

DYNAMIC CHANGE



DOLLAR TREE

Supplemental Financial Presentation
1st Quarter 2023

FORWARD LOOKING STATEMENTS

This Supplemental Financial Presentation contains “forward-looking statements,” as that term is used in the Private Securities Litigation Reform Act of 1995, concerning our business and outlook, including our expected sales, comparable store sales, selling square footage growth, depreciation, net interest expense, effective tax rate, diluted earnings per share, and capital expenditures for the first second quarter and fiscal year 2023; our, as well as various underlying factors that impact our outlook; our gross margin, diluted earnings per share, and new store growth for the first and second halves of fiscal year 2023; and our shipping rate categories and ports of entry for imported goods for fiscal 2023.

These forward-looking statements are subject to risks and uncertainties, and our actual results may differ materially from those indicated in these statements.


For information on the risks and uncertainties that could affect our actual results, please see the “Risk Factors,” “Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections in our Annual Report on Form 10-K filed March 10, 2023, our Form 10-Q for the most recently ended fiscal quarter, and other filings we make from time to time with the Securities and Exchange Commission.


The forward-looking statements in this presentation are based on the company’s plans, estimates and expectations as of May 25, 2023, and you should not rely on these forward-looking statements as representing the company’s views after such date. Except as required by law, the company specifically disclaims any obligation to update any forward-looking statements contained in this presentation as a result of developments occurring after May 25, 2023, and you should not expect us to do so.



COMPARABLE STORE SALES COMPOSITION

Traffic & Average Ticket
Consumables & Discretionary

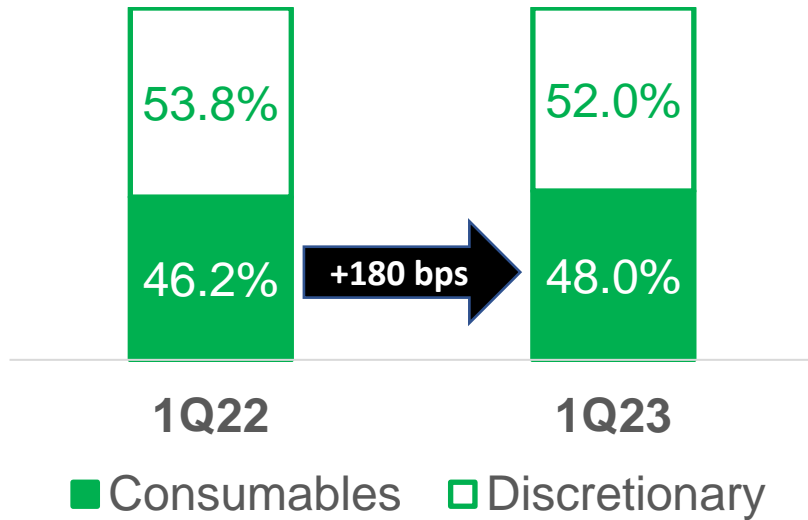
 DOLLAR TREE	FISCAL 2022				FISCAL 2023
	Q1	Q2	Q3	Q4	Q1
TOTAL	11.2%	7.5%	8.5%	8.7%	3.4%
Traffic	(3.6%)	(5.8%)	(5.2%)	(1.1%)	5.5%
Average Ticket	15.4%	14.2%	14.6%	10.0%	(2.1%)
Consumables	8.0%	7.9%	9.3%	9.0%	6.9%
Discretionary	14.1%	6.7%	8.1%	8.5%	1.2%

 FAMILY DOLLAR	FISCAL 2022				FISCAL 2023
	Q1	Q2	Q3	Q4	Q1
TOTAL	(2.8%)	2.0%	4.1%	5.8%	6.6%
Traffic	(3.7%)	(1.2%)	0.1%	0.5%	4.3%
Average Ticket	1.0%	3.3%	4.1%	5.3%	2.2%
Consumables	1.2%	4.0%	4.7%	7.6%	9.8%
Discretionary	(14.7%)	(4.1%)	1.5%	0.5%	(4.4%)

