



FINANCIAL RESULTS AND COMPANY OVERVIEW

**2018 Fourth-Quarter and Fiscal Year
Performance**

March 19th, 2019

Forward-Looking Statements and Preliminary Results

This presentation includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are based on management’s beliefs and assumptions and information currently available to management and are subject to known and unknown risks and uncertainties, many of which may be beyond our control. We caution you that the forward-looking information presented in this presentation is not a guarantee of future results, and that actual results may differ materially from those made in or suggested by the forward-looking information contained in this presentation. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may,” “plan,” “seek,” “comfortable with,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe” or “continue” or the negative thereof or variations thereon or similar terminology. A number of important factors could cause actual events to differ materially from those contained in or implied by the forward-looking statements, including those “Risk factors” in our annual report on Form 10-K, for the fiscal year ended February 3, 2019, filed on March 19, 2019 and those described from time to time in our, and HD Supply, Inc.’s, other filings with the U.S. Securities and Exchange Commission (the “SEC”), which can be found at the SEC’s website www.sec.gov. Any forward-looking information presented herein is made only as of the date of this presentation, and we do not undertake any obligation to update or revise any forward-looking information to reflect changes in assumptions, the occurrence of unanticipated events, or otherwise.

Estimates for taxes, Net sales, Adjusted EBITDA, Adjusted net income per diluted share and Free cash flow are preliminary estimates and are subject to risks and uncertainties, including, among others, changes in connection with quarter-end and year-end adjustments. Any variation between HD Supply’s actual results and the preliminary financial data set forth herein may be material.

Non-GAAP Financial Measures

HD Supply supplements its financial results that are determined in accordance with accounting principles generally accepted in the United States of America (“GAAP”) with non-GAAP measurements, including Adjusted EBITDA, Adjusted net income, Adjusted net income per diluted share, Net debt and Free cash flow. This supplemental information should not be considered in isolation or as a substitute for the GAAP measurements presented herein. Additional information regarding Adjusted EBITDA, Adjusted net income, Adjusted net income per diluted share, Net debt, and Free cash flow referred to in this presentation is included at the end of this presentation under “Capital Structure Overview” and “Reconciliation of Non-GAAP Measures.”

Financial Highlights



Q4'18

FY'18

- ✓ **+22% Net Sales Growth** Versus Prior Year (“VPY”)
 - ✓ **+7% Organic Sales Growth**¹ VPY
- ✓ **+27% Operating Income Growth** VPY
- ✓ **+\$108M Income from Continuing Operations** VPY
- ✓ **\$92M Net Income**, an Increase of \$101M VPY
 - Q4'17 included a \$72M Non-Cash Charge from Tax Reform
- ✓ **+23% Adjusted EBITDA**² Growth VPY
- ✓ **+43% Adjusted Net Income per Diluted Share**² Growth VPY
- ✓ **\$169M Free Cash Flow**³

- ✓ **+18% Net Sales Growth** VPY
 - ✓ **+9% Organic Sales Growth**¹ VPY
- ✓ **+19% Operating Income Growth** VPY
- ✓ **+\$224M Income from Continuing Operations** VPY
- ✓ **\$394M Net Income**, a Decrease of \$576M VPY
 - FY'17 included a \$732M Gain, Net of Tax, from the Sale of a Business and a \$72M Non-Cash Charge from Tax Reform
- ✓ **+19% Adjusted EBITDA**² Growth VPY
- ✓ **+47% Adjusted Net Income per Diluted Share**² Growth VPY
- ✓ **\$469M Free Cash Flow**³

¹ Organic sales exclude A.H. Harris and are adjusted for the net change in selling days; see appendix slide 23 for more information

² See appendix slides 24 and 25 for a reconciliation of Adjusted EBITDA, Adjusted net income and Adjusted net income per diluted share to Net income (loss) and Income (loss) from continuing operations

³ Free Cash Flow is defined as Operating Cash Flow of \$205M and \$584M, less Capital Expenditures of \$36M and \$115M, respectively in Q4'18 and FY'18

FY'18 Execution Highlights



- ✓ **Completed Accelerated Investment in Selling Channels and Enabling Functions**
- ✓ **Rollout of New Website**
- ✓ **Deployed Enhanced Sales Console to Improve Customer Interactions**
- ✓ **New One Million Square Foot Distribution Center in Atlanta to Open in 2019**



- ✓ **A.H. Harris Integration Substantially Completed**
- ✓ **81% of Branches¹ Delivered Double-Digit Adj. EBITDA %... +3 Pts VPY**
- ✓ **67 Branches Generating In-Store Purchases >40%**
- ✓ **+16% Sales Growth¹ VPY in Top Performing Regions**
- ✓ **3 New Locations Opened in Priority Districts**



- ✓ **Improved Capital Structure... Extended Maturities, Lowered Cost of Capital, Fixed Interest Rate on ~70% Debt**
- ✓ **Opportunistically Repurchased 15.5 Million Shares for \$585 Million²**
- ✓ **Held First Investor Day**

¹ Existing C&I branches; excludes acquired A.H. Harris locations

² Under repurchase programs authorized on August 27, 2017 and November 30, 2018. Shares repurchased at an average price of \$37.78

Focused on Controllable Execution

Topics of Recent Investor Interest



Topic	Consideration
1. Winter Weather	C&I Impacted from Rain, Snow and Ice in February
2. Construction Markets	Non-Residential Favorable, Residential Deceleration
3. Competitive Environment	No Change; Continued Intense Environment
4. Tariffs	Section 301 Tariffs Manageable at Current Levels; Rebar Stabilizing
5. Capital Allocation	Organic Investment, Opportunistic M&A, and Share Repurchases

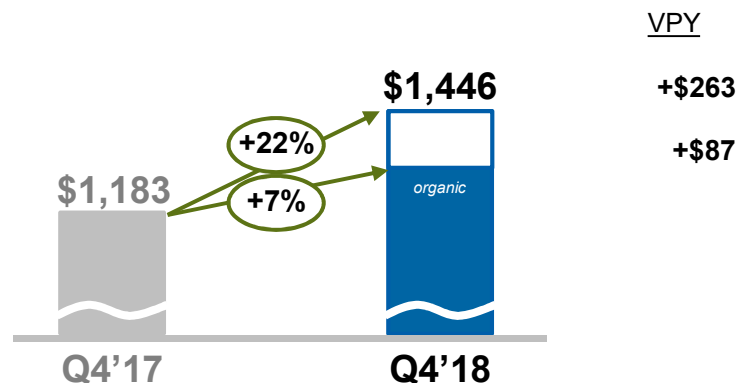
Focused on Shareholder Value Creation

Q4'18 Financial Results



(\$ in millions, except per share data)

