

The Home Depot Inc. (HD)

\$355.47 (Stock Price as of 11/26/2025)

Price Target (6-12 Months): **\$393.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 01/17/22)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

4-Sell

Zacks Style Scores:

VGM: D

Value: D

Growth: C

Momentum: B

Summary

Home Depot has outperformed the industry in the past three months on strong second-quarter fiscal 2025 results and broad-based sales growth. Comps improved, driven by higher-value purchases and steady demand from both Pro and DIY customers. HD continues to advance its "One Home Depot" strategy, enhancing the interconnected shopping experience through faster delivery, expanded fulfillment centers, and digital innovation. Online sales rose sharply, reflecting investments in AI, logistics, and personalization. Meanwhile, acquisitions like SRS and GMS deepen Pro relationships and broaden specialty capabilities. However, HD faces softer demand in big-ticket discretionary categories, reflecting consumer caution amid high interest rates. Margin pressure, currency headwinds, tariffs woes and macroeconomic uncertainty also remain key risks.

Data Overview

52 Week High-Low	\$436.36 - \$326.31
20 Day Average Volume (sh)	4,424,059
Market Cap	\$353.9 B
YTD Price Change	-8.6%
Beta	1.00
Dividend / Div Yld	\$9.20 / 2.6%
Industry	Retail - Home Furnishings
Zacks Industry Rank	Top 39% (95 out of 243)

Last EPS Surprise	-1.8%
Last Sales Surprise	0.9%
EPS F1 Est- 4 week change	-3.3%
Expected Report Date	02/24/2026
Earnings ESP	-1.9%

P/E TTM	23.5
P/E F1	23.8
PEG F1	6.9
P/S TTM	2.1

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2027	41,453 E	47,267 E	43,211 E	39,846 E	171,778 E
2026	39,856 A	45,277 A	41,352 A	37,821 E	164,060 E
2025	36,418 A	43,175 A	40,217 A	39,704 A	159,514 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2027	3.87 E	5.01 E	4.20 E	3.23 E	16.31 E
2026	3.56 A	4.68 A	3.74 A	2.88 E	14.96 E
2025	3.63 A	4.67 A	3.78 A	3.13 A	15.24 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 11/26/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 11/11/2025.

Overview

Based on net sales, The Home Depot Inc. is the world's largest home improvement specialty retailer. As of second-quarter fiscal 2025, the company operated more than 2,353 retail stores, over 800 branches and above 325 distribution centers across 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, 10 Canadian provinces and Mexico. It offers a diverse range of branded and proprietary home improvement items, building materials, lawn and garden products, décor products and related services.

With the help of its stores, the company operates throughout the United States (including Puerto Rico and the territories of the Virgin Islands and Guam), Canada and Mexico and employs more than 500,000 associates. The company's average store area is almost 104,000 square feet with approximately 24,000 square feet of additional outside garden area. It also functions through a network of distribution and fulfillment centers, as well as a number of e-commerce websites.

