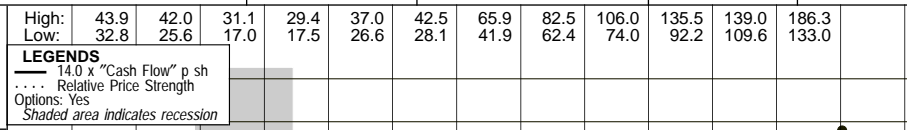


HOME DEPOT NYSE:HD

RECENT PRICE **181.80** P/E RATIO **23.2** (Trailing: 25.2; Median: 17.0) RELATIVE P/E RATIO **1.14** DIV'D YLD **2.3%**

VALUE LINE

TIMELINESS 1 Raised 11/17/17
SAFETY 1 Raised 10/5/07
TECHNICAL 4 Lowered 12/8/17
BETA 1.00 (1.00 = Market)



Target Price Range	2020	2021	2022
			320
			200
			160
			120
			100
			80
			60
			40

2020-22 PROJECTIONS

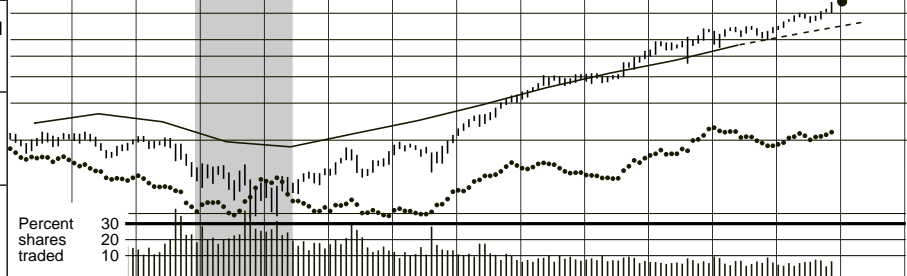
	Price	Gain	Ann'l Total Return
High	210	(+15%)	6%
Low	170	(-5%)	1%

Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	0	0	0	1	0	0	0	0	0
Options	9	9	0	4	0	0	3	1	0
to Sell	3	1	0	6	0	2	1	0	0

Institutional Decisions

	12/2017	20/2017	30/2017
to Buy	755	800	882
to Sell	849	819	770
Hlds(000)	944962	924776	905348



% TOT. RETURN 11/17

	THIS STOCK	VL ARITH. INDEX
1 yr.	42.2	16.8
3 yr.	93.8	30.2
5 yr.	207.3	96.6

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	87.45	95.20	Sales per sh ^A	116.20
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	10.45	10.45	"Cash Flow" per sh	12.50
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	7.36	8.40	Earnings per sh ^{AB}	10.25
.17	.21	.26	.33	.40	.68	.90	.90	.90	.95	1.04	1.16	1.56	1.88	2.36	2.76	3.56	4.16	Div's Decl'd per sh ^C	5.44
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	2.15	1.95	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	1115.0	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	20.3	20.3	Avg Ann'l P/E Ratio	18.5
1.82	1.23	.95	.88	.78	.74	.82	.86	1.02	.99	.94	1.14	1.13	1.01	1.11	1.08	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%	2.0%	2.1%	Avg Ann'l Div'd Yield	2.9%

CAPITAL STRUCTURE as of 10/29/17

Total Debt \$25589 mill. Due in 5 Yrs \$6425 mill.
 LT Debt \$24266 mill. LT Interest \$1045 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 1,167,748,619 shs. as of 11/14/17
 MARKET CAP: \$212 billion (Large Cap)

77349	71288	65955	67997	70395	74754	78812	83176	88519	94595	100555	106175	Sales (\$mill) ^A	122000
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	34.2%
11.6%	8.6%	10.1%	11.0%	11.7%	12.7%	13.7%	14.6%	15.1%	16.0%	16.2%	16.3%	Operating Margin	16.3%
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	8720	9700	Net Profit (\$mill)	10765
36.4%	37.4%	34.5%	36.7%	36.0%	36.5%	36.4%	36.4%	36.3%	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%	8.7%	9.1%	Net Profit Margin	8.8%
1968.0	2209.0	3537.0	3357.0	5144.0	3910.0	4530.0	4033.0	4467	3591	3700	3800	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	2500	2200	Shr. Equity (\$mill)	1000
15.5%	11.9%	11.1%	13.0%	14.5%	18.3%	21.0%	25.0%	26.8%	31.6%	34.0%	37.5%	Return on Total Cap'l	44.0%
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%	50%	All Div'ds to Net Prof	53%

