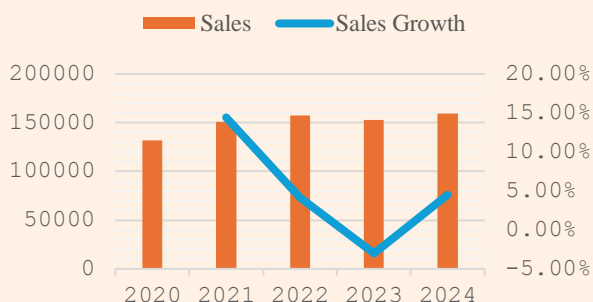


# THE HOME DEPOT

Date: 05/10/2025	Current Price: \$362.71(05/10/2025)	Recommendation: HOLD
Ticker: NYSE Home Depot Inc (HD)	Headquarters: Georgia, Atlanta, USA	Target Price: \$273.82



## Total Sales



Weighted Target Price			
Valuation Method	Per Share Value	Weights	
DCF	177.67	25%	44.4163598
Exit Multiple	\$329.93	50%	164.9652214
DDM	\$257.74	25%	64.4346435
		<b>Target Price</b>	<b>273.8162247</b>

We recommend a **Hold** on Home Depot with a one-year target price of **\$273.82**, suggesting the stock is overvalued at current levels. While the company remains a compelling long-term growth story with a premium retail home improvement brand, near term upside potential is limited due to compressed macroeconomic uncertainty, which heightens overall risk exposure.

### Company Snapshot

Home Depot (HD) operates within U.S. home improvement retail industry, part of broader consumer discretionary sector which is influenced by housing trends, consumer spending and macroeconomic conditions. The company competes with peers like Lowe's, Floor and Décor, etc. all of which provides a mix of DIY products and professional contract services. Home depot's listing in multiline retail and specialty retail industry group position it within a sector sensitive to interest rates, real estate activities and seasonal demand function.

### Market Conditions

Despite outperforming S&P 500 last year with a 10.63% return compared to the index's 9.85%, Home Depot has underperformed year-to-date with a -5.38% decline. Broader macroeconomic uncertainty including tariff concerns, has significantly impacted the U.S. equity market, and Home Depot has not been immune to this pressure. Additionally, reductions in consumer spending and persistent inflation fears-key themes in today's economic landscape-pose downside risks for the consumer discretionary sector heading into 2025.

### Growth Drivers

Home Depot aims to accelerate growth through its Pro Business segment, which was strengthened by last year's SRS acquisition. The company is focused on enhancing competitiveness by lowering product and transportation costs and reducing fixed expenses over time. Management has prioritized a balanced capital allocation strategy: reinvesting for growth that outpaces the broader market, paying a consistent quarterly dividend, and returning excess cash to shareholders through share repurchases.

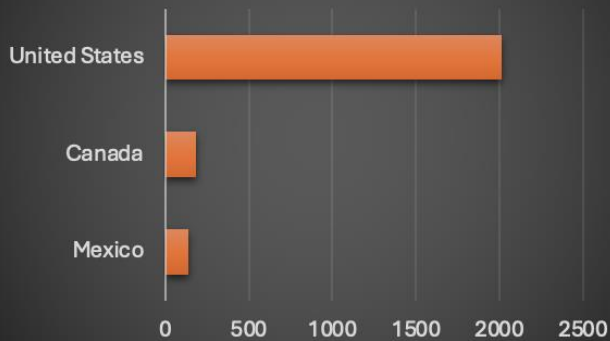
### Highlights

**Home Depot is committed to enhancing the interconnected shopping experience:** May6, 2025. Home Depot's competitive position is anticipated to continue to benefit the company. Shops with a strong omnichannel presence are preferred by consumers, and those without these features may find it difficult to draw in clients.

**Home Depot Just Raised Its Dividend by The Lowest Amount In 15 Years. Here's Why the Dow Jones Dividend Stock Is Still Worth Buying Now:** March 1, 2025. Home Depot stock popped 2.8% on Tuesday despite reporting weak fiscal 2024 results and fiscal 2025 guidance. In addition to its results, Home Depot announced a mere 2.2% dividend raise, which was the smallest increase since the home improvement company began raising its payout in 2010.

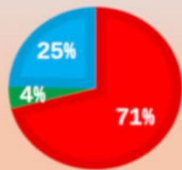
**The Home Depot Inc (HD) Q4 2024 Earnings Call Highlights: Strong Sales Growth Amidst Margin:** February 26, 2025. The Home Depot Inc reported a 4.5% increase in total sales for fiscal 2024, reaching \$159.5 billion. The acquisition of SRS contributed \$6.4 billion in sales for the seven months since acquisition, with plans for further growth. The company opened 12 new stores in fiscal 2024, with plans to open 13 more in fiscal 2025, supporting growth in high-demand areas.

## Total Stores By Region

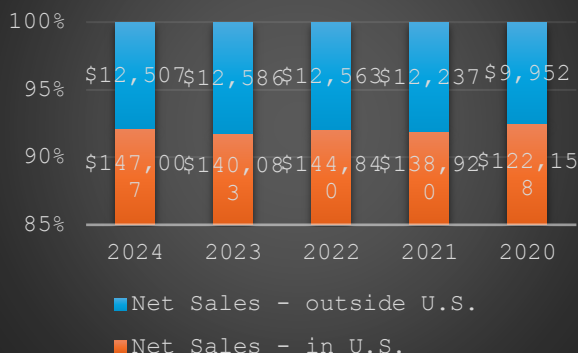


## HOLDINGS OF SHARES

■ Institutional Investors ■ Insiders ■ Retail Investors



## Net Sales By Region



## Business Description

Home Depot, Inc. is the largest home improvement retailer in the United States, providing a wide range of products for home construction, renovations, and maintenance. Home Depot was founded in 1978 by Bernie Marcus and Arthur Black and is headquartered in Atlanta, Georgia. Home Depot operates over 2,300 stores across North America. They have over 2000 locations in the United States, and 182 and 139 stores in Canada and Mexico, respectively. Home Depot's motto: "How Doers Get More Done.", which reflects the company's mission to empower both individual homeowners and contractors by providing the necessities and support to complete projects.