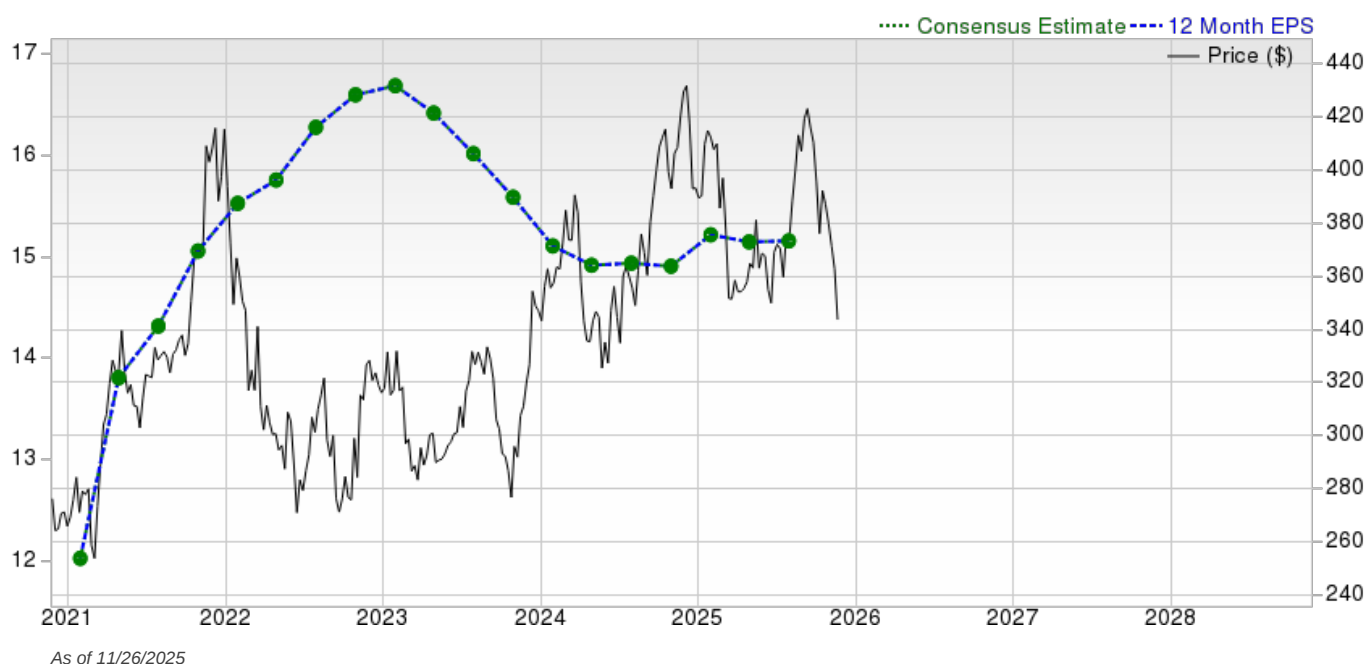
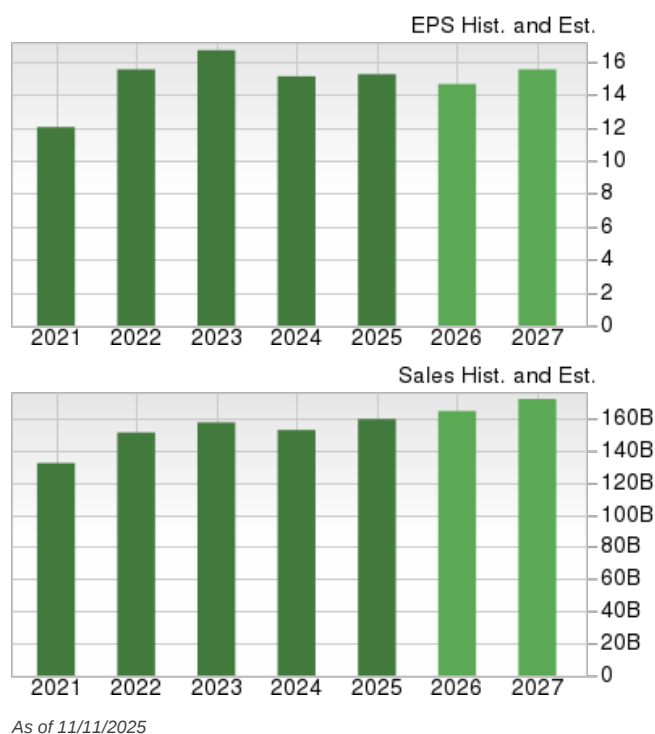
The company typically serves three primary customer groups: Do-It-Yourself (DIY), Do-It-For-Me (DIFM), and Professional Customers.

DIY Customers: These customers are usually homeowners, who prefer purchasing products and completing installations on their own. The company engages these customers in various platforms to provide product and project knowledge.

DIFM Customers: These customers are usually homeowners, who purchase products on their own and employ third-parties to complete the projects and installations. The company offers a variety of installation services in stores, online, or in their homes through in-home consultations for DIFM customers.

Professional Customers: This customer segment mostly comprises professional remodelers, general contractors, repairmen, small business owners, and tradesmen. These customers build, renovate, remodel, repair and maintain residential properties, multifamily properties, hospitality properties and commercial facilities.

(Notes: Zacks identifies fiscal years by the month in which the fiscal year ends, while HD identifies its fiscal year by the calendar year in which it begins; so comparable figures for any given fiscal year, as published by HD, will refer to this same fiscal year as being the year before the same year, as identified by Zacks.)



Reasons To Buy:

- ▲ **Solid Sales Growth:** Home Depot's second-quarter fiscal 2025 results reflected top-line momentum, improving 4.9% year over year to \$45.3 billion. The company continues to deliver broad-based growth, with 12 of 16 merchandising departments posting positive comparable sales (comps). As a result, comps increased 1% in the reported quarter. The company's comps in the United States improved 1.4% in the fiscal second quarter. In the fiscal second quarter, the company delivered a 1.4% increase in comp average ticket, highlighting customers' continued appetite for higher-value products. The ticket growth was driven by a greater mix of higher-value items, inflation in core commodities such as lumber and copper, and slightly lower promotional activity compared with prior years. Meanwhile, comp transactions declined 0.4%. Home Depot's ability to drive both Pro and DIY demand, coupled with its leadership in online sales and interconnected retail, reinforces its long-term growth trajectory and market dominance. These factors collectively make the retailer well-positioned for consistent revenue growth. Although shares of Home Depot have lost 6.5% in the past three months, it fared better than the industry's decline of 12.5%.
- Home Depot has a disciplined capital allocation strategy focused on investing in growth, returning value to shareholders, and maintaining financial strength.
- ▲ **Integrated Retail Strategy:** Home Depot remains committed to advancing its strategic initiatives, even amid economic uncertainty and a challenging high-interest-rate environment that affected home improvement demand. The company's key priorities include enhancing the interconnected shopping experience, expanding its Pro wallet share through a robust ecosystem of capabilities, and investing in new store development. HD is progressing well with its "One Home Depot" investment plan, which focuses on expanding supply-chain facilities, investing in technology, and enhancing the digital experience. The interconnected retail strategy continues to be a key driver of growth, ensuring a seamless shopping experience across digital and physical channels. The company remains committed to enhancing its omnichannel capabilities. Investments in downstream supply chain improvements have expanded product availability at Distribution Fulfillment Centers (DFCs), allowing for faster delivery speeds across a broader assortment. Additionally, Home Depot has leveraged its store network to offer more delivery options, leading to the fastest delivery speeds in the company's history and increased customer spending.
- Beyond fulfillment enhancements, Home Depot is strengthening its in-store experience, fulfillment options, and sales teams, driving incremental sales growth. The company's real estate footprint remains a competitive advantage, with strategic store expansions in high-growth markets and areas needing additional capacity. In second-quarter fiscal 2025, the company opened three new stores, bringing the total store count to 2,353. While macroeconomic uncertainties persist, investments in faster delivery, interconnected retail, and Pro ecosystem enhancements are expected to drive incremental growth. Home Depot plans to open 13 new stores in fiscal 2025, reinforcing its commitment to expanding reach and improving the shopping experience for both Pro and DIY customers.
- ▲ **Digital Investments:** Home Depot continues to reap the benefits of its investments in AI, delivery, and supply chain optimization, enhancing the customer experience and supporting share gains. As a result, online comps rose 12% year-over-year in second-quarter fiscal 2025 driven by faster same-day and next-day delivery. Machine learning and advanced logistics optimize fulfillment across stores, distribution centers, and delivery nodes, ensuring speed and accuracy. Enhanced digital features, such as personalized search and "buy it again" functions, drive repeat engagement. The interconnected model seamlessly ties online and in-store experiences, boosting loyalty and frequency. By maintaining leadership in e-commerce and supply chain efficiency, Home Depot positions itself to capture shifting consumer behaviors while defending margins. These capabilities provide both short- and long-term growth levers.
- ▲ **Pro Customers:** The Pro customer remains central to Home Depot's growth strategy. Both Pro and DIY sales were positive and relatively in line with one another in the second quarter of fiscal 2025. Pro-heavy categories like dimensional lumber, concrete and decking performed well, reflecting the success of Home Depot's ongoing investments in its Pro ecosystem. Acquisitions like SRS and the recently completed GMS deal deepen penetration into specialty trades and broaden fulfillment capabilities. With expanded assortments, trade credit, order management, and delivery innovations, Home Depot strengthens ties with Pro contractors. Early results show double-digit lifts in Pro spending through credit and higher satisfaction with on-time deliveries. By capturing more wallet share from Pros, who often oversee larger, recurring projects, Home Depot secures long-term growth and establishes a defensible advantage in the fragmented Pro distribution market. This focus unlocks a substantial, durable profit pool. With high engagement from Pros across all project sizes, Home Depot remains committed to expanding its Pro market share by continuously enhancing convenience, service and product availability.
- ▲ **Capital Allocation Strategy:** Home Depot has a disciplined capital allocation strategy focused on investing in growth, returning value to shareholders, and maintaining financial strength. In second-quarter fiscal 2025, the company invested \$915 million in capital expenditures, prioritizing store expansions, supply chain enhancements, and technology improvements. For fiscal 2025, capital expenditures are expected to be 2.5% of sales, reflecting continued investments in new store openings, fulfillment capabilities, and interconnected retail enhancements.
- ▲ **Sustained Shareholder Returns:** In addition to reinvesting in the business, Home Depot remains committed to shareholder returns. The company paid \$2.3 billion in dividends in the fiscal second quarter. On Aug. 21, the company announced a quarterly dividend of \$2.30 per share, which was paid on Sept. 18. With a strong balance sheet and disciplined approach to capital allocation, the company aims to sustain long-term growth while maximizing shareholder value. The long-term targets of a dividend payout ratio of about 55% of earnings and return on invested capital (ROIC) of more than 40% highlight its focus on this strategy. Based on the average of beginning and ending long-term debt and equity for the trailing 12 months, ROIC at the end of second-quarter fiscal 2025 was 27.2%. Home Depot has a dividend payout ratio of 61%, an annualized dividend yield of 2.3%, and a free cash flow yield of 3.5%.

Reasons To Sell:

- ▼ **Stock Looks Overvalued:** Considering the price-to-earnings (P/E) ratio, Home Depot looks overvalued compared with the broader industry. The stock has a trailing 12-month P/E of 24.45x compared with 21.06x for the industry. The company's trailing 12-month P/E ratio is below the median level of 25.51x and the high level of 28.95x, scaled in the past year. These factors profess that the stock's valuation is quite stretched.
- ▼ **Slow Recovery in Large Remodeling Projects:** While Home Depot shows broad strength in smaller projects, large discretionary renovations such as kitchen and bath remodels, remain weak. Big-ticket comp transactions (those above \$1,000 dollars), often a barometer of remodeling demand, grew 2.6% in second-quarter fiscal 2025, reflecting an improvement. While building materials, lumber, and hardware held up, demand in larger discretionary projects was notably weak, especially those dependent on financing. Pros indicate that customers are deferring, not canceling, larger projects, but sustained deferrals could weigh on growth. Without a robust rebound in large projects, Home Depot's revenue mix skews smaller, lower-margin jobs, constraining operating leverage and dampening earnings upside in the near to medium term.

