



Raymond James Conference

Kevin Hofmann

President
Online

LET'S
DO
THIS.

Forward Looking Statements and Non-GAAP Financial Measurements

Certain statements contained in today's presentations 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 2014 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 2016 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. 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 February 1, 2015 and our subsequent Quarterly Reports on Form 10-Q.

Today's presentations 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 by providing them with meaningful information relevant to events of unusual nature or frequency that impact the comparability of underlying business results from period to period. 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.



Fiscal 2015 Results

(\$ Millions USD, except per share data)

	FY 2015	FY 2014	V%
Sales	\$88,519	\$83,176	6.4%
<i>Comp Sales</i>	<i>5.6%</i>	<i>5.3%</i>	
Gross Profit	\$30,265	\$28,389	6.6%
<i>Gross Profit Margin</i>	<i>34.19%</i>	<i>34.13%</i>	<i>6 bps</i>
Total Operating Expenses	\$18,491	\$17,920	3.2%
Operating Profit	\$11,774	\$10,469	12.5%
<i>Operating Profit Margin</i>	<i>13.30%</i>	<i>12.59%</i>	<i>71 bps</i>
Net Earnings	\$7,009	\$6,345	10.5%
Diluted Earnings Per Share	\$5.46	\$4.71	15.9%

15.9% Earnings Per Share Growth in 2015.

Three-Legged Stool

Interconnecting Retail

Customer Experience

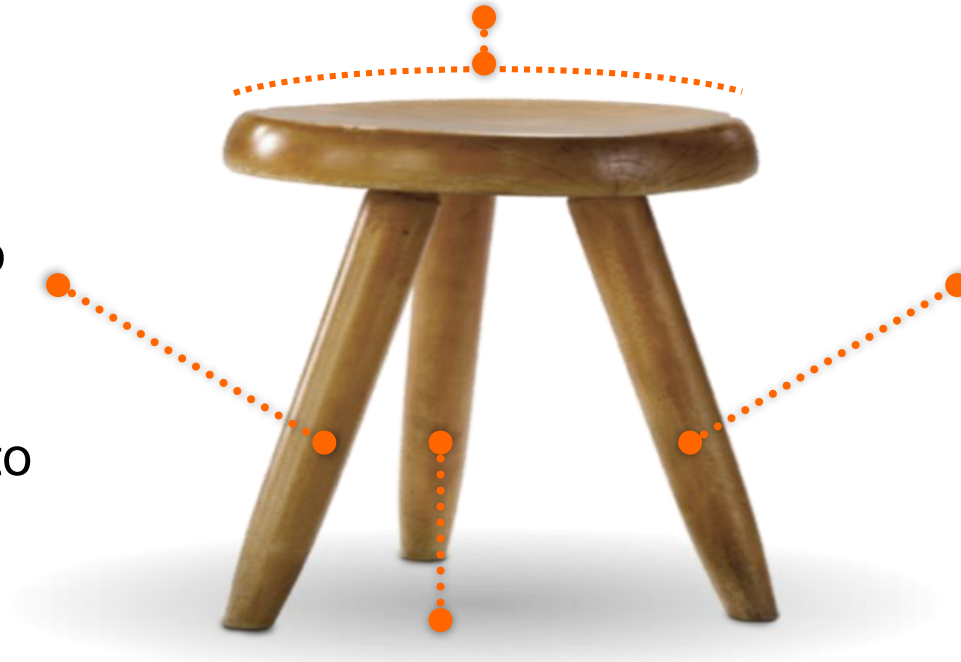
- Connecting service to customer needs
- Connecting stores to website and website to stores

Capital Allocation Driven By Productivity And Efficiency

- Connecting activities to cost efficiency

Product Authority

- Connecting assortment to local needs
- Connecting merchandise from supplier to shelf to customer



