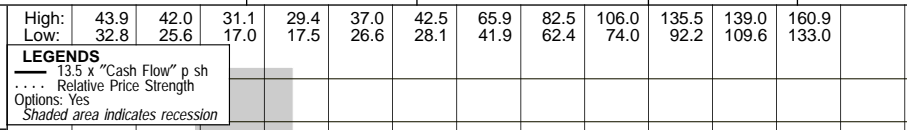


HOME DEPOT NYSE-HD

RECENT PRICE **159.91** P/E RATIO **21.2** 23.0 17.0
 RELATIVE P/E RATIO **1.10** DIV'D YLD **2.5%**

VALUE LINE

TIMELINESS 2 Raised 6/2/17
SAFETY 1 Raised 10/5/07
TECHNICAL 3 Lowered 8/18/17
 BETA .95 (1.00 = Market)

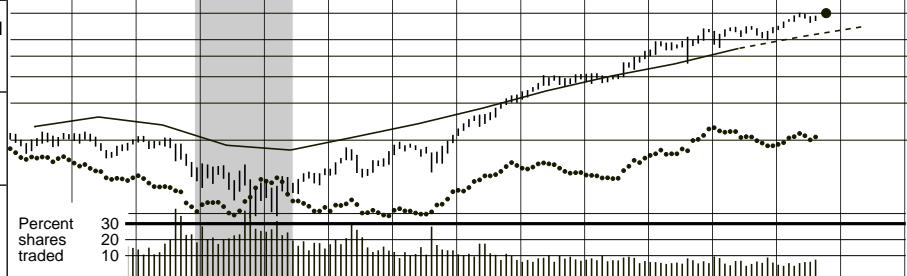


High: 43.9 42.0 31.1 29.4 37.0 42.5 65.9 82.5 106.0 135.5 139.0 160.9
 Low: 32.8 25.6 17.0 17.5 26.6 28.1 41.9 62.4 74.0 92.2 109.6 133.0
 Target Price Range 2020 2021 2022
 320
200
160
120
100
80
60
40
18

2020-22 PROJECTIONS
 Price Gain Ann'l Total
 High 195 (+20%) 8%
 Low 160 (Nil) 3%

Insider Decisions
 N D J F M A M J J
 to Buy 2 0 0 0 0 0 1 0 0
 Options 2 0 0 9 9 0 4 0 0
 to Sell 4 0 0 3 1 0 6 0 0

Institutional Decisions
 3Q2016 4Q2016 1Q2017
 to Buy 690 737 755
 to Sell 820 870 889
 Hlds*(000) 859411 864893 944962



% TOT. RETURN 8/17
 THIS STOCK VLARITH: INDEX
 1 yr. 14.4 11.7
 3 yr. 71.7 19.3
 5 yr. 193.5 85.3

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
22.83	25.40	27.31	33.86	38.38	46.11	45.77	42.03	38.84	41.90	45.80	50.37	57.11	63.64	70.70	78.63	86.70	93.75	Sales per sh ^A	109.50
1.62	1.99	2.27	2.93	3.44	3.82	3.50	2.81	2.66	3.07	3.55	4.21	5.08	6.82	8.07	9.20	10.30	11.30	"Cash Flow" per sh	12.05
1.29	1.56	1.88	2.26	2.72	2.79	2.27	1.78	1.66	2.03	2.47	3.10	3.76	4.56	5.34	6.45	7.35	8.25	Earnings per sh ^{AB}	9.90
.17	.21	.26	.33	.40	.68	.90	.90	.90	.95	1.04	1.16	1.56	1.88	2.36	2.76	3.56	4.45	Div'ds Decl'd per sh ^C	5.45
7.71	8.64	9.44	11.19	12.67	12.71	10.48	10.48	11.42	11.64	11.64	11.98	9.07	7.13	5.04	3.60	2.60	2.25	Book Value per sh ^E	.95
2345.9	2293.0	2373.0	2158.7	2124.0	1970.0	1690.0	1696.0	1698.0	1623.0	1537.0	1484.0	1380.0	1307.0	1252.0	1203.0	1150.0	1120.0	Common Shs Outst'g ^D	1050.0
35.6	22.6	16.7	16.7	14.7	13.7	15.4	14.3	15.3	15.6	15.0	17.9	20.2	19.1	22.1	20.3	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio	18.0
1.82	1.23	.95	.88	.78	.74	.82	.86	1.02	.99	.94	1.14	1.13	1.01	1.11	1.08			Relative P/E Ratio	1.15
.4%	.6%	.8%	.9%	1.0%	1.8%	2.6%	3.5%	3.5%	3.0%	2.8%	2.1%	2.1%	2.2%	2.0%	2.1%			Avg Ann'l Div'd Yield	3.1%