Net Sales



	Q4'17	Q4'18	Change
Gross Profit	\$468	\$572	+22%
<i>Gross Margin %</i>	39.6%	39.6%	--
Operating Income	\$117	\$149	+27%
<i>Op. Income %</i>	9.9%	10.3%	+40 BPs
Net Income (Loss)¹	(\$9)	\$92	+\$101
<i>Per Diluted Share¹</i>	(\$0.05)	\$0.52	+\$0.57
Adj. EBITDA²	\$152	\$187	+23%
<i>Adj. EBITDA %</i>	12.8%	12.9%	+10 BPs
Adj. Net Income²	\$91	\$123	+35%
<i>Per Diluted Share²</i>	\$0.49	\$0.70	+43%

Note: Organic sales exclude A.H. Harris and are adjusted for the net change in selling days; see appendix slide 23 for more information

¹ Q4'17 Net income (loss) and Net income (loss) per diluted share were impacted by a \$72M one-time non-cash charge to re-measure our net deferred tax assets as a result of the Tax Cuts and Jobs Act of 2017

² See appendix slides 24 and 25 for a reconciliation of Adjusted EBITDA, Adjusted net income and Adjusted net income per diluted share to Net income (loss) and Income (loss) from continuing operations

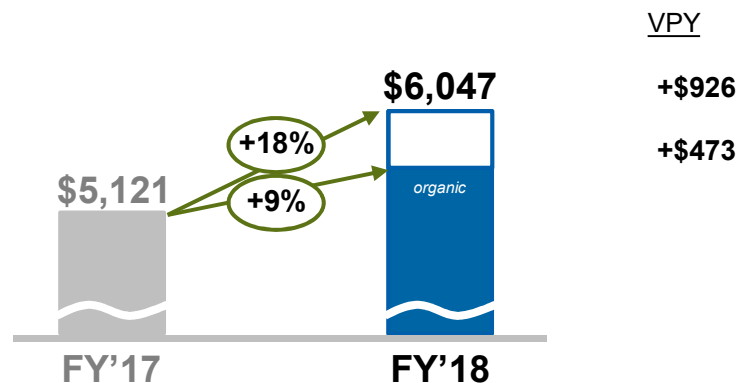
+22.2% Net Sales Growth VPY

FY'18 Financial Results



(\$ in millions, except per share data)

Net Sales



	FY'17	FY'18	Change
Gross Profit	\$2,033	\$2,375	+17%
<i>Gross Margin %</i>	39.7%	39.3%	-40 BPs
Operating Income	\$608	\$724	+19%
<i>Op. Income %</i>	11.9%	12.0%	+10 BPs
Net Income¹	\$970	\$394	-\$576
Per Diluted Share ¹	\$5.01	\$2.17	-\$2.84
Adj. EBITDA²	\$731	\$871	+19%
<i>Adj. EBITDA %</i>	14.3%	14.4%	+10 BPs
Adj. Net Income²	\$447	\$619	+38%
Per Diluted Share ²	\$2.31	\$3.40	+47%

Note: Organic sales exclude A.H. Harris and are adjusted for the net change in selling days; see appendix slide 23 for more information

¹ FY'17 Net income and Net income per diluted share were impacted by a \$732M gain, net of tax, from the sale of a business and a \$72M one-time non-cash charge to re-measure our net deferred tax assets as a result of the Tax Cuts and Jobs Act of 2017

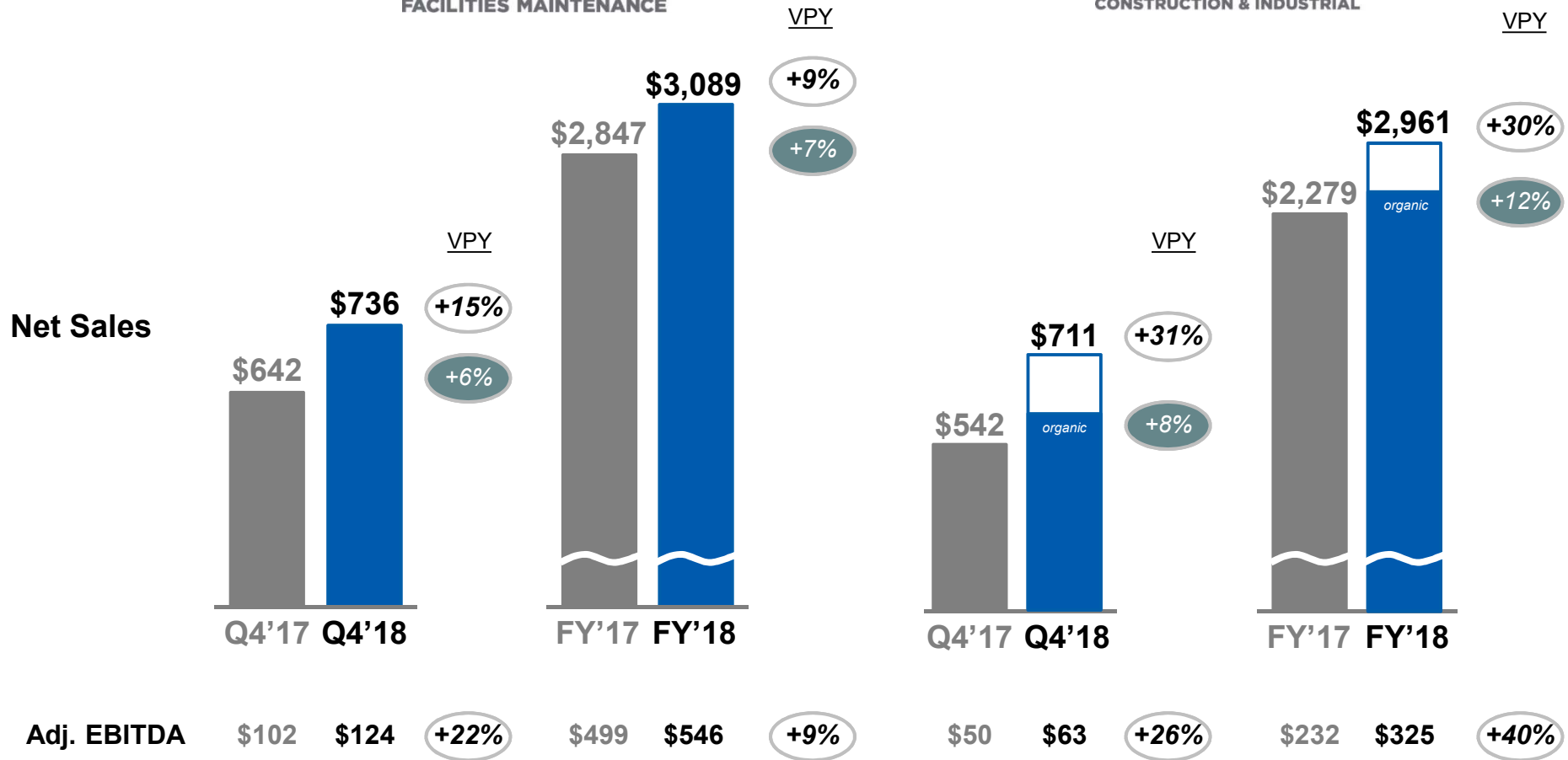
² See appendix slides 24 and 25 for a reconciliation of Adjusted EBITDA, Adjusted net income and Adjusted net income per diluted share to Net income (loss) and Income (loss) from continuing operations

