



DOLLAR TREE[®]

Supplemental Financial Presentation

4th 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, capital expenditures, and new store growth for the first quarter and fiscal year 2024; our expected gross margin for fiscal year 2024; various underlying factors that impact our outlook for the first quarter and fiscal year 2024, fiscal year 2025, and thereafter; expectations regarding 2024 import routing scenarios and volume; and our plans and expectations regarding various initiatives and investments.

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 on March 10, 2023, our Quarterly Report on 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 March 13, 2024, 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 March 13, 2024, and you should not expect us to do so.



Comparable Store Sales Composition

Traffic, Average Ticket, Consumables, and Discretionary¹

 DOLLAR TREE	FISCAL 2022					FISCAL 2023				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
TOTAL	11.2%	7.5%	8.5%	8.7%	9.0%	3.4%	7.8%	5.4%	6.3%	5.8%
Customer Traffic	(3.6%)	(5.8%)	(5.2%)	(1.1%)	(3.9%)	5.5%	9.6%	7.0%	7.1%	7.4%
Average Ticket	15.4%	14.2%	14.6%	10.0%	13.4%	(2.1%)	(1.6%)	(1.5%)	(0.7%)	(1.5%)
Consumables	8.0%	7.9%	9.3%	9.0%	8.8%	6.9%	13.2%	11.1%	10.8%	10.5%
Discretionary	14.1%	6.7%	8.1%	8.5%	9.1%	1.2%	3.9%	1.1%	3.1%	2.3%

 FAMILY DOLLAR	FISCAL 2022					FISCAL 2023				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
TOTAL	(2.8%)	2.0%	4.1%	5.8%	2.4%	6.6%	5.8%	2.0%	(1.2%)	3.2%
Customer Traffic	(3.7%)	(1.2%)	0.1%	0.5%	(1.0%)	4.3%	3.4%	1.4%	0.7%	2.5%
Average Ticket	1.0%	3.3%	4.1%	5.3%	3.4%	2.2%	2.3%	0.7%	(2.0%)	0.7%
Consumables	1.2%	4.0%	4.7%	7.6%	4.4%	9.8%	9.5%	6.2%	2.2%	6.7%
Discretionary	(14.7%)	(4.1%)	1.5%	0.5%	(4.4%)	(4.4%)	(5.7%)	(12.5%)	(12.0%)	(8.8%)