Growth Driven by the Professional Customer



Growth Driven by the Professional Customer

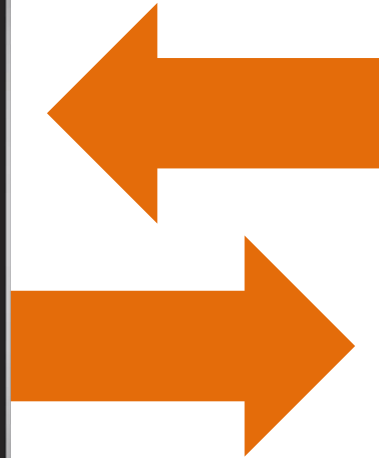
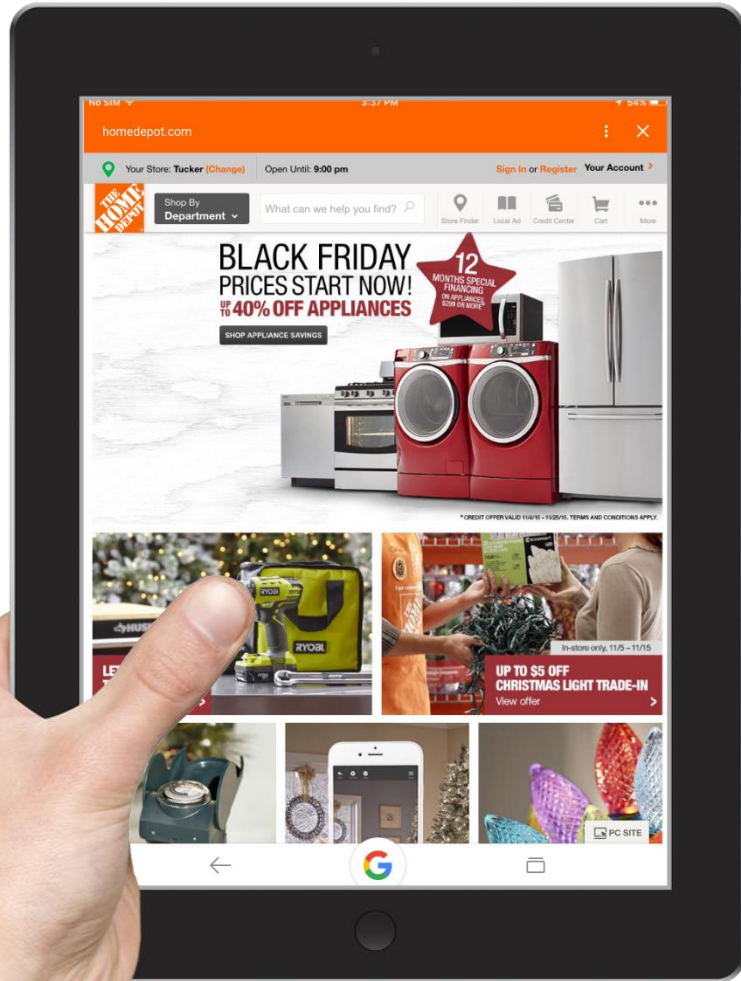
\$550B Total Addressable U.S. Market



