

## **The Home Depot Announces First Quarter Results; Updates Fiscal Year 2017 Guidance**

**Tuesday, May 16, 2017 10:00:00 AM (GMT)**

ATLANTA, May 16, 2017 /PRNewswire/ -- The Home Depot®, the world's largest home improvement retailer, today reported sales of \$23.9 billion for the first quarter of fiscal 2017, a 4.9 percent increase from the first quarter of fiscal 2016. Comparable store sales for the first quarter of fiscal 2017 were positive 5.5 percent, and comp sales for U.S. stores were positive 6.0 percent.

Net earnings for the first quarter of fiscal 2017 were \$2.0 billion, or \$1.67 per diluted share, compared with net earnings of \$1.8 billion, or \$1.44 per diluted share, in the same period of fiscal 2016. For the first quarter of fiscal 2017, diluted earnings per share increased 16.0 percent from the same period in the prior year.

"We were pleased with our results as they reflected broad-based growth across our interconnected platform and all geographies," said Craig Menear, chairman, CEO and president. "This was made possible by our hard working store associates, merchants and supply chain teams and our continued dedication to customer service."

### **Updated Fiscal 2017 Guidance**

Based on its year-to-date performance, the Company reaffirmed its fiscal 2017 sales growth guidance and expects sales will be up approximately 4.6 percent and comp sales will be up approximately 4.6 percent. The Company also raised its diluted earnings-per-share growth guidance for the year and now expects diluted earnings-per-share growth after anticipated share repurchases of approximately 11.0 percent from fiscal 2016 to \$7.15.

The Home Depot will conduct a conference call today at 9 a.m. ET to discuss information included in this news release and related matters. The conference call will be available in its entirety through a webcast and replay at [ir.homedepot.com/events-and-presentations](http://ir.homedepot.com/events-and-presentations).

At the end of the first quarter, the Company operated a total of 2,281 retail stores in all 50 states, the District of Columbia, Puerto Rico, U.S. Virgin Islands, Guam, 10 Canadian provinces and Mexico. The Company employs more than 400,000 associates. The Home Depot's stock is traded on the New York Stock Exchange (NYSE: HD) and is included in the Dow Jones industrial average and Standard & Poor's 500 index.

*Certain statements contained herein constitute "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements may relate to, among other things, the demand for our products and services; net sales growth; comparable store sales; effects of competition; state of the economy; state of the residential construction, housing and home improvement markets; state of the credit markets, including mortgages, home equity loans and consumer credit; demand for credit offerings; inventory and in-stock positions; implementation of store, interconnected retail, supply chain and technology initiatives; management of relationships with our suppliers and vendors; the impact and expected outcome of investigations, inquiries, claims and litigation, including those related to the 2014 data breach; issues related to the payment methods we accept; continuation of share repurchase programs; net earnings performance; earnings per share; dividend targets; capital allocation and expenditures; liquidity; return on invested capital; expense leverage; stock-based compensation expense; commodity price inflation and deflation; the ability to issue debt on terms and at rates acceptable to us; the effect of accounting charges; the effect of adopting certain accounting standards; store openings and closures; guidance for fiscal 2017 and beyond; financial outlook; and the integration of Interline Brands, Inc. ("Interline") into our organization and the ability to recognize the anticipated synergies and benefits of the acquisition. Forward-looking statements are based on currently available information and our current assumptions, expectations and projections about future events. You should not rely on our forward-looking statements. These statements are not guarantees of future performance and are subject to future events, risks and uncertainties – many of which are beyond our control or are currently unknown to us – as well as potentially inaccurate assumptions that could cause actual results to differ materially from our expectations and projections. These risks and uncertainties include but are not limited to those described in Item 1A,*

"Risk Factors," and elsewhere in our Annual Report on Form 10-K for our fiscal year ended January 29, 2017 and in our subsequent Quarterly Reports on Form 10-Q.

Forward-looking statements speak only as of the date they are made, and we do not undertake to update these statements other than as required by law. You are advised, however, to review any further disclosures we make on related subjects in our periodic filings with the Securities and Exchange Commission.

**THE HOME DEPOT, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS**  
**FOR THE THREE MONTHS ENDED APRIL 30, 2017 AND MAY 1, 2016**  
**(Unaudited)**  
**(Amounts in Millions Except Per Share Data and as Otherwise Noted)**