+18.1% Net Sales Growth VPY

Q4'18 and FY'18 Segment Performance



(\$ in millions)



○ Reported
 ● Organic, Adjusted for 53rd Week and Holiday Shift in Q4'18; see appendix slide 23 for more information

Organic Growth in Both Business Units

Taxes

- **Favorable Tax Asset with Significant Gross Federal Net Operating Loss Carryforwards of Approximately \$218 Million**
 - ~\$94M Tax-affected Amount of Federal and State NOLs
 - **Federal NOL Carryforwards and Federal Tax Credits Fully Utilized by Mid-2019**
- **Cash Taxes**
 - \$4M in Q4'18
 - \$4M Estimated in Q1'19
 - \$65-75M Estimated in FY'19
- **Effective Tax Rate Approximately 26%**

Cash Flow

- **\$2.2B Net Debt¹ at the End of Q4'18**
 - 2.6x Net Debt to Adj. EBITDA
- **\$469M FY'18 Free Cash Flow**
- **\$36M of Capital Expenditures in Q4'18**
 - \$115M of Capital Expenditures in FY'18
- **Estimated Capital Expenditures 2% of Net Sales in FY'19**

¹ Reconciled on slide 19. "Net Debt" defined as Total Debt plus letters of credit and capital lease obligations, less cash and cash equivalents
Note: Contains forward-looking information; please see Disclaimer on slide 2

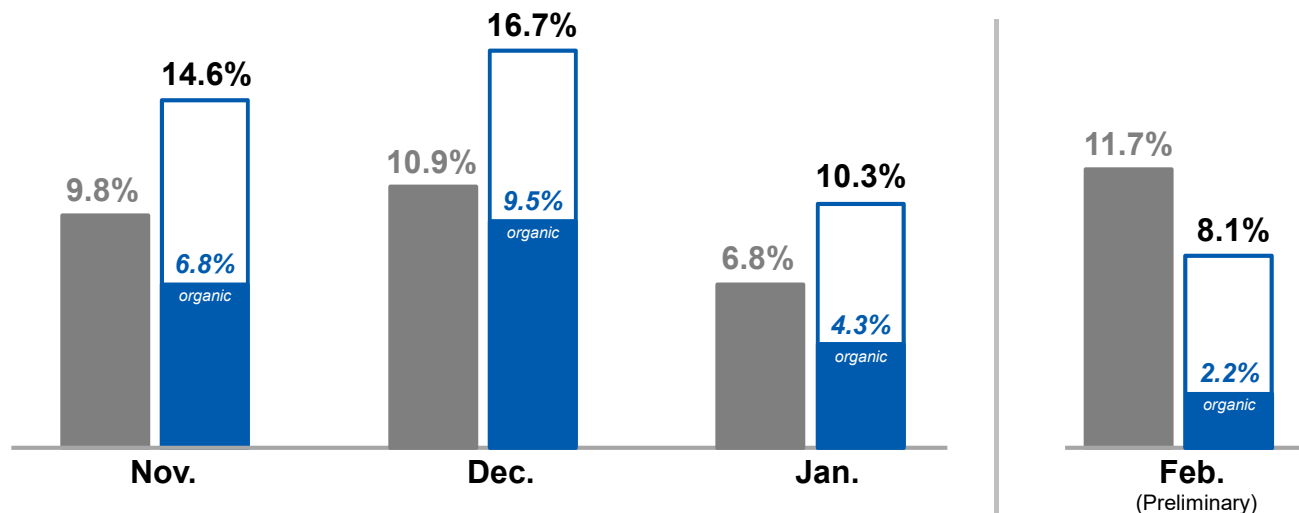
Q4'18 Monthly Average Daily Sales (%)



(\$ in millions)

■ Prior Year
■ Current Year

HD Supply Average Daily Sales Growth VPY



	Q4'18				Q1'19	
Facilities Maintenance	4.3%	7.0%	4.9%	9.2%	2.2%	3.2%
Construction & Industrial	16.4%	23.1%	18.6%	25.2%	13.3%	19.3%
HD Supply Net Sales	\$372	\$426	\$390	\$455	\$421	\$565

'19 Selling Days	18	19	24	20
'18 Selling Days	18	20	28 ¹	20
'17 Selling Days	18	20	23	20

¹ Contains an extra selling week as compared with other years. Fiscal 2018 contains 53 weeks
Note: Contains forward-looking information; please see Disclaimer on slide 2

