's 2025 Annual Report on Form 10-K are available without charge upon written request to Lowe's Investor Relations Department, at Lowe's corporate offices or by calling 800-813-7613.

## STOCK TRANSFER AGENT & REGISTRAR, DIVIDEND DISBURSING AGENT AND DIVIDEND REINVESTING AGENT

### Computershare Trust Company, N.A.

P.O. Box 43006  
Providence, RI 02940-3006

Registered shareholders can update account details, enroll in direct deposit of dividends, perform transactions, and submit account inquiries online through Computershare's website, [computershare.com/investor](https://computershare.com/investor). Registered shareholders can also visit Computershare's Quick Access Hub at [cshare.us/qahub](https://cshare.us/qahub) to view statements, tax forms, obtain stock value, share balances, replace checks, add or change account beneficiaries, update an address, enroll in direct deposit and receive text message notifications. Registered shareholders requiring assistance with account inquiries may also call Computershare at 877-282-1174.

Investors can join Lowe's Stock Advantage Direct Stock Purchase Plan by visiting [ir.lowes.com](https://ir.lowes.com) and clicking on Buy Stock Direct.

This communication does not constitute an offer to sell or the solicitation of any offer to buy securities.

## DIVIDENDS

Lowe's has declared a cash dividend each quarter since becoming a public company in 1961.

Dividend record dates are usually the third week of fiscal April, July, October and January. Dividend payment dates are usually the first week of fiscal May, August, November and February.

## ANNUAL MEETING DATE

May 29, 2026 at 10 a.m.

This year's annual meeting is online only.

You will not be able to attend the annual meeting in person.

## STOCK TRADING INFORMATION

Lowe's common stock (LOW) is listed on the New York Stock Exchange.

## CHIEF LEGAL OFFICER

### Juliette W. Pryor

Executive Vice President, Chief Legal Officer and Corporate Secretary  
704-758-1000

## INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

### Deloitte & Touche LLP

650 South Tryon Street  
Suite 1800  
Charlotte, NC 28202  
704-887-1500

## SHAREHOLDER SERVICES

Shareholders' and security analysts' inquiries should be directed to:

### Sara Kulikowski

Senior Director, Investor Relations  
704-775-3856

For copies of financial information:  
**800-813-7613 or visit [ir.lowes.com](https://ir.lowes.com)**

This report is printed on paper containing fiber from well-managed, independently certified forests and contains a minimum of 10% post-consumer recycled fiber. To further reduce resource use, Lowe's is relying on e-proxy rules to make the proxy materials for its 2026 Annual Meeting, including this Annual Report, available online to many of our shareholders instead of mailing hard copies to them. This use of technology has allowed us to reduce the number of copies we print of our Annual Report.



### Corporate Offices

1000 Lowes Boulevard  
Mooresville, NC 28117  
704-758-1000



### Lowe's Website

[www.lowes.com](https://www.lowes.com)



To view Lowe's Corporate  
Responsibility Report,  
visit [responsibility.lowes.com](https://responsibility.lowes.com)



**Lowe's Companies, Inc.**  
1000 Lowes Boulevard  
Mooresville, NC 28117  
[www.lowes.com](http://www.lowes.com)