Despite a top-line recovery, Home Depot's margin performance remains soft due to increased operating expenses, tariffs on imported goods, rising wages, and logistics costs.

- ▼ **Soft Margins:** Despite a top-line recovery, Home Depot's margin performance remains soft due to increased operating expenses and costs related to the SRS acquisition. In second-quarter fiscal 2025, gross margin was 33.4%, roughly flat year over year. Moreover, SG&A expense, as a percentage of sales, grew 60 bps year over year to 17.1%, which along with soft gross margin, dented operating margin. The adjusted operating margin of 14.5% contracted 65 bps year over year, reflecting higher expenses, as a percentage of sales. Tariffs on imported goods, rising wages, and logistics costs added further pressure. Promotional activity was reduced to offset tariff impacts, but this risks traffic in price-sensitive categories.

For 2025, the company expects gross margin to remain flat at 33.4%, with the SRS mix impact offset by supply chain productivity improvements, merchandising efficiencies, and better shrink performance. HD estimates an operating margin of 13%, with an adjusted operating margin of 13.4%. The integration of acquisitions like SRS and GMS adds amortization and transition costs, temporarily depressing margins. In a competitive retail environment where price leadership is key, Home Depot may face difficulty balancing cost pressures with the need to maintain value for customers. Our model predicts a gross margin of 33.4%, with adjusted operating margin expected to decline 40 bps to 13.4%.

- ▼ **Cautious Outlook:** While Home Depot reaffirmed its fiscal 2025 guidance, management acknowledged FX pressures and economic caution as constraints. Home Depot expects total sales growth of 2.8% in fiscal 2025 and comps growth is projected at just 1%, reflecting a cautious outlook. The company does not anticipate any major improvements in the macroeconomic environment, including housing turnover or lower interest rates, which could continue to limit consumer spending on home improvement. Given the flat gross margin forecast and rising operating expenses, Home Depot's ability to drive meaningful EPS growth remains uncertain. Home Depot anticipates GAAP earnings per share to decline 3% year over year for fiscal 2025. HD expects adjusted earnings per share to fall 2% year over year. Our model predicts sales growth of 2.8% year over year for fiscal 2025, with a 1.9% decline in adjusted EPS.

- ▼ **Currency Headwinds & Tariff Concerns:** Home Depot continues to face external pressures from currency fluctuations and tariffs, which weighed on second-quarter fiscal 2025 results and margin outlook. Management noted that tariffs on imported goods have added incremental cost burdens, forcing the company to adjust promotional strategies to preserve profitability. This dynamic creates risk in price-sensitive categories, as reduced promotional activity could dampen traffic.

Currency headwinds also pose a challenge, impacting both revenue translation and sourcing costs. Currency movements reduced reported sales by 30 bps in the fiscal second quarter and comps by 40 bps, creating a drag on revenue growth. While management reaffirmed its margin guidance, persistent tariff-related costs and currency volatility could erode earnings momentum. These factors could affect near-term earnings and limit flexibility, particularly as the company balances growth investments with cost management in a highly competitive retail environment.

- ▼ **Inventory Build Up:** Home Depot's inventories increased \$1.8 billion year over year to \$24.8 billion in second-quarter fiscal 2025, while inventory turns were 4.6 times, down from 4.9 times last year. The rise in inventory can be attributed to muted demand for big-ticket categories. If large project activity remains muted, excess stock might require markdowns, pressuring margins. A promotional pullback already affected garden categories, highlighting sensitivity to pricing strategy. Seasonal products add further risk as weather trends remain unpredictable, potentially leaving Home Depot with unsold inventory. Balancing growth investments, tariff-related costs, and inventory management will be critical. Failure to adjust inventory effectively could lead to margin compression and earnings headwinds in the coming quarters.

Last Earnings Report

Home Depot Q2 Earnings Miss Estimates, Comparable Sales Rise Y/Y

Home Depot has reported second-quarter fiscal 2025 results, wherein both the sales and earnings missed the Zacks Consensus Estimate. However, both metrics improved year over year. Also, comparable sales increased year over year.

HD is confident about its initiatives to strengthen the business. Management highlighted continued momentum in smaller home-improvement projects and reiterated its focus on building the best interconnected experience for customers and growing share, while reaffirming fiscal 2025 guidance.

FY Quarter Ending **1/31/2025**

Earnings Reporting Date	Nov 18, 2025
Sales Surprise	0.88%
EPS Surprise	-1.84%
Quarterly EPS	3.74
Annual EPS (TTM)	15.11

Detailed Picture of HD's Q2 Results

Home Depot's adjusted earnings of \$4.68 per share increased slightly by 0.2% from \$4.67 in the year-ago quarter. However, the bottom line missed the Zacks Consensus Estimate of \$4.71 per share.

Net sales increased 4.9% to \$45.3 billion from \$43.2 billion in the year-ago quarter. However, sales lagged the Zacks Consensus Estimate of \$45.5 billion.

Home Depot's comparable sales increased 1% in the reported quarter. The company's comparable sales in the United States improved 1.4% in the fiscal second quarter. However, unfavorable foreign exchange rates reduced total company comparable sales by about 40 basis points in the quarter. Customer transactions were 446.8 million, down 0.9% year over year. Average ticket improved 1.2% year over year in the quarter under review.