+13.0% Q4'18 Average Daily Sales Growth

FY'19 End Market Preliminary Outlook



— FY'19 End Market Estimates¹ —

Primary End Market



Current View
as of March '19

“Living Space”
MRO



Up 1% to 2%

Non-Residential
Construction



Up Low Single Digits to
Mid-Single Digits

Residential
Construction



Flat to Up Low Single
Digits



Up ~2 to 3%

¹ Management estimate end market growth based on multiple quantitative and qualitative inputs
Note: Contains forward-looking information; please see Disclaimer on slide 2

~2 to 3% End Market Growth for FY'19

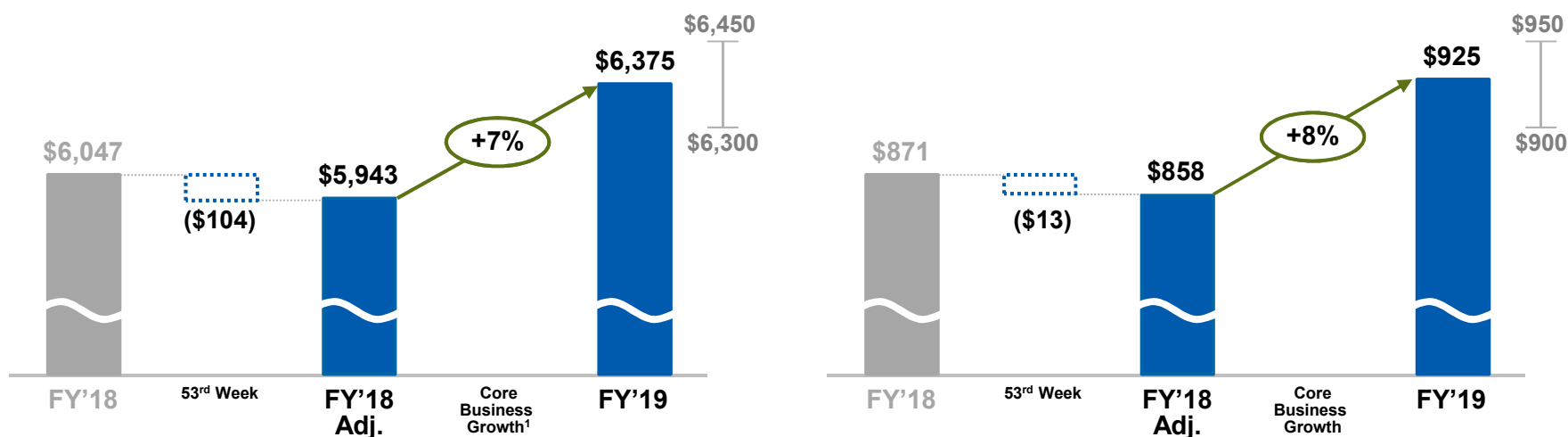
FY'19 Guidance



(\$ in millions)

Net Sales Midpoint

Adj. EBITDA Midpoint



¹ Core Business Growth based on an end market estimate of ~2% to ~3%, ~\$23M from A.H. Harris Construction Supplies through March 4, 2019, and above market growth. The end market estimate is the management estimate of the growth of our markets based on multiple quantitative and long-term average growth target based on management estimates and projections

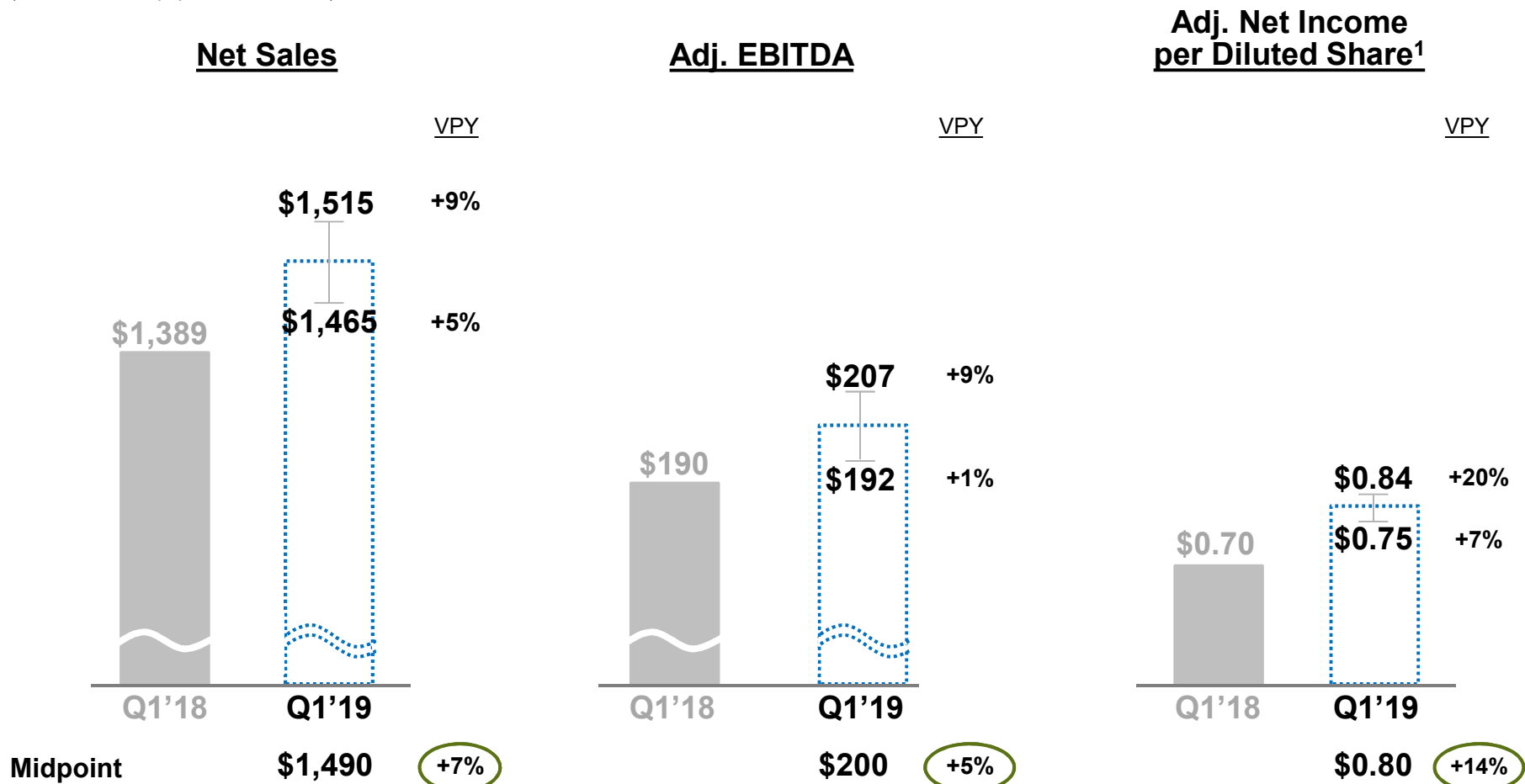
Note: Contains forward looking information; please see Disclaimer on slide 2. No reconciliation of the forecasted range for Adjusted EBITDA to Net income for the full year fiscal 2019 is included in this press release because we are unable to quantify certain amounts that would be required to be included in the GAAP measure without unreasonable efforts. In addition, the company believes such reconciliations would imply a degree of precision that would be confusing or misleading to investors