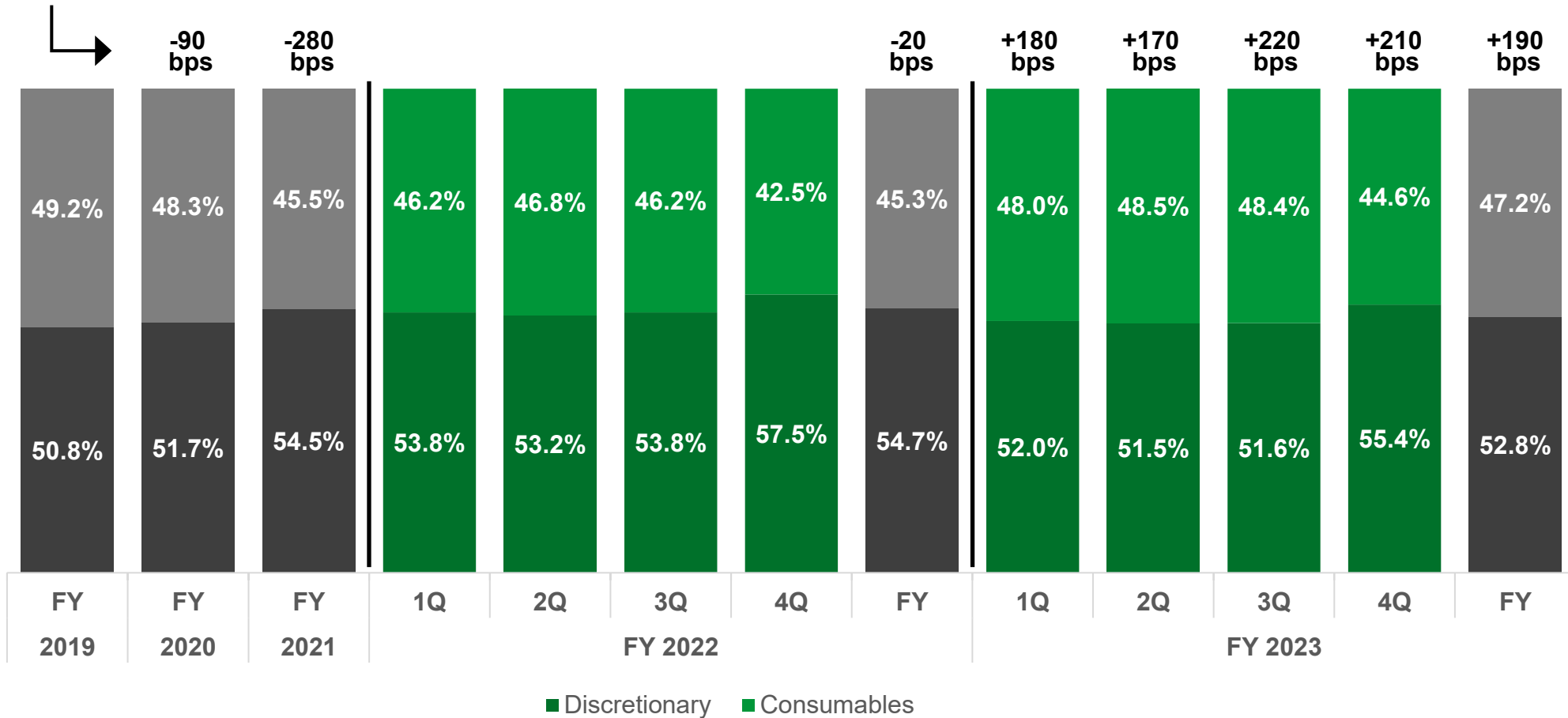


¹Compared to same period in prior fiscal year

Dollar Tree

Consumables vs. Discretionary Mix Shift Over Time

YOY Consumables Mix Shift

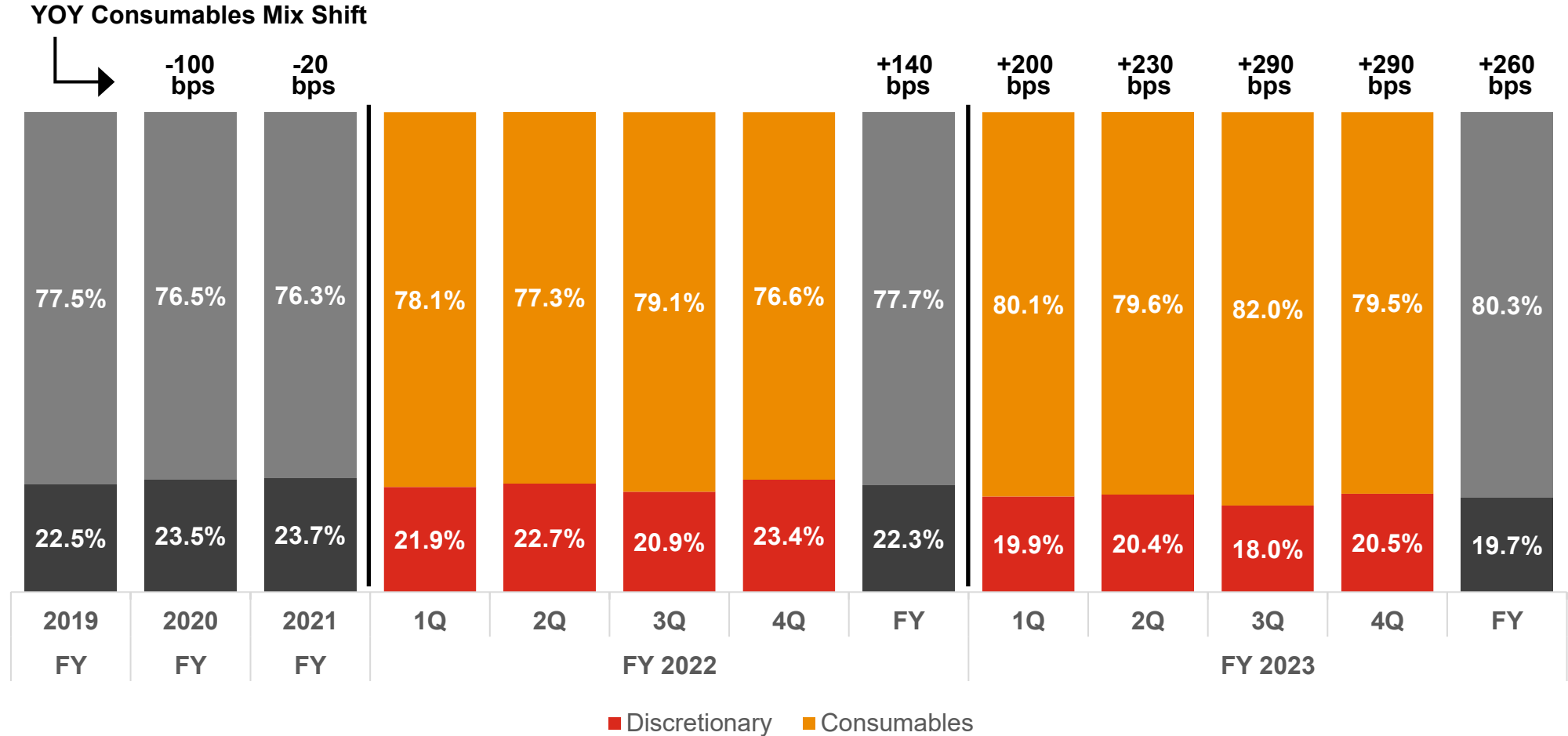


Discretionary Categories = Seasonal & Variety



Family Dollar