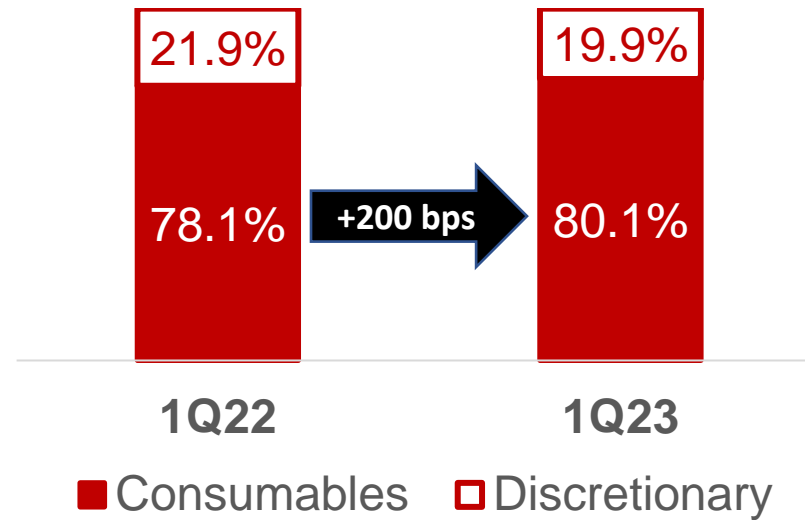


CATEGORY MIX

Category % of Net Sales



Discretionary Categories
Seasonal & Variety



Discretionary Categories
Home, Apparel, Accessories, Seasonal, Electronics



OPERATING INCOME MARGIN

Basis Point Change Year-over-Year



		Q1	Q1 Trend Driver
Prior Year		20.2%	
COGS	Merchandise Cost ¹	(420)	▲ Lower Freight Costs ▼ Lower Initial Mark-on Unfavorable Product Mix
COGS	Occupancy	5	▲ Sales Leverage
COGS	Distribution	(80)	▼ Maintenance, Compliance and Higher Hourly Wages
COGS	Shrink	(55)	▼ Unfavorable Inventory Results
COGS	Markdowns	20	▲ Higher Clearance Markdowns in PY \$1.25 transition ▼ Higher Seasonal Markdowns in CY
SGA	Payroll	(75)	▼ Investments in Store Payroll Minimum Wage Increases
SGA	Facilities	(50)	▼ Elevated Store standards (Repairs & Maintenance)
	Other ²	(5)	▼ D & A related to Store Renovations and Improvements
Current Year		13.6%	
Δ vs. LY		-660 bps	

Note: All figures rounded to the nearest 5 bps

¹ Includes Freight (Import, Inbound and Outbound)

² Includes other items not included in above line items



OPERATING INCOME MARGIN

Basis Point Change Year-over-Year



		Q1	Q1 Trend Driver
Prior Year		2.9%	
COGS	Merchandise Cost ¹	(85)	▲ Lower Freight Costs ▼ Lower Initial Mark-on Unfavorable Product Mix
COGS	Occupancy	40	▲ Sales Leverage
COGS	Distribution	(20)	▼ Higher Maintenance / Compliance Costs
COGS	Shrink	(60)	▼ Unfavorable Inventory Results
COGS	Markdowns	30	▲ Lower Clearance Markdowns ▼ Higher Promotional Markdowns
SGA	Payroll	(75)	▲ Sales Leverage ▼ Investments in Store Payroll Minimum Wage Increases
SGA	Facilities	(10)	▲ Sales Leverage Product Recall Costs in PY ▼ Elevated standards (Repairs & Maintenance)
	Other ²	(75)	▲ Non-Cash Impairment in PY ▼ \$30 million accrual for distribution center legal matters
Current Year		0.3%	
Δ vs. LY		-255 bps	

Note: All figures rounded to the nearest 5 bps

¹ Includes Freight (Import, Inbound and Outbound)

² Includes other items not included in above line items



UPDATED FISCAL 2023 OUTLOOK

	Second Quarter	Fiscal Year
Sales - Enterprise	\$7.0B - \$7.2B	\$30.0B - \$30.5B
Comp Sales – Enterprise	MSD	LSD - MSD
Comp Sales – Dollar Tree	MSD	LSD - MSD
Comp Sales – Family Dollar	MSD	MSD
Selling Square Footage Growth		3.0% to 3.5%
Depreciation		\$845M - \$850M
Net Interest Expense	~\$28M	~\$110M
Effective Tax Rate	24.1% - 24.3%	23.9% - 24.1%
Diluted Earnings per Share	\$0.79 - \$0.89	\$5.73 - \$6.13 ⁽¹⁾
Capital Expenditures		~\$2.0B

(1) Includes \$30 million (or \$0.12 per share) of costs for Q1 2023 accrual related to previously disclosed legal proceedings with our West Memphis, Arkansas distribution center.