Strong Sales and Earnings Growth

Q1'19 Guidance



(\$ in millions, except per share amounts)



¹ Q1'19 Adjusted Net Income per Diluted Share range assumes a fully diluted weighted average share count of 171 million

Note: Contains forward looking information; please see Disclaimer on slide 2. No reconciliation of the forecasted range for Adjusted EBITDA to Net income and Adjusted net income per diluted share to Net income per diluted share for the first quarter of fiscal 2019 is included in this press release because we are unable to quantify certain amounts that would be required to be included in the GAAP measure without unreasonable efforts. In addition, the company believes such reconciliations would imply a degree of precision that would be confusing or misleading to investors

+7% Net Sales Growth VPY at Midpoint

HD Supply Current Outlook Summary



(\$ in millions, except per share amounts)

Q1'19

FY'19

- **+7% Net Sales VPY at Midpoint**
 - \$1,465 to \$1,515 Net Sales
- **+5% Adj. EBITDA VPY at Midpoint**
 - \$192 to \$207 Adj. EBITDA
- **+14% Adj. Net Income per Diluted Share VPY at Midpoint**
 - \$0.75 to \$0.84 Adj. Net Income per Diluted Share
- **Assumes ~171M Diluted Share Count³**

- **+2% to +3% End Market VPY¹**
- **+7% Net Sales VPY at Midpoint²**
 - \$6,300 to \$6,450 Net Sales
- **+8% Adj. EBITDA VPY at Midpoint²**
 - \$900 to \$950 Adj. EBITDA
- **+10% Adj. Net Income per Diluted Share VPY at Midpoint²**
 - \$3.52 to \$3.81 Adj. Net Income per Diluted Share
- **Assumes ~171M Diluted Share Count³**

¹ End Market estimate of ~2% to ~3% is the management estimate of the growth of our markets based on multiple quantitative and long-term average growth target based on management estimates and projections

² Growth rates for full year fiscal 2019 shown adjusted for the 53rd week in fiscal 2018 (Net Sales: \$104M, Adj. EBITDA: \$13M, Adj. Net Income per Diluted Share: \$0.07). See appendix slide 23 for more information.

³ Assumes no additional share repurchases

Note: Contains forward looking information; please see Disclaimer on slide 2. No reconciliation of the forecasted range for Adjusted EBITDA to Net income or Income from Continuing Operations and Adjusted net income per diluted share to Net income per diluted share or Income from continuing operations per diluted share for the first quarter of fiscal 2019 and full year fiscal 2019 is included in this presentation because we are unable to quantify certain amounts that would be required to be included in the GAAP measure without unreasonable efforts. In addition, the company believes such reconciliations would imply a degree of precision that would be confusing or misleading to investors

The logo for HD Supply, featuring the letters 'HD' in a bold, yellow, sans-serif font, followed by 'SUPPLY' in a white, bold, sans-serif font. A registered trademark symbol (®) is located at the end of the word 'SUPPLY'.

HD SUPPLY®

A black and white photograph of a city skyline at night. The image shows a dense cluster of skyscrapers, with the most prominent one being a tall, slender tower with a pointed top. The city lights are visible, and a highway interchange with light trails is in the foreground. The image is partially obscured by a yellow bar at the bottom.

Q&A

- **Strong Fiscal 2018 Financial and Operational Performance**
 - **+18% Net Sales Growth VPY**
 - +9% Organic Sales Growth¹ VPY
 - **+19% Adjusted EBITDA² Growth VPY**
 - **+47% Adjusted Net Income per Diluted Share² Growth VPY**

- **Sales and Support Associates are Focused and Energized**

- **Preparing for a Successful Fiscal 2019**

¹ Organic sales exclude A.H. Harris and are adjusted for the net change in selling days; see appendix slide 23 for more information

² See appendix slides 24 and 25 for a reconciliation of Adjusted EBITDA, Adjusted net income and Adjusted net income per diluted share to Net income (loss) and Income (loss) from continuing operations
Note: Contains forward-looking information; please see Disclaimer on slide 2