In dollar terms, gross profit rose 4.9% year over year to \$15.1 billion in the fiscal second quarter. The gross margin was approximately 33.4%, roughly flat year over year.

SG&A expenses of \$7.8 billion increased 8.7% from \$7.1 billion in the year-ago quarter; as a percentage of sales, SG&A was about 17.1%, up roughly 60 bps year over year. Operating income was \$6.6 billion, up 0.3% year over year, while the operating margin of about 14.5% contracted by roughly 65 bps year over year.

HD's Other Financial Updates

Home Depot ended second-quarter fiscal 2025 with cash and cash equivalents of \$2.8 billion, long-term debt (excluding current installments) of \$45.9 billion and stockholders' equity of \$10.7 billion. For the first six months of fiscal 2025, the company generated \$9.0 billion of net cash from operating activities.

What Does HD Plan for FY25?

Management reiterated its sales and earnings per share view for fiscal 2025. Home Depot anticipates sales to increase 2.8% year over year. The company expects comparable sales to increase 1% for the 52 weeks.

HD estimates the gross margin for fiscal 2025 to be 33.4%, with an operating margin of 13%. It expects an adjusted operating margin of 13.4%. HD plans to open 13 stores for fiscal 2025.

Home Depot anticipates earnings per share to decline 3% year over year for fiscal 2025. It expects adjusted earnings per share to fall 2% year over year. The company anticipates capital expenditures to be 2.5% of total sales.

Recent News

How Home Depot's GMS Acquisition Redefines Its Pro Contractor Reach – Sep. 4, 2025

Home Depot's acquisition of GMS marks a pivotal step in its push to build a dominant Pro distribution ecosystem. Following last year's purchase of SRS Distribution, the addition of GMS extends the reach of Home Depot into new verticals such as drywall, ceilings and steel framing. Management highlighted that GMS brings differentiated capabilities, a broad distribution footprint and established customer relationships, positioning the combined platform as a more complete partner for Pro contractors.

On the second-quarter fiscal 2025 earnings call, management hinted that SRS had already exceeded expectations and was driving revenue synergies across Home Depot's professional channels. Now, with GMS folded in, SRS expands to more than 1,200 locations supported by more than 3,500 associates and about 8,000 trucks, enabling tens of thousands of jobsite deliveries daily. That level of distribution density creates more opportunities to serve residential and commercial Pros with speed and reliability.

The integration of GMS expands the distribution footprint across the United States and Canada. Both GMS and SRS operate on single ERP systems and emphasize branch-level execution, which should ease integration and accelerate cross-selling. Home Depot's CEO described drywall and ceiling products as adjacent and complementary to SRS' roofing and landscaping verticals.

The \$5.5 billion GMS deal reflects Home Depot's ambition to capture a larger share of complex Pro projects, a segment that remains underpenetrated. By combining scale, service and specialized assortments under one roof, the company is reshaping its distribution model to serve contractors end to end.

Valuation

Home Depot shares are down 4.8% in the year-to-date period and nearly 8.1% over the trailing 12-month period. Stocks in the Zacks sub-industry are down 13% but the Zacks Retail-Wholesale sector is up 8%, in the year-to-date period. Over the past year, the Zacks sub-industry is down 16.1% but the sector is up 8.8%.

The S&P 500 index is up 16.1% in the year-to-date period and 14.4% in the past year.

The stock is currently trading at 23.18X forward 12-month earnings, which compares to 20.95X for the Zacks sub-industry, 24.9X for the Zacks sector and 23.3X for the S&P 500 index.

Over the past five years, the stock has traded as high as 27.78X and as low as 15.6X, with a 5-year median of 22.28X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$393 price target reflects 24.59X forward 12-month earnings.

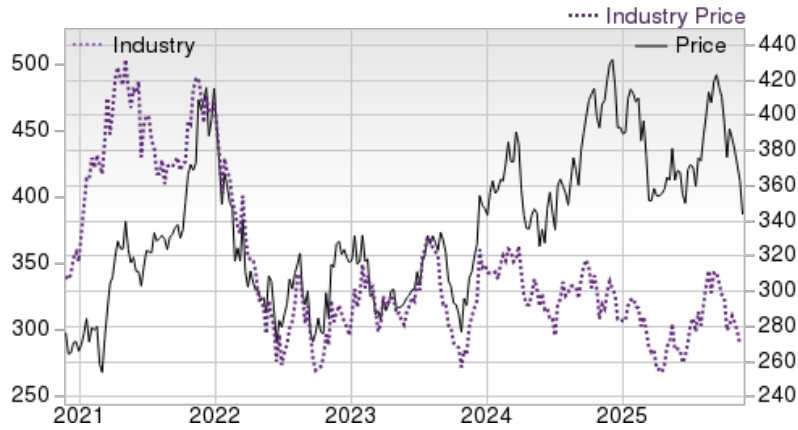
The table below shows summary valuation data for HD