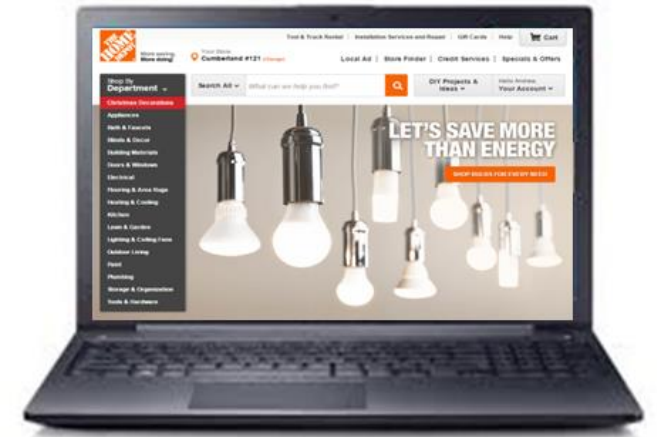
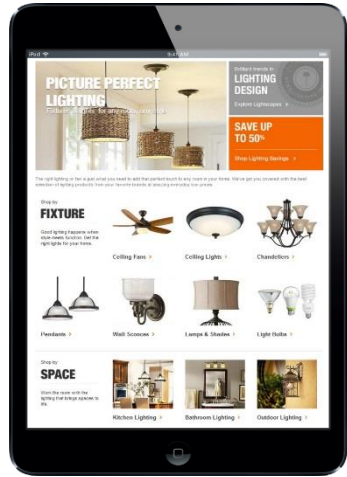
Sources: 2014 HIRI Reference Guide; 2015 Harvard University "Emerging Trends in the Remodeling Market"; NAICS; and external market analysis



Growth Driven By Interconnected Retail



One Home Depot



Interconnected Progress

**Digital
Marketing**

**Experience
Improvements**

**Search
Enhancements**

Mobile

**Content
Improvements**

1M+ SKUs

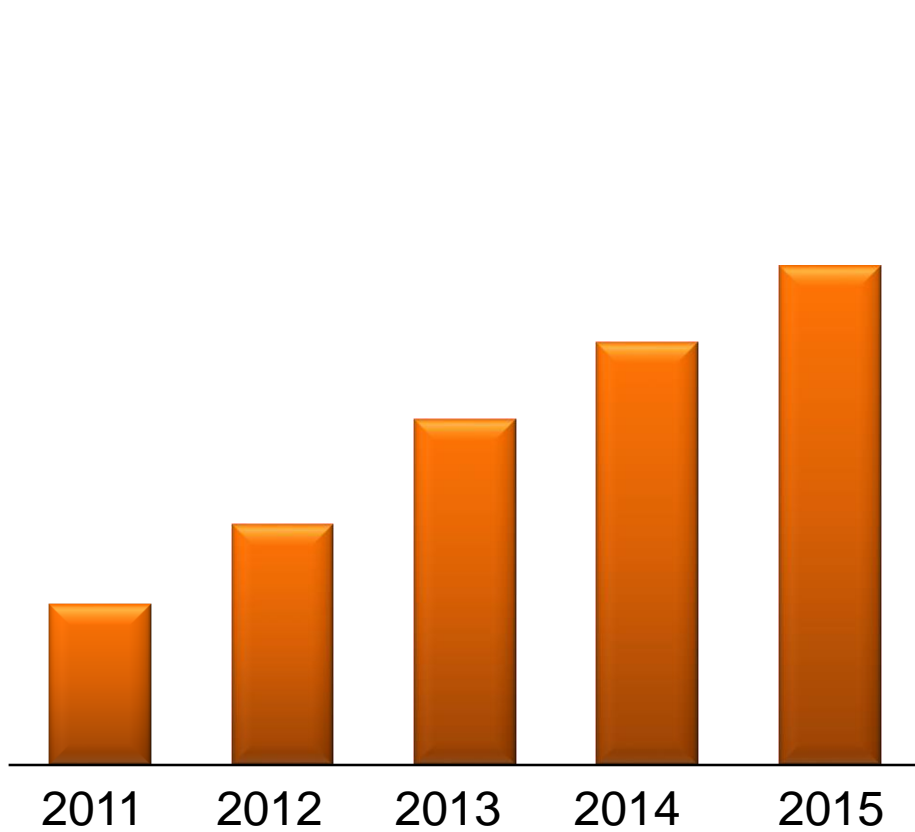
Buy Online...