HD SUPPLY®

APPENDIX

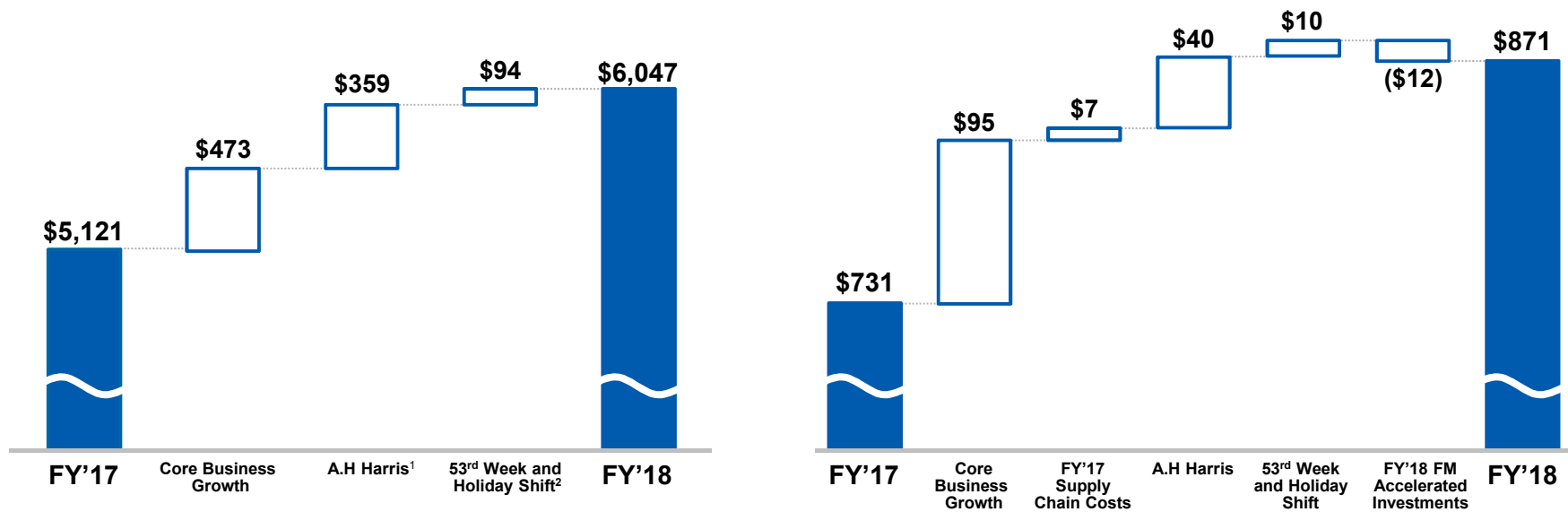
FY'18 Performance



(\$ in millions)

Net Sales

Adj. EBITDA



¹ Consolidated from March 5, 2018; presented on a 52-week basis to exclude the impact of the 53rd week in Fiscal 2018

² Includes \$104 for the 53rd week, less \$10 for the impact of holiday shift. See appendix slide 23 for more information

Strong Sales and Earnings Growth

Capital Structure Overview



(\$ in millions)

	Debt as of Feb. 3, 2019				
	Balance	Interest Rate ¹	Maturity	Soft Call Date ²	Moody's / S&P ³
Senior ABL Facility	\$348	3.83%	4/5/22	n/a	NR, BBB-
Term B-5 Loans	1,067	4.25%	10/17/23	4/22/19	Ba2, BBB-
Oct. 2018 Senior Unsecured Notes	750	5.375%	10/15/26	10/15/21	Ba3, BB-
Outstanding Debt⁴	\$2,165				Ba2 Stable, BB+ Stable
Plus: Letters of Credit	27				
Less: Cash and Cash Equivalents	(38)				
Plus: Capital Lease Obligation	87				
Net Debt	\$2,241				

¹ Represents the stated rate of interest, without including the effect of discounts or interest rate swaps

² Subject to applicable redemption price terms

³ Ratings per Moody's Investor's Service ("Moody's") and S&P Global Ratings ("S&P"). Corporate family ratings shown for Outstanding Debt.

⁴ Excludes unamortized discounts of \$4 and unamortized deferred financing costs of \$21

2.6x Net Debt to Adjusted EBITDA

Illustrative Adjusted EPS Calculation



(\$ in millions, except per share data)

Illustrative

	Actual				Estimates	
	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	FY'19
Adjusted EBITDA	\$190	\$246	\$248	\$187	TBD	TBD
(-) Depreciation and Amortization ¹	(\$24)	(\$27)	(\$27)	(\$28)	(~\$28)	(~\$114)
(+) Amortization of Acquired Intangibles	\$5	\$6	\$5	\$6	~\$6	~\$23
(-) Interest Expense, Net (GAAP)	(\$33)	(\$35)	(\$32)	(\$29)	(~\$30)	(~\$111)
(-) Cash Income Taxes	(\$2)	(\$3)	(\$4)	(\$4)	(~\$4)	(~\$70)
(-) Stock-based Compensation	(\$6)	(\$6)	(\$7)	(\$7)	(~\$8)	(~\$26)
(+) Other	-	\$1	\$1	(\$2)	-	-
= Adjusted Net Income	\$130	\$182	\$184	\$123	<i>TBD</i>	<i>TBD</i>
÷ Diluted Shares Outstanding	~185	~184	~184	~176	~171	~171
= Adjusted Net Income per Diluted Share	\$0.70	\$0.99	\$1.00	\$0.70	<i>TBD</i>	<i>TBD</i>

¹ Includes Amounts Recorded within Cost of Sales

Note: Contains forward looking information; please see Disclaimer on slide 2. No reconciliation of Adjusted EBITDA to Net income, Adjusted net Income to Net Income and Adjusted net income per diluted share to Net income per diluted share for the first quarter of fiscal 2019 and full year fiscal 2019 is included in this presentation because we are unable to quantify certain amounts that would be required to be included in the GAAP measure without unreasonable efforts. In addition, the company believes such reconciliations would imply a degree of precision that would be confusing or misleading to investors

