

## Dollar Tree, Inc. (DLTR)

**\$108.99** (Stock Price as of 12/02/2025)

Price Target (6-12 Months): **\$118.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Neutral**

(Since: 11/07/24)

Prior Recommendation: Underperform

Short Term: 1-3 Months

**Zacks Rank: (1-5)**

**3-Hold**

Zacks Style Scores:

VGM: B

Value: B

Growth: B

Momentum: D

### Summary

Shares of Dollar Tree outperformed the industry in the past six months. It is benefiting from higher traffic trends and market share gains. DLTR's progress on optimizing its store portfolio through store openings, renovations, re-banners and closings bodes well. Such factors have been aiding comps for a while. Enterprise comps grew 6.5% in second-quarter fiscal 2025. Management expects comps growth of 4-6% for fiscal 2025 compared with our estimate of a 5.8% rise. However, the company has been witnessing higher selling, general and administrative (SG&A) expenses for a while. In the reported quarter, the metric rose 60 bps on elevated depreciation expenses from store investments, increased store payroll from pricing initiatives and higher wages, general liability claims and utilities costs. Also, tariff-related pressures are concerning.

### Data Overview

|                            |                                          |
|----------------------------|------------------------------------------|
| 52 Week High-Low           | \$118.06 - \$61.87                       |
| 20 Day Average Volume (sh) | 3,142,565                                |
| Market Cap                 | \$22.4 B                                 |
| YTD Price Change           | 46.6%                                    |
| Beta                       | 0.75                                     |
| Dividend / Div Yld         | \$0.00 / 0.0%                            |
| Industry                   | <a href="#">Retail - Discount Stores</a> |
| Zacks Industry Rank        | Top 40% (97 out of 243)                  |

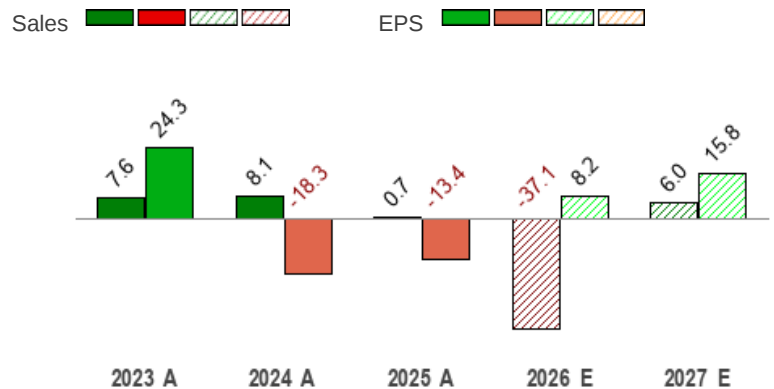
|                           |            |
|---------------------------|------------|
| Last EPS Surprise         | 102.6%     |
| Last Sales Surprise       | 2.5%       |
| EPS F1 Est- 4 week change | 0.0%       |
| Expected Report Date      | 12/03/2025 |
| Earnings ESP              | 0.0%       |

|         |      |
|---------|------|
| P/E TTM | 20.9 |
| P/E F1  | 19.7 |
| PEG F1  | 1.7  |
| P/S TTM | 1.0  |

### Price, Consensus & Surprise<sup>(1)</sup>



### Sales and EPS Growth Rates (Y/Y %)<sup>(2)</sup>



### Sales Estimates (millions of \$)<sup>(2)</sup>

|      | Q1      | Q2      | Q3      | Q4      | Annual*  |
|------|---------|---------|---------|---------|----------|
| 2027 | 4,942 E | 4,799 E | 5,023 E | 5,787 E | 20,551 E |
| 2026 | 4,637 A | 4,567 A | 4,723 E | 5,457 E | 19,383 E |
| 2025 | 7,626 A | 7,373 A | 7,562 A | 8,257 A | 30,818 A |

### EPS Estimates<sup>(2)</sup>

|      | Q1     | Q2     | Q3     | Q4     | Annual* |
|------|--------|--------|--------|--------|---------|
| 2027 | 1.52 E | 0.94 E | 1.33 E | 2.59 E | 6.39 E  |
| 2026 | 1.26 A | 0.77 A | 1.09 E | 2.40 E | 5.52 E  |
| 2025 | 1.43 A | 0.67 A | 1.12 A | 2.11 A | 5.10 A  |

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 12/02/2025.

(2) The report's text, the analyst-provided estimates, and the price target are as of 12/01/2025.

