



Lowe's Reports Fourth Quarter Earnings for 2025

Description

Lowe's surpassed Wall Street's quarterly revenue and earnings predictions on Wednesday, as the retailer's sales grew more than 10% compared to the previous year. This performance is significant given the challenges facing the home improvement sector amid rising mortgage rates and a slowdown in real estate activity.

The company anticipates total sales for the current fiscal year will fall between \$92 billion and \$94 billion, marking an expected increase of 7% to 9% from last year. It aims for adjusted earnings per share between \$12.25 and \$12.75, predicting comparable sales, which exclude one-time factors, to be flat or up by 2%.

In a recent statement, CEO Marvin Ellison highlighted that the company's strategy resonates with both do-it-yourself customers and professionals, despite the pressures on the housing market. He asserted that Lowe's remains focused on areas within its control, including ongoing productivity enhancements, believing it is well-positioned to capture market share regardless of economic conditions.

However, shares declined in premarket trading, as Lowe's projected earnings per share fell short of analysts' consensus estimate of \$12.95, according to data from LSEG. The fiscal fourth quarter results revealed an adjusted earnings per share of \$1.98, surpassing expectations, with revenue of \$20.58 billion also exceeding forecasts.

Despite reporting a decline in net income to \$999 million, compared to \$1.13 billion a year earlier, comparable sales increased by 1.3%, which was better than the anticipated 0.2%. This increase was attributed to growth among home professionals, online sales, and strong holiday performance.

Both Lowe's and competitor Home Depot, which also recently reported results, face a challenging landscape as consumers defer significant projects due to high borrowing costs and property prices. Lowe's has pursued acquisitions to bolster its professional contractor business, acquiring Foundation Building Materials and Artisan Design Group in recent years.

To attract customers postponing home purchases, Lowe's has launched a third-party marketplace, engaged influencers for social media visibility, and revitalised its kids' programme. As of the latest trading day, Lowe's shares had risen nearly 16% year-to-date, surpassing the S&P 500's modest gains.

Vocabulary List:

1. **Predictions** /prɪ'dɪkʃənz/ (noun): Statements about what will happen in the future.
2. **Anticipates** /æn'tɪs.ɪ.peɪts/ (verb): To expect or predict something to happen.
3. **Significant** /sɪg'nɪfɪkənt/ (adjective): Important and deserving attention.



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4. **Comparable** /'kɒmpərəbəl/ (adjective): Similar in some way; able to be compared.
 5. **Surpassing** /sə'pæsɪŋ/ (verb): Exceeding or going beyond; to do better than.
 6. **Acquisitions** /,ɪkwə'zɪʃənz/ (noun): The act of obtaining or acquiring something particularly a company or assets.

Answer

CATEGORY

1. Business - LEVEL6

Date Created

2026/02/26

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