

THE HOME DEPOT, INC.
CONSOLIDATED BALANCE SHEETS

<i>in millions, except per share data</i>	February 2, 2020	February 3, 2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,133	\$ 1,778
Receivables, net	2,106	1,936
Merchandise inventories	14,531	13,925
Other current assets	1,040	890
Total current assets	19,810	18,529
Net property and equipment	22,770	22,375
Operating lease right-of-use assets	5,595	—
Goodwill	2,254	2,252
Other assets	807	847
Total assets	<u>\$ 51,236</u>	<u>\$ 44,003</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Short-term debt	\$ 974	\$ 1,339
Accounts payable	7,787	7,755
Accrued salaries and related expenses	1,494	1,506
Sales taxes payable	605	656
Deferred revenue	2,116	1,782
Income taxes payable	55	11
Current installments of long-term debt	1,839	1,056
Current operating lease liabilities	828	—
Other accrued expenses	2,677	2,611
Total current liabilities	18,375	16,716
Long-term debt, excluding current installments	28,670	26,807
Long-term operating lease liabilities	5,066	—
Deferred income taxes	706	491
Other long-term liabilities	1,535	1,867
Total liabilities	54,352	45,881
Common stock, par value \$0.05; authorized: 10,000 shares; issued: 1,786 shares at February 2, 2020 and 1,782 shares at February 3, 2019; outstanding: 1,077 shares at February 2, 2020 and 1,105 shares at February 3, 2019	89	89
Paid-in capital	11,001	10,578
Retained earnings	51,729	46,423
Accumulated other comprehensive loss	(739)	(772)
Treasury stock, at cost, 709 shares at February 2, 2020 and 677 shares at February 3, 2019	(65,196)	(58,196)
Total stockholders' (deficit) equity	(3,116)	(1,878)
Total liabilities and stockholders' equity	<u>\$ 51,236</u>	<u>\$ 44,003</u>

See accompanying notes to consolidated financial statements.

THE HOME DEPOT, INC.
CONSOLIDATED STATEMENTS OF EARNINGS

<i>in millions, except per share data</i>	Fiscal 2019	Fiscal 2018	Fiscal 2017
Net sales	\$ 110,225	\$ 108,203	\$ 100,904
Cost of sales	72,653	71,043	66,548
Gross profit	37,572	37,160	34,356
Operating expenses:			
Selling, general and administrative	19,740	19,513	17,864
Depreciation and amortization	1,989	1,870	1,811
Impairment loss	—	247	—
Total operating expenses	21,729	21,630	19,675
Operating income	15,843	15,530	14,681
Interest and other (income) expense:			
Interest and investment income	(73)	(93)	(74)
Interest expense	1,201	1,051	1,057
Other	—	16	—
Interest and other, net	1,128	974	983
Earnings before provision for income taxes	14,715	14,556	13,698
Provision for income taxes	3,473	3,435	5,068
Net earnings	\$ 11,242	\$ 11,121	\$ 8,630
Basic weighted average common shares	1,093	1,137	1,178
Basic earnings per share	\$ 10.29	\$ 9.78	\$ 7.33
Diluted weighted average common shares	1,097	1,143	1,184
Diluted earnings per share	\$ 10.25	\$ 9.73	\$ 7.29

Fiscal 2019 and fiscal 2017 include 52 weeks. Fiscal 2018 includes 53 weeks.

See accompanying notes to consolidated financial statements.

THE HOME DEPOT, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

<i>in millions</i>	Fiscal 2019	Fiscal 2018	Fiscal 2017
Common Stock:			
Balance at beginning of year	\$ 89	\$ 89	\$ 88
Shares issued under employee stock plans	—	—	1
Balance at end of year	89	89	89
Paid-in Capital:			
Balance at beginning of year	10,578	10,192	9,787
Shares issued under employee stock plans	172	104	132
Stock-based compensation expense	251	282	273
Balance at end of year	11,001	10,578	10,192
Retained Earnings:			
Balance at beginning of year	46,423	39,935	35,519
Cumulative effect of accounting changes	26	75	—
Net earnings	11,242	11,121	8,630
Cash dividends	(5,958)	(4,704)	(4,212)
Other	(4)	(4)	(2)
Balance at end of year	51,729	46,423	39,935
Accumulated Other Comprehensive Income (Loss):			
Balance at beginning of year	(772)	(566)	(867)
Cumulative effect of accounting changes	(31)	—	—
Foreign currency translation adjustments	53	(267)	311
Cash flow hedges, net of tax	8	53	(1)
Other	3	8	(9)
Balance at end of year	(739)	(772)	(566)
Treasury Stock:			
Balance at beginning of year	(58,196)	(48,196)	(40,194)
Repurchases of common stock	(7,000)	(10,000)	(8,002)
Balance at end of year	(65,196)	(58,196)	(48,196)
Total stockholders' (deficit) equity	\$ (3,116)	\$ (1,878)	\$ 1,454

Fiscal 2019 and fiscal 2017 include 52 weeks. Fiscal 2018 includes 53 weeks.

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THE HOME DEPOT, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>in millions</i>	Fiscal 2019	Fiscal 2018	Fiscal 2017
Cash Flows from Operating Activities:			
Net earnings	\$ 11,242	\$ 11,121	\$ 8,630
Reconciliation of net earnings to net cash provided by operating activities:			
Depreciation and amortization	2,296	2,152	2,062
Stock-based compensation expense	251	282	273
Impairment loss	—	247	—
Changes in receivables, net	(170)	33	139
Changes in merchandise inventories	(593)	(1,244)	(84)
Changes in other current assets	(135)	(257)	(10)
Changes in accounts payable and accrued expenses	68	743	352
Changes in deferred revenue	334	80	128
Changes in income taxes payable	44	(42)	29
Changes in deferred income taxes	202	26	92
Other operating activities	184	(103)	420
Net cash provided by operating activities	<u>13,723</u>	<u>13,038</u>	<u>12,031</u>
Cash Flows from Investing Activities:			
Capital expenditures	(2,678)	(2,442)	(1,897)
Payments for businesses acquired, net	—	(21)	(374)
Proceeds from sales of property and equipment	37	33	47
Other investing activities	(12)	14	(4)
Net cash used in investing activities	<u>(2,653)</u>	<u>(2,416)</u>	<u>(2,228)</u>
Cash Flows from Financing Activities:			
(Repayments of) proceeds from short-term debt, net	(365)	(220)	850
Proceeds from long-term debt, net of discounts and premiums	3,420	3,466	2,991
Repayments of long-term debt	(1,070)	(1,209)	(543)
Repurchases of common stock	(6,965)	(9,963)	(8,000)
Proceeds from sales of common stock	280	236	255
Cash dividends	(5,958)	(4,704)	(4,212)
Other financing activities	(176)	(26)	(211)
Net cash used in financing activities	<u>(10,834)</u>	<u>(12,420)</u>	<u>(8,870)</u>
Change in cash and cash equivalents	236	(1,798)	933
Effect of exchange rate changes on cash and cash equivalents	119	(19)	124
Cash and cash equivalents at beginning of year	1,778	3,595	2,538
Cash and cash equivalents at end of year	<u>\$ 2,133</u>	<u>\$ 1,778</u>	<u>\$ 3,595</u>
Supplemental Disclosures:			
Cash paid for income taxes	\$ 3,220	\$ 3,774	\$ 4,732
Cash paid for interest, net of interest capitalized	1,112	1,035	991
Non-cash capital expenditures	136	248	150

Fiscal 2019 and fiscal 2017 include 52 weeks. Fiscal 2018 includes 53 weeks.

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