Home Depot serves three primary customer segments: DIY (do-it-yourself) consumers, professional contractors, and installation services clients. Its product offerings span categories such as materials, tools, hardware, appliance, and outdoor furniture and decor. In addition to their physical retail operations, Home Depot has a significant online presence, with robust e-commerce capabilities that offers a buy online, pick up in-store method. Home Depot is also committed to sustainability, innovation, and digital transformation, aiming to enhance customer experience and their operational efficiency.

Home Depot is a publicly traded company, listed on the New York Stock Exchange (NYSE) under the ticker symbol HD and is a constituent in both the Dow Jones and S&P 500 indexes.

## Management and Governance

### Senior Management

Home Depot's senior management team is made up of experienced leaders who oversee different strategic and operational functions that are critical to Home Depot's performance. Ted Decker is the current Chief Executive Officer (CEO) of Home Depot, he is responsible for guiding the overall strategy of the company and is instrumental in blending Home Depot's retail approach and their digital experiences. Supporting Decker is Richard McPhail as the Chief Financial Officer (CFO) and Executive Vice President (EVP), Ann-Marie Campbell as another EVP, and Fahim Siddiqui as another EVP and the Chief Information Officer. Home Depot's board of directors is comprised of 12 members, which includes Decker. The board reflects a mix of expertise from various industries such as finance, technology, and consumer products. The board of directors has also strong representation of gender and ethnic diversity, allowing for more balanced oversight.

To ensure effective governance, the board operates several key committees. These include: the Audit Committee, Leadership Development and Compensation Committee, Nominating and Corporate Governance Committee, and Finance Committee. Together, these committees drive Home Depot's risk management, strategic direction, and long-term shareholder value creation.

### Stock Information

As of 2025, approximately 71% of Home Depot's shares are held by institutional investors, 4.3% by insiders, and the remaining by retail investors. The top institutional shareholders Vanguard Group Inc. and Blackrock Inc., owning 9.63% and 7.37%, respectively. Among the insiders, Ken Langone, an investment banker who played a crucial role in securing the initial capital for the company, holds approximately 1.66% worth of shares.

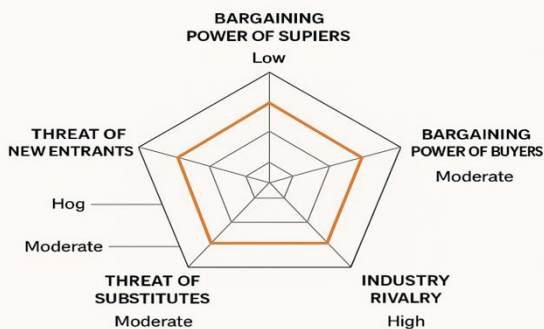
## Home Depot Key Statistics

Revenue  
: \$159.5  
Billion

Nearly  
30% of  
Industry  
Revenue

Net  
Income:  
\$14.8  
Billion

### PORTER'S FIVE FORCES ANALYSIS HOME DEPOT



	Market Cap	Market Weight	Revenue (2024)
Home Depot	362.101 B	72.56%	159,514,000,000
Lowes	128.283 B	25.71%	83,674,000,000
Floor & Decor	7.942 B	1.59%	4,455,770,000

## Management Guidance

In the latest earnings report, Home Depot provided cautious guidance for the upcoming year, notably mentioning macroeconomic challenges and potential slowdowns in the housing market as rates remain elevated. Despite the strong fourth-quarter results and a dividend increase, the company's outlook was more conservative. The company is staying committed and focused on its "One Home Depot" strategy to create a seamless interconnected shopping experience for consumers.

## Industry Overview and Competitive Positioning

### Industry Overview

The retail home improvement industry is expected to reach ~\$615.58 billion market value by 2029, with an annual growth rate of ~2.78%. This growth in the home improvement retail industry is fueled by a rising demand for personalization and customization, as well as smart home technology integration. Growth in this industry has been steady over the past decades, mostly driven by a growing interest in renovation and remodeling projects, as well as a movement to upgrade aging houses. E-commerce has also become increasingly important in the home improvement retail industry, with consumers expecting seamless omnichannel experiences.

### Key Industry Trends:

**DIY Initiatives and Digital Inspiration:** Consumers are inspired by to recreate what they see.

**Consumers Focus on Small, Impactful Projects:** Rather than opting for completely new builds, consumers are focusing on smaller projects, with more value because of its cost effectiveness.

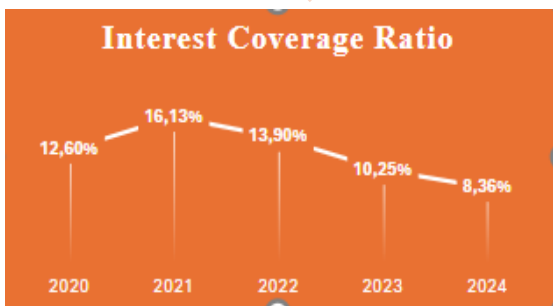
**Smart Home and Sustainable Products:** Consumers are shifting to newer technology for their residences that is more eco-friendly.

### Competitive Positioning

Within this competitive landscape, Home Depot holds a leading position. Home Depot is regarded as the largest home improvement retailer in the United States and one of the most dominant players globally. Its closest competitor is Lowe's Companies, Inc., and there are other regional and specialty stores as well. Home Depot distinguishes itself from its competition through its product offerings, strong customer base, digital development and transformation, and their investments in supply chain efficiency. With over 2,300 stores in North America and their digital presence, Home Depot has maintained a strong competitive advantage and continues to adapt to changing consumer preferences.