LSD: Low Single-Digit (0 – 3) | **MSD:** Mid Single-Digit (4 – 6) | **HSD:** High Single-Digit (7 – 10)



UPDATED FISCAL 2023 OUTLOOK

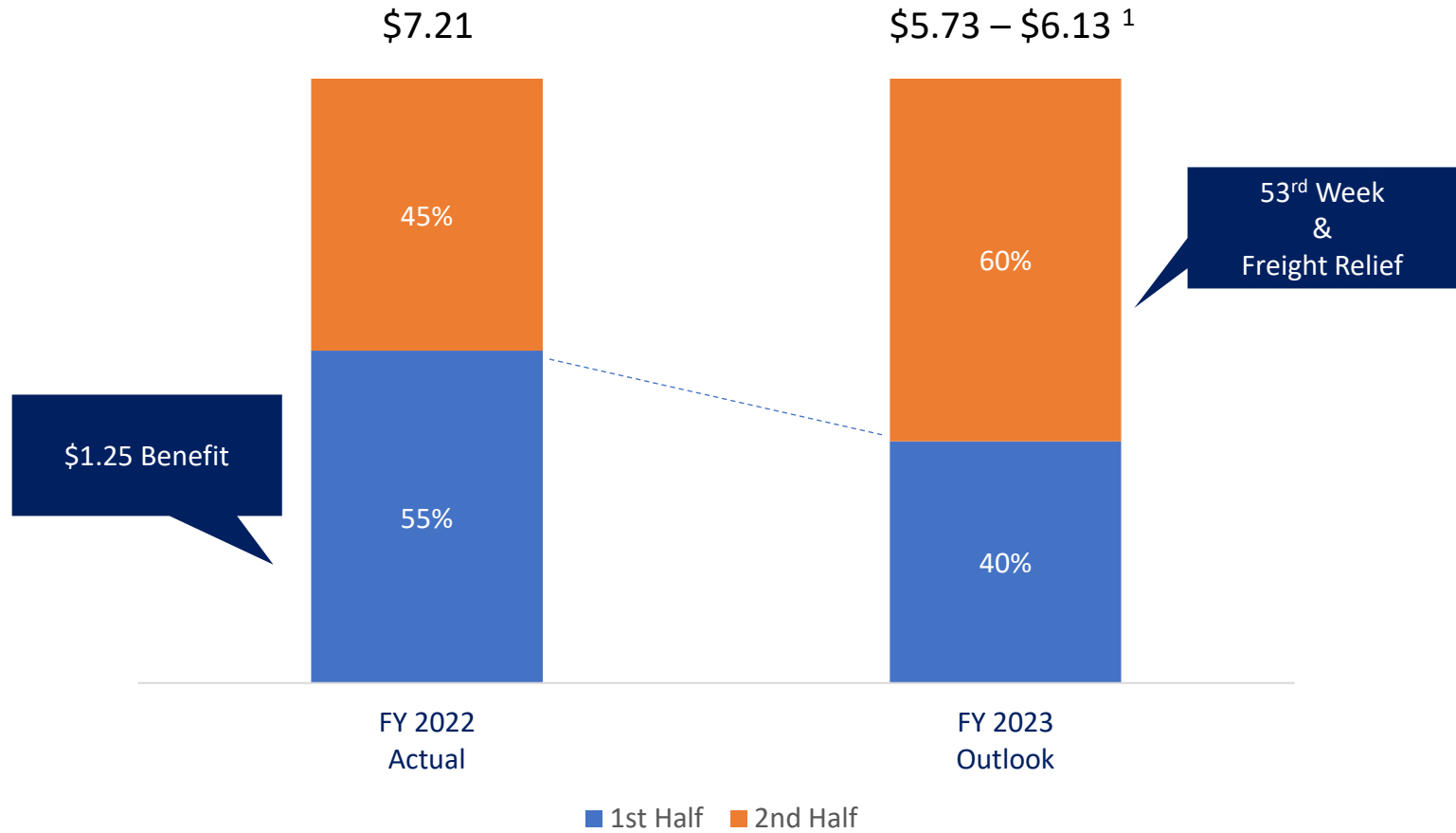
Underlying Factors Impacting Outlook

- ✓ Fiscal Year 2023 ending February 3, 2024 includes a 53rd week
 - 53rd week will benefit the 4th Quarter by approximately \$500 million in Sales and \$0.29 to diluted EPS
- ✓ Dollar Tree segment is cycling 600 basis point outsized gross margin benefit from the 1st Half 2022
 - Expect 2023 gross margin to decline in the 1st Half and recover in 2nd Half
 - Expect Fiscal Year 2023 gross margin to range between 36% – 37%
- ✓ Expect \$1.00 per share benefit from reduced freight expenses, primarily in 2nd Half 2023
 - Additional freight savings of ~\$1.00 per share expected in 2024 and thereafter, assuming current market conditions remain
- ✓ SGA expenses to grow in low teens
 - Operating expenses include approximately \$430 million, or \$1.45 per share, to accelerate investments and transform the company
 - Assumes minimal returns in 2023, yet confident investments will yield attractive returns in 2024 and thereafter
- ✓ Shrink and Unfavorable Sales Mix to Consumables is expected to impact 2023 EPS by approximately \$0.55 per share.
- ✓ Expect 2023 EPS to be weighted approximately 40% in the 1st Half and 60% in the 2nd Half
- ✓ Includes \$30 million (or \$0.12 per share) of costs for Q1 2023 accrual related to previously disclosed legal proceedings with our West Memphis, Arkansas distribution center.



