



# 2020 Long Range Financial Targets

Updated as of May 15, 2018

# Forward-Looking Statements

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 sales; effects of competition; implementation of store, interconnected retail, supply chain and technology initiatives; issues related to the payment methods we accept; 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; management of relationships with our suppliers and vendors; 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 impact and expected outcome of investigations, inquiries, claims and litigation; the effect of accounting charges; the effect of adopting certain accounting standards; the impact of the Tax Cuts and Jobs Act of 2017; store openings and closures; guidance for fiscal 2018 and beyond; financial outlook; and the integration of acquired companies into our organization and the ability to recognize the anticipated synergies and benefits of those acquisitions. These forward-looking statements are based on currently available information and current assumptions, expectations and projections about future events, and actual results could differ materially from our expectations and projections. You should not rely on our forward-looking statements as they speak only as of the date hereof, and we undertake no obligation to update these statements to reflect subsequent events or circumstances except as may be required by law. Additional information regarding risks and uncertainties is described in Item 1A, "Risk Factors," and elsewhere in our Annual Report on Form 10-K for our fiscal year ended January 28, 2018 and our subsequent Quarterly Reports on Form 10-Q.

These materials are also supplemented with certain non-GAAP financial measures. We believe these non-GAAP financial measures better enable management and investors to understand and analyze our performance. However, this supplemental information should not be considered in isolation or as a substitute for the related GAAP measures. Reconciliations of the supplemental information to the comparable GAAP measures can be found on our Investor Relations website at [ir.homedepot.com](http://ir.homedepot.com).

