The Home Depot Announces Agreement to Acquire HD Supply Holdings, Inc.

November 16, 2020

The Home Depot, the world's largest home improvement retailer, today announced it has entered into a definitive agreement to acquire HD Supply Holdings, Inc., a leading national distributor of maintenance, repair and operations (MRO) products in the multifamily and hospitality end markets. The acquisition is expected to position The Home Depot as a premier provider in the MRO marketplace.

“The MRO customer is highly valued by The Home Depot, and this acquisition will position the company to accelerate sales growth by better serving both existing and new customers in a highly fragmented $55 billion marketplace,” said Craig Menear, chairman and CEO of The Home Depot. “HD Supply complements our existing MRO business with a robust product offering and value-added service capabilities, an experienced salesforce that enhances the strong team we have in place, as well as an extensive, MRO-specific distribution network throughout the U.S. and Canada.”

"We're thrilled that our associates are joining the Home Depot team and that our customers will be able to benefit from a broader product assortment, expanded delivery options and enhanced services nationally," said Joe DeAngelo, chairman and CEO, HD Supply. "We are confident that this will position both The Home Depot and HD Supply for continued growth and success in the MRO distribution space."

Under the terms of the merger agreement, a subsidiary of The Home Depot will commence a cash tender offer to purchase all outstanding shares of HD Supply common stock for $56 per share, for a total enterprise value (including net cash) of approximately $8 billion. The closing of the tender offer is subject to customary closing conditions, including regulatory approvals and the tender of a majority of the shares of HD Supply common stock then outstanding (on a fully diluted basis) and is expected to be completed during The Home Depot's fiscal fourth quarter, which ends on January 31, 2021. The transaction is expected to be funded through cash on hand and debt.

“We plan to access the debt capital markets to raise incremental indebtedness in support of this acquisition. We also expect the transaction to be accretive to earnings in fiscal 2021, with potential for significant shareholder value creation over the longer term,” said Richard McPhail, executive vice president and CFO.