

BUSINESS & FINANCE

Home Depot's Earnings Decline

Stagnant housing market, economic uncertainty take a toll on the sector

By NICHOLAS G. MILLER

Home Depot reported lower fiscal fourth-quarter profit as economic uncertainty, high interest rates and a stagnant housing market continue to weigh on home-improvement activity.

"We continue to see pressure from consumer uncertainty and frozen housing conditions," said Chief Financial Officer Richard McPhail in an interview. "Our customer who is the homeowner remains among the healthiest consumer cohorts, but they do tell us uncertainty is impacting their desire to spend on the home. They have concerns over affordability and job losses."

Home Depot raised prices in some categories last year to help offset tariffs. McPhail said those price hikes did impact demand, but that the



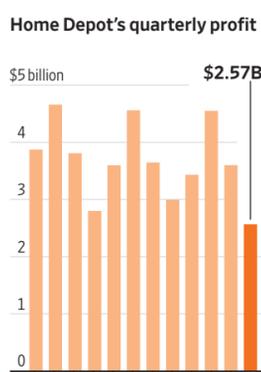
The retailer raised some prices last year to offset tariffs.

company isn't planning additional pricing increases.

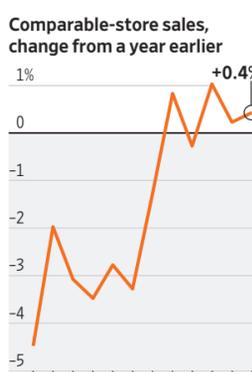
The home-improvement retailer has said that economic uncertainty, including slipping home prices and a wobbly job market, has led homeowners to delay remodeling projects. High interest rates have also particularly curtailed discretionary upgrades that homeowners typically fund with financing, while a stagnant housing market has limited

the home-improvement projects that come with housing turnover.

McPhail said the home-improvement market has strong long-term fundamentals given the country's aging stock of homes and high home-equity values. But he said it remained an open question of when those factors would lead to a recovery in remodeling activity. "Home prices and mortgage rates do show signs



Note: Latest fiscal quarter ended Feb. 1
Sources: S&P Capital IQ (profit); the company (sales)



of very slight thawing, but it is hard to predict time," he said.

For the fourth quarter, the company reported net income of \$2.57 billion, or \$2.58 a share, down from \$3 billion, or \$3.02 a share, the year prior.

Adjusted earnings were \$2.72 a share. Analysts polled by FactSet had expected \$2.53 a share.

Sales fell 3.8% to \$38.2 bil-

lion, beating Wall Street's forecast of \$38.09 billion. The decline was due to an extra week in the prior-year quarter.

Comparable sales increased 0.4%.

The company reiterated its fiscal 2026 guidance of comparable-sales growth of flat to 2% and adjusted earnings-per-share growth of flat to 4%.

Shares climbed 2% in Tuesday's trading.

LVMH's Arnault Clinches Majority Ownership

By ANDREA FIGUERAS

French billionaire Bernard Arnault has taken majority ownership of LVMH with a stake valued at more than \$160 billion, tightening his family's control of the sprawling luxury-goods company that he founded.

A spokesperson for the company said Tuesday that Arnault now owns 50.01% of LVMH's share capital, up from 49.77% at the end of last year.

The move comes weeks after Arnault unveiled plans to acquire more shares in LVMH, the conglomerate that owns fashion houses Louis Vuitton and Dior, jewelers Tiffany and Bulgari, champagne-and-cognac group Moët Hennessy and a host of other brands across luxury and other areas.

The family group has about 50% of LVMH's capital, Arnault said in an earnings call last month. "We believe in what we do and we are showing it in that way," Arnault said.

LVMH has a market valuation of approximately 280 billion euros, equivalent to \$330 billion, according to Refinitiv LSEG data and based on Tuesday's closing price.

That makes the Arnault family stake worth around \$165 billion.

Arnault has long worked to secure control of the company, which is among Europe's largest. All of his children hold positions within the group, though ultimate succession plans remain uncertain. Like most of its rivals, LVMH has been facing tough market conditions in the past years.

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China's BYD Logs Surge in Europe

By MAURO ORRU

Chinese auto giant BYD posted a nearly threefold increase in European sales last month, a glittering start to the year as its electric and hybrid vehicles remain in high demand on the continent.

New-car registrations for BYD models, a reflection of sales, surged to 18,242 units last month from 6,884 in January 2025 across the European Union, the U.K., Iceland, Liechtenstein, Norway and Switzerland, according to the European Automobile Manufacturers' Association, an industry body also known as ACEA.

BYD sales in Europe have skyrocketed every month—

sometimes nearly fivefold—since ACEA began including the company in its data last summer, underscoring growing appetite for its lineup of vehicles among European drivers in a threat to established carmakers.

Germany's Volkswagen reported a 3.8% decline in European sales last month, with BMW and Renault registrations down 5.7% and 15% respectively, according to ACEA data. While those companies still sold far more vehicles in Europe than BYD, declining figures are testament to the fierce competition that domestic carmakers face from their Chinese rival.

Earlier this month, Jeep maker Stellantis said it would



The car maker's sales in Europe are rising every month. A BYD electric car on exhibit in London.

book charges of about \$26 billion as part of a shift away from electric vehicles amid weaker-than-expected demand. Several automakers have had to review their lineups and scale back EV production in recent years as they struggled to convince drivers to transition to electric.

