

[Decision](#) [Forecast](#) [Overrides](#) [DCF Drivers](#) [DCF Review](#) [WACC Review](#)

The Home Depot, Inc. (HD)

Analyst Notes : Upgraded from Neutral 2/28/20 | Cause: Price Decrease: Lower Market Expectations | Added to the Most Attractive Stocks Model Portfolio Feb 2020 | Exec Comp Linked to ROIC Mod

Overrides are currently inactive. To review overrides click on the [Overrides edit page](#).

● = marks items on this page that can be overridden

● = marks items on this page that have active overrides in effect

[Download CSV](#)

Select Forecast To View: Neutral (Updated 5/18/2015)

Values in Millions except per share amounts	22	EY 4: 2023	EY 5: 2024	EY 6: 2025	EY 7: 2026	EY 8: 2027	EY 9: 2028	EY 10: 2029
FCF Present Value	9	\$10,382.35	\$10,187.70	\$10,106.82	\$10,026.58	\$9,946.98	\$9,868.01	\$9,789.67
FCF Cumulative Present Value	9	\$43,301.45	\$53,489.15	\$63,595.97	\$73,622.56	\$83,569.54	\$93,437.55	\$103,227.22
Terminal Value	4	\$258,355.69	\$271,273.47	\$284,837.15	\$299,079.00	\$314,032.95	\$329,734.60	\$346,221.33
Present Value of Terminal Value	2	\$205,880.05	\$204,245.56	\$202,624.04	\$201,015.40	\$199,419.53	\$197,836.33	\$196,265.70
Corporate Value	2	\$249,181.50	\$257,734.71	\$266,220.02	\$274,637.96	\$282,989.07	\$291,273.88	\$299,492.91
● Excess Cash		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
● Net Assets from Discontinued Operations		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
● Net Deferred Tax Liability		(\$370.00)	(\$370.00)	(\$370.00)	(\$370.00)	(\$370.00)	(\$370.00)	(\$370.00)
● Net Deferred Compensation Assets		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
● Fair Value of Unconsolidated Subsidiary Assets (non-operating)		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
● Fair Value of Total Debt	9)	(\$36,134.20)	(\$36,134.20)	(\$36,134.20)	(\$36,134.20)	(\$36,134.20)	(\$36,134.20)	(\$36,134.20)
● Fair Value of Preferred Capital		(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)
● Fair Value of Minority Interests		(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)
● Value of Outstanding ESO After-Tax		(\$579.09)	(\$579.09)	(\$579.09)	(\$579.09)	(\$579.09)	(\$579.09)	(\$579.09)
● Pensions Net Funded Status		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Shareholder Value	2	\$212,098.21	\$220,651.42	\$229,136.72	\$237,554.66	\$245,905.77	\$254,190.58	\$262,409.62
● Shares Outstanding		1,090.8	1,090.8	1,090.8	1,090.8	1,090.8	1,090.8	1,090.8
Shareholder Value per Share		\$194.44	\$202.28	\$210.06	\$217.77	\$225.43	\$233.02	\$240.56
GAP (Growth Appreciation Period)	4	5	6	7	8	9	10	
Maximum Loss Exposure from Special Purpose Entities		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Decision Page pulls Performance Hurdles values from below for the relevant GAPs								
Total Operating Revenue CAGR		3.6%	3.9%	4.1%	4.2%	4.3%	4.4%	4.4%
Average Economic Earnings Margin		28.4%	28.6%	28.8%	28.9%	29.1%	29.3%	29.5%
Average ROIC		34.5%	34.7%	34.9%	35.1%	35.2%	35.4%	35.6%
ROIC (Return On Invested Capital)		35.0%	35.4%	35.8%	36.2%	36.6%	37.0%	37.3%
● WACC (Weighted Average Cost of Capital)		5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%
Incremental Return on Invested Capital		51.5%	53.6%	48.4%	48.4%	48.4%	48.4%	48.4%
Average NOPAT Margin		11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
Average Avg Invested Capital Turns		2.99	3.01	3.02	3.04	3.06	3.07	3.09
NOPAT CAGR		6.4%	6.1%	5.9%	5.8%	5.7%	5.6%	5.6%
Invested Capital CAGR		2.7%	2.9%	3.1%	3.2%	3.3%	3.3%	3.4%
FCF CAGR		1.5%	1.9%	2.4%	2.8%	3.1%	3.3%	3.5%
Economic Earnings CAGR		8.1%	7.5%	7.1%	6.8%	6.6%	6.5%	6.3%