## Overview

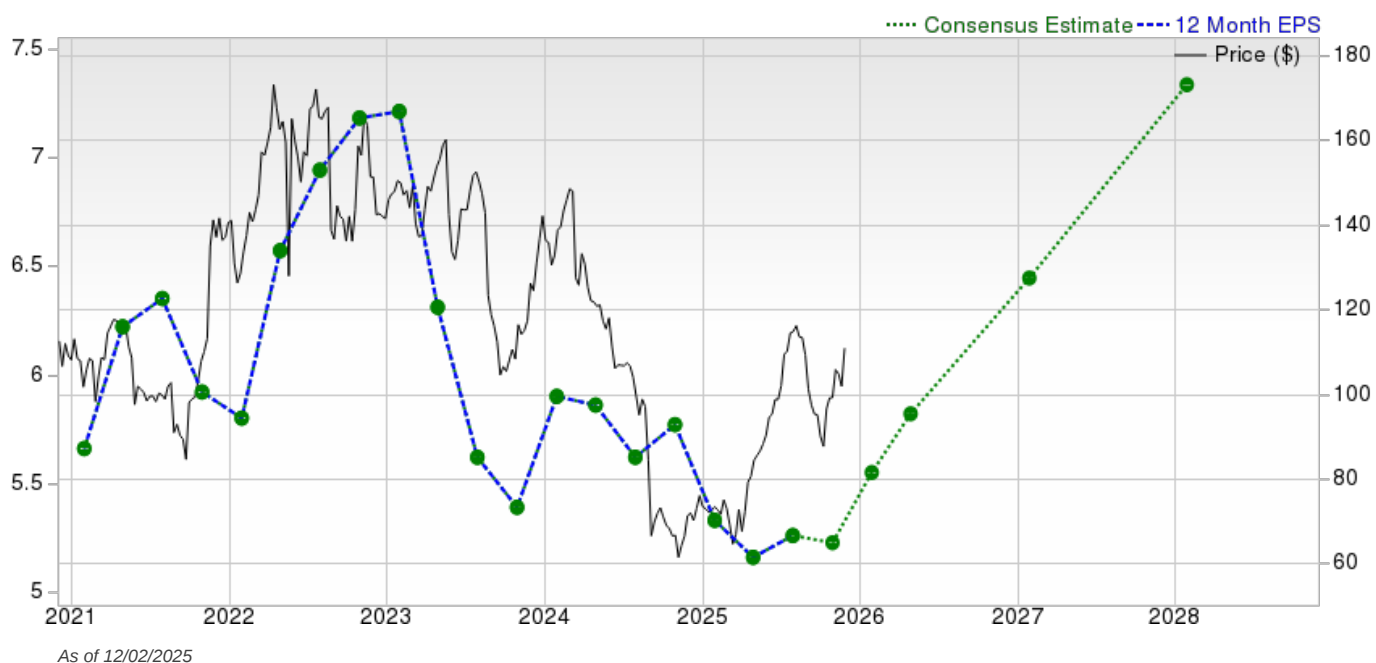
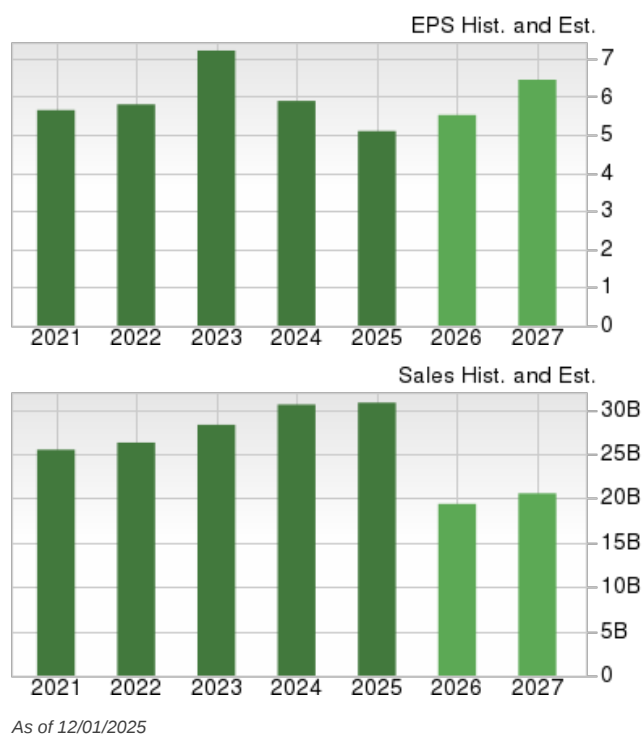
Founded in 1986 and headquartered in Chesapeake, VA, Dollar Tree Inc. is an operator of discount variety stores offering merchandise and other assortments. Its stores successfully operate in major metropolitan areas, mid-sized cities and small towns. The company offers a wide range of quality everyday general merchandise in many categories, including housewares, seasonal goods, candy and food, toys, health and beauty care, gifts, party goods, stationery, books, personal accessories, and other consumer items. Its stores are supported by a nationwide logistics network and distribution centers.

Dollar Tree: Being the major operator of discount variety stores, this segment offers merchandise at the fixed price point of \$1.00. The segment has nearly 8,415 stores operating under the Dollar Tree and Dollar Tree Canada banners, 12 distribution centers in the United States and two in Canada. Dollar Tree stores primarily range from 8,000 - 10,000 selling square feet.

Dollar Tree also owns an e-commerce platform – DollarTree.com – which sells its merchandise in bulk to individuals and small businesses as well as organizations. Through its online platform, the company advertises its in-store events and showcases its special and seasonal promotions for featured products.

In fourth-quarter fiscal 2024, Dollar Tree classified Family Dollar as held for sale, reporting its results as discontinued operations in Dollar Tree's financial statements. As a result, the company's fiscal fourth-quarter earnings and sales exclude Family Dollar's results. All prior periods are also adjusted to align with the current presentation.

As of Aug 2, 2025, DLTR operated 9,148 stores and 18 distribution centers across 48 states and five Canadian provinces.



## Reasons To Buy:

▲ **Robust Traffic Aids Comps:** Dollar Tree's performance can be attributed to sales growth across segments, higher traffic trends and market share gains. As a result, enterprise same-store sales (comps) rose 6.5% year over year in second-quarter fiscal 2025. The company's comps benefited from a 3% rise in traffic and a 3.4% increase in the average ticket. Sales contribution from the non-comp stores surpassed management's expectations on solid results from store openings and 99 cents only conversions. The company experienced broad-based performance across categories, with comps up 6.7% for consumables and 6.1% for discretionary. Strength in electronics, hardware, and lawn and garden aided robust mix in the quarter. DLTR gains in dollar and unit market share accelerated in the reported quarter. Gains were backed by seasonal items, party, balloons and personal objects as customers find more items through its expanded assortment. It added 2.4 million new customers at the end of the fiscal second quarter on trailing 12-month basis and the number of customers who visit a Dollar Tree store three or more times in a month or more increased by 11% in the second quarter, up from 9% seen in the previous quarter.

Dollar Tree has made significant progress over the years in optimizing its store portfolio through new store openings, renovations, re-banners and closings.

Dollar Tree has unveiled its new partnership with Uber Eats, which reflects its strategic move in meeting customers' needs and facilitating the way they want to shop. This collaboration provides the access to Uber Eats' 25 million customers, which is a newer demographic that the company is yet to completely tap into. DLTR remains excited by the initial response to the launch. Hence, the company is executing on growth, productivity and cost control. DLTR's expanded assortment offers highly compelling products with agility in managing tariffs and other cost headwinds, all while providing customers great discovery at reasonable prices. This offers great resilience in the times of ever-increasing agility of its organization. Shares of Dollar Tree have increased 21.4% in the past six months against the industry's 2.3% decline.

▲ **Road Ahead Seems Encouraging:** Moving ahead, management is encouraged by the robust sales trends on value proposition and multi-price efforts. It is confident of its ability to mitigate through the tough environment and accomplish profitability goals for the fiscal year. For fiscal 2025, the company projects net sales from continuing operations of \$19.3-\$19.5 billion as compared to \$18.5-\$19.1 billion mentioned earlier, supported by comps growth of 4-6% versus 3-5% mentioned earlier. Adjusted EPS from continuing operations is projected to be \$5.32-\$5.72, including the year-to-date share repurchase impacts. Additional share repurchases are not reflected in the revised outlook. It had earlier envisioned the metric to be \$5.15 to \$5.65. We expect adjusted EPS from continuing operations of \$5.52 for fiscal 2025. For the third quarter of fiscal 2025, Dollar Tree envisions adjusted EPS for the quarter being similar to the third quarter of fiscal 2024. The company recorded EPS of \$1.12 in fiscal 2024. We expect comps growth of 5.8% for both the third quarter and fiscal 2025.