Consumables vs. Discretionary Mix Shift Over Time

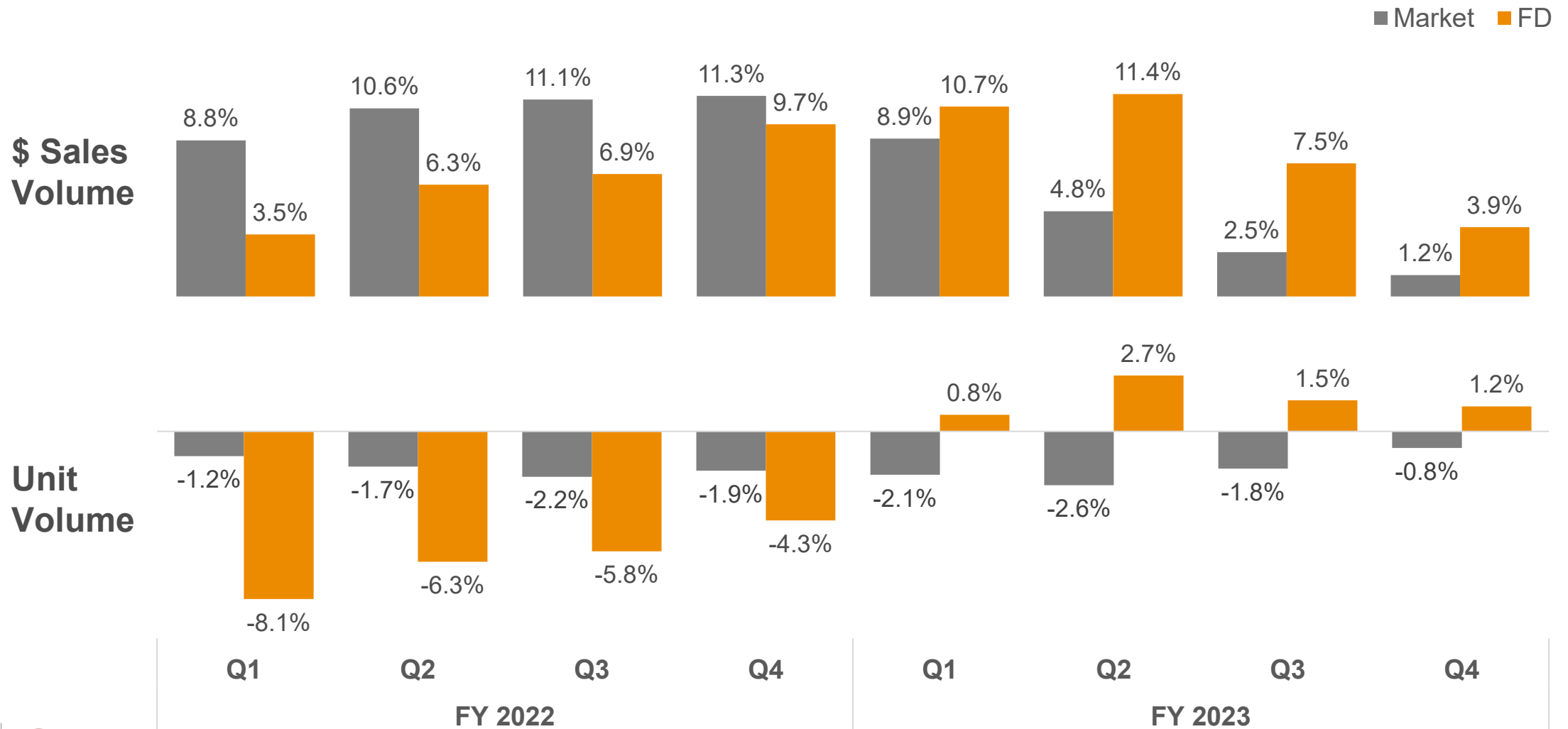


Discretionary Categories = Home, Apparel, Accessories, Seasonal, Electronics



Family Dollar Taking Consumables Market Share

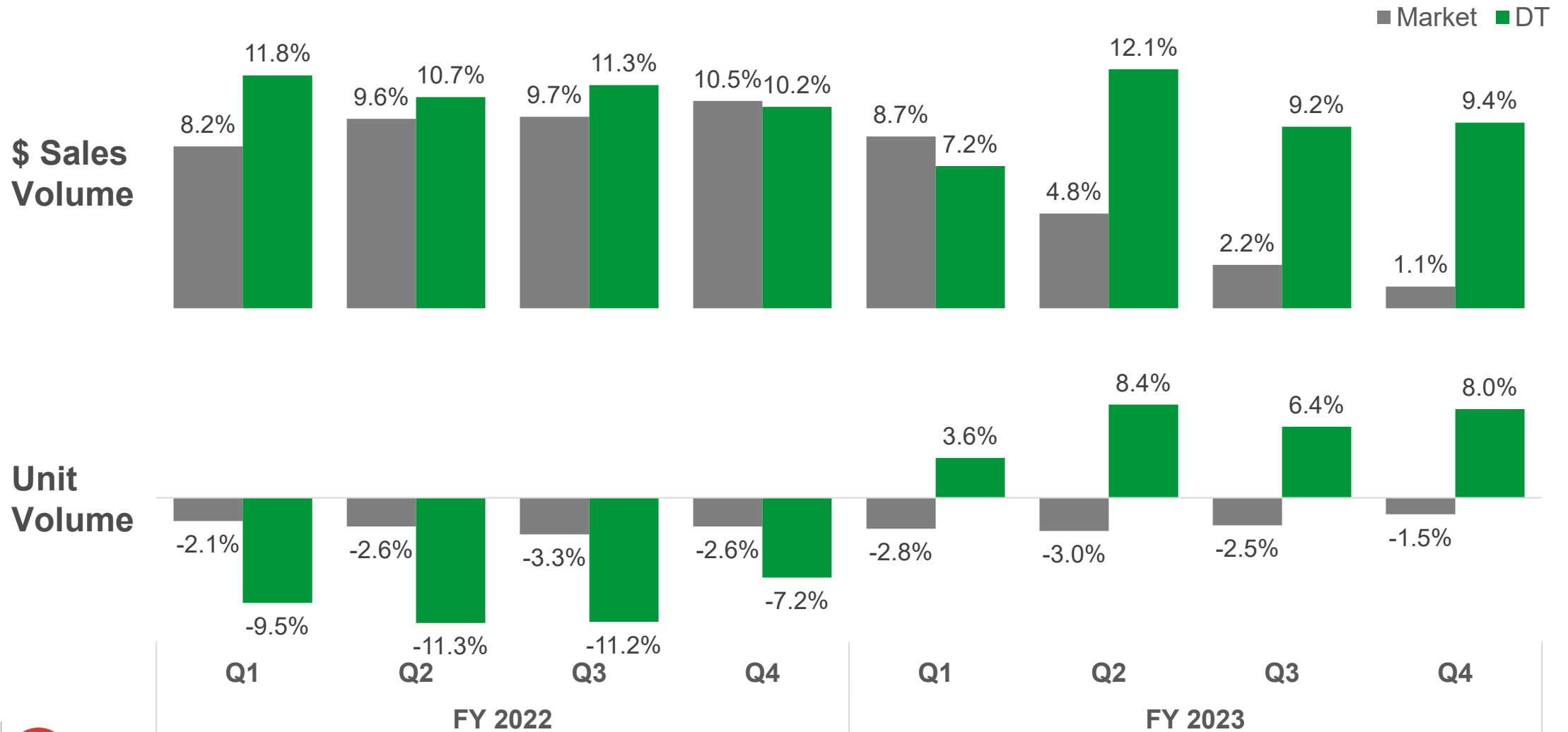
% Change vs. Last Year