CAPITAL STRUCTURE as of 7/30/17
 Total Debt \$24967 mill. Due in 5 Yrs \$6425 mill.
 LT Debt \$24422 mill. LT Interest \$1050 mill.
 (Total interest coverage: 13.9x. LT int earned: 13.9x)
 Leases, Uncapitalized Annual rentals \$868 mill.
 No Defined Benefit Pension Plan
 Pfd Stock None
 Common Stock 1,178,817,584 shs. as of 8/15/17
 MARKET CAP: \$189 billion (Large Cap)

77349	71288	65955	67997	70395	74754	78812	83176	88519	94595	99700	105000	Sales (\$mill) ^A	115000
33.6%	33.7%	33.9%	34.3%	34.5%	34.6%	34.8%	34.8%	34.2%	34.2%	34.0%	34.1%	Gross Margin	34.3%
11.6%	8.6%	10.1%	11.0%	11.7%	12.7%	13.7%	14.6%	15.1%	16.0%	16.3%	16.4%	Operating Margin	16.5%
2234	2274	2244	2248	2252	2256	2263	2269	2274	2278	2284	2290	Number of Stores	2305
4210.0	2982.0	2811.0	3371.0	3883.0	4680.0	5385.0	6139.0	6848	7957	8745	9570	Net Profit (\$mill)	10395
36.4%	37.4%	34.5%	36.7%	36.0%	36.5%	36.4%	36.4%	36.4%	36.3%	36.3%	36.3%	Income Tax Rate	36.3%
5.4%	4.2%	4.3%	5.0%	5.5%	6.3%	6.8%	7.4%	7.7%	8.4%	8.8%	9.1%	Net Profit Margin	9.0%
1968.0	2209.0	3537.0	3357.0	5144.0	3910.0	4530.0	4033.0	4467	3591	3800	4000	Working Cap'l (\$mill)	4000
11383	9667.0	8662.0	8707.0	10758	9475.0	14691	16869	20888	22349	24500	25000	Long-Term Debt (\$mill)	25000
17714	17777	19393	18889	17898	17777	12522	9322.0	6316	4333	3000	2500	Shr. Equity (\$mill)	1000
15.5%	11.9%	11.1%	13.0%	14.5%	18.3%	21.0%	25.0%	26.8%	31.6%	33.5%	36.5%	Return on Total Cap'l	42.5%
23.8%	16.8%	14.5%	17.8%	21.7%	26.3%	43.0%	65.9%	108.4%	183.6%	NMF	NMF	Return on Shr. Equity	NMF
14.1%	8.2%	6.6%	9.5%	12.6%	16.5%	25.1%	38.7%	60.4%	105.1%	NMF	NMF	Retained to Com Eq	NMF
41%	51%	54%	47%	42%	37%	42%	41%	44%	43%	48%	54%	All Div'ds to Net Prof	55%

CURRENT POSITION	2015	2016	7/30/17
Cash Assets	2216	2538	4830
Receivables	1890	2029	2187
Inventory (LIFO)	11809	12549	12868
Other	1078	608	626
Current Assets	16993	17724	20511
Accts Payable	6565	7000	8541
Debt Due	427	1252	545
Other	5534	5881	6737
Current Liab.	12526	14133	15823

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16
of change (per sh)			to '20-'22
Sales	6.0%	11.0%	7.5%
"Cash Flow"	7.5%	17.5%	9.5%
Earnings	7.5%	21.5%	10.5%
Dividends	17.5%	19.5%	15.0%
Book Value	-8.0%	-14.5%	-25.0%