Valuation Multiples - HD					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	23.18	20.95	24.9	23.3
	5-Year High	27.78	25.1	34.74	23.81
	5-Year Low	15.6	14.19	21.46	15.73
	5-Year Median	22.28	20.13	24.77	21.2
P/S F12M	Current	2.17	1.52	1.66	5.31
	5-Year High	2.91	2	2.05	5.52
	5-Year Low	1.72	1.25	1.2	3.84
	5-Year Median	2.22	1.58	1.54	5.06
EV/EBITDA TTM	Current	16.07	11.21	12.8	18.24
	5-Year High	19.31	15.22	27.12	22.36
	5-Year Low	11.72	9.38	11.25	13.97
	5-Year Median	15.58	12.16	14.57	18.08

As of 11/10/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 39% (95 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Somnigroup Internati...(SGI)	Outperform	2
Best Buy Co., Inc. (BBY)	Neutral	3
Builders FirstSource...(BLDR)	Neutral	3
Fastenal Company (FAST)	Neutral	4
Floor & Decor Holdin...(FND)	Neutral	3
Lowe's Companies, In...(LOW)	Neutral	3
M/I Homes, Inc. (MHO)	Neutral	3
Tecnoglass Inc. (TGLS)	Underperform	5

Industry Comparison⁽¹⁾ Industry: Retail - Home Furnishings

	HD	X Industry	S&P 500	BLDR	LOW	TGLS
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Underperform
Zacks Rank (Short Term)	4	-	-	3	3	5
VGM Score	D	-	-	A	C	D
Market Cap	353.87 B	726.99 M	37.79 B	12.36 B	135.50 B	2.29 B
# of Analysts	13	4	22	7	13	4
Dividend Yield	2.59%	0.00%	1.47%	0.00%	1.99%	1.22%
Value Score	D	-	-	A	C	C
Cash/Price	0.00	0.04	0.04	0.03	0.01	0.06
EV/EBITDA	15.64	6.19	14.43	7.62	13.83	8.76
PEG Ratio	6.89	2.37	2.21	11.95	4.01	0.59
Price/Book (P/B)	29.21	2.96	3.33	2.86	NA	3.02
Price/Cash Flow (P/CF)	18.69	15.51	14.90	6.62	15.51	11.64
P/E (F1)	23.76	23.35	20.17	15.90	19.71	13.02
Price/Sales (P/S)	2.13	0.99	3.03	0.79	1.61	2.34
Earnings Yield	4.12%	4.20%	4.94%	6.29%	5.07%	7.68%
Debt/Equity	3.82	0.00	0.57	1.03	-3.61	0.15
Cash Flow (\$/share)	19.02	2.67	8.99	16.88	15.58	4.22
Growth Score	C	-	-	B	C	D
Hist. EPS Growth (3-5 yrs)	1.42%	-1.38%	8.17%	14.85%	3.14%	35.74%
Proj. EPS Growth (F1/F0)	-1.84%	3.00%	8.30%	-39.19%	2.17%	3.29%
Curr. Cash Flow Growth	2.74%	-8.82%	7.09%	-20.54%	-8.82%	-6.19%
Hist. Cash Flow Growth (3-5 yrs)	6.89%	14.16%	7.32%	40.96%	8.43%	29.89%
Current Ratio	1.05	1.23	1.18	1.79	1.04	1.98
Debt/Capital	79.27%	0.00%	38.16%	50.64%	NA	12.70%
Net Margin	8.77%	4.64%	12.77%	3.79%	8.05%	18.46%
Return on Equity	160.74%	9.34%	17.03%	21.28%	-55.86%	26.64%
Sales/Assets	1.66	1.44	0.53	1.39	1.79	0.86
Proj. Sales Growth (F1/F0)	2.80%	2.51%	5.59%	-6.90%	2.70%	10.10%
Momentum Score	B	-	-	C	C	A
Daily Price Chg	1.25%	1.36%	0.69%	2.55%	1.47%	1.51%
1 Week Price Chg	-5.25%	-0.55%	2.57%	-1.76%	2.83%	5.23%
4 Week Price Chg	-5.97%	-6.08%	-1.13%	-3.07%	1.31%	-17.36%
12 Week Price Chg	-12.81%	-12.81%	5.65%	-18.03%	-7.32%	-30.33%
52 Week Price Chg	-16.79%	-8.93%	13.57%	-39.51%	-11.56%	-38.39%
20 Day Average Volume	4,424,059	529,386	3,023,376	2,700,903	3,528,831	519,146
(F1) EPS Est 1 week change	0.01%	0.00%	0.00%	0.00%	0.08%	0.00%
(F1) EPS Est 4 week change	-3.29%	0.82%	0.23%	4.64%	-0.47%	-8.61%
(F1) EPS Est 12 week change	-3.39%	0.97%	0.60%	-0.99%	-0.50%	-8.61%
(Q1) EPS Est Mthly Chg	-10.05%	-1.43%	-0.09%	17.92%	-4.86%	-24.11%

Analyst Earnings Model⁽²⁾

The Home Depot, Inc. (HD)