Source: Nielsen Market Data in competing markets that include participating retailers across food, drug, mass, club, and dollar channels

Dollar Tree Taking Consumables Market Share

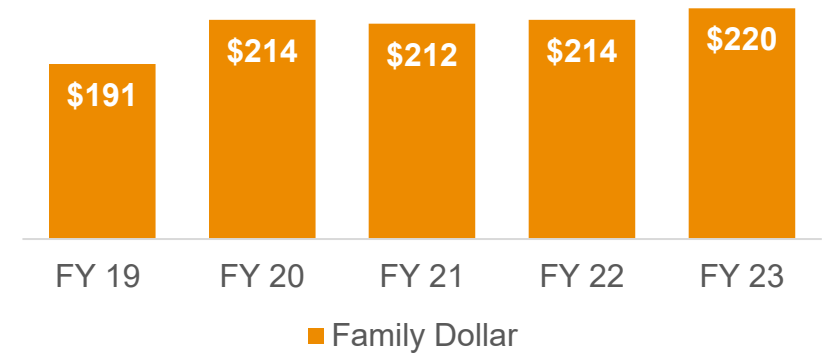
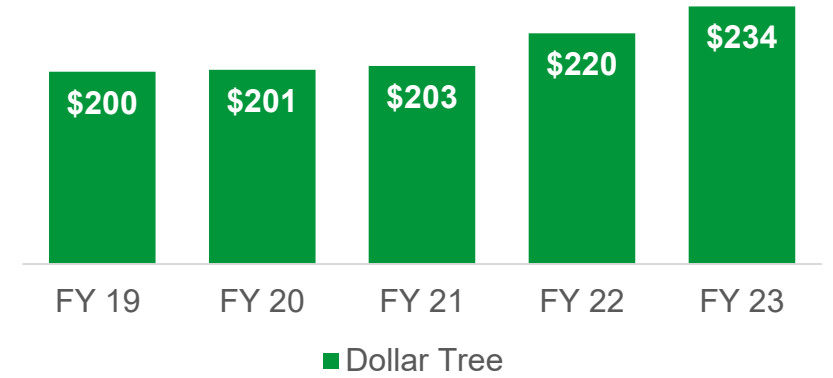
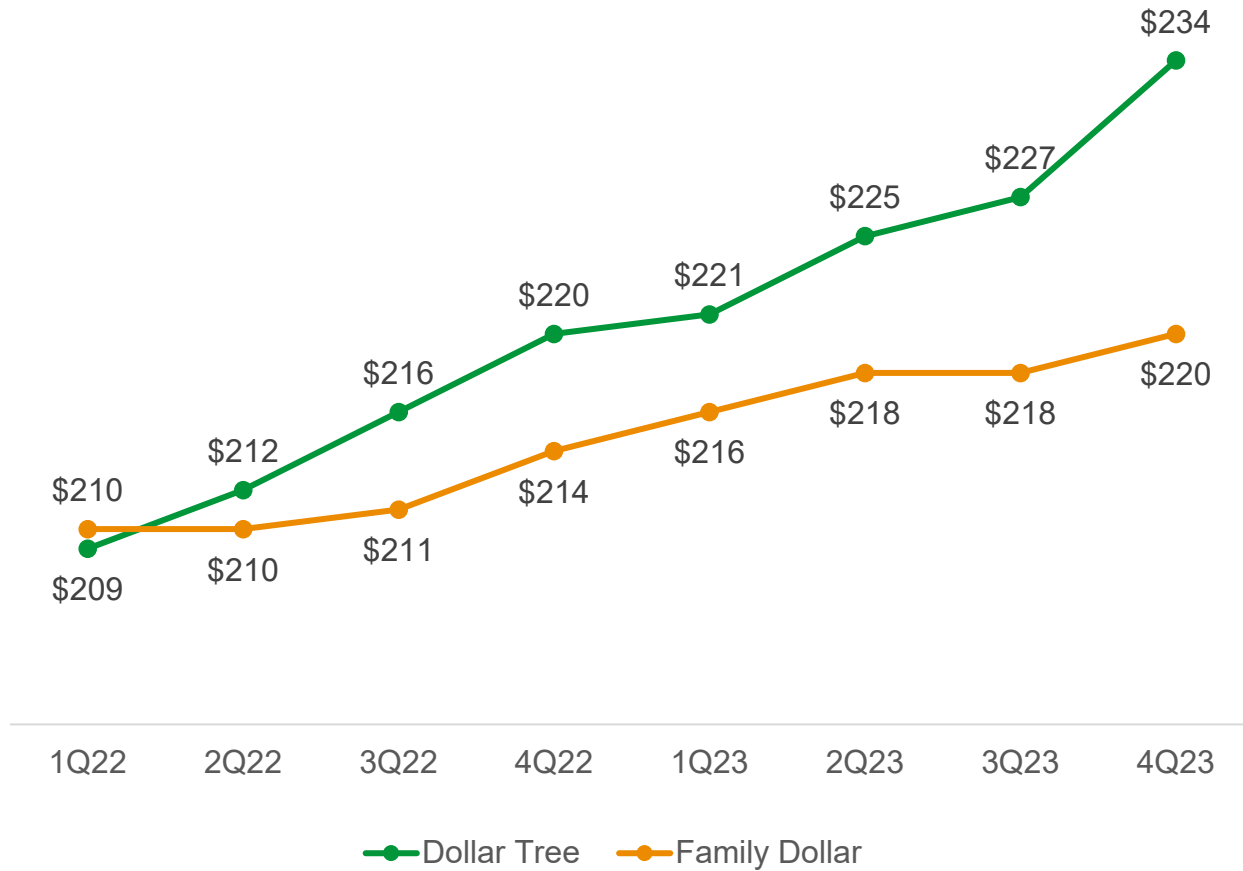
% Change vs. Last Year



