

THE HOME DEPOT, INC.
CONSOLIDATED BALANCE SHEETS

<i>in millions, except per share data</i>	January 28, 2018	January 29, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,595	\$ 2,538
Receivables, net	1,952	2,029
Merchandise inventories	12,748	12,549
Other current assets	638	608
Total current assets	18,933	17,724
Net property and equipment	22,075	21,914
Goodwill	2,275	2,093
Other assets	1,246	1,235
Total assets	<u>\$ 44,529</u>	<u>\$ 42,966</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Short-term debt	\$ 1,559	\$ 710
Accounts payable	7,244	7,000
Accrued salaries and related expenses	1,640	1,484
Sales taxes payable	520	508
Deferred revenue	1,805	1,669
Income taxes payable	54	25
Current installments of long-term debt	1,202	542
Other accrued expenses	2,170	2,195
Total current liabilities	16,194	14,133
Long-term debt, excluding current installments	24,267	22,349
Deferred income taxes	440	296
Other long-term liabilities	2,174	1,855
Total liabilities	43,075	38,633
Common stock, par value \$0.05; authorized: 10,000 shares; issued: 1,780 shares at January 28, 2018 and 1,776 shares at January 29, 2017	89	88
Paid-in capital	10,192	9,787
Retained earnings	39,935	35,519
Accumulated other comprehensive loss	(566)	(867)
Treasury stock, at cost, 622 shares at January 28, 2018 and 573 shares at January 29, 2017	(48,196)	(40,194)
Total stockholders' equity	1,454	4,333
Total liabilities and stockholders' equity	<u>\$ 44,529</u>	<u>\$ 42,966</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 2017	Fiscal 2016	Fiscal 2015
Net sales	\$ 100,904	\$ 94,595	\$ 88,519
Cost of sales	66,548	62,282	58,254
Gross profit	34,356	32,313	30,265
Operating expenses:			
Selling, general and administrative	17,864	17,132	16,801
Depreciation and amortization	1,811	1,754	1,690
Total operating expenses	19,675	18,886	18,491
Operating income	14,681	13,427	11,774
Interest and other (income) expense:			
Interest and investment income	(74)	(36)	(166)
Interest expense	1,057	972	919
Interest and other, net	983	936	753
Earnings before provision for income taxes	13,698	12,491	11,021
Provision for income taxes	5,068	4,534	4,012
Net earnings	\$ 8,630	\$ 7,957	\$ 7,009
Basic weighted average common shares	1,178	1,229	1,277
Basic earnings per share	\$ 7.33	\$ 6.47	\$ 5.49
Diluted weighted average common shares	1,184	1,234	1,283
Diluted earnings per share	\$ 7.29	\$ 6.45	\$ 5.46

See accompanying notes to consolidated financial statements.

THE HOME DEPOT, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>in millions</i>	Fiscal 2017	Fiscal 2016	Fiscal 2015
Cash Flows from Operating Activities:			
Net earnings	\$ 8,630	\$ 7,957	\$ 7,009
Reconciliation of net earnings to net cash provided by operating activities:			
Depreciation and amortization	2,062	1,973	1,863
Stock-based compensation expense	273	267	244
Gain on sales of investments	—	—	(144)
Changes in assets and liabilities, net of acquisition effects:			
Receivables, net	139	(138)	(181)
Merchandise inventories	(84)	(769)	(546)
Other current assets	(10)	(48)	(5)
Accounts payable and accrued expenses	352	446	888
Deferred revenue	128	99	109
Income taxes payable	29	109	154
Deferred income taxes	92	(117)	15
Other	420	4	(33)
Net cash provided by operating activities	<u>12,031</u>	<u>9,783</u>	<u>9,373</u>
Cash Flows from Investing Activities:			
Capital expenditures, net of non-cash capital expenditures	(1,897)	(1,621)	(1,503)
Proceeds from sales of investments	—	—	144
Payments for businesses acquired, net	(374)	—	(1,666)
Proceeds from sales of property and equipment	47	38	43
Other investing activities	(4)	—	—
Net cash used in investing activities	<u>(2,228)</u>	<u>(1,583)</u>	<u>(2,982)</u>
Cash Flows from Financing Activities:			
Proceeds from short-term debt, net	850	360	60
Proceeds from long-term debt, net of discounts	2,991	4,959	3,991
Repayments of long-term debt	(543)	(3,045)	(39)
Repurchases of common stock	(8,000)	(6,880)	(7,000)
Proceeds from sales of common stock	255	218	228
Cash dividends	(4,212)	(3,404)	(3,031)
Other financing activities	(211)	(78)	4
Net cash used in financing activities	<u>(8,870)</u>	<u>(7,870)</u>	<u>(5,787)</u>
Change in cash and cash equivalents	933	330	604
Effect of exchange rate changes on cash and cash equivalents	124	(8)	(111)
Cash and cash equivalents at beginning of year	2,538	2,216	1,723
Cash and cash equivalents at end of year	<u>\$ 3,595</u>	<u>\$ 2,538</u>	<u>\$ 2,216</u>
Supplemental Disclosures:			
Cash paid for interest, net of interest capitalized	\$ 991	\$ 924	\$ 874
Cash paid for income taxes	4,732	4,623	3,853
Non-cash capital expenditures	150	179	165

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