▲ **Key Real-Estate Initiatives:** Dollar Tree has made significant progress over the years in optimizing its store portfolio through new store openings, renovations, re-banners and closings. It is delivering compelling results for its Key Real Estate Initiatives, which include the expansion of its \$3 and \$5 plus assortment in Dollar Tree stores, as well as Combo Stores. We note that the company has also completed the rollout of \$3, \$4 and \$5 frozen and refrigerated items. It is on track with its multi-price expansion strategy. Also, the company is working on an expanded assortment.

On March 25, 2025, DLTR entered a definitive agreement to sell its Family Dollar business to Brigade and Macellum for \$1.007 billion. On May 15, 2025, the company leveraged a combination of cash and its commercial paper program to redeem its \$1.0 billion 4% Senior Notes. As of Aug 2, 2025, it had \$300 million of commercial paper notes outstanding. On July 5, 2025, the company completed the sale of the Family Dollar business for \$1 billion, subjected to customary adjustments. Net proceeds included \$665 million received at closing, \$22 million expected within 90 days, and \$113 million monetized before closing, totaling about \$800 million in cash. The sale is also expected to generate approximately \$425 million in tax benefits.

▲ **Store-Related Efforts:** Dollar Tree's restructuring and expansion initiatives, as evident from steady store openings and improvement of distribution centers, are likely to drive revenues. In the fiscal second quarter, the company opened 106 Dollar Tree stores and converted nearly 585 stores to the 3.0 multi-price format. At the end of second-quarter fiscal 2025, the company operated 9,148 stores and 18 distribution centers across 48 states and five Canadian provinces.

Its 3.0 stores are new or converted stores offering expanded multi-price assortments. Q1 marked the first anniversary for its multi-price 3.0 launch. The 3.0 portfolio has been outperforming its other store formats by higher traffic, ticket, comps and discretionary mix. DLTR is on track to have about half of its store base converted by year-end. Other formats are 2.0, which have a smaller multi-price assortment focused in a single aisle and 1.0 stores, which are above 95% of the items are at \$1.25. Such initiatives are anticipated to continue boost comps and profitability.

▲ **Financial Flexibility:** Dollar Tree ended second-quarter fiscal 2025 with a net long-term debt, excluding the current portion of \$2.4 billion, almost in line with the preceding quarter's end. The company had cash and cash equivalents of \$666.3 million as of Aug 2, 2025, significantly up from \$380.2 million seen in the year-ago quarter. It ended the reported quarter with no borrowings under its revolvers. On May 15, 2025, the company leveraged a mix of cash and its commercial paper program to redeem \$1 billion 4% Senior Notes. As of Aug 2, 2025, it had \$300 million of commercial paper notes outstanding. In second-quarter fiscal 2025, the company repurchased 5 million shares for \$501.4 million. It had bought an additional 0.6 million shares for \$71 million subsequent to the end of the quarter. Dollar Tree had \$2.4 billion remaining under the \$2.5 billion repurchase authorization as of Aug 2, 2025. On July 9, 2025, the company's board replenished its share repurchase authorization to a total amount of \$2.5 billion, indicating the limit that was earlier approved by its board in September 2021.

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## Reasons To Sell:

▼ **Higher SG&A Expenses:** Dollar Tree has been witnessing higher selling, general and administrative (SG&A) expenses for the past few quarters, owing to elevated operating costs. Adjusted SG&A costs were 29.6% of sales, up 60 bps from the year-earlier quarter. The rise was driven by elevated depreciation expenses from store investments, increased store payroll from pricing initiatives and higher wages, general liability claims and utilities costs. The increase was partially offset by lower stock compensation, lower general liability expenses and sales leverage. On an adjusted basis, the SG&A expense rate increased 50 bps to 29.4%. At the corporate level, adjusted SG&A costs rose on incentive comp and IT project expenses.

Dollar Tree has been witnessing higher selling, general and administrative expenses. In second-quarter fiscal 2025, the metric increased 60 basis points to 27%.

For fiscal 2025, management predicts Dollar Tree segment's SG&A to be nearly 120 bps of year-over-year deleveraging on modestly increased outlook for labor and general liability costs. For corporate SG&A, prior to any Transition Services Agreement (TSA) reimbursement, the company anticipates costs to increase approximately 11-12% year over year. It expects TSA proceeds of approximately \$55 million to \$60 million, subjected to final adjustments. Our model anticipates a rise of 15% in adjusted SG&A for fiscal 2025. For the fiscal third quarter, management believes the positive timing effect of roughly 20 cents on adjusted EPS from continuing operations will reverse in the third quarter of fiscal 2025.

▼ **Near-Term Headwinds:** The macro factors have been hurting customer sentiment and, in turn, the discretionary demand and buying behavior. In addition, tariff-related pressures have been leading to higher costs and remain concerning. The company's fiscal 2025 outlook assumes that the level of tariffs in place as of Sept. 3, 2025, is in effect for the rest of the fiscal year. It is likely to mitigate the majority of the incremental margin pressures from increased tariffs and other input costs. The cost of goods sold timing difference showed tariff woes shifting from Q2 into Q3 and Q4. The outlook reflects the assumption of the existing tariff rates. Gross margin improvement is likely to be partially offset by increased tariffs in fiscal 2025.

▼ **Dip in Consumer Confidence May Impact Sales:** Consumer confidence serves as a crucial barometer of the overall economic health, and any significant downturn in this metric can influence consumer spending patterns. For Dollar Tree, the sensitivity of its customer base to various macroeconomic factors poses a notable concern. Factors such as interest rate hikes, rising fuel and energy costs, credit availability, unemployment rates, and elevated levels of household debt can collectively erode consumer sentiment. This, in turn, may hurt the company's growth trajectory and profitability.

▼ **Competitive Retail Backdrop:** Dollar Tree faces relentless competition from retail powerhouses like Walmart and Target. The need to stay afloat in this cutthroat competitive environment may force Dollar General into aggressive strategies. Pricing wars or significant investments, seen as desperate attempts to outshine rivals, could result in compromising profit margins, an alarming prospect for any investor seeking a stable return. The perpetual battle for consumer attention may push Dollar Tree into substantial investments, such as extensive marketing campaigns or store enhancements. While aimed at gaining a competitive edge, these initiatives could strain financial resources and impact profitability.

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## Last Earnings Report

### Dollar Tree Q2 Earnings & Sales Beat Estimates, Comps Rise 6.5%

Dollar Tree posted solid second-quarter fiscal 2025 results, with both earnings and sales beating the Zacks Consensus Estimate and rising year over year. Quarterly results benefited from the sturdy execution of its strategic initiatives.

Dollar Tree's adjusted earnings per share (EPS) from continuing operations jumped 13.2% year over year to 77 cents and beat the Zacks Consensus Estimate of 38 cents.