Source: Nielsen Market Data in competing markets that include participating retailers across food, drug, mass, club, and dollar channels


Sales per Square Foot

by Segment



Operating Margin (GAAP)

Year-Over-Year Basis Point Change

		FY 2023					Q4 Trend Drivers
		Q1	Q2	Q3	Q4	FY	
Prior Year - GAAP		20.2%	15.4%	13.3%	16.8%	16.5%	
COGS	Merchandise Cost ¹	(420)	(275)	55	230	(85)	↑ Lower freight costs ↓ Product cost inflation, unfavorable product mix
COGS	Occupancy	5	35	15	60	30	↑ Sales leverage, 53rd week impact
COGS	Distribution	(80)	(75)	(70)	(30)	(65)	↓ Higher capitalized costs last year, higher DC and merchandising costs
COGS	Shrink	(55)	(75)	(60)	(30)	(55)	↓ Unfavorable inventory results
COGS	Markdowns	20	(5)	0	0	5	↔
SG&A	Payroll	(75)	(60)	(60)	(70)	(65)	↑ Sales leverage ↓ Store payroll investments, incentive compensation
SG&A	Facilities	(50)	(40)	(5)	(5)	(25)	↑ Sales leverage ↓ Repair & maintenance investments
SG&A	Other ²	(5)	(15)	5	(95)	(30)	↑ Sales and 53rd week leverage ↓ D&A from incremental capex, self-insurance true-up, impairment
Current Year - GAAP		13.6%	10.3%	12.1%	17.4%	13.6%	
Variance vs. Last Year		-660 bps	-510 bps	-120 bps	60 bps	-290 bps	

Note: All figures rounded to nearest 5 bps | ¹Includes Freight (Import, Inbound, and Outbound) | ²Includes other items not included in above line items



Operating Margin (GAAP)

Year-Over-Year Basis Point Change


FAMILY DOLLAR		FY 2023					Q4 Trend Drivers
		Q1	Q2	Q3	Q4	FY	
Prior Year - GAAP		2.9%	1.7%	(0.6%)	0.0%	1.0%	
COGS	Merchandise Cost ¹	(85)	5	140	50	30	↑ Lower freight cost, higher allowances ↓ Product cost inflation, unfavorable product mix
COGS	Occupancy	40	15	0	45	25	↑ Lower rent expense from impaired stores, 53rd week
COGS	Distribution	(20)	(5)	(15)	10	(10)	↑ Higher capitalized costs last year
COGS	Shrink	(60)	(45)	(70)	(55)	(60)	↓ Unfavorable inventory results
COGS	Markdowns	30	0	(35)	(130)	(35)	↑ Increased allowances, ↓ Inventory markdown reserve for closing stores
SG&A	Payroll	(75)	(65)	(80)	(80)	(75)	↓ Store payroll investments
SG&A	Facilities	(10)	(40)	(40)	(30)	(30)	↓ Repair & maintenance investments
SG&A	Other ²	(80)	(5)	(40)	(6,930)	(1,875)	↓ Impairments, litigation charges, self-insurance true-ups, D&A from incremental capex
Current Year - GAAP		0.3%	0.3%	(2.0%)	(71.2%)	(19.3%)	
Variance vs. Last Year		-260 bps	-140 bps	-140 bps	-7,120 bps	-2,030 bps	

Note: All figures rounded to nearest 5 bps | ¹Includes Freight (Import, Inbound, and Outbound) | ²Includes other items not included in above line items



Adjusted Operating Margin (Non-GAAP)

Year-Over-Year Basis Point Change

		FY 2023					Q4 Trend Drivers
		Q1	Q2	Q3	Q4	FY	
Prior Year - GAAP		20.2%	15.4%	13.3%	16.8%	16.5%	
COGS	Merchandise Cost ¹	(420)	(275)	55	230	(85)	↑ Lower freight costs ↓ Product cost inflation, unfavorable product mix
COGS	Occupancy	5	35	15	60	30	↑ Sales leverage, 53rd week impact
COGS	Distribution	(80)	(75)	(70)	(30)	(65)	↓ Higher capitalized costs last year, higher DC and merchandising costs
COGS	Shrink	(55)	(75)	(60)	(30)	(55)	↓ Unfavorable inventory results
COGS	Markdowns	20	(5)	0	0	5	↔
SG&A	Payroll	(75)	(60)	(60)	(70)	(65)	↑ Sales leverage ↓ Store payroll investments, incentive compensation
SG&A	Facilities	(50)	(40)	(5)	(5)	(25)	↑ Sales leverage ↓ Repair & maintenance investments
SG&A	Other ²	(5)	(15)	5	(75)	(20)	↑ Sales and 53rd week leverage ↓ D&A from incremental capex, self-insurance true-up
Current Year - Adjusted (Non-GAAP)		13.6%	10.3%	12.1%	17.6%	13.7%	
Variance vs. Last Year		-660 bps	-510 bps	-120 bps	80 bps	-280 bps	