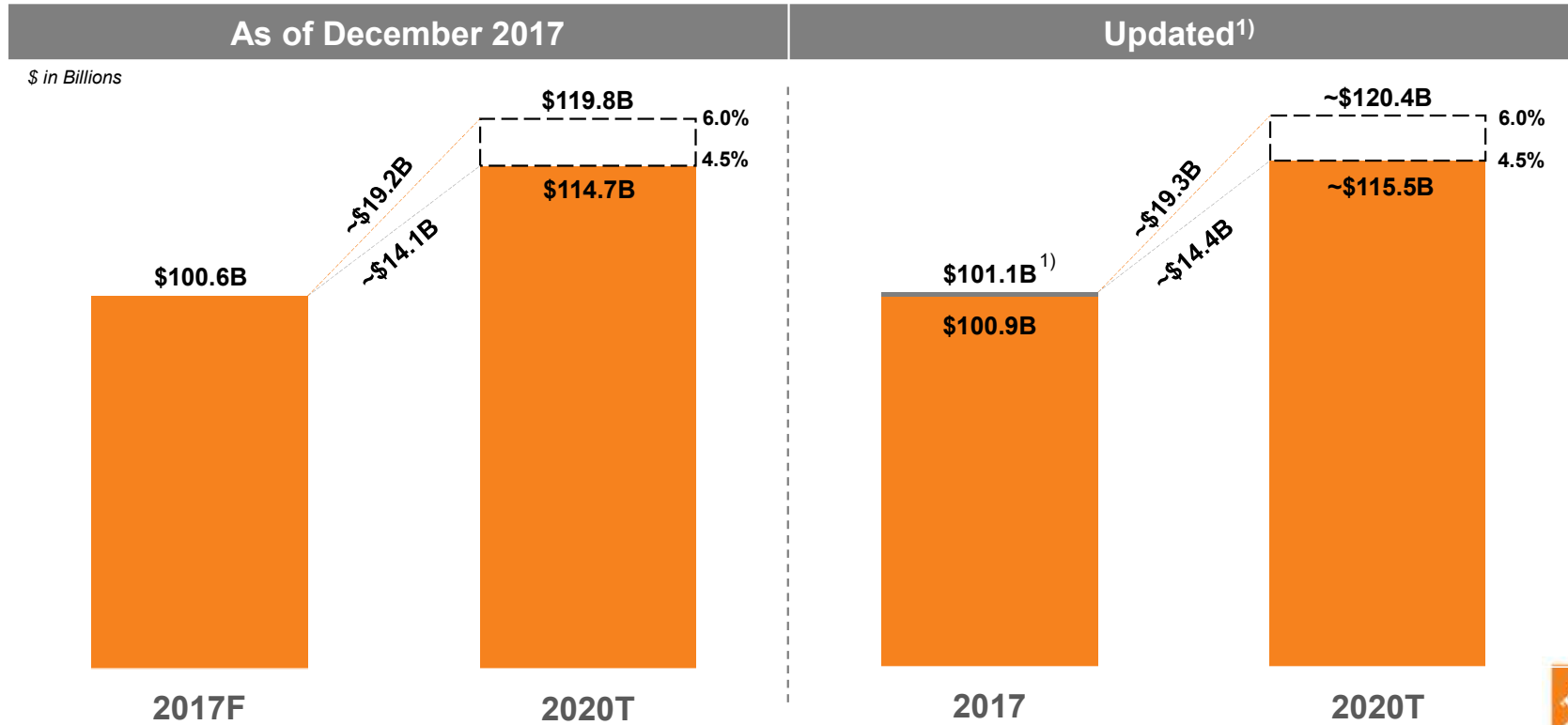


# Updates to Long-Term Financial Targets

- At our Investor and Analyst Conference in December 2017, the Company provided long-term financial targets for fiscal 2020.
- At the beginning of fiscal 2018, the Company adopted ASU No. 2014-09, which pertains to revenue recognition. The adoption of this standard will not materially impact our consolidated financial statements or related disclosures, but it does change the recognition and presentation of certain items on our income statement and balance sheet.
- As a result of this adoption, we are updating our long-term financial targets to reflect our actual fiscal 2017 results as well as the pro forma effect of ASU No. 2014-09 on fiscal 2017 reported results as if the recognition and presentation guidance in the accounting standard had been applied to fiscal 2017 results.
- The information included in this presentation should be read in conjunction with our Fiscal Q1 2018 Revenue Recognition Adoption presentation which is available on our Investor Relations website at <http://ir.homedepot.com/financial-reports/quarterly-earnings/2018>.