**FY Quarter Ending** **1/31/2025**

| Earnings Reporting Date | Sep 03, 2025 |
|-------------------------|--------------|
| Sales Surprise          | 2.54%        |
| EPS Surprise            | 102.63%      |
| Quarterly EPS           | 0.77         |
| Annual EPS (TTM)        | 5.26         |

### DLTR's Quarterly Performance: Key Metrics & Insights

Net sales from continuing operations, excluding Family Dollar, improved 12.3% year over year to \$4.57 billion and surpassed the Zacks Consensus Estimate of \$4.45 billion. Same-store sales (comps) grew 6.5% year over year. The company's comps benefited from a 3% rise in traffic and a 3.4% increase in the average ticket.

The gross profit jumped 12.9% year over year to \$1.6 billion, with a 20-basis-point (bps) gross margin expansion to 34.4%, primarily backed by reduced domestic freight costs, improved mark-on from pricing initiatives, occupancy costs owing to leveraged sales and favorable mix, somewhat offset by higher distribution, shrink markdown and tariff costs. We estimated a year-over-year increase of 5% in gross profit and a 130-bps contraction in the gross margin.

Selling, general and administrative (SG&A) costs were 29.6% of sales, up 60 bps from the year-earlier quarter. The rise was caused by elevated depreciation expenses from store investments, increased store payroll from pricing initiatives and higher wages, general liability claims and utilities costs. The increase was partially offset by lower stock compensation, lower general liability expenses and sales leverage. On an adjusted basis, the SG&A expense rate increased 50 bps to 29.4%.

Adjusted operating income inched up 7.4% year over year to \$236 million. The operating margin contracted 20 bps to 5.2%.

### DLTR's Financial Health

Dollar Tree ended the fiscal second quarter with cash and cash equivalents of \$666.3 million, no borrowings under its revolvers, and no commercial paper outstanding. As of Aug. 2, 2025, net merchandise inventories were \$2.60 billion, up 4.4% year over year. It had a net long-term debt, excluding the current portion, of \$2.43 billion and shareholders' equity of \$3.60 billion as of Aug. 3, 2025.

In second-quarter fiscal 2025, the company repurchased 5 million shares for \$501.4 million. It had bought an additional 0.6 million shares for \$71 million subsequent to the end of the quarter. Dollar Tree had \$2.4 billion remaining under the \$2.5 billion repurchase authorization as of Aug. 3, 2025.

On May 15, 2025, the company leveraged a combination of cash and its commercial paper program to redeem its \$1.0 billion 4% Senior Notes. As of June 2, 2025, it had \$300 million of commercial paper notes outstanding.

On July 5, 2025, the company completed the sale of the Family Dollar business for \$1.0 billion, subject to customary adjustments. Net proceeds included \$665 million received at closing, \$22 million expected within 90 days, and \$113 million monetized before closing, totaling about \$800 million in cash. The sale is also expected to generate approximately \$425 million in tax benefits.

Family Dollar's results are reported as discontinued operations in Dollar Tree's financial statements, with prior periods restated for consistency. All other figures reflect continuing operations.

### DLTR's FY25 Guidance

Dollar Tree presented its fiscal 2025 sales guidance on a continuing operations basis, which includes the Dollar Tree segment, corporate, support and other functions. The company's outlook assumes that the level of tariffs in place as of Sept. 3, 2025, is in effect for the rest of the fiscal year. It is likely to mitigate the majority of the incremental margin pressures from increased tariffs and other input costs.

The company projects net sales from continuing operations of \$19.3-\$19.5 billion as compared to \$18.5-\$19.1 billion mentioned earlier, supported by comps growth of 4-6% versus 3-5% mentioned earlier. Adjusted EPS from continuing operations is projected to be \$5.32-\$5.72, including the year-to-date share repurchase impacts. Additional share repurchases are not reflected in the revised outlook. It had earlier envisioned the metric to be \$5.15 to \$5.65.

## Valuation

Dollar Tree shares are up 47.8% in the year-to-date period and nearly 52.2% over the trailing 12-month period. Stocks in the Zacks sub-industry and Zacks Retail-Wholesale sector are up 5.5% and 7.4%, respectively, in the year-to-date period. Over the past year, the Zacks sub-industry and the sector are up 1% and 5.7%, respectively.

The S&P 500 index is up 18.9% in the year-to-date period and 16.2% in the past year.

The stock is currently trading at 17.62X forward 12-month earnings, which compares to 30.13X for the Zacks sub-industry, 24.9X for the Zacks sector and 23.57X for the S&P 500 index.

Over the past five years, the stock has traded as high as 24.43X and as low as 8.92X, with a 5-year median of 17.74X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$118 price target reflects 18.76X forward 12-month earnings.

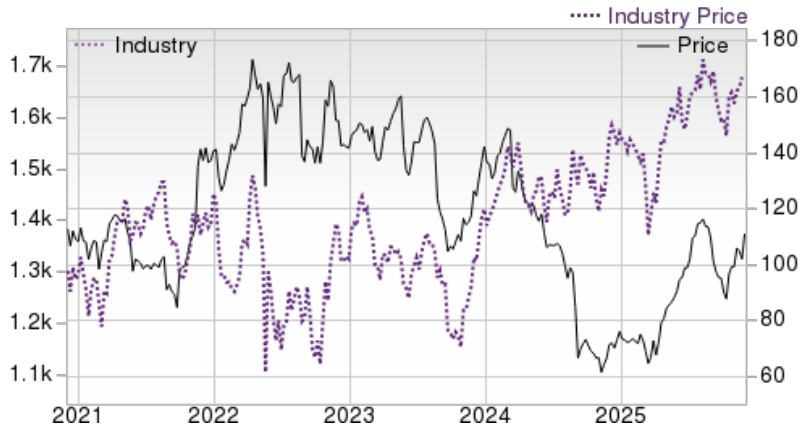
The table below shows summary valuation data for DLTR

| Valuation Multiples - DLTR |               |       |              |        |         |
|----------------------------|---------------|-------|--------------|--------|---------|
|                            |               | Stock | Sub-Industry | Sector | S&P 500 |
| P/E F12M                   | Current       | 17.62 | 30.13        | 24.9   | 23.57   |
|                            | 5-Year High   | 24.43 | 33.77        | 34.33  | 23.82   |
|                            | 5-Year Low    | 8.92  | 21.19        | 21.48  | 15.73   |
|                            | 5-Year Median | 17.74 | 25.39        | 24.79  | 21.19   |
| P/S F12M                   | Current       | 1.1   | 1.68         | 1.65   | 5.33    |
|                            | 5-Year High   | 1.39  | 1.88         | 2.05   | 5.5     |
|                            | 5-Year Low    | 0.41  | 1.28         | 1.2    | 3.83    |
|                            | 5-Year Median | 0.98  | 1.61         | 1.54   | 5.04    |
| EV/EBITDA TTM              | Current       | 13.24 | 24.11        | 13.37  | 18.65   |
|                            | 5-Year High   | 16.4  | 31.23        | 27.12  | 22.41   |
|                            | 5-Year Low    | 4.23  | 15.88        | 11.27  | 13.87   |
|                            | 5-Year Median | 11.39 | 23.18        | 14.54  | 17.96   |

