

Home Depot shares jump as retailer raises profit outlook

David Carrig, USA TODAY 6:52 p.m. EDT August 18, 2015

Oppenheimer & Co. Senior Analyst Brian Nagel and Bloomberg's Michael Regan discuss earnings from Home Depot and what they may signal for the broader U.S. economy. Bloomberg

(Photo: Alan Diaz, AP)

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Home Depot ([HD](#)) shares jumped 2.6% Tuesday as the company reported second-quarter earnings that met Wall Street expectations and raised its 2015 profit outlook for the second time this year.

The retailer is benefiting from a steadily improving housing market as Americans continue to spend money on home improvement.

Home Depot reported it earned \$2.2 billion, or \$1.73 per diluted share, in its fiscal second quarter, compared with net earnings of \$2.1 billion, or \$1.52 per diluted share, in the same period of fiscal 2014.

Adjusted for one-time items, diluted earnings per share were \$1.71.

Sales rose 4.3% to \$24.8 billion.

Wall Street analysts were expecting \$1.71 a share on \$24.9 billion in sales, according to Thomson Reuters I/B/E/S.

Sales at stores open at least a year, a key retail indicator, were up 4.2% from a year ago, and in the U.S., sales jumped 5.7%. That easily beat expectations of a 3.6% rise in same-store sales and a 4.7% forecast for U.S. sales.

"We saw balanced growth across our business resulting from strength in the core of the store as well as the continued recovery of the U.S. housing market," said Home Depot CEO Craig Menear.

The retailer said it expects earnings of \$5.31 to \$5.36 a share for the year, up from its earlier forecast of \$5.24 to \$5.27 a share. The company also raised its sales forecast for the year to 5.2% to 6% growth.

Shares were up \$3.10 to close at \$122.80 and hit a new intraday record of \$123.80.

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