FISCAL 2023 EPS outlook

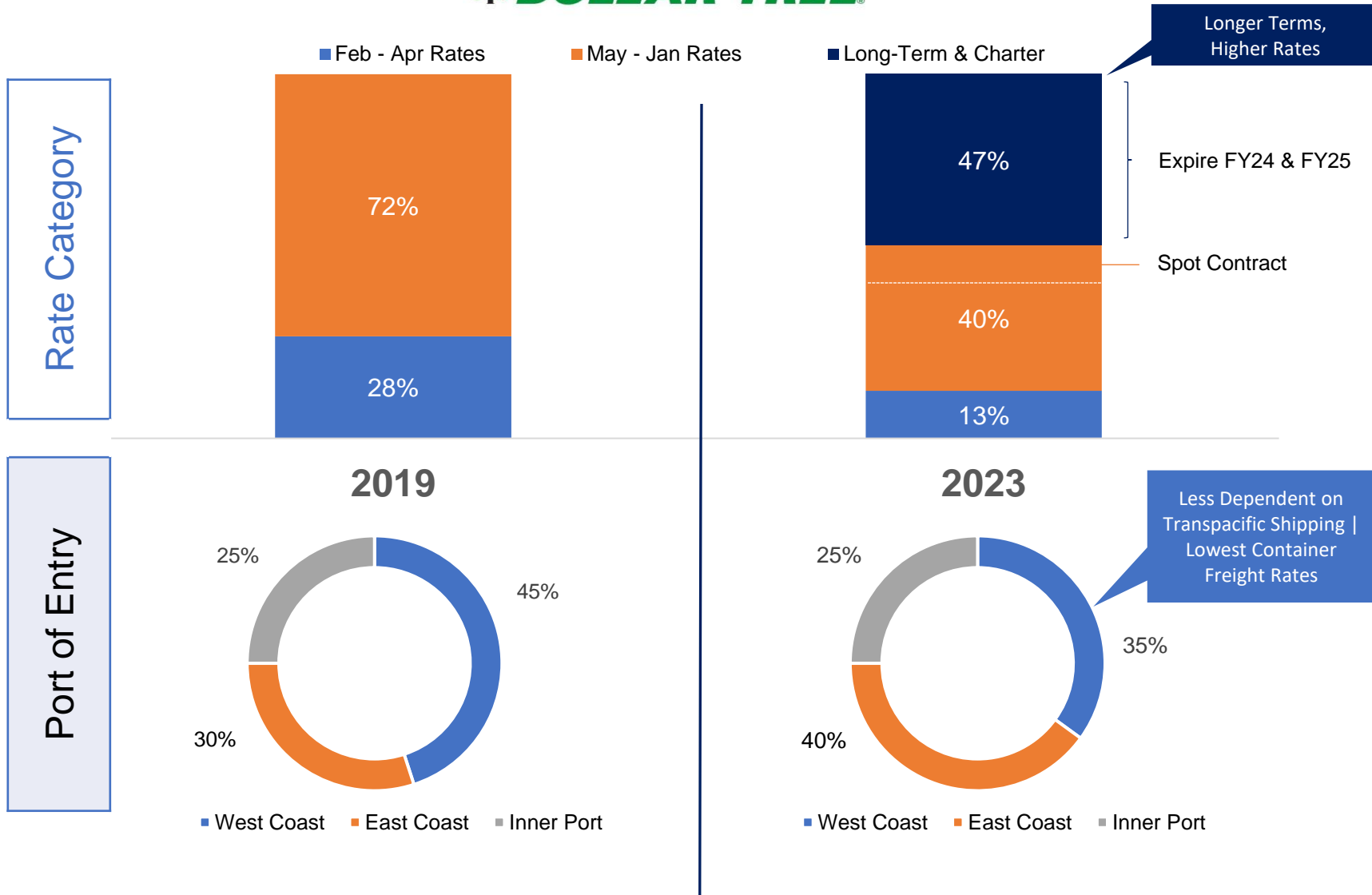
Tale of Two Halves



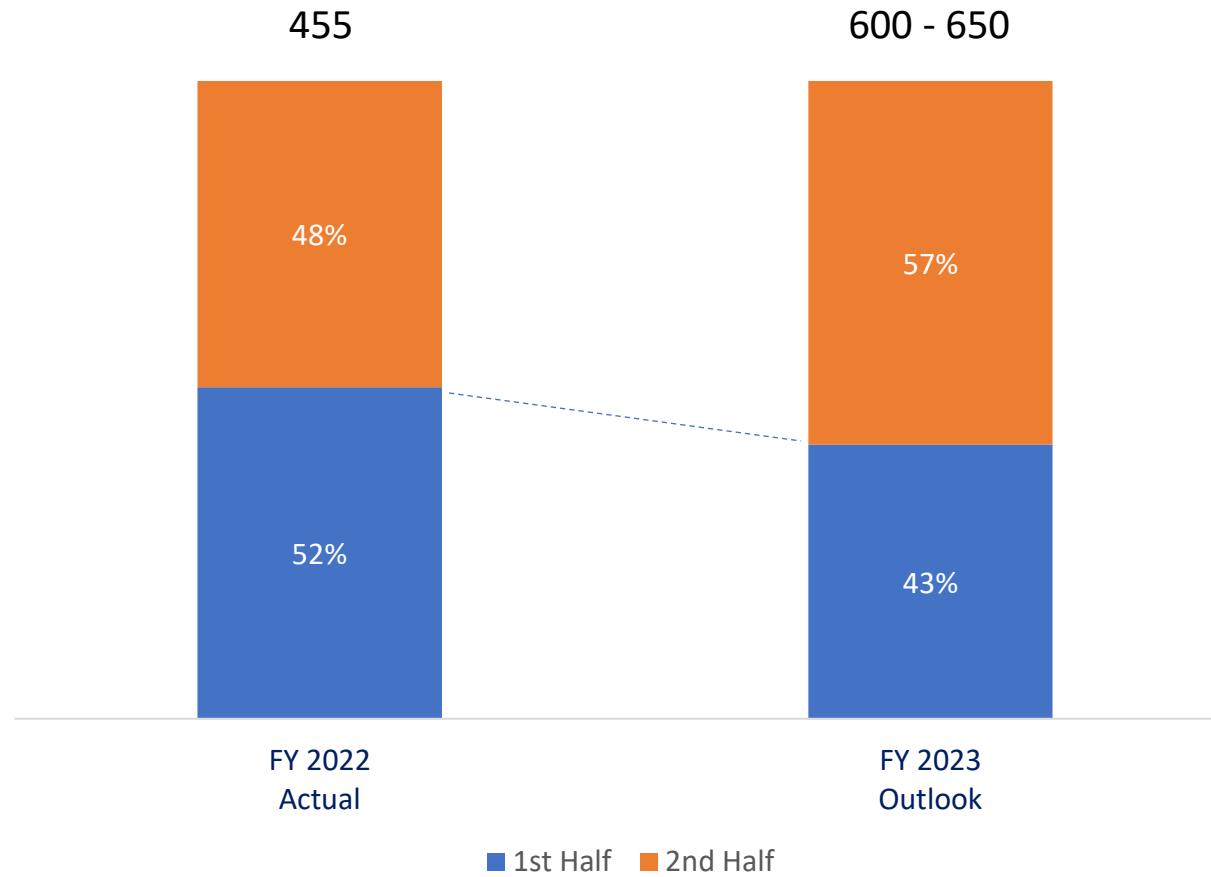
¹ Includes \$30 million (or \$0.12 per share) of costs for Q1 2023 accrual related to previously disclosed legal proceedings with our West Memphis, Arkansas distribution center.