## FINANCIAL ANALYSIS

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Shareholder Ratios</b>					
<b>Earnings per share</b>	11.98	15.59	16.74	15.11	14.91
<b>Dividend Payout Ratio</b>	49.79%	50.27%	55.02%	42.13%	52.87%
<b>Dividend per share</b>	6	6.6	7.6	8.36	9
<b>P/E Ratio</b>	22.25	22.53	23.6	18.97	23.51
<b>P/S Ratio</b>	2.26	2.2	2.56	2.06	2.32
<b>Activity Ratio</b>					
<b>Inventory Turnover Ratio</b>		12.9	12.41	12.3	12.6
<b>Days of Inventory on Hand</b>		28.29	29.4	29.67	28.97
<b>Asset Turnover</b>		3.31	3.54	3.51	3.64
<b>Liquidity Ratio</b>					
<b>Current Ratio</b>	1.0781	1.2293	1.0126	1.4051	1.3525
<b>Financial Leverage</b>					
<b>Equity Multiplier</b>	16.4429	21.395	42.38	48.94	73.305
<b>Debt to Equity Ratio</b>	11.8585	13.373	27.072	33.145	51.217
<b>Interest Coverage Ratio</b>	12.6043	16.137	13.9	10.254	8.3611
<b>Debt to Assets</b>	1.06082	0.9533	1.0236	0.9796	0.9864



### Profitability Outlook

Home Depot's gross margin has remained stable around 33% over the past five years, with a flat projection going forward. This reflects strong pricing power, efficient supply chain management, and consistent cost of goods sold (COGS) control. Home Depot's operating profit margin peaked in 2022 at 16.83%, slightly declined since then, and is forecasted to stabilize at 15%.

This dip reflects increased SG&A expenses (e.g., labor costs, technology investments) and a more competitive retail environment putting pressure on operating efficiency.

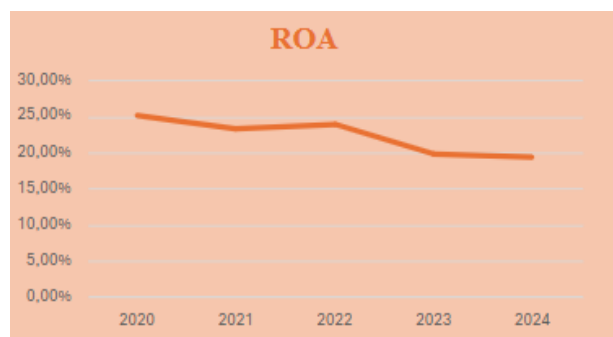
EBIT margin has declined steadily, reflecting higher depreciation and amortization relative to operating income. Home Depot's net profit margin has narrowed last year, due to its long-term debt it raised to acquire SRS in 2024, which resulted in the increase of interest expenses impacting EPS.

A decline in ROA reflects Home Depot's increased investment in assets (such as acquisition of SRS and new store openings) in 2024. Even at 18–19%, Home Depot's asset efficiency remains strong, showcasing effective use of store footprints and online logistics.

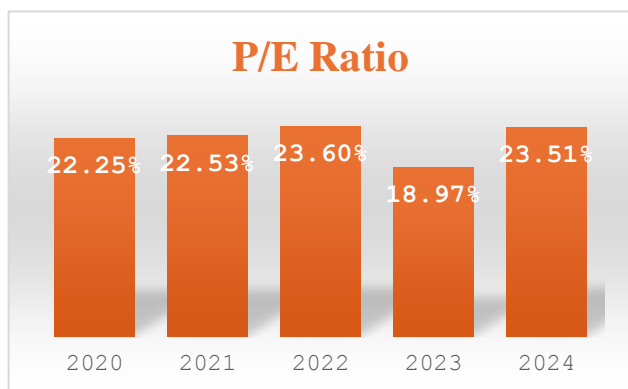
### Operating Efficiency

Home Depot is turning over its inventory roughly every 28–30 days, which is very efficient for a large-scale retailer. The slight dip from 12.9 to 12.3 suggests a minor slowdown in inventory movement, due to higher SKUs. A high and rising asset turnover ratio reflects efficient use of assets to generate sales. For Home Depot, this signals strong store productivity and effective capital deployment, particularly through in-store and e-commerce synergy.

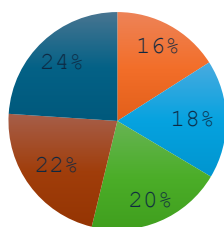




Target	
Rating	Neutral
Current Price	\$362.71
Target Price	\$273.82
Limited Downside	34.35%
Action Recommended	Hold



## Dividend Per Share



2020 2021 2022 2023 2024

## Liquidity Ratio

Home Depot's Current Ratio ranges from 1.01 to 1.41, with more recent periods stabilizing at 1.35. It indicates that the company can meet its short-term obligations, without holding excessive liquidity.

## Financial Leverage

Home Depot's increasing equity multiplier from 16.44 to 73.3 and Debt to equity Ratio rising from 11.86 to 51.22 suggests its rising financial leverage. The company has taken on substantial debt relative to equity, especially by issuing long-term debt in buying its acquisition of SRS last year, meaning a growing portion of assets being financed is by debt. Despite Home Depot remains comfortably above 1 on Interest Coverage Ratio (indicating the ability to cover interest payments), the decreasing trend implies rising interest expense pressures on its lowering EBIT.

Despite Home Depot remains comfortably above 1 on Interest Coverage Ratio (indicating the ability to cover interest payments), the decreasing trend implies rising interest expense pressures on its lowering EBIT.