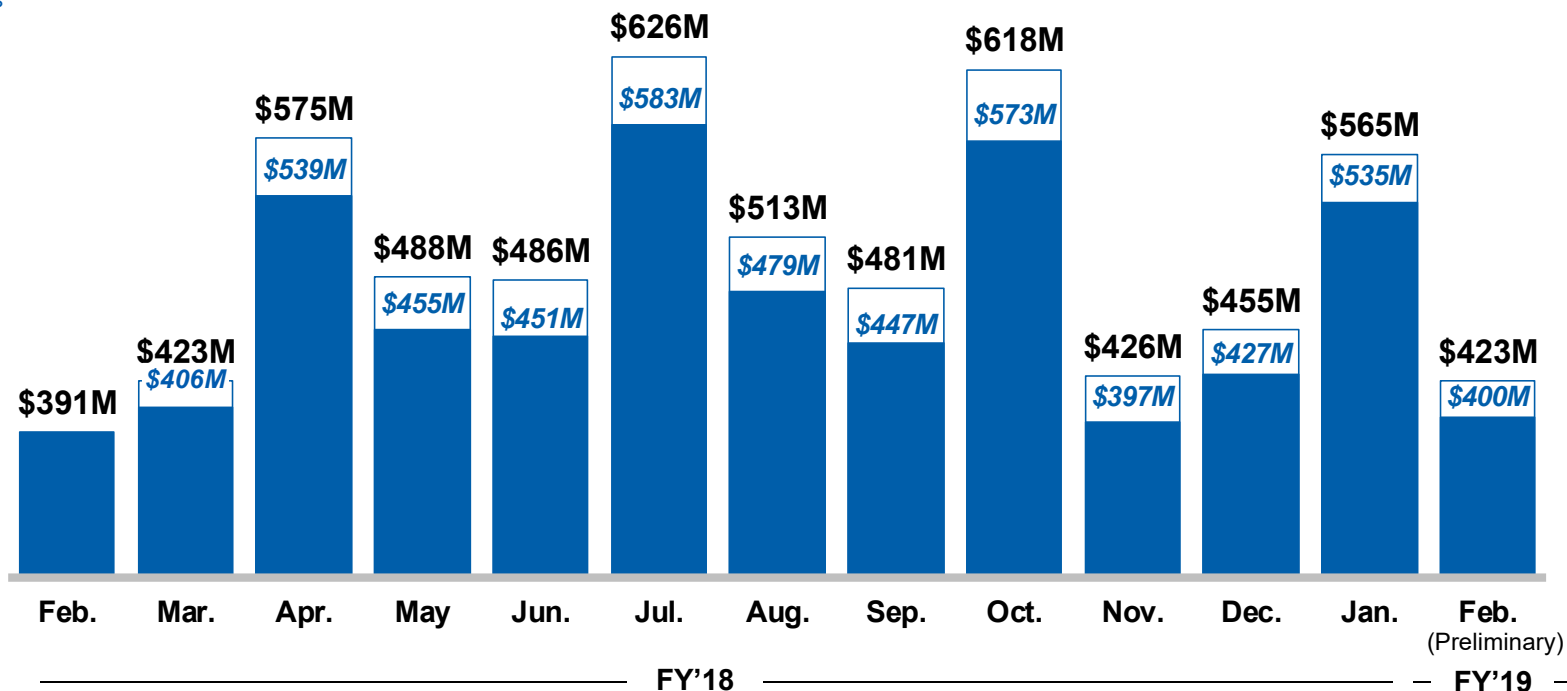
Monthly Net Sales (\$)



(\$ in millions)

□ Total Net Sales
■ Organic Net Sales

HD Supply Net Sales



	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb. (Preliminary)
Facil. Maint.	\$212	\$224	\$287	\$246	\$249	\$325	\$263	\$245	\$302	\$211	\$227	\$298	\$225
Const. & Ind.	\$179	\$199	\$288	\$243	\$237	\$301	\$250	\$237	\$316	\$215	\$228	\$268	\$198
'19 Selling Days	20	20	25	19	20	24	20	19	25	18	19	24	20
'18 Selling Days	20	20	25	20	19	24	20	19	25	18	20	28 ¹	20
'17 Selling Days	20	20	25	20	19	24	20	19	25	18	20	23	20

¹ Contains an extra selling week as compared with other years. Fiscal 2018 contains 53 weeks
 Note: Contains forward-looking information; please see Disclaimer on slide 2

\$423M Preliminary February Sales

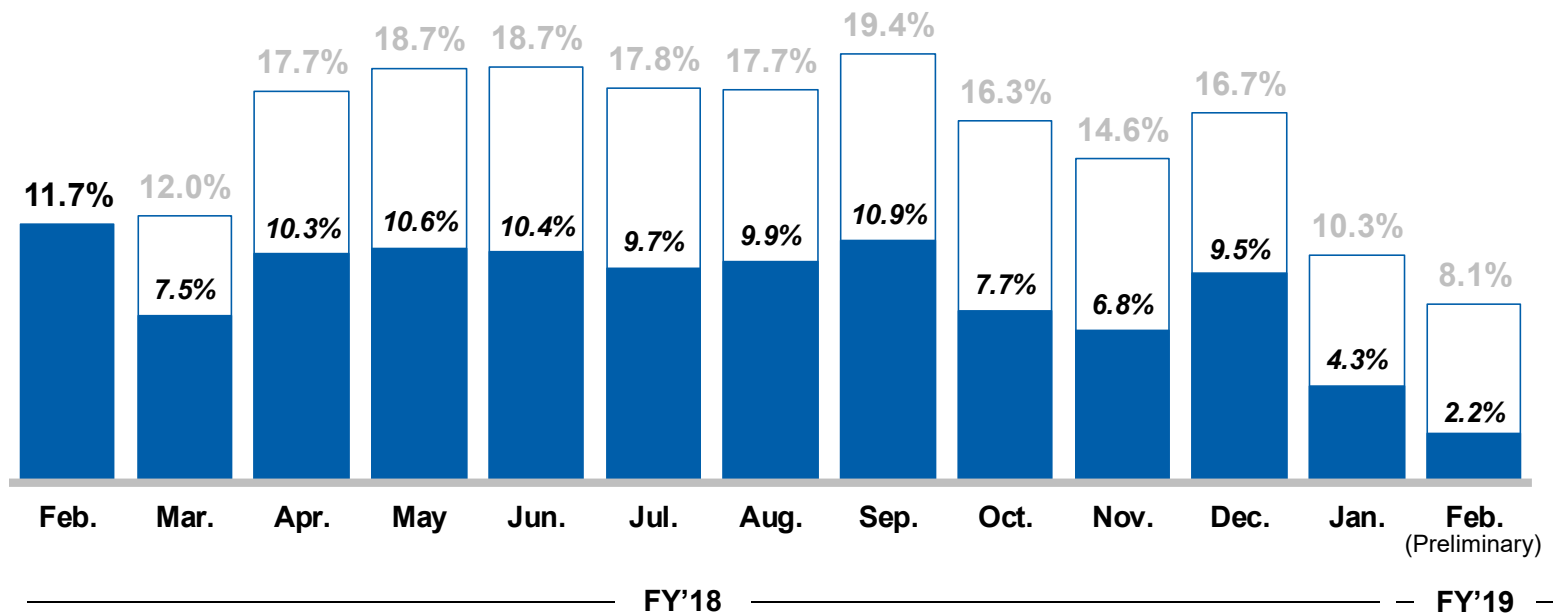
Average Daily Sales – Organic¹ (VPY%)