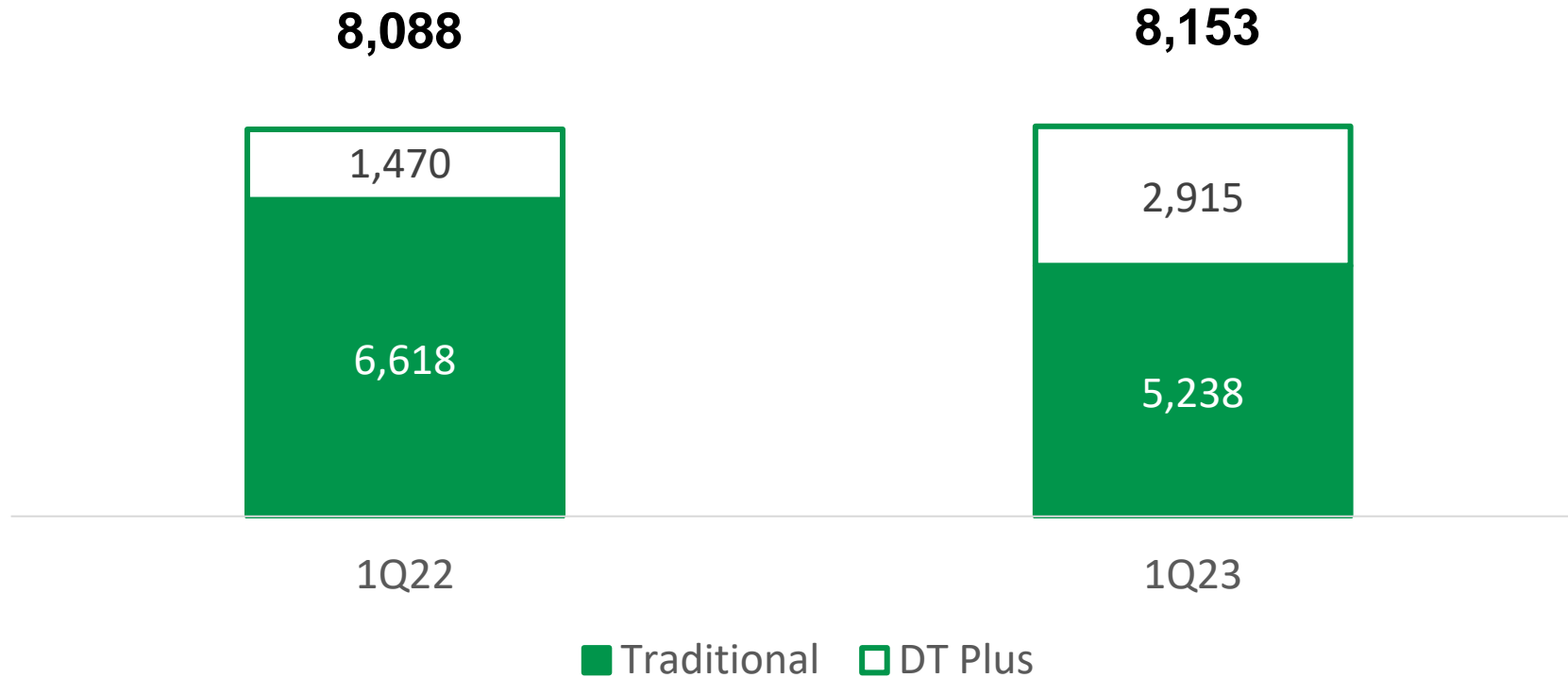
Import Freight comparison: 2019 vs. 2023



