THE HOME DEPOT UPDATES STRATEGIC PRIORITIES; CONFIRMS FISCAL YEAR 2013 SALES AND DILUTED EARNINGS PER SHARE GUIDANCE; PROVIDES FISCAL YEAR 2014 FINANCIAL OUTLOOK AND UPDATES 2015 FINANCIAL TARGETS

Dec 11, 2013

ATLANTA, Dec. 11, 2013 /PRNewswire/ -- The Home Depot®, the world's largest home improvement retailer, will outline today progress on its key strategic priorities and discuss its financial targets at its 2013 Investor and Analyst Conference.

(Logo: http://photos.prnewswire.com/prnh/20030502/HOMEDEPOTLOGO)

Today's conference will begin at 9 a.m. ET and will be available in its entirety through a live webcast and replay at ir.homedepot.com in the Events & Presentations section.

The Company will provide an update on its four areas of strategic focus, specifically customer service, product authority, disciplined capital allocation and interconnected retail, and will provide an update on its fiscal year 2013 guidance and long-term financial targets as outlined below.

Fiscal Year 2013 Guidance

The Company reaffirmed its sales and diluted earnings-per-share guidance for fiscal 2013. The Company expects sales to be up approximately 5.6 percent for the year and diluted earnings-per- share to be up approximately 24 percent to $3.72 for the year. Comparable store sales, on a 52-week like for like basis, are expected to be up approximately 7.0 percent for the year. The Company's fiscal 2013 sales and diluted earnings-per-share guidance is based on a 52-week year compared to fiscal 2012, a 53-week year.

Fiscal Year 2014 Financial Outlook

The Company provided the following financial targets for fiscal 2014 and intends to provide sales and earnings guidance for fiscal year 2014 in February:

- Sales growth of approximately 5 percent
- 8 new stores
- Operating margin expansion of approximately 70 basis points
- Share repurchases of approximately $5.0 billion
- Diluted earnings-per-share growth after anticipated share repurchases of approximately 17 percent
- Capital spending of approximately $1.5 billion

Long-Term Financial Targets

In June of 2012, the Company announced a long term operating margin target of 12 percent and a 24 percent return on invested capital target by the end of fiscal 2015. The Company anticipates reaching these targets at the end of fiscal 2014, one year earlier than planned, and has updated its fiscal 2015 financial targets as follows:

- Operating margin of approximately 13 percent

- Return on invested capital of approximately 27 percent

"Thanks to the hard work and dedication of our associates, we expect to meet the financial targets we set out in June of 2012 a year earlier than planned. We have set out a challenging new goal for 2015 and plan to continue to build on our company's foundation of customer service, product authority and value creation," said Frank Blake, chairman & CEO.

At the end of the third quarter, the Company operated a total of 2,260 retail stores in all 50 states, the District of Columbia, Puerto Rico, U.S. Virgin Islands, Guam, 10 Canadian provinces and Mexico. In fiscal 2012, The Home Depot had sales of $74.8 billion and earnings of $4.5 billion. The Company employs more than 300,000 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, state of the economy, state of the residential construction, housing and home improvement markets, effects of competition, state of the credit markets, including mortgages, home equity loans and consumer credit, inventory and in-stock positions, commodity price inflation and deflation, implementation of store and supply chain initiatives, continuation of share repurchase programs, net earnings performance, earnings per share, capital allocation and expenditures, liquidity, return on invested capital, management of relationships with our suppliers and vendors, stock-based compensation expense, the effect of accounting charges, the effect of adopting certain accounting standards, the ability to issue debt on terms and at rates acceptable to us, store openings and closures, expense leverage, guidance for fiscal 2013 and beyond and financial outlook. 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 February 3, 2013 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.

SOURCE The Home Depot