Note: All figures rounded to nearest 5 bps | ¹Includes Freight (Import, Inbound, and Outbound) | ²Includes other items not included in above line items



See Appendix for important information concerning the use of non-GAAP financial measures

Adjusted Operating Margin (Non-GAAP)

Year-Over-Year Basis Point Change

FAMILY DOLLAR.		FY 2023					Q4 Trend Drivers
		Q1	Q2	Q3	Q4	FY	
Prior Year - GAAP		2.9%	1.7%	(0.6%)	0.0%	1.0%	
COGS	Merchandise Cost ¹	(85)	5	140	50	30	↑ Lower freight cost, higher allowances ↓ Product cost inflation, unfavorable product mix
COGS	Occupancy	40	15	0	45	25	↑ Lower rent expense from impaired stores, 53rd wk.
COGS	Distribution	(20)	(5)	(15)	25	(10)	↑ Higher capitalized costs last year
COGS	Shrink	(60)	(45)	(70)	(55)	(60)	↓ Unfavorable inventory results
COGS	Markdowns	30	0	(35)	95	25	↑ Increased allowances
SG&A	Payroll	(75)	(65)	(80)	(80)	(75)	↓ Store payroll investments
SG&A	Facilities	(10)	(40)	(40)	(30)	(30)	↓ Repair & maintenance investments
SG&A	Other ²	0	(5)	(40)	(30)	(15)	↓ Self insurance true-ups, D&A from incremental capex
Current Year - Adjusted (Non-GAAP)		1.1%	0.3%	(2.0%)	0.2%	(0.1%)	
Variance vs. Last Year		-180 bps	-140 bps	-140 bps	20 bps	-110 bps	

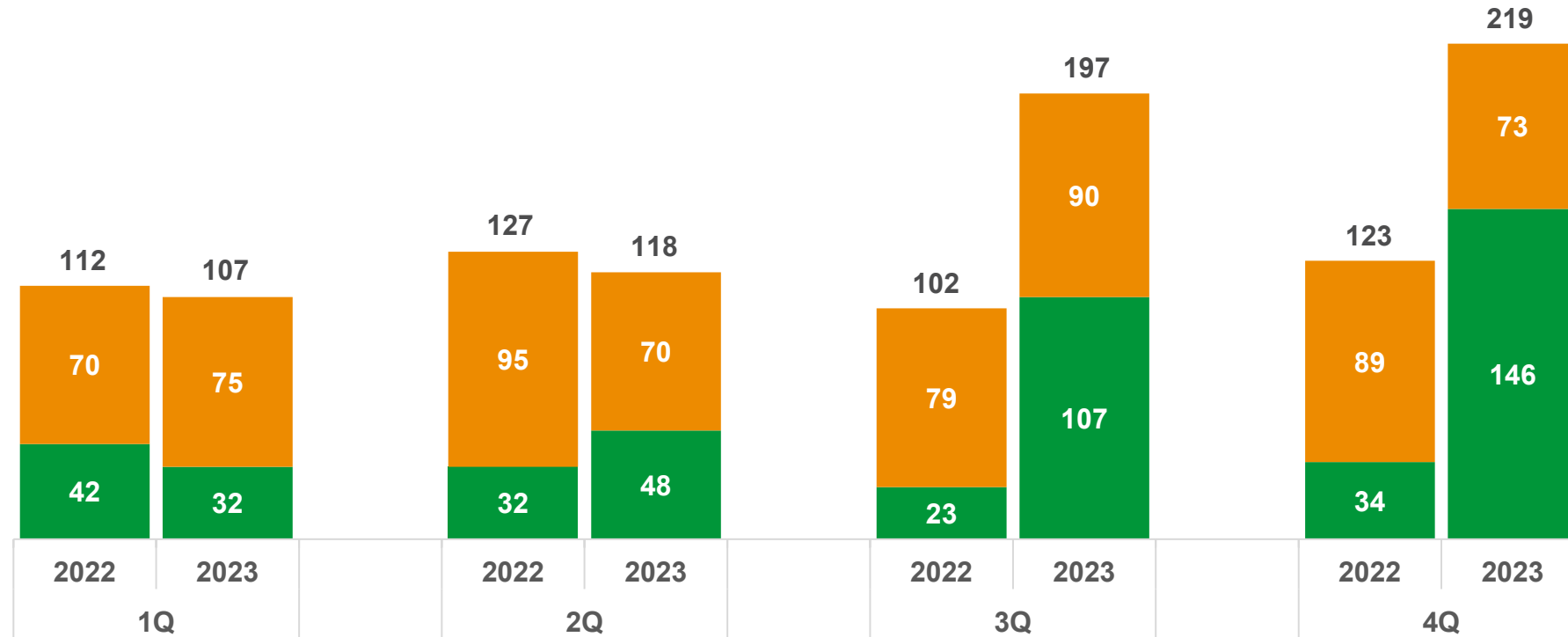
Note: All figures rounded to nearest 5 bps | ¹Includes Freight (Import, Inbound, and Outbound) | ²Includes other items not included in above line items