As of 11/28/2025

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Top 40% (97 out of 243)



## Top Peers<sup>(1)</sup>

| Company (Ticker)              | Rec          | Rank |
|-------------------------------|--------------|------|
| Costco Wholesale Cor...(COST) | Outperform   | 4    |
| Dollar General Corpo...(DG)   | Outperform   | 3    |
| Macy's, Inc. (M)              | Outperform   | 2    |
| Burlington Stores, I...(BURL) | Neutral      | 3    |
| Ross Stores, Inc. (ROST)      | Neutral      | 2    |
| The TJX Companies, I...(TJX)  | Neutral      | 3    |
| Walmart Inc. (WMT)            | Neutral      | 3    |
| Target Corporation (TGT)      | Underperform | 3    |

## Industry Comparison<sup>(1)</sup> Industry: Retail - Discount Stores

|                                  | DLTR      | X Industry | S&P 500   | DG         | ROST      | TJX       |
|----------------------------------|-----------|------------|-----------|------------|-----------|-----------|
| Zacks Recommendation (Long Term) | Neutral   | -          | -         | Outperform | Neutral   | Neutral   |
| Zacks Rank (Short Term)          | 3         | -          | -         | 3          | 2         | 3         |
| VGM Score                        | B         | -          | -         | A          | B         | D         |
| Market Cap                       | 22.41 B   | 24.07 B    | 37.90 B   | 24.07 B    | 57.73 B   | 168.20 B  |
| # of Analysts                    | 9         | 8          | 22        | 23         | 8         | 7         |
| Dividend Yield                   | 0.00%     | 0.57%      | 1.46%     | 2.16%      | 0.91%     | 1.12%     |
| Value Score                      | B         | -          | -         | A          | D         | D         |
| Cash/Price                       | 0.03      | 0.05       | 0.04      | 0.05       | 0.07      | 0.03      |
| EV/EBITDA                        | 11.98     | 13.61      | 14.39     | 10.61      | 18.10     | 21.80     |
| PEG Ratio                        | 1.66      | 3.39       | 2.19      | 2.69       | 3.96      | 3.39      |
| Price/Book (P/B)                 | 6.22      | 8.11       | 3.33      | 3.00       | 10.07     | 17.97     |
| Price/Cash Flow (P/CF)           | 14.51     | 16.76      | 14.87     | 10.57      | 23.08     | 27.62     |
| P/E (F1)                         | 19.76     | 25.24      | 20.10     | 17.78      | 27.89     | 32.37     |
| Price/Sales (P/S)                | 1.03      | 1.20       | 3.04      | 0.58       | 2.62      | 2.85      |
| Earnings Yield                   | 5.02%     | 3.96%      | 4.96%     | 5.62%      | 3.58%     | 3.09%     |
| Debt/Equity                      | 0.67      | 0.44       | 0.57      | 0.71       | 0.18      | 0.20      |
| Cash Flow (\$/share)             | 7.57      | 7.69       | 8.99      | 10.35      | 7.69      | 5.47      |
| Growth Score                     | B         | -          | -         | A          | B         | D         |
| Hist. EPS Growth (3-5 yrs)       | -2.59%    | 10.69%     | 8.16%     | -12.97%    | 21.21%    | 33.35%    |
| Proj. EPS Growth (F1/F0)         | 8.24%     | 6.98%      | 8.35%     | 3.89%      | 0.63%     | 9.62%     |
| Curr. Cash Flow Growth           | -3.86%    | 10.62%     | 7.00%     | -9.36%     | 10.62%    | 12.20%    |
| Hist. Cash Flow Growth (3-5 yrs) | -4.96%    | 4.58%      | 7.31%     | 0.30%      | 4.83%     | 7.60%     |
| Current Ratio                    | 1.04      | 1.15       | 1.19      | 1.25       | 1.58      | 1.09      |
| Debt/Capital                     | 40.26%    | 28.46%     | 38.15%    | 41.68%     | 15.07%    | 16.65%    |
| Net Margin                       | -13.46%   | 3.26%      | 12.82%    | 2.86%      | 9.47%     | 8.68%     |
| Return on Equity                 | 23.52%    | 26.81%     | 17.00%    | 17.97%     | 37.21%    | 58.30%    |
| Sales/Assets                     | 1.18      | 1.65       | 0.53      | 1.33       | 1.51      | 1.79      |
| Proj. Sales Growth (F1/F0)       | -37.10%   | 5.14%      | 5.70%     | 4.70%      | 5.60%     | 6.30%     |
| Momentum Score                   | D         | -          | -         | A          | A         | A         |
| Daily Price Chg                  | -0.83%    | -0.18%     | -0.53%    | -0.14%     | 0.65%     | -0.52%    |
| 1 Week Price Chg                 | 8.83%     | 3.42%      | 1.60%     | 7.66%      | 1.36%     | 0.32%     |
| 4 Week Price Chg                 | 8.96%     | 4.83%      | -0.57%    | 10.26%     | 10.11%    | 7.63%     |
| 12 Week Price Chg                | 10.55%    | 7.31%      | 4.89%     | 0.57%      | 17.11%    | 7.31%     |
| 52 Week Price Chg                | 50.93%    | 13.52%     | 12.66%    | 40.56%     | 13.52%    | 19.76%    |
| 20 Day Average Volume            | 3,142,565 | 2,721,201  | 2,737,368 | 2,721,201  | 2,836,593 | 6,096,262 |
| (F1) EPS Est 1 week change       | 0.00%     | 0.00%      | 0.00%     | 0.04%      | 0.00%     | 0.00%     |
| (F1) EPS Est 4 week change       | 0.00%     | 0.17%      | 0.06%     | 0.17%      | 4.29%     | 0.80%     |
| (F1) EPS Est 12 week change      | 0.86%     | 0.86%      | 0.62%     | 0.63%      | 4.35%     | 2.24%     |
| (Q1) EPS Est Mthly Chg           | 0.00%     | 1.10%      | 0.00%     | 1.10%      | 4.05%     | 1.97%     |