Return In Store
Pickup In Store
Ship to Store
Deliver From Store

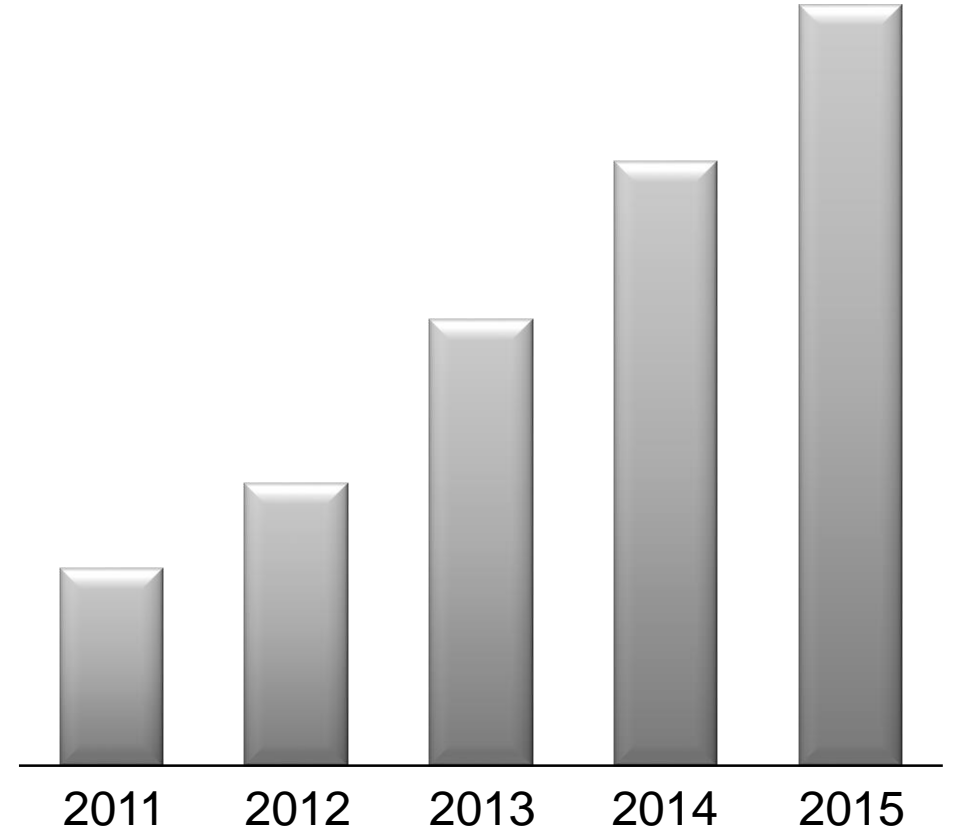
**Direct
Fulfillment
Centers**

**Contact
Centers**

Driving Growth in Visits and Sales



Visits



Online Sales

Connecting with Our Changing Customers



Shopping in New Ways



Seamless Experience



Higher Expectations

Interconnected Retail: Maria's Story

• Inspiration

Research •

• Products/Value



Meet
Maria