Fiscal Year Begins	QUARTERLY SALES (\$ mill.) ^A				Full Fiscal Year
	Apr.Per	Jul.Per	Oct.Per	Jan.Per	
2014	19687	23811	20516	19162	83176
2015	20891	24829	21819	20980	88519
2016	22762	26472	23154	22207	94595
2017	23887	28108	24475	23230	99700
2018	25000	29300	25475	25225	105000

Fiscal Year Begins	EARNINGS PER SHARE ^{A B}				Full Fiscal Year
	Apr.Per	Jul.Per	Oct.Per	Jan.Per	
2014	.96	1.52	1.10	1.00	4.56
2015	1.16	1.66	1.35	1.17	5.34
2016	1.44	1.97	1.60	1.44	6.45
2017	1.67	2.25	1.84	1.59	7.35
2018	1.85	2.51	2.00	1.89	8.25

Cal-endar	QUARTERLY DIVIDENDS PAID ^C				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2013	.39	.39	.39	.39	1.56
2014	.47	.47	.47	.47	1.88
2015	.59	.59	.59	.59	2.36
2016	.69	.69	.69	.69	2.76
2017	.89	.89			

BUSINESS: The Home Depot, Inc. operates a chain of 2,282 retail building supply/home improvement "warehouse" stores across the U.S. and in Canada and Mexico (as of 7/30/17). Acquired Hughes Supply in 1/06. Average store size: 104,000 sq. ft. indoor plus 24,000 sq. ft. garden center. Items stocked: about 35,000. Product lines include building materials, lumber, floor/wall coverings; plumb-

The Home Depot delivered another quarter of stellar results, as it continued to buck trends in the broader retail space. HD is benefiting from its own internal initiatives to drive growth and a favorable macroeconomic backdrop in which consumers are willing, even eager, to invest in their homes. The end result was record high quarterly sales and earnings for The Home Depot. Specifically, fiscal second-quarter (ended July 30th) sales rose 6.2% and comparable-store sales were up 6.3%, while the metric rose 6.6% for stores in the United States. The number of customer transactions was up 2.8%; the average ticket increased 3.6%; and sales per square foot rose 5.9%. Demand was broad based across categories and geographies, and growth in sales to professionals outpaced those to DIY customers. Big-ticket sales (those over \$900) were up 12.4% thanks to strong demand for appliances and flooring. Consequently, share net was \$0.05 above our call.

Looking ahead, we think that the good times will continue for The Home Depot. Recent housing data have been mixed, but this segment is likely

stronger than the numbers suggest, as inventories are tight while demand remains solid. Indeed, home price appreciation, household formation, and housing turn-over have all been supportive. This is a trend we expect to continue, as consumer confidence is high and the labor market has been making strides, despite a lack-luster August jobs report. All told, we look for GDP to rise around 3% in the second half of 2017. This favorable backdrop, combined with management's efforts to court professional customers and bolster the store's digital presence and interconnected retail capabilities, should also support sales and earnings. In fact, leadership increased its full-year 2017 guidance, and looks for sales and comps to rise 5.3% and 5.5%, respectively. Share net is forecast to be \$7.29 a share. We've raised our call to \$7.35, as rebuilding efforts in the wake of hurricanes Harvey and Irma should give a short-term boost to results.

Conservative accounts looking to gain exposure to the housing market, along with some income, will likely want to take a closer look at this timely stock.
 Matthew Spencer, CFA September 22, 2017

(A) Fiscal year ends Sunday closest to January 31st of the following year.
 (B) Diluted earnings. Excludes nonrecurring gains/(losses): '07, (\$0.10); '08, (\$0.44); '09,

(\$0.09); '10, (\$0.02); '12, (\$0.10); '14, \$0.15; '15, \$0.12. Totals may not sum due to rounding. Next earnings report due November 14th.
 (C) Dividends historically paid in March, June,

Sept., and Dec. ■ Div'd reinvest. plan avail.
 (D) In millions, adjusted for stock splits.
 (E) Includes intangibles. At 1/31/16: \$2,102 mill. (\$1.68/share).

Company's Financial Strength	A++
Stock's Price Stability	95
Price Growth Persistence	95
Earnings Predictability	100