## Analyst Earnings Model<sup>(2)</sup>

### Dollar Tree, Inc. (DLTR)

In \$MM, except per share data

|                                                        | 2023A<br>FY<br>Jan-23 | 2024A<br>FY<br>Jan-24 | 2025A<br>FY<br>Jan-25 | 1QA<br>30-Apr-25 | 2QA<br>31-Jul-25 | 2026E<br>3QE<br>31-Oct-25 | 4QE<br>31-Jan-26 | FY<br>Jan-26      | 1QE<br>30-Apr-26 | 2QE<br>31-Jul-26 | 2027E<br>3QE<br>31-Oct-26 | 4QE<br>31-Jan-27 | FY<br>Jan-27      | 2028E<br>FY<br>Jan-28 |
|--------------------------------------------------------|-----------------------|-----------------------|-----------------------|------------------|------------------|---------------------------|------------------|-------------------|------------------|------------------|---------------------------|------------------|-------------------|-----------------------|
| FY Ends January 31st                                   |                       |                       |                       |                  |                  |                           |                  |                   |                  |                  |                           |                  |                   |                       |
| <b>Income Statement</b>                                |                       |                       |                       |                  |                  |                           |                  |                   |                  |                  |                           |                  |                   |                       |
| Net Sales                                              | \$15,405.7            | \$16,770.3            | \$17,565.8            | \$4,636.5        | \$4,566.8        | \$4,722.9                 | \$5,456.9        | \$19,383.1        | \$4,942.0        | \$4,798.9        | \$5,023.3                 | \$5,786.8        | \$20,550.9        | \$21,992.8            |
| Other Revenue                                          | \$5.8                 | \$10.8                | \$12.7                | \$3.2            | \$3.6            | \$3.7                     | \$3.7            | \$14.3            | \$3.8            | \$4.0            | \$4.1                     | \$4.2            | \$16.1            | \$18.1                |
| <b>Total Revenue</b>                                   | <b>\$15,411.5</b>     | <b>\$16,781.1</b>     | <b>\$17,578.5</b>     | <b>\$4,639.7</b> | <b>\$4,570.4</b> | <b>\$4,726.6</b>          | <b>\$5,460.7</b> | <b>\$19,397.4</b> | <b>\$4,945.8</b> | <b>\$4,802.9</b> | <b>\$5,027.4</b>          | <b>\$5,791.0</b> | <b>\$20,567.1</b> | <b>\$22,010.9</b>     |
| YoY % Chng                                             | 8.9%                  | 8.9%                  | 4.8%                  | 11.3%            | 12.3%            | 8.9%                      | 9.2%             | 10.3%             | 6.6%             | 5.1%             | 6.4%                      | 6.0%             | 6.0%              | 7.0%                  |
| Cost of Sales                                          | \$9,630.2             | \$10,761.4            | \$11,284.1            | \$2,987.0        | \$2,996.7        | \$3,035.4                 | \$3,326.7        | \$12,345.7        | \$3,169.8        | \$3,105.3        | \$3,192.8                 | \$3,500.4        | \$12,968.3        | \$13,805.7            |
| <b>Gross Profit</b>                                    | <b>\$5,781.3</b>      | <b>\$6,019.7</b>      | <b>\$6,294.4</b>      | <b>\$1,652.7</b> | <b>\$1,573.7</b> | <b>\$1,691.2</b>          | <b>\$2,134.0</b> | <b>\$7,051.7</b>  | <b>\$1,776.0</b> | <b>\$1,697.6</b> | <b>\$1,834.5</b>          | <b>\$2,290.6</b> | <b>\$7,598.8</b>  | <b>\$8,205.3</b>      |
| YoY % Chng                                             | 4.1%                  | 4.1%                  | 4.6%                  | 11.7%            | 12.9%            | 10.0%                     | 13.3%            | 12.0%             | 7.5%             | 7.9%             | 8.5%                      | 7.3%             | 7.8%              | 8.0%                  |
| Selling, General and Administrative Expenses, Adjusted |                       | \$4,230.1             | \$4,732.4             | \$1,264.9        | \$1,345.7        | \$1,367.3                 | \$1,466.4        | \$5,444.4         | \$1,370.0        | \$1,437.3        | \$1,468.1                 | \$1,612.9        | \$5,888.4         | \$6,347.6             |
| Selling, General and Administrative Expenses, GAAP     | \$3,682.0             | \$4,245.2             | \$4,832.4             | \$1,268.6        | \$1,350.7        | \$1,367.3                 | \$1,466.4        | \$5,453.1         | \$1,370.0        | \$1,437.3        | \$1,468.1                 | \$1,612.9        | \$5,888.4         | \$6,347.6             |
| Depreciation & Amortization                            | \$365.3               | \$400.5               | \$526.9               | \$151.1          | \$162.0          | \$160.3                   | \$185.2          | \$658.7           | \$168.0          | \$164.8          | \$171.1                   | \$197.2          | \$701.1           | \$750.4               |
| <b>Operating Income, Adjusted</b>                      |                       | <b>\$1,789.6</b>      | <b>\$1,562.0</b>      | <b>\$387.8</b>   | <b>\$236.0</b>   | <b>\$323.9</b>            | <b>\$667.6</b>   | <b>\$1,615.3</b>  | <b>\$406.0</b>   | <b>\$260.3</b>   | <b>\$366.4</b>            | <b>\$677.7</b>   | <b>\$1,710.4</b>  | <b>\$1,857.6</b>      |
| YoY % Chng                                             |                       | (12.7%)               | (12.7%)               | 1.4%             | 7.4%             | (2.4%)                    | 6.3%             | 3.4%              | 4.7%             | 10.3%            | 13.1%                     | 1.5%             | 5.9%              | 8.6%                  |
| <b>Operating Income, GAAP</b>                          | <b>\$2,099.3</b>      | <b>\$1,774.5</b>      | <b>\$1,462.0</b>      | <b>\$384.1</b>   | <b>\$231.0</b>   | <b>\$323.9</b>            | <b>\$667.6</b>   | <b>\$1,606.6</b>  | <b>\$406.0</b>   | <b>\$260.3</b>   | <b>\$366.4</b>            | <b>\$677.7</b>   | <b>\$1,710.4</b>  | <b>\$1,857.6</b>      |
| YoY % Chng                                             |                       | (15.5%)               | (17.6%)               | 0.6%             | 7.0%             | (2.1%)                    | 25.1%            | 9.9%              | 5.7%             | 12.7%            | 13.1%                     | 1.5%             | 6.5%              | 8.6%                  |
| Interest Expense, net                                  | \$127.2               | \$112.5               | \$107.5               | \$22.7           | \$22.8           | \$27.6                    | \$27.1           | \$100.1           | \$25.6           | \$25.1           | \$29.1                    | \$29.5           | \$109.3           | \$117.8               |