In \$MM, except per share data

	2023A	2024A	2025A	1QA	2QA	2026E	4QE	FY	1QE	2QE	2027E	4QE	FY	2028E
FY Ends January 31st	FY	FY	FY	1QA	2QA	3QE	4QE	FY	1QE	2QE	3QE	4QE	FY	FY
	Jan-23	Jan-24	Jan-25	30-Apr-25	31-Jul-25	31-Oct-25	31-Jan-26	Jan-26	30-Apr-26	31-Jul-26	31-Oct-26	31-Jan-27	Jan-27	Jan-28
Income Statement														
Net Sales	\$157,403.0	\$152,669.0	\$159,514.0	\$39,856.0	\$45,277.0	\$41,105.7	\$37,821.2	\$164,059.8	\$41,453.1	\$47,267.2	\$43,210.8	\$39,846.4	\$171,777.5	\$179,653.0
YoY % Chng	4.1%	(3.0%)	4.5%	9.4%	4.9%	2.2%	(4.7%)	2.8%	4.0%	4.4%	5.1%	5.4%	4.7%	4.6%
Cost of Goods Sold	\$104,625.0	\$101,709.0	\$106,206.0	\$26,397.0	\$30,152.0	\$27,343.3	\$25,407.9	\$109,300.2	\$27,323.2	\$31,355.2	\$28,563.7	\$26,579.6	\$113,821.7	\$118,438.6
YoY % Chng	4.3%	(2.8%)	4.4%	10.1%	4.8%	2.1%	(4.7%)	2.9%	3.5%	4.0%	4.5%	4.6%	4.1%	4.1%
Gross Profit	\$52,778.0	\$50,960.0	\$53,308.0	\$13,459.0	\$15,125.0	\$13,762.4	\$12,413.3	\$54,759.7	\$14,129.9	\$15,912.0	\$14,647.1	\$13,266.7	\$57,955.8	\$61,214.4
YoY % Chng	3.8%	(3.4%)	4.6%	8.3%	4.9%	2.5%	(4.8%)	2.7%	5.0%	5.2%	6.4%	6.9%	5.8%	5.6%
Selling, General and Administrative	\$26,284.0	\$26,598.0	\$28,748.0	\$7,530.0	\$7,764.0	\$7,382.6	\$7,423.5	\$30,100.2	\$7,710.3	\$7,963.2	\$7,716.0	\$7,747.9	\$31,137.4	\$32,109.5
YoY % Chng	3.5%	1.2%	8.1%	12.9%	8.7%	2.4%	(3.9%)	4.7%	2.4%	2.6%	4.5%	4.4%	3.4%	3.1%
Depreciation & Amortization	\$2,455.0	\$2,673.0	\$3,034.0	\$796.0	\$806.0	\$852.5	\$866.5	\$3,321.1	\$825.7	\$848.3	\$896.8	\$884.8	\$3,455.6	\$3,626.0
YoY % Chng	2.9%	8.9%	13.5%	15.9%	9.2%	7.2%	6.5%	9.5%	3.7%	5.3%	5.2%	2.1%	4.1%	4.9%
Total Operating Expenses	\$28,739.0	\$29,271.0	\$31,782.0	\$8,326.0	\$8,570.0	\$8,235.2	\$8,290.0	\$33,421.2	\$8,535.9	\$8,811.5	\$8,612.8	\$8,632.8	\$34,593.0	\$35,735.5
YoY % Chng	3.4%	1.9%	8.6%	13.2%	8.7%	2.8%	(2.9%)	5.2%	2.5%	2.8%	4.6%	4.1%	3.5%	3.3%
EBITDA	\$26,494.0	\$24,362.0	\$24,560.0	\$5,929.0	\$7,361.0	\$6,379.7	\$4,989.8	\$24,659.5	\$6,419.7	\$7,948.8	\$6,931.1	\$5,518.8	\$26,818.4	\$29,104.9
YoY % Chng	4.2%	(8.0%)	0.8%	2.8%	1.2%	2.7%	(6.0%)	0.4%	8.3%	8.0%	8.6%	10.6%	8.8%	8.6%
Operating Income, Adjusted		\$21,875.0	\$21,951.0	\$5,272.0	\$6,694.0	\$5,666.2	\$4,271.2	\$21,903.5	\$5,734.0	\$7,240.5	\$6,174.3	\$4,774.0	\$23,922.8	\$26,038.8
YoY % Chng			0.3%	2.7%	1.1%	2.0%	(7.9%)	(0.2%)	8.8%	8.2%	9.0%	11.8%	9.2%	8.8%
Operating Income, GAAP	\$24,039.0	\$21,689.0	\$21,526.0	\$5,133.0	\$6,555.0	\$5,527.2	\$4,123.2	\$21,338.5	\$5,594.0	\$7,100.5	\$6,034.3	\$4,634.0	\$23,362.8	\$25,478.8
YoY % Chng	4.3%	(9.8%)	(0.8%)	1.1%	0.3%	2.0%	(8.3%)	(0.9%)	9.0%	8.3%	9.2%	12.4%	9.5%	9.1%
Interest Expense	\$1,617.0	\$1,943.0	\$2,321.0	\$615.0	\$575.0	\$622.1	\$492.9	\$2,305.1	\$666.3	\$672.9	\$674.9	\$547.5	\$2,561.7	\$2,791.2
YoY % Chng	20.0%	20.2%	19.5%	26.8%	0.3%	(0.5%)	(22.7%)	(0.7%)	8.3%	17.0%	8.5%	11.1%	11.1%	9.0%