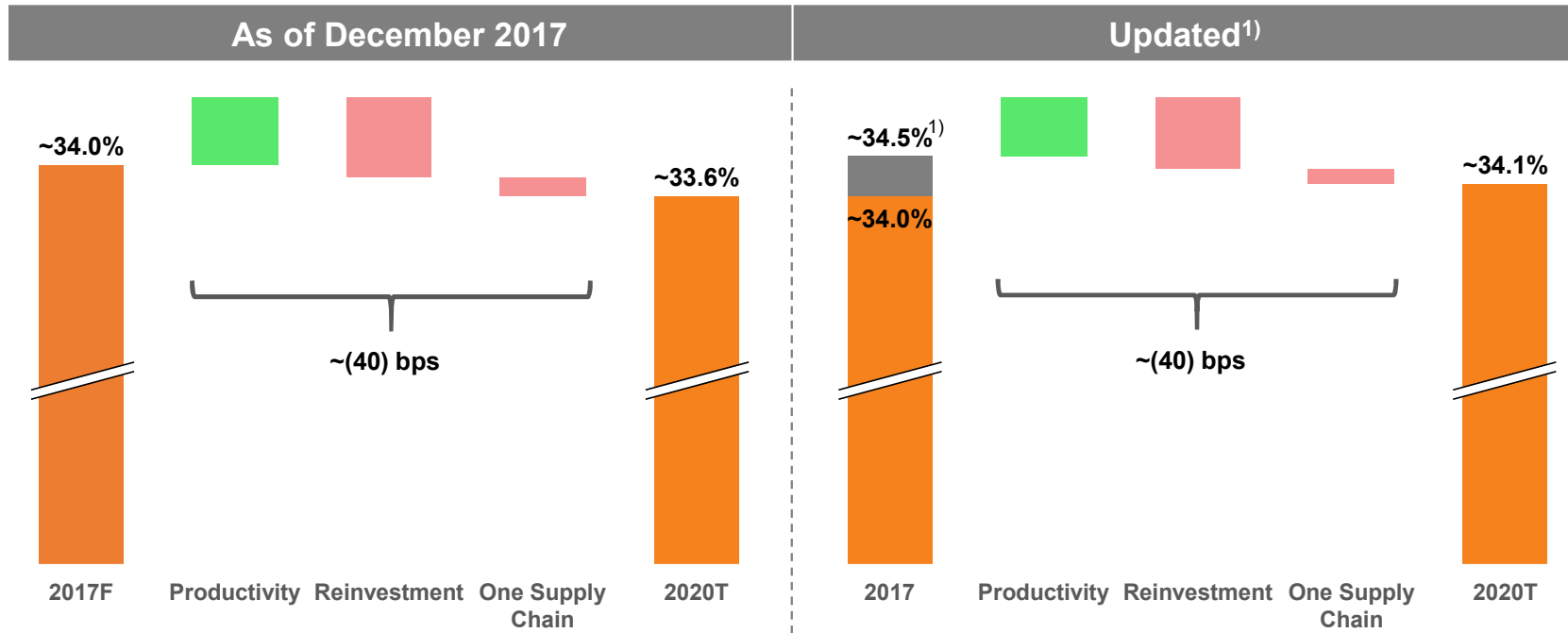
# 2020 Sales Target



1) Fiscal 2017 reported results presented with the pro forma effect of ASU No. 2014-09 as if the recognition and presentation guidance in the accounting standard had been applied to fiscal 2017 results.



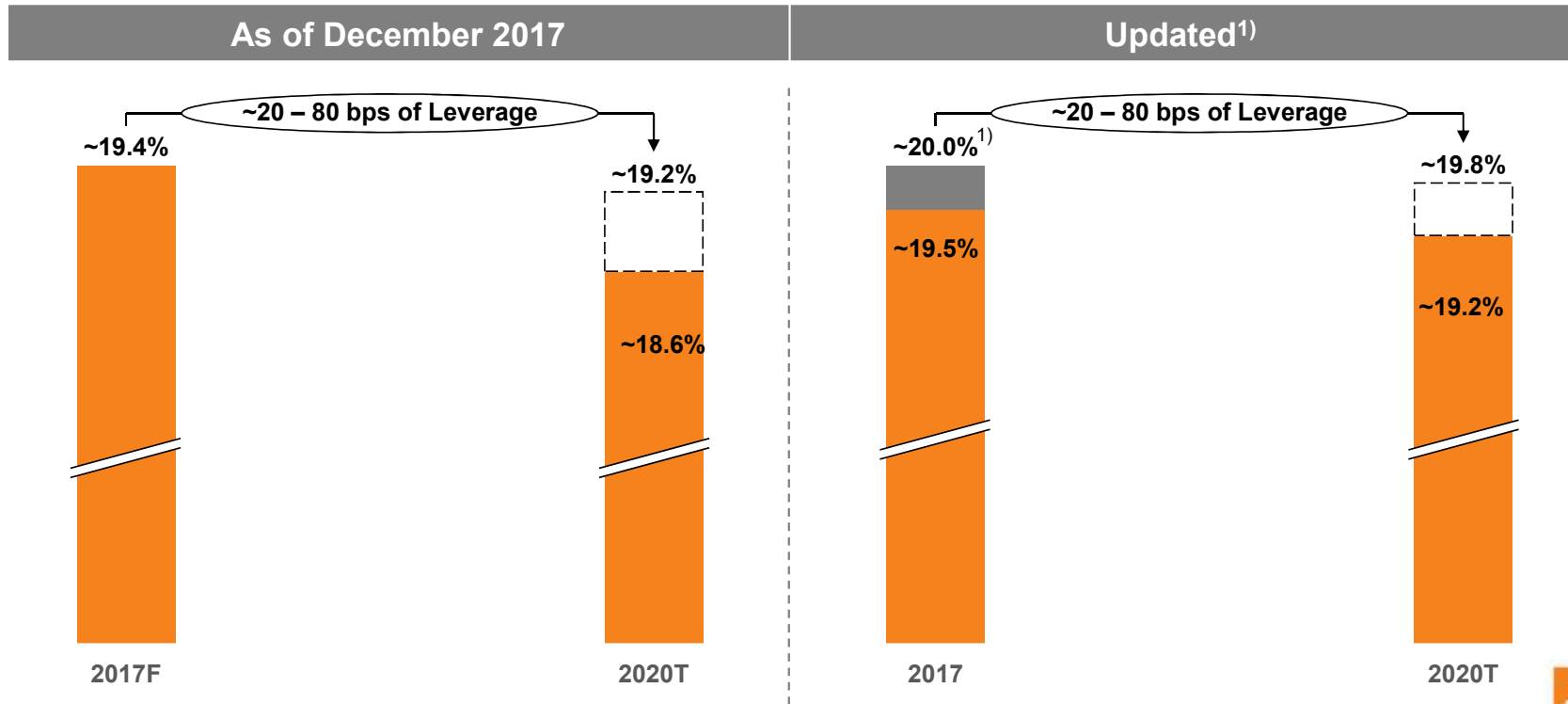
# 2020 Gross Margin Target



1) Fiscal 2017 reported results presented with the pro forma effect of ASU No. 2014-09 as if the recognition and presentation guidance in the accounting standard had been applied to fiscal 2017 results.