CURRENT POSITION

	2015	2016	10/29/17
Cash Assets	2216	2538	3549
Receivables	1890	2029	2166
Inventory (LIFO)	11809	12549	13419
Other	1078	608	548
Current Assets	16993	17724	19682
Accts Payable	6565	7000	8570
Debt Due	427	1252	1323
Other	5534	5881	6109
Current Liab.	12526	14133	16002

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16
of change (per sh)			to '20-'22
Sales	6.0%	11.0%	8.5%
"Cash Flow"	7.5%	17.5%	10.5%
Earnings	7.5%	21.5%	11.0%
Dividends	17.5%	19.5%	15.0%
Book Value	-8.0%	-14.5%	-25.0%

QUARTERLY SALES (\$ mill.) ^A

Fiscal Year Begins	Apr.Per	Jul.Per	Oct.Per	Jan.Per	Full Fiscal Year
2014	19687	23811	20516	19162	83176
2015	20891	24829	21819	20980	88519
2016	22762	26472	23154	22207	94595
2017	23887	28108	25026	23534	100555
2018	25200	29450	26000	25525	106175

EARNINGS PER SHARE ^{AB}

Fiscal Year Begins	Apr.Per	Jul.Per	Oct.Per	Jan.Per	Full Fiscal Year
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	1.60	7.36
2018	1.88	2.53	2.07	1.92	8.40

QUARTERLY DIVIDENDS PAID ^C

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	.89	.89	

The Home Depot's fiscal third-quarter (ended October 29th) results were solid. Sales rose 8% from a year earlier, to \$25.026 billion, eclipsing our \$24.475 billion forecast. Comparable-store sales jumped 7.9%, while stores in the United States posted a 7.7% comp gain. Underlying demand was clearly strong, but hurricane-related sales gave a \$282 million boost to comparable-store sales, according to management. In addition, wildfires in the western U.S. and earthquakes in Mexico prompted spending on repair and rebuilding initiatives. Online sales continued to do well, rising 19% year to year and making up 6.2% of the top line. Sales to professionals once again outpaced growth in the do-it-yourself segment. Big-ticket sales (those above \$900) were up 12.1%, driven by categories such as flooring and appliances. While natural disasters gave a boost to revenues, the gross margin on hurricane-related sales was below the company average. Combined with \$104 million in hurricane-related damage suffered by The Home Depot, the storms actually hurt operating profit by \$51 million in the October interim. The gross mar-

gin contracted 17 basis points year over year, to 34.56%. Conversely, SG&A decreased 44 basis points as a function of the top line. A lower share count also helped earnings per share jump 15% from a year earlier, to \$1.84, matching our call. **The housing market should keep acting as a tailwind for The Home Depot.** Too, repair and rebuilding efforts are ongoing in several markets, so we expect to see additional demand in the January term, with the bump tailing off during the first half of fiscal 2018. All told, leadership now looks for sales and comps to increase 6.3% and 6.5%, respectively, for the year, each up one percentage point from prior guidance. The estimate for stock repurchases was also raised by \$1 billion, to \$8 billion. Consequently, share earnings are now pegged at \$7.36, up from \$7.29. We think that there is more upside than downside to this number. **Timely Home Depot stock is an enticing selection for many accounts, in our view, including those with a very conservative bent or a focus on growth and/or current income.**
 Matthew Spencer, CFA December 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 February 20th. (C) Dividends historically paid in March, June, Sept., and Dec. (D) Div'd reinvest. plan avail. (E) Includes intangibles. At 1/31/16: \$2,102 mill. (\$1.68/share).

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