| Other (Income) Expense, net                            | \$0.4                 | \$0.1                 | (\$29.1)              | (\$61.7)         | (\$0.4)          | (\$3.8)                   | (\$11.0)         | (\$76.9)          | (\$27.5)         | (\$12.6)         | (\$8.8)                   | (\$14.4)         | (\$63.2)          | (\$59.7)              |
| Net Interest Expense & Other (Income)                  | \$127.6               | \$112.6               | \$78.4                | (\$39.0)         | \$22.4           | \$23.7                    | \$16.1           | \$23.2            | (\$1.9)          | \$12.6           | \$20.4                    | \$15.1           | \$46.2            | \$58.1                |
| <b>Pre-Tax Income, Adjusted</b>                        |                       | <b>\$1,677.0</b>      | <b>\$1,483.6</b>      | <b>\$426.8</b>   | <b>\$213.6</b>   | <b>\$300.1</b>            | <b>\$651.5</b>   | <b>\$1,592.1</b>  | <b>\$407.9</b>   | <b>\$247.7</b>   | <b>\$346.0</b>            | <b>\$662.6</b>   | <b>\$1,664.2</b>  | <b>\$1,799.6</b>      |
| <b>Pre-Tax Income, GAAP</b>                            | <b>\$1,971.7</b>      | <b>\$1,661.9</b>      | <b>\$1,383.6</b>      | <b>\$423.1</b>   | <b>\$208.6</b>   | <b>\$300.1</b>            | <b>\$651.5</b>   | <b>\$1,583.4</b>  | <b>\$407.9</b>   | <b>\$247.7</b>   | <b>\$346.0</b>            | <b>\$662.6</b>   | <b>\$1,664.2</b>  | <b>\$1,799.6</b>      |
| Income Tax, Adjusted                                   |                       | \$399.9               | \$382.0               | \$111.4          | \$54.5           | \$75.0                    | \$162.9          | \$403.8           | \$102.0          | \$61.9           | \$86.5                    | \$165.6          | \$416.1           | \$449.9               |
| Income Tax, GAAP                                       | \$471.6               | \$396.1               | \$341.1               | \$109.6          | \$53.1           | \$75.0                    | \$162.9          | \$400.6           | \$102.0          | \$61.9           | \$86.5                    | \$165.6          | \$416.1           | \$449.9               |
| Tax Rate, Adjusted                                     |                       | 23.8%                 | 24.2%                 | 26.1%            | 25.5%            | 25.0%                     | 25.0%            | 25.4%             | 25.0%            | 25.0%            | 25.0%                     | 25.0%            | 25.0%             | 25.0%                 |
| Tax Rate, GAAP                                         | 23.9%                 | 23.8%                 | 24.7%                 | 25.9%            | 25.5%            | 25.0%                     | 25.0%            | 25.0%             | 25.0%            | 25.0%            | 25.0%                     | 25.0%            | 25.0%             | 25.0%                 |
| <b>Net Income from Continuing Operations, Adjusted</b> |                       | <b>\$1,277.1</b>      | <b>\$1,101.6</b>      | <b>\$269.7</b>   | <b>\$159.2</b>   | <b>\$225.1</b>            | <b>\$488.6</b>   | <b>\$1,142.7</b>  | <b>\$305.9</b>   | <b>\$185.8</b>   | <b>\$259.5</b>            | <b>\$496.9</b>   | <b>\$1,248.2</b>  | <b>\$1,349.7</b>      |
| YoY % Chng                                             |                       | (13.7%)               | (13.7%)               | 0.5%             | 9.6%             | (3.4%)                    | 7.4%             | 3.7%              | 13.4%            | 16.7%            | 15.3%                     | 1.7%             | 9.2%              | 8.1%                  |
| <b>Net Income from Continuing Operations, GAAP</b>     | <b>\$1,500.1</b>      | <b>\$1,265.8</b>      | <b>\$1,042.5</b>      | <b>\$313.5</b>   | <b>\$155.5</b>   | <b>\$225.1</b>            | <b>\$488.6</b>   | <b>\$1,182.8</b>  | <b>\$305.9</b>   | <b>\$185.8</b>   | <b>\$259.5</b>            | <b>\$496.9</b>   | <b>\$1,248.2</b>  | <b>\$1,349.7</b>      |
| YoY % Chng                                             |                       | (15.6%)               | (17.6%)               | 17.1%            | 9.3%             | (3.1%)                    | 22.1%            | 13.5%             | (2.4%)           | 19.5%            | 15.3%                     | 1.7%             | 5.5%              | 8.1%                  |
| <b>Net Income from Discontinued Operations, GAAP</b>   | <b>\$115.3</b>        | <b>(\$2,264.2)</b>    | <b>(\$4,072.6)</b>    | <b>\$29.9</b>    | <b>\$32.9</b>    | <b>\$32.9</b>             | <b>\$32.9</b>    | <b>\$128.6</b>    | <b>\$0.0</b>     | <b>\$0.0</b>     | <b>\$0.0</b>              | <b>\$0.0</b>     | <b>\$0.0</b>      | <b>\$0.0</b>          |
| YoY % Chng                                             |                       | (2,063.7%)            | (79.9%)               | (7.7%)           | 432.3%           | 3,190.0%                  | 100.8%           | 103.2%            |                  |                  |                           |                  |                   |                       |
| <b>Net Income, GAAP</b>                                | <b>\$1,615.4</b>      | <b>(\$998.4)</b>      | <b>(\$3,030.1)</b>    | <b>\$343.4</b>   | <b>\$188.4</b>   | <b>\$258.0</b>            | <b>\$521.5</b>   | <b>\$1,311.4</b>  | <b>\$305.9</b>   | <b>\$185.8</b>   | <b>\$259.5</b>            | <b>\$496.9</b>   | <b>\$1,248.2</b>  | <b>\$1,349.7</b>      |
| YoY % Chng                                             | 21.7%                 | (161.8%)              | (203.5%)              | 14.4%            | 42.3%            | 10.6%                     | 114.1%           | 143.3%            | (10.9%)          | (1.4%)           | 0.6%                      | (4.7%)           | (4.8%)            | 8.1%                  |
| Basic Shares Outstanding                               | 223.2                 | 219.5                 | 215.7                 | 213.6            | 207.3            | 205.3                     | 203.3            | 207.4             | 200.3            | 197.3            | 194.3                     | 191.3            | 195.8             | 184.6                 |
| Diluted Shares Outstanding                             | 224.1                 | 219.9                 | 215.9                 | 213.9            | 207.8            | 205.8                     | 203.8            | 207.8             | 200.8            | 197.8            | 194.8                     | 191.8            | 196.3             | 185.1                 |
| <b>Basic EPS from Continuing Operations</b>            | <b>\$6.72</b>         | <b>\$5.77</b>         | <b>\$4.83</b>         | <b>\$1.47</b>    | <b>\$0.75</b>    | <b>\$1.10</b>             | <b>\$2.40</b>    | <b>\$5.72</b>     | <b>\$1.53</b>    | <b>\$0.94</b>    | <b>\$1.34</b>             | <b>\$2.60</b>    | <b>\$6.40</b>     | <b>\$7.33</b>         |