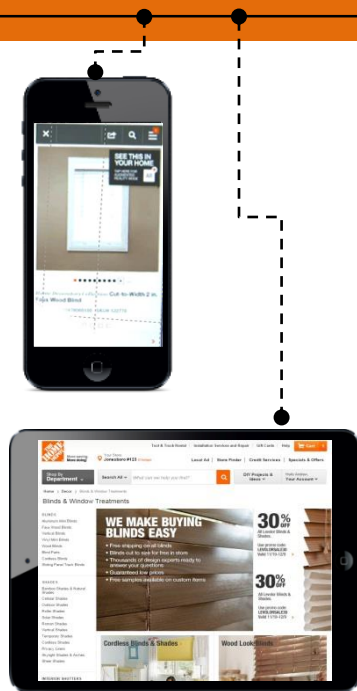
Transaction / Fulfillment

Interconnected Retail: Maria's Story

Inspiration



Research



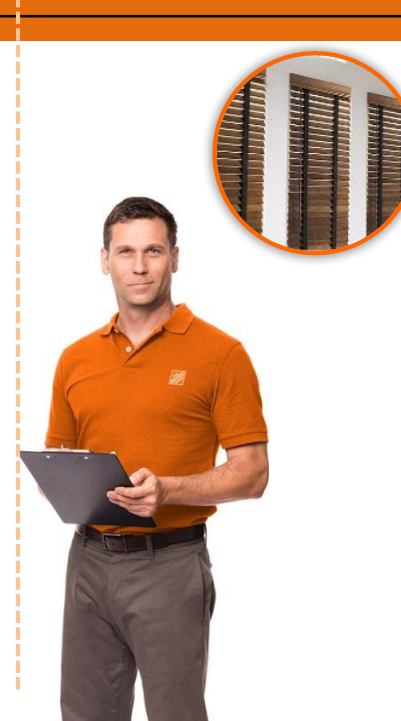
Products/Value



Know How/Help



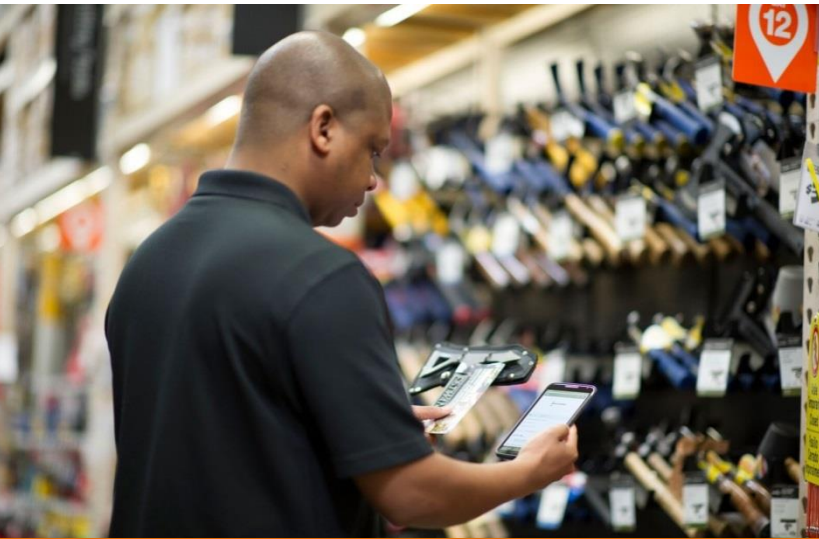
Transaction



Post Sale



How Do We Win With Customers?



Convenience



Product Authority



Customer Experience

Doing Old Things
in **New Ways**

Fiscal 2016 Guidance¹⁾

(As of February 23, 2016)