(VPY%)

□ Total ADS Growth VPY%
 ■ Organic ADS Growth VPY%

HD Supply Organic Average Daily Sales (“ADS”) Growth VPY¹



	FY'18											FY'19	
Facil. Maint.	7.1%	5.9%	5.4%	6.3%	7.4%	6.1%	6.0%	9.6%	7.1%	7.0%	9.2%	3.2%	6.0%
Const. & Ind.	17.3%	9.4%	16.3%	16.0%	14.0%	14.4%	15.1%	12.6%	8.5%	6.6%	9.7%	5.8%	(2.4%)
'19 Selling Days	20	20	25	19	20	24	20	19	25	18	19	24	20
'18 Selling Days	20	20	25	20	19	24	20	19	25	18	20	28 ²	20
'17 Selling Days	20	20	25	20	19	24	20	19	25	18	20	23	20

¹ Adjusted for acquisitions, divestitures, and selling days. Gray figures denote total average daily sales growth VPY; italicized black numbers represent organic average daily sales growth VPY

² Contains an extra selling week as compared with other years. Fiscal 2018 contains 53 weeks

Note: Contains forward-looking information; please see Disclaimer on slide 2

+2.2% Preliminary Average Daily Sales Growth in February

53rd Week, Holiday Shift, and Organic Sales Growth in FY'18



(\$ in millions, except per share amounts)

	<u>Net Sales</u>			<u>Adj. EBITDA</u>			<u>Adj. Net Income per Diluted Share¹</u>
	53 rd Week	Holiday Shift	Total	53 rd Week	Holiday Shift	Total	53 rd Week
Facil. Maint.	\$53	-	\$53				
Const. & Ind.	\$51	(\$10)	\$41				
HD Supply	\$104	(\$10)	\$94	\$13	(\$3)	\$10	\$0.07

	<u>Q4'18</u>			<u>FY'18</u>		
	FM	C&I	HDS	FM	C&I	HDS
Prior Year Net Sales	\$642	\$542	\$1,183	\$2,847	\$2,279	\$5,121
A.H. Harris (52-week basis)	-	82	82	-	359	359
53 rd Week	53	51	104	53	51	104
Holiday Shift	-	(10)	(10)	-	(10)	(10)
Organic Sales	41	46	87	189	282	473
Current Year Net Sales	\$736	\$711	\$1,446	\$3,089	\$2,961	\$6,047
<i>Organic Growth, Net of change in selling days VPY%</i>	6.4%	8.5%	7.4%	6.6%	12.4%	9.2%

Note: Sales eliminations not shown

¹ Adjusted Net Income per Diluted Share impact was approximately \$0.07 for both Q4'18 and FY'18

53rd Week: Net Sales ~\$104, Adj. EBITDA ~\$13, Adj. Dil. EPS ~\$0.07

Reconciliation of Non-GAAP Measures: Net Income (Loss) to Adjusted EBITDA



(\$ in millions)

	Three Months Ended		Twelve Months Ended	
	Feb. 3, 2019	Jan. 28, 2018	Feb. 3, 2019	Jan. 28, 2018
Net income (loss)	\$ 92	(\$ 9)	\$ 394	\$ 970
Less income from discontinued operations, net of tax	2	9	3	803
Income (loss) from continuing operations	90	(18)	391	167
Interest expense, net	29	31	129	164
Provision for income taxes	30	101	135	193
Depreciation and amortization ¹	28	24	106	90
Loss on extinguishment & modification of debt ²	-	3	69	84
Restructuring charges ³	-	3	9	6
Stock-based compensation	7	7	26	26
Acquisition and integration costs ⁴	1	1	6	1
Other	2	-	-	-
Adjusted EBITDA	\$ 187	\$ 152	\$ 871	\$ 731

¹ Depreciation and amortization includes amounts recorded within Cost of sales in the Consolidated Statements of Operations

² Represents the loss on extinguishment of debt including the premium paid to repurchase or call the debt as well as the write-off of unamortized deferred financing costs, original issue discount and other assets or liabilities associated with such debt. Also include the costs of debt modifications

³ Represents the costs related to exiting the Company's previous corporate headquarters and the costs incurred for strategic alignment of our workforce. These costs include severance, relocation costs and other related costs

⁴ Represents the costs incurred in the acquisition and integration of A.H. Harris Construction Supplies

Reconciliation of Non-GAAP Measures: Net Income (Loss) to Adjusted Net Income and Adjusted Net Income Per Share



(\$ in millions, except share and per share amounts)

	Three Months Ended		Twelve Months Ended	
	Feb. 3, 2019	Jan. 28, 2018	Feb. 3, 2019	Jan. 28, 2018
Net income (loss)	\$ 92	(\$ 9)	\$ 394	\$ 970
Less income from discontinued operations, net of tax	2	9	3	803
Income (loss) from continuing operations	90	(18)	391	167
Provision for income taxes	30	101	135	193
Cash paid for income taxes ¹	(4)	(2)	(13)	(16)
Amortization of acquisition related intangible assets (other than software)	6	3	22	12
Loss on extinguishment & modification of debt ²	-	3	69	84
Restructuring charges ³	-	3	9	6
Acquisition and integration costs ⁴	1	1	6	1
Adjusted Net Income	\$ 123	\$ 91	\$ 619	\$ 447
Weighted average common shares outstanding (in thousands)				
Basic	174,831	184,831	181,099	192,236
Diluted	175,593	185,897	181,929	193,668
Adjusted Net Income Per Share - Basic	\$0.70	\$0.49	\$3.42	\$2.33
Adjusted Net Income Per Share - Diluted	\$0.70	\$0.49	\$3.40	\$2.31

¹ Cash paid for income taxes in fiscal 2017 excludes \$13 million in payments related to the sale of the Waterworks business unit

² Represents the loss on extinguishment of debt including the premium paid to repurchase or call the debt as well as the write-off of unamortized deferred financing costs, original issue discount and other assets or liabilities associated with such debt. Also include the costs of debt modifications

³ Represents the costs related to exiting the Company's previous corporate headquarters and the costs incurred for strategic alignment of our workforce. These costs include severance, relocation costs and other related costs

⁴ Represents the costs incurred in the acquisition and integration of A.H. Harris Construction Supplies