## Shareholder Returns

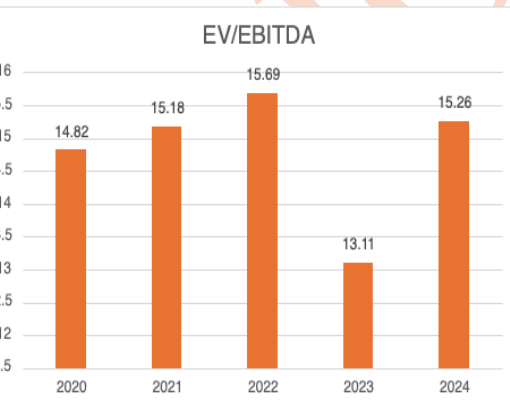
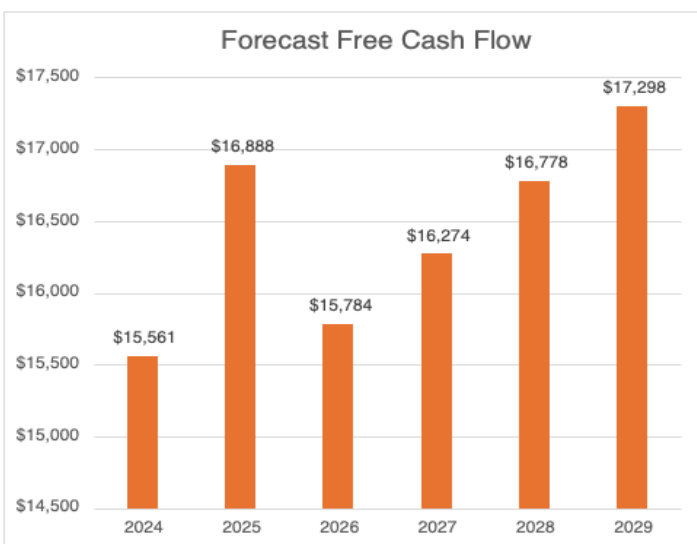
Home Depot commits to returning about half of its earnings to shareholders, balancing reinvestment and shareholder value creation. It has seen strong dividend growth and share buybacks up until 2024, when management announced a pause in its share buybacks due to its plans of acquisition of SRS. In its 2025 Fiscal year guidance, management announced to pay a mere 2.2% dividend raise totaling \$9.2 per share in 2025. It is the smallest increase since the home improvement company began raising its payout in 2010.

## Valuation Multiples

Home Depot demonstrates the characteristics of a mature, shareholder-oriented enterprise, marked by solid profitability, a disciplined dividend policy, and consistently strong returns. Despite a modest 2025 dividend increase—the smallest since 2010—the company's long-term track record of returning capital reinforces investor confidence. Over the past five years, Home Depot's average share price growth rate of 6.05%, alongside steady EPS gains, has coincided with a rising P/E ratio (from 18.97 to 29.08) and an expanding P/S ratio (from 2.04 to 2.56). These valuation increases reflect investor willingness to pay a premium for the company's perceived earnings quality and resilience. However, the narrowing dividend growth and plateauing fundamentals suggest that while Home Depot remains financially sound, its future growth is likely to be more moderate—supporting higher valuations only if operational performance stays stable.

Valuation with WACC 2024	
Enterprise Value (EV)	\$ 250,266.45
Cash Surplus	-20196
Total Company Value	\$ 230,070.45
Debt	53471
Market Value of Equity (MVE)	\$ 176,599.45
Number of Shares Outstanding	994
Stock Price (\$) based on FCF)	\$ 177.67

Cost of Capital and Growth	Assumptions
Terminal Growth Rate of FCF (g)	2.50%
Cost of Equity (R_E)	9.45%
Cost of Debt (R_D)	4.13%
Ratio of Debt to Enterprise Value	21.82%
Weighted Average Cost of Capital (WACC)	8.75%



	2025	2026	2027	2028	2029
Free Cash Flows FCF = EBIT x (1 - Tax Rate) - ΔNA	\$16,888	\$15,784	\$16,274	\$16,778	\$17,298
TV					\$400,078
CF	\$16,888	\$15,784	\$16,274	\$16,778	\$417,376
PVCF	\$15,529.93	\$13,347.07	\$12,653.87	\$11,996.67	\$274,423.31
EV					\$327,950.86
OUTSTANDING PRICE					994
SHARE PRICE					\$329.93

## VALUATION

We use 50% weight of DCF using Exit Multiple, 25% weight of DCF Using DDM, and 25% weight of DCF using golden growth rate to derive the intrinsic value. Home Depot is a value stock that has a high sensitivity to many risks and DCF using the Golden Growth rate does not respond well to the market valuation. For all DCF Mode, we assume the sales growth rate will become 3.1% for several years after 2025 and will keep growing by 2.5% each year. The WACC we calculate is about 8.75%.

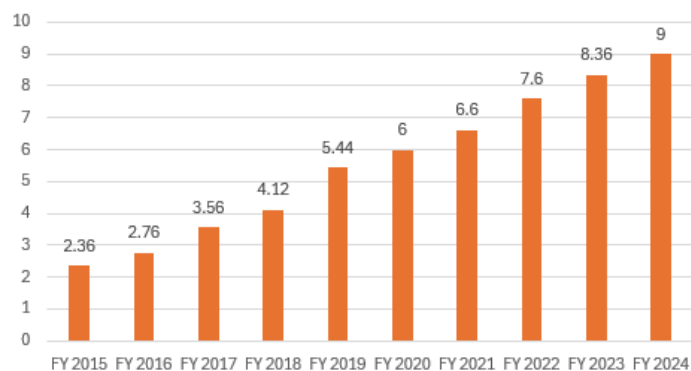
### DCF (Gordon Growth Model)

The DCF method estimates a company's intrinsic value by projecting its future free cash flows (FCF) and discounting them to present value using its weighted average cost of capital (WACC). FCF grows from \$16.9B in 2025 to \$17.3B in 2029, reflecting moderate growth. After 2029, cash flows are assumed to grow perpetually at 2.5%. So, the Terminal value by the Gordon Growth Model is around \$283.78 Billion. However, the 2025 FCF is much higher than 2026 or 2027. The reason is the variation in Net Assets between 2024 and 2025 is negative, and after that, the variation is around \$1billion, so this may cause the free cash flow to be so high in 2025. Then we use the PV of FCF adding TV to get an Enterprise value of \$245.6 Billion. Finally, minus net debt, the Market Value of Equity is \$176.4 billion. There are about 994 million shares outstanding, so the final price is \$177.67. it is lower than the stock price today.