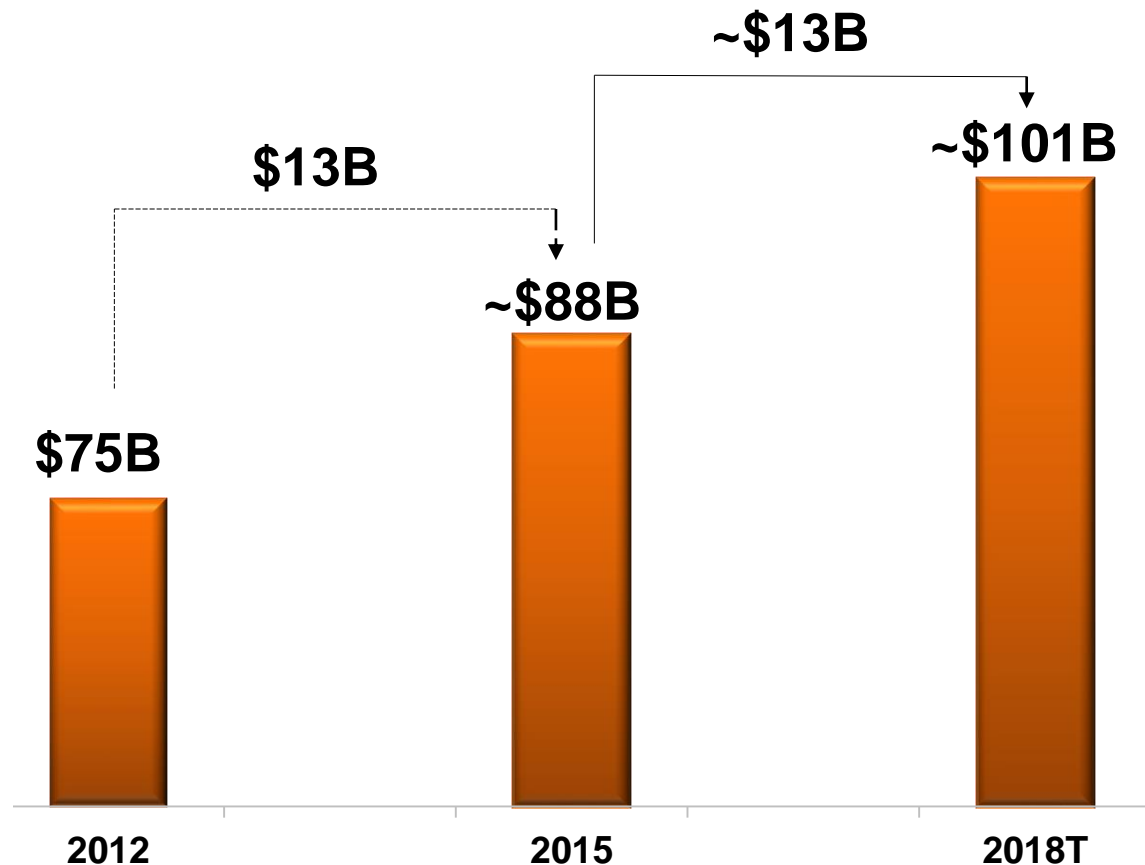
New store openings	5 in Mexico
Sales growth	~5.1% to 6.0%
Comp store sales growth	~3.7% to 4.5%
Operating margin expansion	~70 bps to ~14%
Diluted EPS growth	~\$6.12 to \$6.18, or an increase of ~12% to 13% (after targeted share repurchases)
Share repurchases	Targeting \$5 billion