	<b>Three Months Ended</b>		
	<b>April 30, 2017</b>	<b>May 1, 2016</b>	<b>% Increase (Decrease)</b>
<b>NET SALES</b>	\$ 23,887	\$ 22,762	4.9 %
Cost of Sales	15,733	14,971	5.1
<b>GROSS PROFIT</b>	8,154	7,791	4.7
Operating Expenses:			
Selling, General and Administrative	4,361	4,281	1.9
Depreciation and Amortization	444	433	2.5
Total Operating Expenses	4,805	4,714	1.9
<b>OPERATING INCOME</b>	3,349	3,077	8.8
Interest and Other (Income) Expense:			
Interest and Investment Income	(13)	(7)	85.7
Interest Expense	254	244	4.1
Interest and Other, net	241	237	1.7
<b>EARNINGS BEFORE PROVISION FOR INCOME TAXES</b>	3,108	2,840	9.4
Provision for Income Taxes	1,094	1,037	5.5
<b>NET EARNINGS</b>	\$ 2,014	\$ 1,803	11.7 %
Basic Weighted Average Common Shares	1,198	1,247	(3.9) %
<b>BASIC EARNINGS PER SHARE</b>	\$ 1.68	\$ 1.45	15.9
Diluted Weighted Average Common Shares	1,204	1,252	(3.8) %
<b>DILUTED EARNINGS PER SHARE</b>	\$ 1.67	\$ 1.44	16.0

	<b>Three Months Ended</b>		
	<b>April 30, 2017</b>	<b>May 1, 2016</b>	<b>% Increase (Decrease)</b>
<b>SELECTED SALES DATA</b> <sup>(1)</sup>			
Number of Customer Transactions	380.8	374.8	1.6 %
Average Ticket (actual)	\$ 62.39	\$ 60.03	3.9
Sales per Square Foot (actual)	\$ 394.17	\$ 376.73	4.6

(1) Selected Sales Data does not include results for Interline, which was acquired in the third quarter of fiscal 2015.

**THE HOME DEPOT, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**AS OF APRIL 30, 2017, MAY 1, 2016 AND JANUARY 29, 2017**  
**(Unaudited)**  
**(Amounts in Millions)**

<b>April 30, 2017</b>	<b>May 1, 2016</b>	<b>January 29, 2017</b>
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<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,565	\$ 3,257	\$ 2,538
Receivables, net	2,164	1,989	2,029
Merchandise Inventories	13,609	13,219	12,549
Other Current Assets	558	545	608
Total Current Assets	<u>19,896</u>	<u>19,010</u>	<u>17,724</u>
Net Property and Equipment	21,789	22,243	21,914
Goodwill	2,095	2,123	2,093
Other Assets	1,164	1,200	1,235
<b>TOTAL ASSETS</b>	<u>\$ 44,944</u>	<u>\$ 44,576</u>	<u>\$ 42,966</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Short-Term Debt	\$ —	\$ —	\$ 710
Accounts Payable	9,138	8,711	7,000
Accrued Salaries and Related Expenses	1,353	1,339	1,484
Current Installments of Long-Term Debt	544	44	542
Other Current Liabilities	5,403	5,055	4,397
Total Current Liabilities	<u>16,438</u>	<u>15,149</u>	<u>14,133</u>
Long-Term Debt, excluding current installments	22,393	20,904	22,349
Other Liabilities	2,151	2,188	2,151
Total Liabilities	<u>40,982</u>	<u>38,241</u>	<u>38,633</u>
Total Stockholders' Equity	3,962	6,335	4,333
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u>\$ 44,944</u>	<u>\$ 44,576</u>	<u>\$ 42,966</u>

**THE HOME DEPOT, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED APRIL 30, 2017 AND MAY 1, 2016**  
**(Unaudited)**  
**(Amounts in Millions)**

	<b>Three Months Ended</b>	
	<b>April 30, 2017</b>	<b>May 1, 2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Earnings	\$ 2,014	\$ 1,803
Reconciliation of Net Earnings to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	505	486
Stock-Based Compensation Expense	81	72
Changes in Working Capital and Other	1,964	1,275
Net Cash Provided by Operating Activities	<u>4,564</u>	<u>3,636</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital Expenditures	(458)	(325)
Proceeds from Sales of Property and Equipment	13	4
Net Cash Used in Investing Activities	<u>(445)</u>	<u>(321)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayments of Short-Term Debt, net	(710)	(350)
Proceeds from Long-Term Debt, net of discounts	—	2,989
Repayments of Long-Term Debt	(11)	(3,012)
Repurchases of Common Stock	(1,289)	(1,157)
Proceeds from Sales of Common Stock	31	29
Cash Dividends Paid to Stockholders	(1,069)	(862)
Other Financing Activities	(33)	25
Net Cash Used in Financing Activities	<u>(3,081)</u>	<u>(2,338)</u>
Change in Cash and Cash Equivalents	1,038	977
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(11)	64
Cash and Cash Equivalents at Beginning of Period	2,538	2,216
Cash and Cash Equivalents at End of Period	<u>\$ 3,565</u>	<u>\$ 3,257</u>

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**Industries:** Retail, Home Improvement, Household & Consumer Products

**Languages:** English

**Primary Identifiers:** HD-US

**Related Identifiers:** HD-US

**Subjects:** Conference Call Announcements, Earnings, Dividends & Forecasts, Human Interest Groups