### Exit Multiple

The Exit Multiple Method estimates a company's terminal value by applying a valuation multiple (typically EV/EBITDA) to projected financials in the final forecast year. In the chart we can see the EV/EBITDA from 2020 to 2024, and we can use these years to get the average EV/EBITDA to forecast 2029 that should around 13.979. Under this model we can get the final price is \$329.93.

### Dividends Per Shares



### DDM (Dividend Discount Model)

In the Home Depot Fiscal report released in February 2025, it announced that it will increase its quarterly dividend payment for 2025 by 2.2%, which means that it will pay a \$9.2 dividend in 2025. And from 2015 to 2024, Home Depot's dividend payment is consistently on the rise from 2.36 to \$9. So, we decided to use DDM because Home Depot has consistently maintained its dividend payout to its customers and has seen higher growth each year. The Dividend growth rate average is about 17.57% and the payout ratio average is about 50.36%. So, we forecast the Dividend for the next several years will increase by 17.57% and we get the price is around \$257.74

### Dividend Forecast Based on Dividend Growth Rate

	FY 2025E	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E
Number of Years	1	2	3	4	5	
Average Dividend Growth rate	17.57%	17.57%	17.57%	17.57%	17.57%	
Dividend per Share	10.58	12.44	14.63	17.20	20.22	331.67
NPV	\$9.73	\$10.52	\$11.37	\$12.30	\$13.29	\$200.53
DDM Value	\$257.74					

### SENSITIVITY ANALYSIS

WACC \ Terminal Growth Rate	2.00%	2.50%	3.00%
8.25%	\$264.00	\$272.00	\$279.50
8.75% (Base Case)	\$268.00	\$273.82	\$275.00
9.25%	\$272.50	\$273.00	\$273.50

To assess the impact of key valuation assumptions on Home Depot's intrinsic value, we conducted a two-way sensitivity analysis varying the Weighted Average Cost of Capital (WACC) and Terminal Growth Rate (TGR). These two inputs significantly influence the terminal value in a DCF, which in turn heavily affects the total enterprise value for growth-stage companies like Home Depot.

Assumptions Tested:

WACC Range: 8.25% to 9.00%

Terminal Growth Rate Range: 2.00% to 3.00%

Key Findings:

- At our base case assumptions (WACC of 8.75% and TGR of 2.50%), the implied per-share value is \$273.82.
- Increasing the terminal growth rate to 3.00% while holding WACC constant at 8.75% increases the share value to \$275.
- Conversely, a decrease in TGR to 2.00% under the same WACC assumption drops the valuation to \$268.
- A more optimistic WACC of 8.25% with the highest tested TGR of 3.00% yields the highest share value in the table \$279.50.
- The lowest scenario a combination of the Lowest WACC (8.25%) and the lowest terminal growth (2.00%) results in a valuation of \$264.

Interpretation:

This sensitivity matrix illustrates that Home Depot's valuation is indeed highly sensitive to changes in both WACC and terminal growth assumptions, though the range is not excessively wide. The valuation range stays between \$264 and \$279.50, suggesting a relative stable and resilient core valuation even under less favorable circumstances.

This limited downside, paired with the moderate upside potential, supports Hold recommendation at current levels. However, there remains a room for an upgrade to Buy, should key catalysts (margin expansion, accelerated comp sales, improved operating leverage) materialize and push valuation towards the higher end of sensitivity range.

WACC						
	\$ 272.24	8.00%	8.25%	8.50%	8.75%	9.00%
	3.83%	\$253.84	239.48	226.66	215.15	204.74
<b>Sales CARG</b>	4.83%	337.13	312.49	291.2	273.81	256.29
	5.83%	497.19	445.83	404.08	369.49	340.35

To know the growth expectations and discount rate assumptions on Home Depot's valuation, we conducted a 2- way sensitivity analysis using Sales CAGR and WACC. These inputs significantly influence the future cash flows and discounting.

Assumptions Tested:

WACC Range: 8.00% to 9.00%

Sales CAGR: 3.83% to 5.83%

Key Findings:

At the base case, WACC 8.75%, Sales CAGR 4.83%, the implied per share value of \$273.82.

At the most optimistic scenario, WACC 8% CAGR 5.83%, the implied share price rose to \$497.19, nearly doubling case and it signifies higher growth expectations boost valuation.

Even under strong growth rate CAGR 5.83%, increasing the WACC 9% drops the valuation to \$340.35, a reduction of over 30%.

The conservative scenario, lowest CAGR 3.83% AND WACC 9% suggesting 25% of downside from the base case.

Interpretation:

This analysis clearly states that Home Depot's valuation is highly sensitive to both revenue and growth expectations. Faster sales growth significantly amplifies valuation, when paired with lower WACC. On the contrary, higher discount rates combined with muted growth can erode equity value. Overall, the valuation ranges from \$204.74 to \$497.19 demonstrates both substantial upside potential and downside risk. This sensitivity validates Hold recommendation, current valuation appears to be fair under base assumptions, but improving fundamentals can unlock meaningful upside potential.

## ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG):

### Environmental Stewardship

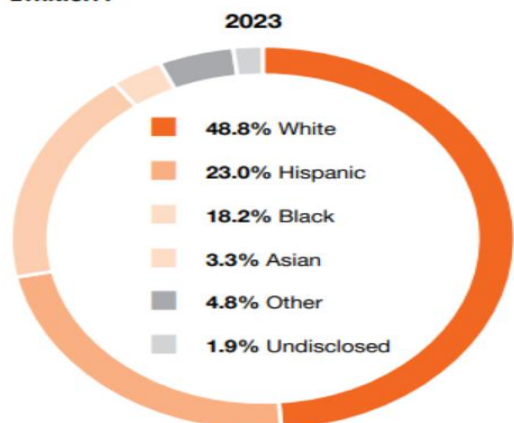
The Home Depot has adopted robust measures to reduce its environmental footprint. In 2023, it reduced Scope 1 and Scope 2 carbon emissions by 172,000 metric tons compared to 2022. The company achieved a cumulative reduction of over 2.8 million metric tons of carbon dioxide equivalent since 2010. Additionally, approximately 500 stores, distribution centers, and office locations operated on renewable electricity in fiscal 2023. Through its Eco Actions program, The Home Depot has helped customers save 250 billion gallons of water and over \$24 billion on utility bills since 2010 by offering more efficient products. The company also diverted 3.4 million tons of waste from landfills in 2023. Moreover, it sold more than 270 million Energy Star, Water Sense, and Safer Choice products in the same fiscal year. Notably, The Home Depot set ambitious environmental goals, such as reducing carbon emissions by 42 percent by 2030 and achieving 100 percent renewable electricity usage across its facilities by 2030. These initiatives underscore its proactive role in environmental conservation.

### Social Impact

The Home Depot demonstrates an extensive commitment to its workforce and communities. In 2023, it invested approximately \$350 million in training and development for associates, including over 11 million hours of training delivered. The company also provided more than \$19 million in financial



THE HOME DEPOT U.S. WORKFORCE BY RACE/ETHNICITY<sup>11</sup>





## Our Eight Core Values



assistance to associates through The Home Depot Foundation. Additionally, the Foundation committed over \$500 million to veteran causes since 2011 and improved over 55,000 veteran homes.

Diversity and inclusion remain central pillars in its social initiatives. As of 2023, 37 percent of U.S. associates identified as women and 53 percent as racially or ethnically diverse. The company continues to invest in supplier diversity and reported over \$3.3 billion in spending with diverse suppliers in 2023.

### Governance Practices

The Home Depot upholds high standards of corporate governance. Its Board of Directors is composed of 31 percent women and 23 percent racially or ethnically diverse members. All Board committees are chaired by independent directors, reinforcing governance transparency. The company achieved a 100 percent completion rate for its annual Code of Conduct training among salaried associates.

Risk management practices extend to data privacy and cybersecurity. The company invested in ongoing security awareness training and has an enterprise-wide data protection program.

### Sustainable Supply Chain Management

The Home Depot integrates sustainability across its expansive supply chain. In 2023, it collaborated with suppliers to reduce the environmental impact of products through the Eco Actions program, leading to the sale of over 270 million environmentally preferable products. Additionally, 78 percent of wood products sold were certified to credible sustainability standards such as Forest Stewardship Council or Sustainable Forestry Initiative.

The company also works with third-party organizations to evaluate social and environmental practices in its global supply chain. In 2023, it conducted over 1,100 responsible sourcing audits. Furthermore, it engaged with over 300 suppliers through its Responsible Sourcing program to ensure compliance with labor and environmental standards.

### Investment Risk

Home Depot's most significant strategic risk in FY2024 was the \$17.6 billion acquisition of SRS Distribution Inc., finalized in the second quarter. While the acquisition is expected to enhance sales growth, generate cost synergies, and expand the company's capabilities, it introduces several risks. These include the complexity of integrating technology systems, human resources, compliance protocols, and operations across both businesses.

