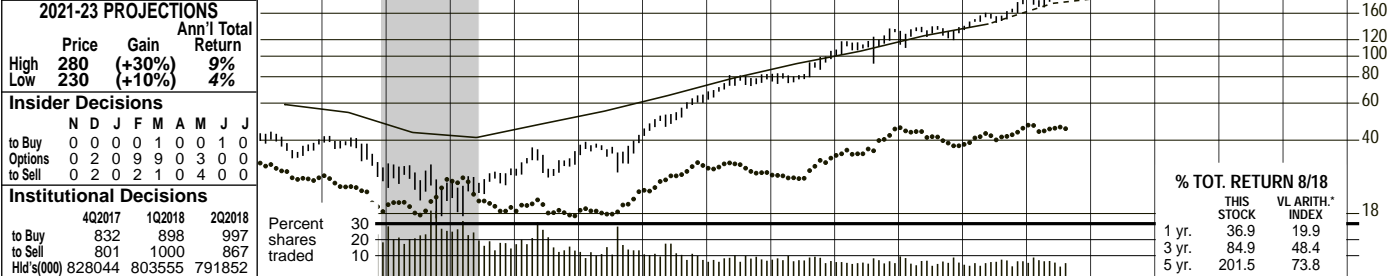


HOME DEPOT NYSE-HD

RECENT PRICE **213.85** P/E RATIO **22.2** (Trailing: 24.7, Median: 18.0) RELATIVE P/E RATIO **1.21** DIV'D YLD **2.1%** VALUE LINE **1140**

TIMELINESS 2 Lowered 3/9/18	High: 42.0	31.1	29.4	37.0	42.5	65.9	82.5	106.0	135.5	139.0	191.5	214.7	Target Price Range
SAFETY 1 Raised 10/5/07	Low: 25.6	17.0	17.5	26.6	28.1	41.9	62.4	74.0	92.2	109.6	133.0	170.4	2021 2022 2023
TECHNICAL 4 Lowered 9/21/18	LEGENDS — 15.5 x "Cash Flow" p sh ... Relative Price Strength Options: Yes Shaded area indicates recession												
BETA 1.00 (1.00 = Market)													



2021-23 PROJECTIONS		Ann'l Total		© VALUE LINE PUB. LLC													21-23						
Price	Gain	Return		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Sales per sh ^A	127.20
High 280	(+30%)	9%		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	87.14	96.85	103.40	"Cash Flow" per sh	15.30
Low 230	(+10%)	4%		1.99	2.27	2.93	3.44	3.82	3.50	2.81	2.66	3.07	3.55	4.21	5.08	5.96	6.82	8.07	9.19	11.50	12.45	Earnings per sh ^{AB}	13.00
				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	7.46	9.45	10.15	Div'ds Decl'd per sh ^C	6.00
				.21	.26	.33	.40	.68	.90	.90	.90	.95	1.04	1.16	1.56	1.88	2.36	2.76	3.56	4.12	4.60	Book Value per sh ^E	.95
				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	1.26	1.35	.90	Common Shs Outst'g ^D	1030.0
				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	1158.0	1115.0	1090.0	Avg Ann'l P/E Ratio	19.5
				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	21.6	Relative P/E Ratio	1.10		
				1.23	.95	.88	.78	.74	.82	.86	1.02	.99	.94	1.14	1.13	1.01	1.11	1.07	1.09	Avg Ann'l Div'd Yield	2.4%		
				.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%	2.2%	Bold figures are Value Line estimates			

