Adjusted Free Cash Flow

(in millions)

(unaudited)

Adjusted free cash flow is an important performance measure used by management, and management believes it is also a useful metric for investors and analysts to evaluate the Company's ability to generate additional funding from business operations available for dividends, managing debt levels, share repurchases and other strategic investments. Adjusted free cash flow is one of the key financial indicators of the Company's business performance and the Company also uses adjusted free cash flow to evaluate the Company's senior management. However, adjusted free cash flow is not a measure of financial performance or liquidity under GAAP and, therefore, should not be considered an alternative to net earnings (loss) or net cash provided by operating activities as an indicator of the Company's performance or liquidity. Although free cash flow is a relatively standard term, numerous methods exist for calculating free cash flow. As a result, the method used by the Company's management to calculate adjusted free cash flow may differ from methods other companies use to calculate free cash flow.

The following table sets forth a reconciliation of net cash provided by operating activities to adjusted free cash flow.

	YEAR-TO-DATE			
	January 29, 2022	January 30, 2021	February 1, 2020	February 2, 2019
Net cash provided by operating activities	$ 6,190	$ 6,815	$ 4,664	$ 4,164
Payments for property and equipment, including payments for lease buyouts	(2,614)	(2,865)	(3,128)	(2,967)
Free Cash Flow	3,576	3,950	1,536	1,197
Adjustment for company pension plans and payments related to the restructuring of multi-employer pension plans	366	263	-	185
Adjustment for tax effects of divestiture transactions	-	-	156	460
Adjusted Free Cash Flow	$ 3,942	$ 4,213	$ 1,692	$ 1,842