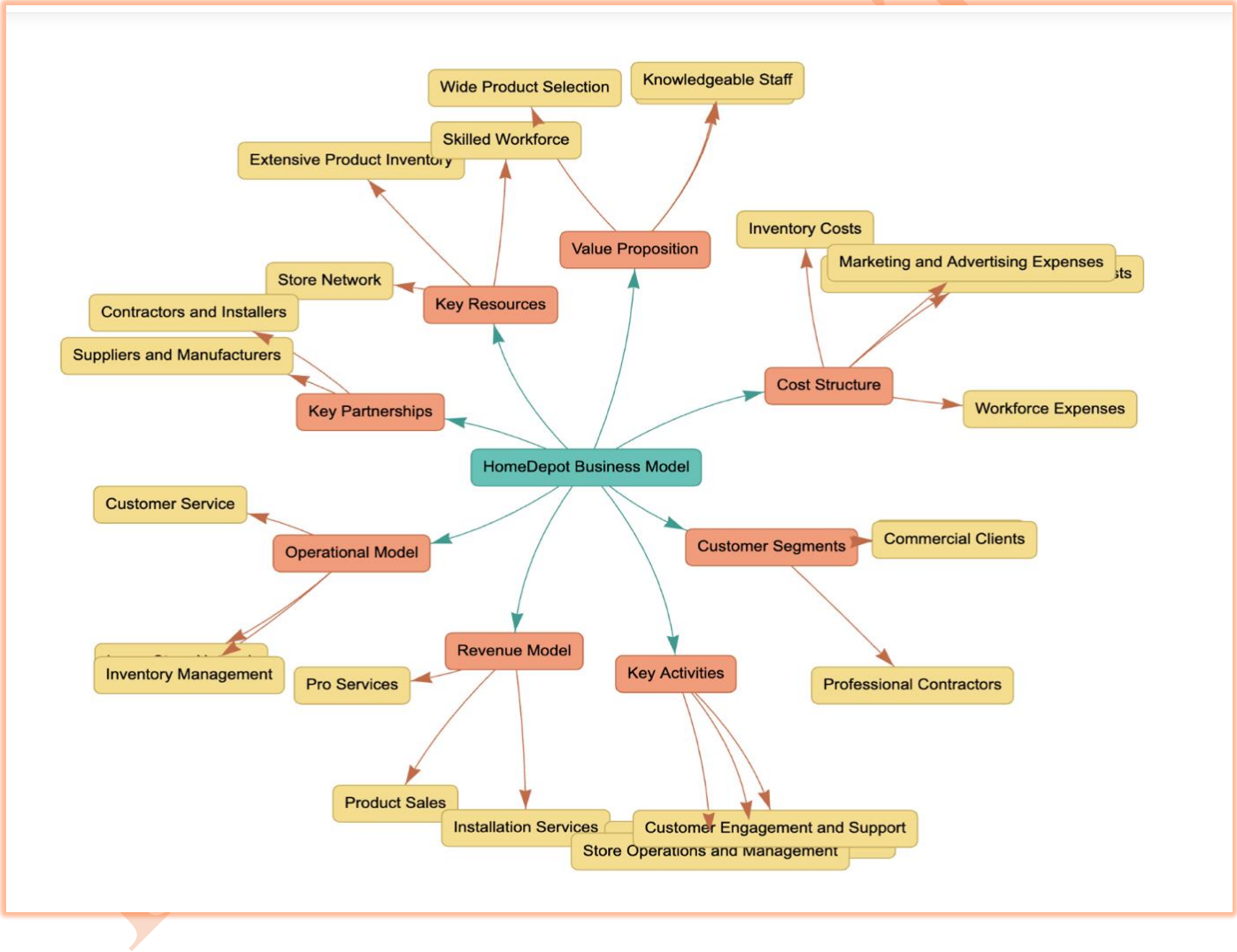
Home Depot's performance remains closely tied to macroeconomic factors and market volatility. The company is sensitive to interest rate changes, with a 1% increase in rates on its \$6 billion floating-rate debt projected to raise annual interest expenses by \$60 million. Additionally, its sales are influenced by remodeling activity, which weakened in FY2024 amid high mortgage rates and reduced consumer confidence. Commodity price volatility, particularly in unhedged inputs like lumber and fuel, also adds uncertainty to earnings, as competitive pressures limit the ability to pass higher costs to customers.

Rising cybersecurity, sustainability, and ESG regulatory compliance requirements present additional risks. Increased general and administrative costs are anticipated due to evolving stakeholder expectations and heightened enforcement. Failure to meet disclosure or compliance standards could result in fines, reputational damage, and delayed returns on ESG investments.

Finally, Home Depot's cash flow risk rose considerably following the SRS acquisition, with a \$16.3 billion increase in net investing cash outflows compared to the prior year. The transaction was primarily financed through \$10 billion in long-term debt, \$649 million in paused share repurchases, and \$316

million in commercial paper borrowings, which were repaid within the year. These factors collectively elevate the company's liquidity and financial management risks in the near term.

Appendix A: Home Depot Business Model



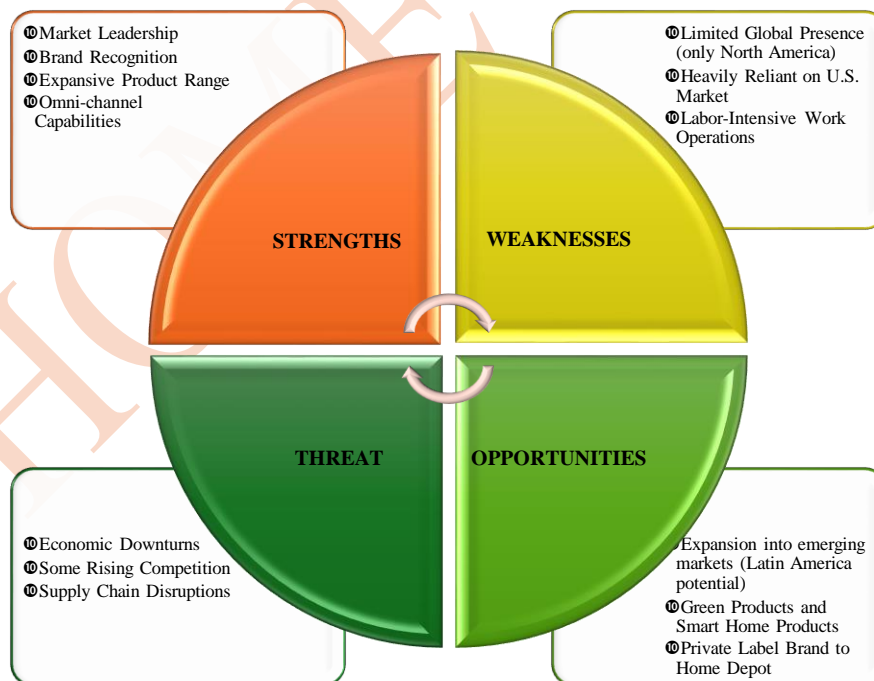
## Appendix B : Forecasted Income Statement Of Home Depot