CAPITAL STRUCTURE as of 7/29/18				© VALUE LINE PUB. LLC													21-23						
Total Debt \$25498 mill. Due in 5 Yrs \$6425 mill. LT Debt \$23295 mill. LT Interest \$1005 mill. (Total interest coverage: 13.9x. LT int earned: 13.9x)				2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Sales (\$mill) ^A	131000
Leases, Uncapitalized Annual rentals \$868 mill. No Defined Benefit Pension Plan				71288	65955	67997	70395	74754	78812	83176	88519	94595	100904	108000	112700	Operating Margin	16.5%						
Pfd Stock None				33.7%	33.9%	34.3%	34.5%	34.6%	34.8%	34.8%	34.2%	34.2%	34.0%	34.6%	34.6%	Number of Stores	2300						
Common Stock 1,144,138,185 shs. as of 8/14/18 MARKET CAP: \$245 billion (Large Cap)				8.6%	10.1%	11.0%	11.7%	12.7%	13.7%	14.6%	15.1%	16.0%	16.5%	16.5%	16.5%	Net Profit (\$mill)	13385						
CURRENT POSITION 2016 2017 7/29/18 (\$MILL.)				2274	2244	2248	2252	2256	2263	2269	2274	2278	2284	2287	2290	Income Tax Rate	26.0%						
Cash Assets 2538 3595 3490				2982.0	2811.0	3371.0	3883.0	4680.0	5385.0	6139.0	6848.0	7957.0	8832.0	10820	11470	Net Profit Margin	10.2%						
Receivables 2029 1952 2164				37.4%	34.5%	36.7%	36.0%	36.5%	36.4%	36.4%	36.4%	36.3%	36.1%	26.0%	26.0%	Working Cap'l (\$mill)	3500						
Inventory (LIFO) 12549 12748 14044				4.2%	4.3%	5.0%	5.5%	6.3%	6.8%	7.4%	7.7%	8.4%	8.8%	10.0%	10.0%	Long-Term Debt (\$mill)	25000						
Other 608 638 1104				2209.0	3537.0	3357.0	5144.0	3910.0	4530.0	4033.0	4467.0	3591.0	2739.0	3000	3500	Shr. Equity (\$mill)	1000						
Current Assets 17724 18933 20802				9667.0	8662.0	8707.0	10758	9475.0	14691	16869	20888	22349	24267	23500	24000	Return on Total Cap'l	54.0%						
Accts Payable 7000 7244 9407				17777	19393	18889	17898	17777	12522	9322.0	6316.0	4333.0	1500	1000	Return on Shr. Equity	NMF							
Debt Due 1252 2761 2203				11.9%	11.1%	13.0%	14.5%	18.3%	21.0%	25.0%	26.8%	31.6%	36.4%	45.5%	48.0%	Retained to Com Eq	NMF						
Other 5881 6189 6816				16.8%	14.5%	17.8%	21.7%	26.3%	43.0%	65.9%	108.4%	183.6%	NMF	NMF	All Div'ds to Net Prof	46%							
Current Liab. 14133 16194 18426				8.2%	6.6%	9.5%	12.6%	16.5%	25.1%	38.7%	60.4%	105.1%	NMF	NMF									

BUSINESS: The Home Depot, Inc. operates a chain of 2,286 retail building supply/home improvement "warehouse" stores across the U.S. and in Canada and Mexico (as of 7/29/18). Acquired Hughes Supply in 1/06. Average store size: roughly 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; plumbing, heating, & electrical; paint & furniture; seasonal and specialty items; hardware & tools. Has about 413,000 employees. Off. & dir. own less than 1.0% of common stock; The Vanguard Group, 7.0% (4/18 Proxy). Chairman, CEO, & President: Craig Menear, Inc.: DE. Addr.: 2455 Paces Ferry Road, Atlanta, Georgia 30339. Telephone: 770-433-8211. Internet: www.homedepot.com.

The Home Depot reported better-than-expected fiscal second-quarter (ended July 29th) results. The top line increased 8.4% from a year earlier, to \$30.463 billion, a bit ahead of our \$30.350 billion forecast. Comparable-store sales rose 8.0%, with the metric climbing 8.1% in the United States. After a cold, wet April weighed on demand for outdoor and seasonal items, more favorable weather conditions in the July term enabled sales of these goods to rebound nicely. In fact, it appeared that the majority of seasonal sales lost in the April term were recovered in the July period. Strength was also broad based across geographies and product categories. Growth in sales to professionals outpaced those to do-it-yourself (DIY) customers, while online sales surged 26%. Large-ticket sales (now defined as those over \$1,000) rose 20%. On the profitability front, the gross margin expanded 36 basis points from a year earlier, helped by a new accounting standard and partially offset by higher transportation and fuel costs. A lower tax rate and stock repurchases were also boons to the per-share tally, which clocked in at \$3.05, nicely ahead of our \$2.85 call. **The good times seem apt to continue.** The macroeconomic environment ought to remain favorable, given stout GDP growth, low unemployment, and rising wages and home prices, all of which have contributed to high levels of consumer confidence. The company's investments in its digital capabilities and its efforts to court professional customers should continue to drive sales, as well. Additionally, \$6 billion in expected stock repurchases this year, along with a roughly 10-percentage-point decline in the tax rate and modest gross-margin expansion, should give a nice lift to the bottom line, as will an extra week of sales versus last year. In sum, management raised its forecasts and now looks for sales growth of 7%, a comp increase of 5.3%, and earnings of \$9.42 a share. We've added a dime to our bottom-line call, to \$9.45 a share, but even this is likely on the conservative side. **We continue to like this timely blue-chip stock for a variety of investors, especially those with a conservative bent that are looking for a decent level of current income.** *Matthew Spencer, CFA September 21, 2018*

(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; '17, (\$0.17). Totals may not sum due to rounding. Next earnings report due November 13th. (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 1/28/18: \$2,275 mill. (\$1.96/share).	Company's Financial Strength A++
		Stock's Price Stability 95
		Price Growth Persistence 100
		Earnings Predictability 100