1) All guidance based on GAAP



Long Term Targets

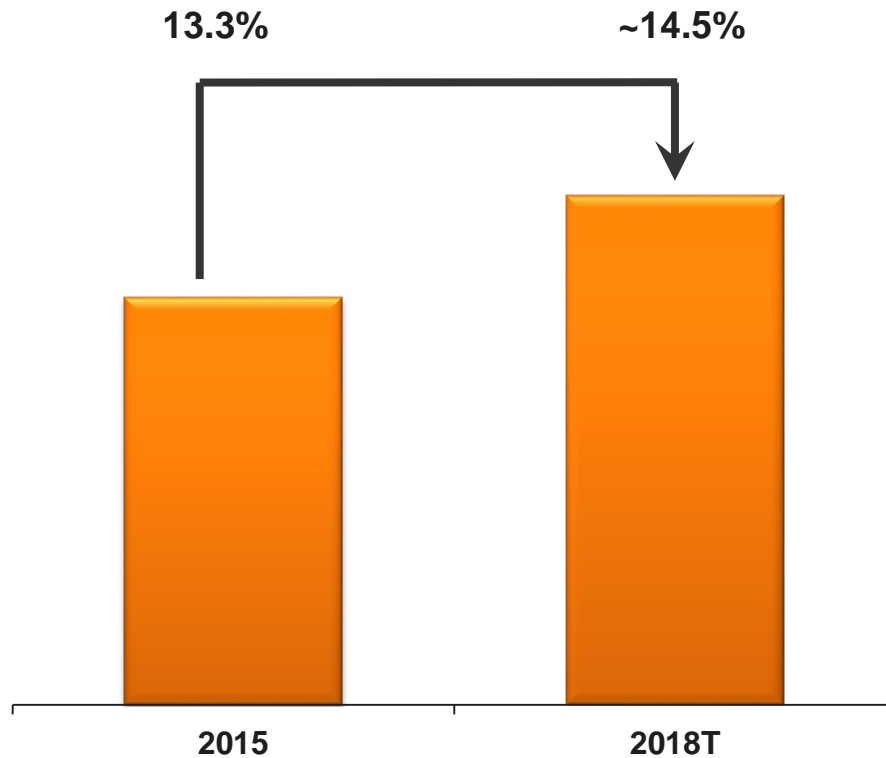
Sales



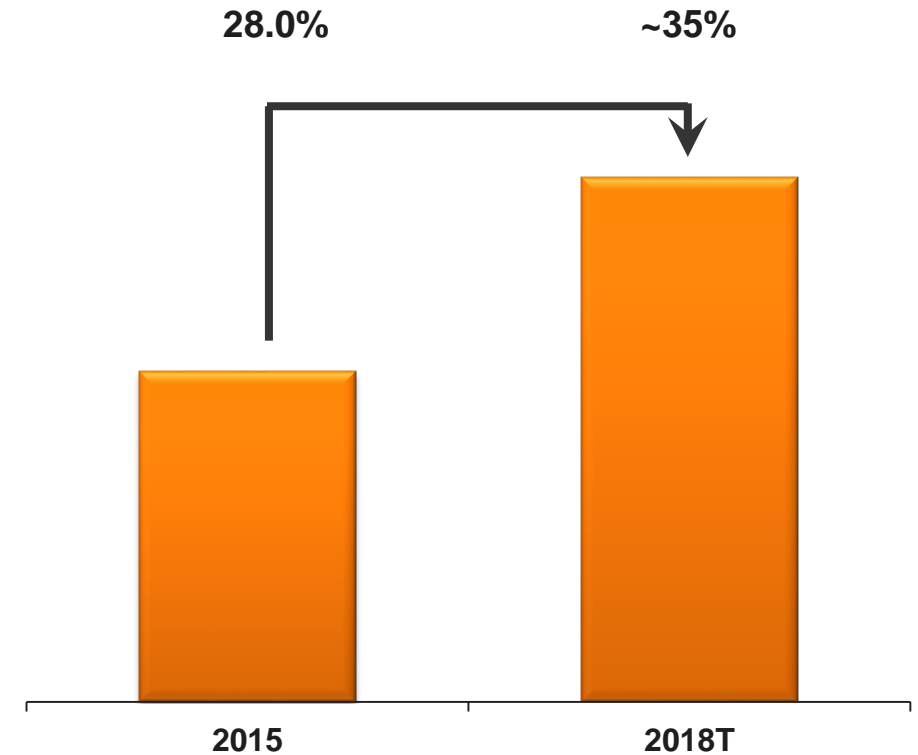
- Comps ~4%
- New Stores ~5 – 7 / Year
- Total CAGR Sales Growth ~4.7%
 - Includes Interline

Long Term Targets

Operating Margin



Return on Invested Capital



Return on invested capital is defined as net operating profit after tax for the trailing twelve months divided by the average of beginning and ending long-term debt and equity. Assumes excess cash used to repurchase shares.



Shareholder Return Principles

Return on Invested Capital Principle

- Maintain high return on invested capital, benchmarking all uses of excess liquidity against value created for shareholders through repurchases
- Adjusted debt/EBITDAR ratio not to exceed 2x

Dividend Principle

- Targeting payout at approximately 50% of earnings. Intend to increase dividend every year

Share Repurchase Principle

- After meeting the needs of the business, use excess liquidity to repurchase shares, as long as value creating