| YoY % Chng                                             |                       | (14.1%)               | (16.3%)               | 19.5%            | 13.6%            | 0.6%                      | 29.2%            | 18.4%             | 3.9%             | 25.5%            | 21.8%                     | 8.1%             | 11.9%             | 14.5%                 |
| <b>Basic EPS from Discontinued Operations</b>          | <b>\$0.52</b>         | <b>(\$10.32)</b>      | <b>(\$18.88)</b>      | <b>\$0.14</b>    | <b>\$0.16</b>    | <b>\$0.16</b>             | <b>\$0.16</b>    | <b>\$0.62</b>     | <b>\$0.00</b>    | <b>\$0.00</b>    | <b>\$0.00</b>             | <b>\$0.00</b>    | <b>\$0.00</b>     | <b>\$0.00</b>         |
| YoY % Chng                                             |                       | (2,084.6%)            | (82.9%)               | (6.7%)           | 500.0%           | 100.8%                    | 103.3%           |                   |                  |                  |                           |                  |                   |                       |
| <b>Basic EPS</b>                                       | <b>\$7.24</b>         | <b>(\$4.55)</b>       | <b>(\$14.05)</b>      | <b>\$1.61</b>    | <b>\$0.91</b>    | <b>\$1.26</b>             | <b>\$2.57</b>    | <b>\$6.34</b>     | <b>\$1.53</b>    | <b>\$0.94</b>    | <b>\$1.34</b>             | <b>\$2.60</b>    | <b>\$6.40</b>     | <b>\$7.33</b>         |
| YoY % Chng                                             | 24.2%                 | (162.8%)              | (208.8%)              | 16.7%            | 46.8%            | 15.3%                     | 114.9%           | 145.1%            | (5.1%)           | 3.9%             | 6.3%                      | 1.3%             | 0.9%              | 14.5%                 |
| <b>EPS from Continuing Operations, Adjusted</b>        |                       | <b>\$5.81</b>         | <b>\$5.10</b>         | <b>\$1.26</b>    | <b>\$0.77</b>    | <b>\$1.09</b>             | <b>\$2.40</b>    | <b>\$5.52</b>     | <b>\$1.52</b>    | <b>\$0.94</b>    | <b>\$1.33</b>             | <b>\$2.59</b>    | <b>\$6.39</b>     | <b>\$7.31</b>         |
| YoY % Chng                                             |                       |                       | (12.2%)               | 2.4%             | 13.2%            | 1.3%                      | 13.6%            | 8.3%              | 20.9%            | 22.0%            | 21.8%                     | 8.1%             | 15.7%             | 14.5%                 |
| <b>EPS from Discontinued Operations, Adjusted</b>      |                       | <b>\$0.08</b>         | <b>\$0.41</b>         | <b>\$0.14</b>    | <b>\$0.16</b>    | <b>\$0.16</b>             | <b>\$0.16</b>    | <b>\$0.62</b>     | <b>\$0.00</b>    | <b>\$0.00</b>    | <b>\$0.00</b>             | <b>\$0.00</b>    | <b>\$0.00</b>     | <b>\$0.00</b>         |
| YoY % Chng                                             |                       |                       | 412.5%                | (30.1%)          | 1,683.3%         | 432.3%                    | (10.3%)          | 51.1%             |                  |                  |                           |                  |                   |                       |
| <b>EPS, Adjusted</b>                                   | <b>\$7.21</b>         | <b>\$5.89</b>         | <b>\$5.51</b>         | <b>\$1.40</b>    | <b>\$0.93</b>    | <b>\$1.25</b>             | <b>\$2.56</b>    | <b>\$6.14</b>     | <b>\$1.52</b>    | <b>\$0.94</b>    | <b>\$1.33</b>             | <b>\$2.59</b>    | <b>\$6.39</b>     | <b>\$7.31</b>         |
| YoY % Chng                                             |                       | (18.3%)               | (6.5%)                | (2.1%)           | 38.6%            | 11.9%                     | 11.8%            | 11.5%             | 8.8%             | 1.2%             | 6.3%                      | 1.2%             | 4.0%              | 14.5%                 |
| <b>EPS from Continuing Operations, GAAP</b>            | <b>\$6.70</b>         | <b>\$5.76</b>         | <b>\$4.83</b>         | <b>\$1.47</b>    | <b>\$0.75</b>    | <b>\$1.09</b>             | <b>\$2.40</b>    | <b>\$5.71</b>     | <b>\$1.52</b>    | <b>\$0.94</b>    | <b>\$1.33</b>             | <b>\$2.59</b>    | <b>\$6.39</b>     | <b>\$7.31</b>         |
| YoY % Chng                                             |                       | (14.0%)               | (16.1%)               | 19.5%            | 13.6%            | 1.3%                      | 28.9%            | 18.3%             | 3.6%             | 25.2%            | 21.8%                     | 8.1%             | 11.8%             | 14.5%                 |
| <b>EPS from Discontinued Operations, GAAP</b>          | <b>\$0.51</b>         | <b>(\$10.30)</b>      | <b>(\$18.86)</b>      | <b>\$0.14</b>    | <b>\$0.16</b>    | <b>\$0.16</b>             | <b>\$0.16</b>    | <b>\$0.62</b>     | <b>\$0.00</b>    | <b>\$0.00</b>    | <b>\$0.00</b>             | <b>\$0.00</b>    | <b>\$0.00</b>     | <b>\$0.00</b>         |
| YoY % Chng                                             |                       | (2,119.6%)            | (83.1%)               | (6.7%)           | 500.0%           | 100.8%                    | 103.3%           |                   |                  |                  |                           |                  |                   |                       |
| <b>EPS, GAAP</b>                                       | <b>\$7.21</b>         | <b>(\$4.54)</b>       | <b>(\$14.03)</b>      | <b>\$1.61</b>    | <b>\$0.91</b>    | <b>\$1.25</b>             | <b>\$2.56</b>    | <b>\$6.33</b>     | <b>\$1.52</b>    | <b>\$0.94</b>    | <b>\$1.33</b>             | <b>\$2.59</b>    | <b>\$6.39</b>     | <b>\$7.31</b>         |
| YoY % Chng                                             | 24.3%                 | (163.0%)              | (209.0%)              | 16.7%            | 46.8%            | 16.1%                     | 114.9%           | 145.1%            | (5.4%)           | 3.2%             | 6.3%                      | 1.2%             | 0.8%              | 14.5%                 |

## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

## Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

## Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

## Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

|                |          |
|----------------|----------|
| Value Score    | <b>B</b> |
| Growth Score   | <b>B</b> |
| Momentum Score | <b>D</b> |
| VGM Score      | <b>B</b> |

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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