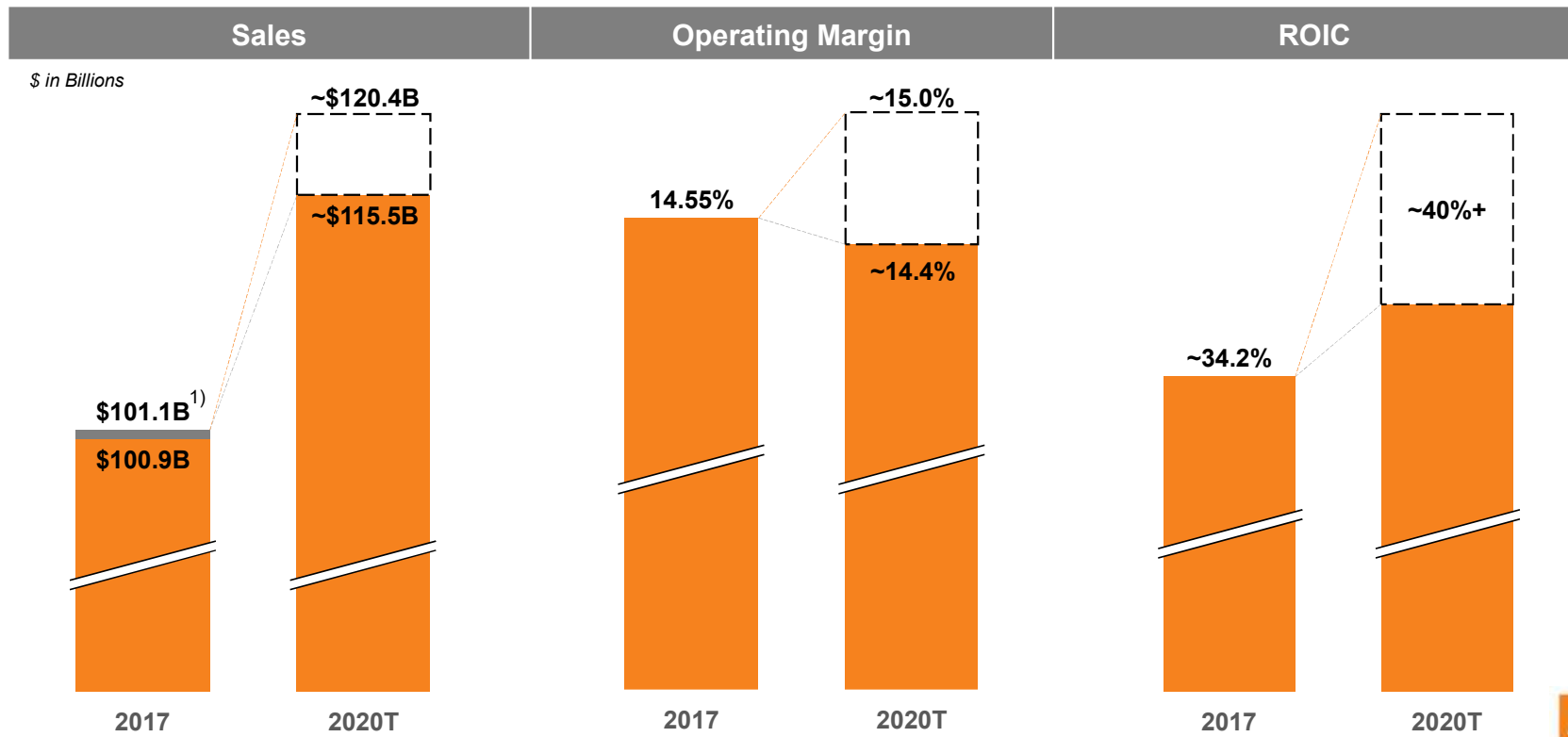
# 2020 Expense Leverage Target



1) Fiscal 2017 reported results presented with the pro forma effect of ASU No. 2014-09 as if the recognition and presentation guidance in the accounting standard had been applied to fiscal 2017 results.



# Enhancing the Customer Experience, Investing for the Future, Creating Value



Note: All targets based on 52 week fiscal years

1) Fiscal 2017 reported results presented with the pro forma effect of ASU No. 2014-09 as if the recognition and presentation guidance in the accounting standard had been applied to fiscal 2017 results.

