THE HOME DEPOT UPDATES STRATEGIC PRIORITIES; CONFIRMS FISCAL YEAR 2015 SALES AND DILUTED EARNINGS-PER-SHARE GUIDANCE AND OUTLINES LONG-TERM FINANCIAL TARGETS

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ATLANTA, Dec. 8, 2015 /PRNewswire/ -- The Home Depot®, the world's largest home improvement retailer, will outline today, at its 2015 Investor and Analyst Conference, progress on key strategic priorities and discuss long-term financial targets.

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.

Strategic Priorities

The Company will provide an update on the key initiatives under its strategic framework, which focuses on creating value by connecting the business end-to-end. Under this framework, which the Company calls Interconnecting Retail, the Company continues to be centered on Customer Experience, Product Authority and Productivity. The main areas of discussion will be:

- Customer Experience: The Company will provide an overview of its targeted customer base. It will also discuss how it is focused on connecting its passion for customer service to changing customer needs and expectations in order to provide a frictionless experience in its stores, online, on the job site, or in customers' homes.
- Product Authority: The Company will discuss how it continues to balance the art and science of retail by consistently delivering the best and most innovative products at the best value to its customers.
- Targeted Growth Areas: The Company will update its addressable market in the U.S. and highlight key areas of growth including opportunities to drive higher sales with professional contractors and businesses as well as continued growth from its digital assets.
- Productivity: The Company will highlight future incremental supply chain benefits and continued productivity opportunities within its stores.
- Shareholder Returns: The Company will address its approach to creating shareholder value by delivering higher returns on invested capital and increasing total value returned to shareholders in the form of dividends and share repurchases.

"While our strategic priorities are evolving to reflect the changing needs of our customers and our business, we will continue to focus on delivering the experience and value that our customers and shareholders expect from The Home Depot," said Craig Menear, chairman, CEO and president.

Fiscal Year 2015 Guidance

The Company reaffirmed its sales and diluted earnings-per-share guidance for fiscal 2015. The Company expects sales to increase approximately 5.7 percent for the year, with comps of approximately 4.9 percent. The Company also expects fiscal 2015 diluted earnings per share to grow approximately 14 percent to $5.36. This guidance assumes foreign exchange rates remain at current levels through the fourth quarter. The Company's diluted earnings-per-share guidance includes the benefit of its intent to repurchase an additional $2 billion of shares in the fourth quarter,

bringing total fiscal 2015 share repurchases to $7 billion.

Long-Term Financial Targets

In December of 2013, the Company announced an operating margin target of 13 percent and a 27 percent return on invested capital target by the end of fiscal 2015. The Company anticipates reaching these targets by the end of fiscal 2015. Today the Company will set out new long-term, fiscal 2018 financial targets as follows:

- Total sales of approximately $101 billion
- A compounded annual sales growth rate from the end of fiscal 2015 of approximately 4.7 percent
- Operating margin of approximately 14.5 percent
- Return on invested capital of approximately 35 percent

At the end of the third quarter, the Company operated a total of 2,273 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 370,000 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 and supply chain 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 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 2015 and beyond; financial outlook; and the integration of Interline Brands, Inc. 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 February 1, 2015 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.

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