Fiscal 2023 New Store Growth Back-End Weighted



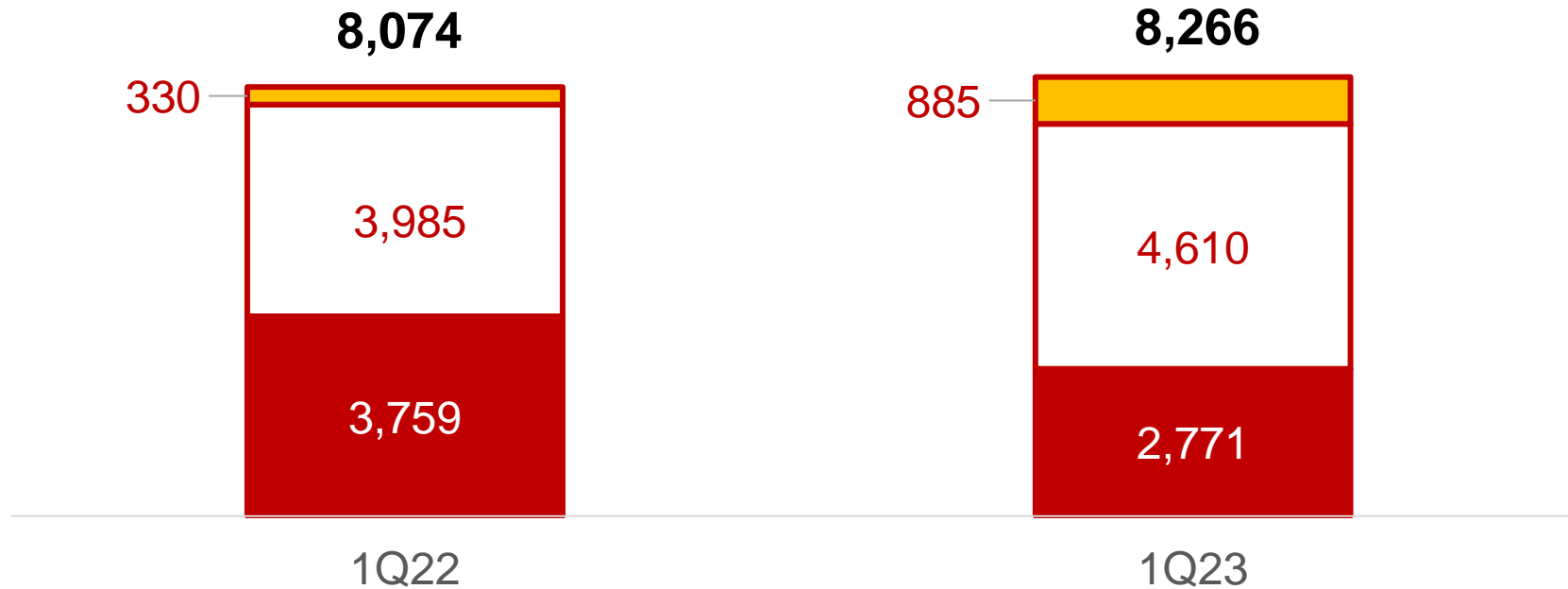
STORE COUNT BY FORMAT



Traditional: Dollar Tree stores primarily at fixed price-point of \$1.25 per item
DT Plus: Dollar Tree stores that include \$3 and \$5 Plus merchandise in assortment



STORE COUNT BY FORMAT



■ Traditional □ H2/Renovated ■ Combo

Traditional: Original Family Dollar store format

H2/Renovated: Store with improved merchandise offerings and a minimum of freezer & cooler door

Combo: Family Dollar store that includes select Dollar Tree merchandise categories