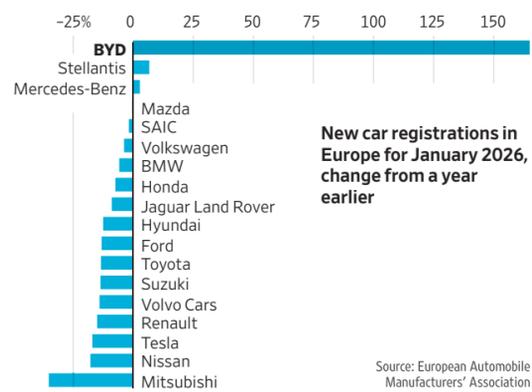
BYD outsold Tesla in Europe last month. New-car registrations for Tesla models slid 17% on year to 8,075 units in January, according to ACEA data, extending a weakening of sales for Elon Musk's EV maker that intensified last year amid customer backlash against the billionaire's temporary involvement with the Trump administration, the expiration of federal EV tax credits in the U.S. and stiff competition.

Tesla's global sales fell about 1% in 2024 and 9% last year. BYD recently dethroned Tesla as the world's biggest EV seller.

ACEA data showed that

sales of battery-electric vehicles in Europe grew nearly 14% on year in January. Registrations of hybrid-electric cars increased 6.4%, while plug-in-hybrid models grew 32%.

ACEA said that passenger-car registrations declined 3.5% in Europe as a whole and 3.9% in the EU, with sales down 6.6% in both Germany and France, but up 6.2% in Italy.



Source: European Automobile Manufacturers' Association

Roku Swings to Full-Year Profit

By MARK MAURER

Roku's push into advertising and subscription services has helped the streaming platform return to full-year profitability for the first time since the days when pandemic lockdowns gave its business a boost.

Cost cuts have also helped Roku's bottom line, as the San Jose, Calif.-based company has addressed overinvestment in certain smart-home products like security cameras and the hiring of too much staff during the pandemic.

Charlie Collier, president of Roku Media, and Chief Financial Officer and Chief Operating Officer Dan Jedda, who

joined in 2022 and 2023, respectively, have reined in wasteful spending and shifted toward areas with bigger returns. And after a three-year stretch of sizable losses, Roku posted a full-year profit for 2025. "We're being very intentional with our trade-offs and we're prioritizing initiatives that move the needle on both revenue and profitability," Jedda said.

Roku brought in more advertising revenue through new and expanded partnerships with demand-side platforms such as Amazon Ads and FreeWheel, allowing advertisers to buy premium streaming ad inventory. The company plans to finish redesigning the Roku

homescreen this year, a move aimed at getting users to spend more time watching content on the platform. The number of ad placements isn't set to change as part of the redesign, the company said.

The company, which primarily makes money from selling digital ads and recommending streaming services to users who subscribe to them on the platform, booked a profit of \$88.4 million last year, compared with net losses of \$498 million, \$709.6 million and \$129.4 million in 2022, 2023 and 2024, respectively.

The company said it expects to reach \$1 billion in annual free cash flow by 2028.

HP Says Memory Prices Boost Costs

By KELLY CLOONAN

HP dialed down expectations for its fiscal year as it continues to face higher costs for the memory chips used in its computers.

The computer and printer maker said Tuesday it expects fiscal-year results would be closer to the low end of its prior guidance range, citing in part rising costs for memory chips and what the company describes as an increasingly fluid operating environment.

The stock fell 6.2% to \$17.08, in after-hours trading.

The revised view came as the company reported fiscal first-quarter results that topped expectations, as profit fell despite higher sales.

HP and other computer makers have been contending with higher costs as a surge in artificial-intelligence demand from data centers drives up the price of memory chips.

\$2.90
The low end of HP's previous guidance for earnings per share for the year

The Palo Alto, Calif., company said for the current fiscal quarter, the company is factoring in memory prices that are double the prior quarter.

In its recently completed fiscal first quarter, HP posted a profit of \$545 million, or 58 cents a share, compared with \$565 million, or 59 cents a share, a year earlier.

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Guided by a deep sense of ethical fortitude and a mission to provide guidance to the next generation of business leaders, Dr. Richard G. Linowes has worked for more than five decades to improve management education. Focusing much of his research on emerging markets and the effects of globalization, he has earned distinction as the president of Clarewood University, which he established in 2014 to serve as an educational base for students who aspire to make a positive impact on international business and public administration.

Between the start of his career at Panasonic in Osaka, Japan, where he found himself fascinated by the cultural differences between Japan and the United States, and his later work in investment banking with Goldman Sachs in New York, Dr. Linowes became convinced of the need for higher standards in business education. Entering the field of academia, he joined the Kogod School of Business at American University, where he eventually earned the title of Kogod Outstanding Professor.

During this time, and continuing into his role at Clarewood University, Dr. Linowes has sought to address issues in the field of business by shaping students into players of high integrity. To accomplish this goal, he has developed new teaching methods that cultivate strategic awareness and encourage servant leadership. In this fashion,

Dr. Linowes works to build the next generation of enlightened leaders, growing global understanding and preparing them for international activities in a cross-cultural environment.

Graduating from Princeton with a Bachelor of Arts in 1973, Dr. Linowes went on to earn a Master of Science at the University of Michigan in 1975 and a Doctor of Business Administration at Harvard University in 1984. Since embarking on his career, he has written extensively, editing several publications, contributing articles and creating experiential exercises and video programming that seek to cultivate new approaches to management education.

In addition to earning a Fulbright Fellowship for Pedagogical Innovation from New Zealand in 1989, Dr. Linowes was part of the team that extended the Baldrige National Quality Award to honor educational organizations that demonstrate "outstanding performance" in 1994. Other achievements include his participation in the inaugural meeting of the Kogod Alumni Network of Greater New York, which was attended by 30 former students. Looking ahead, Dr. Linowes hopes to be remembered as a champion of principled entrepreneurship and international understanding and an inventor of innovative, effective approaches to education. ■

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