Interest Income and Other, Net	\$55.0	\$178.0	\$201.0	\$24.0	\$25.0	\$27.3	\$28.1	\$104.4	\$24.5	\$25.4	\$27.4	\$28.9	\$106.2	\$111.2
YoY % Chng	25.0%	223.6%	12.9%	(57.9%)	(70.2%)	(9.0%)	(6.3%)	(48.1%)	2.0%	1.6%	0.4%	2.9%	1.7%	4.7%
Interest and Other (Income) Expense, Net	\$1,562.0	\$1,765.0	\$2,120.0	\$591.0	\$550.0	\$594.8	\$464.8	\$2,200.7	\$641.9	\$647.5	\$647.6	\$518.6	\$2,455.5	\$2,680.0
YoY % Chng	19.9%	13.0%	20.1%	38.1%	12.5%	(0.0%)	(23.5%)	3.8%	8.6%	17.7%	8.9%	11.6%	11.6%	9.1%
Pre-Tax Income	\$22,477.0	\$19,924.0	\$19,406.0	\$4,542.0	\$6,005.0	\$4,932.4	\$3,658.4	\$19,137.8	\$4,952.1	\$6,453.0	\$5,386.8	\$4,115.4	\$20,907.3	\$22,798.8
YoY % Chng	3.4%	(11.4%)	(2.6%)	(2.3%)	(0.7%)	2.3%	(5.9%)	(1.4%)	9.0%	7.5%	9.2%	12.5%	9.2%	9.0%
Income Tax	\$5,372.0	\$4,781.0	\$4,600.0	\$1,109.0	\$1,454.0	\$1,223.2	\$907.3	\$4,693.5	\$1,213.3	\$1,581.0	\$1,319.8	\$1,008.3	\$5,122.3	\$5,585.7
YoY % Chng	1.3%	(11.0%)	(3.8%)	5.5%	(2.0%)	4.1%	1.9%	2.0%	9.4%	8.7%	7.9%	11.1%	9.1%	9.0%
Tax Rate	23.9%	24.0%	23.7%	24.5%	24.2%	24.8%	24.8%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%	24.5%
Net Income	\$17,105.0	\$15,143.0	\$14,806.0	\$3,433.0	\$4,551.0	\$3,709.1	\$2,751.1	\$14,444.3	\$3,738.8	\$4,872.0	\$4,067.0	\$3,107.1	\$15,785.0	\$17,213.1
YoY % Chng	4.1%	(11.5%)	(2.2%)	(4.6%)	(0.2%)	1.7%	(8.2%)	(2.4%)	8.9%	7.1%	9.6%	12.9%	9.3%	9.0%
Basic Shares Outstanding	1,022	999	990	992	992	992	992	992	992	992	992	992	992	992
YoY % Chng	(3.0%)	(2.3%)	(0.9%)	0.3%	0.2%	0.1%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Diluted Shares Outstanding	1,025	1,002	993	994	994	994	994	994	994	994	994	994	994	994
YoY % Chng	(3.1%)	(2.2%)	(0.9%)	0.2%	0.2%	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Basic EPS	\$16.74	\$15.16	\$14.96	\$3.46	\$4.59	\$3.74	\$2.77	\$14.56	\$3.77	\$4.91	\$4.10	\$3.13	\$15.91	\$17.35
YoY % Chng	7.4%	(9.4%)	(1.3%)	(4.9%)	(0.4%)	1.6%	(8.2%)	(2.7%)	8.9%	7.0%	9.6%	12.9%	9.3%	9.0%
EPS, Adjusted	\$16.69	\$15.25	\$15.24	\$3.56	\$4.68	\$3.84	\$2.88	\$14.96	\$3.87	\$5.01	\$4.20	\$3.23	\$16.31	\$17.74
YoY % Chng	7.5%	(8.6%)	(0.1%)	(3.0%)	0.2%	1.5%	(8.0%)	(1.9%)	8.6%	7.0%	9.4%	12.2%	9.0%	8.8%
EPS, GAAP	\$16.69	\$15.11	\$14.91	\$3.45	\$4.58	\$3.73	\$2.77	\$14.53	\$3.76	\$4.90	\$4.09	\$3.13	\$15.88	\$17.32
YoY % Chng	7.5%	(9.5%)	(1.3%)	(5.0%)	(0.4%)	1.7%	(8.4%)	(2.6%)	9.0%	7.0%	9.6%	12.9%	9.3%	9.0%
Dividend per Share	\$7.60	\$8.36	\$9.00	\$2.30	\$2.30	\$2.30	\$2.30	\$9.20	\$2.42	\$2.42	\$2.42	\$2.42	\$9.66	\$10.14
YoY % Chng	15.2%	10.0%	7.7%	2.2%	2.2%	2.2%	2.2%	2.2%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Dividend Payout Ratio	45.5%	54.8%	59.1%	64.6%	49.1%	59.9%	79.9%	61.5%	62.4%	48.2%	57.5%	74.7%	59.2%	57.2%

Zacks Stock Rating System

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Value Score	D
Growth Score	C
Momentum Score	B
VGM Score	D

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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