Fiscal Period Ending	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Sales	132110.00	151157.00	157403.00	152669.00	159514.00	163980.39	169063.78	174304.76	179708.21	185279.16
Revenue Growth Rate		14.42%	4.13%	-3.01%	4.48%	2.80%	3.10%	3.10%	3.10%	3.10%
<b>Total Revenue</b>	<b>132110</b>	<b>151157</b>	<b>157403</b>	<b>152669</b>	<b>159514.00</b>	<b>163980.39</b>	<b>169063.78</b>	<b>174304.76</b>	<b>179708.21</b>	<b>185279.16</b>
Cost Of Goods Sold	87257.00	100325.00	104625.00	101709.00	106206.00	109866.86	113272.74	116784.19	120404.50	124137.04
	66.05%	66.37%	66.47%	66.62%	66.58%	67.00%	67.00%	67.00%	67.00%	67.00%
Gross Profit	44853.00	50832.00	52778.00	50960.00	53308.00	54113.53	55791.05	57520.57	59303.71	61142.12
Operating Expense	24447.00	25406.00	26284.00	26598.00	28748.00	29516.47	30431.48	31374.86	32347.48	33350.25
	18.51%	16.81%	16.70%	17.42%	18.02%	18.00%	18.00%	18.00%	18.00%	18.00%
<b>EBITDA</b>	<b>20406.00</b>	<b>25426.00</b>	<b>26494.00</b>	<b>24362.00</b>	<b>24560.00</b>	<b>24597.06</b>	<b>25359.57</b>	<b>26145.71</b>	<b>26956.23</b>	<b>27791.87</b>
Depreciation & Amort.	2128.00	2386.00	2455.00	2673.00	3034.00	2755.47	2840.89	2928.96	3019.76	3113.37
	1.61%	1.58%	1.56%	1.75%	1.90%	1.68%	1.68%	1.68%	1.68%	1.68%
<b>EBIT</b>	<b>18278.00</b>	<b>23040.00</b>	<b>24039.00</b>	<b>21689.00</b>	<b>21526.00</b>	<b>21841.59</b>	<b>22518.68</b>	<b>23216.75</b>	<b>23936.47</b>	<b>24678.50</b>
Interest Expense on Debt	1347.00	1347.00	1617.00	1943.00	2321.00	2385.99	2459.95	2536.21	2614.83	2695.89
	1.02%	0.89%	1.03%	1.27%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%
Other Financial Expense/(Income)	-47.00	-44.00	-55.00	-178.00	-201.00	-206.63	-213.03	-219.64	-226.45	-233.47
Pretax Income	16978.00	21737.00	22477.00	19924.00	19406.00	19248.97	19845.69	20460.90	21095.19	21749.14
Taxes	4112.00	5304.00	5372.00	4781.00	4600.00	4619.75	4762.97	4910.62	5062.85	5219.79
					23.70%	24.00%	24.00%	24.00%	24.00%	24.00%
<b>Net Income</b>	<b>12866.00</b>	<b>16433.00</b>	<b>17105.00</b>	<b>15143.00</b>	<b>14806.00</b>	<b>14629.22</b>	<b>15082.72</b>	<b>15550.29</b>	<b>16032.35</b>	<b>16529.35</b>

### Appendix C : Short Balance Sheet

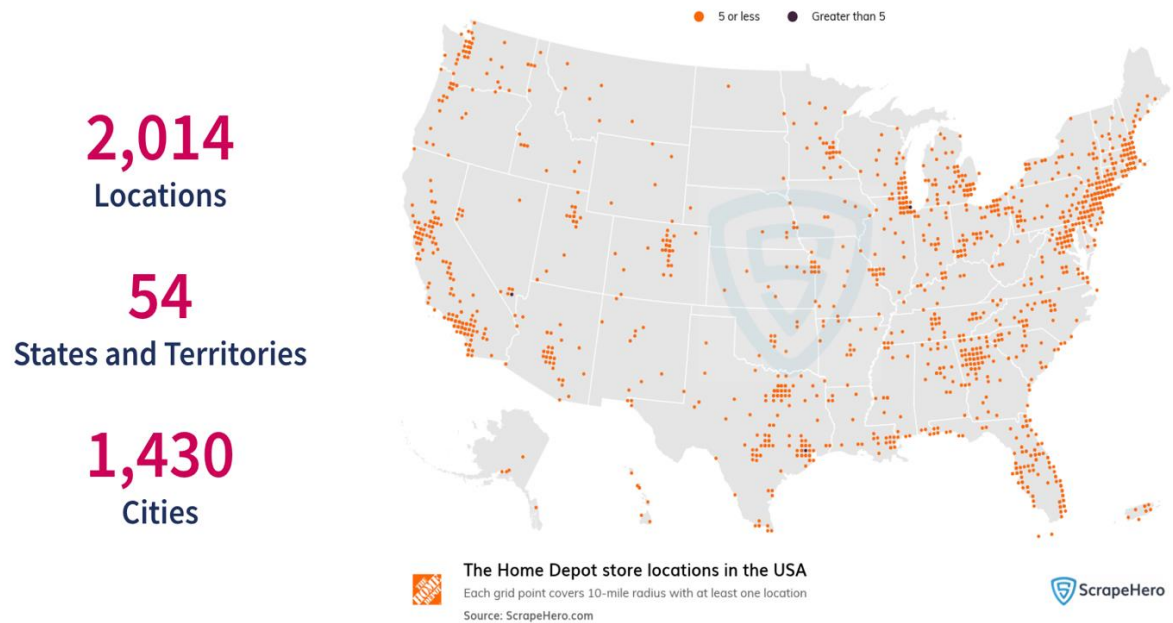
Short Balance Sheet	2020	2021	2022	2023	2024
Need of Funds for Operations (NFO)	19504	20536	27446	29938	27956
Fixed Assets (FA)	31426	42104	42821	43974	46755
Net Assets (NA)	50930	62640	70267	73912	74711
Debt (D)	36951	44116	45914	51773	53471
Equity (E)	-3116	3299	-1696	1562	1044
D+E	33835	47415	44218	53335	54515
Cash Surplus (D + E - NA)	-17095	-15225	-26049	-20577	-20196

### Appendix D : Swot Analysis Of The Home Depot





## APPENDIX E : Map Of Home Depot Stores In North America Till April,2025



Link: <https://www.scrapehero.com/location-reports/Homedepot-USA/>

As per the scraphero website, Home Depot has recently opened 11 new stores in 2025, which makes up to 2014 stores in the U.S. as on April 14th, 2025. California has the large number of Home Depot outlets, with 233 stores, approximately 12% of all stores in the U.S.