See Appendix for important information concerning the use of non-GAAP financial measures

Fiscal 2023 New Store Growth

Back-End Weighted



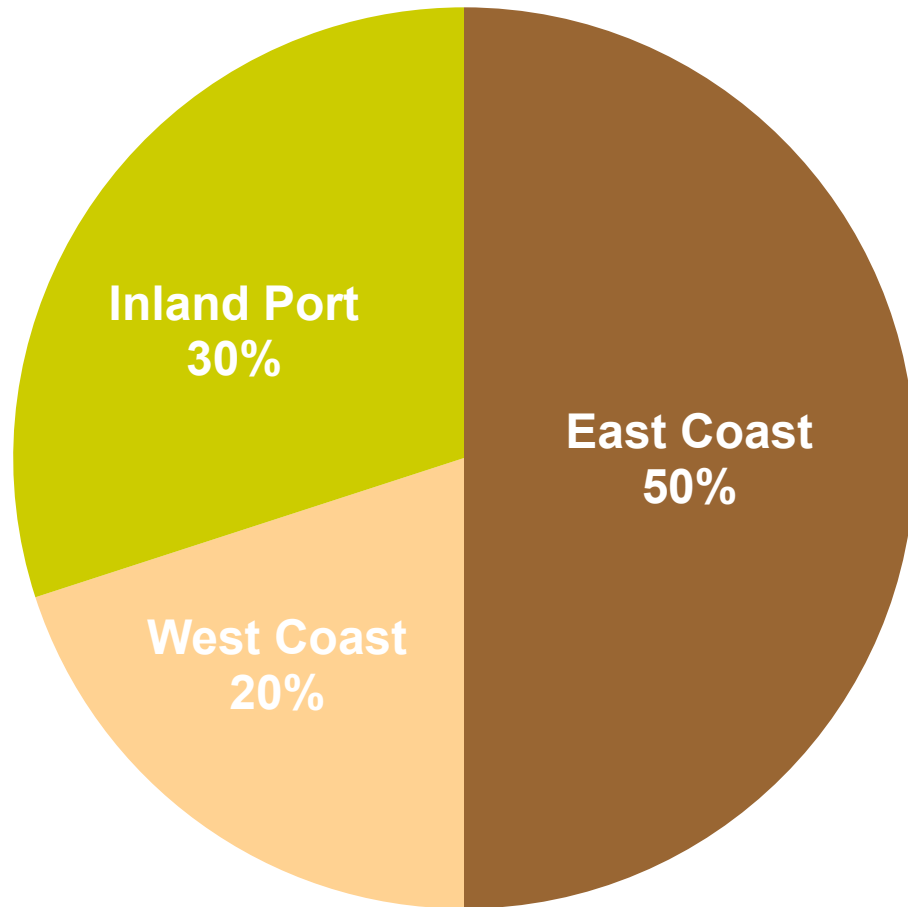
Full-Year	
2022	2023
333	308
131	333
464	641

■ Dollar Tree ■ Family Dollar



2024 Import Routing Scenarios

by Port of Entry



West Coast:

Eastbound cargo arriving at ports on the West Coast of the United States. We take possession of the containers when they arrive at the port.

East Coast:

Cargo arriving at ports on the East Coast or Gulf Coast of the United States consisting of eastbound cargo that has transited the Panama Canal or westbound cargo that has transited the Suez Canal or sailed around the Cape of Good Hope. We take possession of the containers when they arrive in the port.

Inland Port:

Typically, eastbound cargo arriving in ports on the West Coast of the United States, transferred to rail transit at the port or entry, and delivered to a terminal destination usually located in the Midwestern United States. We take possession of the containers when they arrive at the terminal destination.

Normal Routing:

In a normal routing environment, the vast majority of cargo arriving at ports on the East Coast is eastbound cargo that transits the Panama Canal.

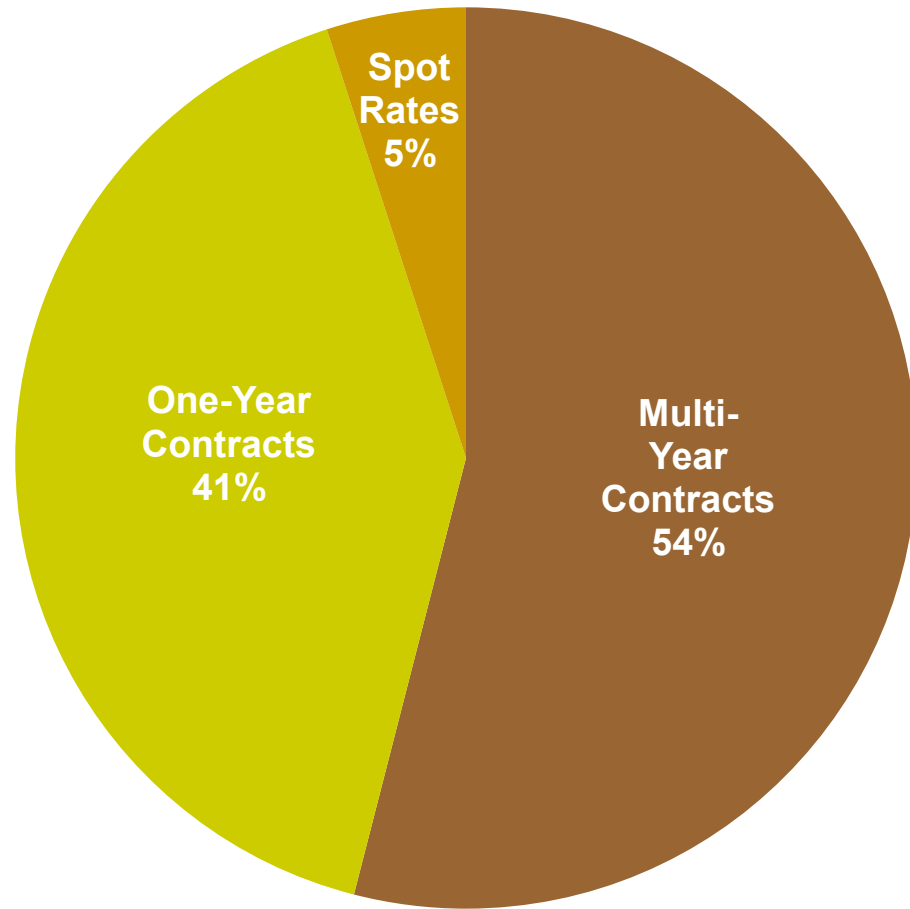
Disrupted Routing:

If low water levels in the Panama Canal reduce the volume of ships that can traverse the canal, we have the option of diverting a portion of inbound ships to travel westbound and either traverse the Suez Canal or travel around the Cape of Good Hope, depending on the situation in the Red Sea.



Projected 2024 Import Volume

by Type of Contract



One-Year Contracts

These annual contracts are typically negotiated in March and April and go into effect at the beginning of May and run through April of the following year. As such, ocean freight costs in any given fiscal year under these contracts will reflect the negotiated rates from the prior year's contract for part of the year (February – May) and the negotiated rates from the current year's contract for the remaining part of the year (June -January).

Multi-Year Contracts:

These are contracts that have terms longer than a year. Our current multi-year contracts do not expire until 2025, as such we will be subject to the rates reflected in these contracts throughout FY 2024. Rates under these contracts are generally above current market rates given the state of global freight markets at the time these contracts were executed.

Spot Rates:

We pay current market rates for only a small percentage of the ocean freight capacity that we utilize.



Progress Report

Initiatives Outlined at June 2023 Investor Day

Area	Initiative	Progress
Family Dollar	• Reset Stores	✓ Planogram resets and 78" shelf profile completed in Q4 2023
	• Emerging Formats	✓ 1,895 H2.5, XSB, and larger rural format stores as of Q4 2023
	• Renovations	✓ Completed 1,051 renovations in FY 2023 vs. target of 1,000
	• Assortment Optimization	✓ Added 900 net new SKUs
	• Private Brand - Vitamins	✓ Launched 37 new items in December 2023 vs. target of 35
	• Private Brand - Family Wellness	✓ 80% achieved with 59 SKUs launched in Q4 2023 vs. target of 70
	• Control Brands	✓ 309 control brands in varying stages of conversion vs. target of 300
	• Private Brand Penetration	✓ 15% private brand penetration at end of FY 2023 vs. target of 14%
Dollar Tree	• Multi-Price - Frozen	✓ Fully rolled out as of Q4 2023, 31% of annual frozen sales
	• Multi-Price - Refrigerated	✓ 635 stores as of Q4 2023, 5,700 by FY 2024 and 6,800 by FY 2025
	• Multi-Price - \$3 and \$5	✓ Rolled out to ~5,000 stores at end of FY 2023 vs. target of 4,300
	• Balloons, Greeting Cards	✓ \$1.50 balloon and \$1.00 greeting card rollout completed Q4 2023
Supply Chain	• Temperature Control	✓ Nine DCs as of 4Q 2023 with 15 more expected in FY 2024
	• Rotacart Deployment	✓ Launched 1st Rotacart DC in Q4 2023, 5 more coming in FY 2024
	• Trailer Fleet	✓ Bought 900 new trailers in FY 2024, 2,000+ expected in FY 2024
	• Warehouse Management System	✓ 1st DC live in February 2024 with full rollout over next 3 years
	• Service Levels	✓ On pace to improve in-stocks 500 bps and service levels 1,000 bps



Progress Report - *continued*

Initiatives Outlined at June 2023 Investor Day

Area	Initiative	Progress
Operations	• Employee Turnover	✓ Reduced DM, SM, and ASM turnover by 20% or more in FY 2023
	• Attract Talent	✓ Increased candidate flow 36% in stores, 24% in DCs, and 20% at HQ
	• Develop Talent	✓ Building our first leadership academy, over 47,500 promotions in FY23
	• Employee Engagement	✓ 84% participation in pulse survey with engagement up in 7/10 areas
	• Early Close/Late Open	✓ From FY 2022 to FY 2023 reduced FD by 50% and DT by 78%
	• New Stores/Renovations	✓ 641 new stores, 2,912 full renovations, and 8,424 projects in FY 2023
IT	• Store Network	✓ 3,800+ stores on new network w/improved connectivity, Wi-Fi, security
	• Warehouse Management System	✓ Now live in first DC in early 1Q 2024
	• Enterprise POS System	✓ Began implementation in 4Q 2023
	• Human Capital & Payroll System	✓ Began implementation in early 1Q 2024
Finance	• Balance Sheet	✓ Maintained conservative leverage of 2.4x and fixed-charge ratio of 2.38x
	• Investment in Growth	✓ Capital expenditures of \$2.1B in FY 2023 vs. \$1.2B in FY 2022
	• Free Cash Flow	✓ 59% increase in free cash flow in FY 2023 to \$583 million
	• Return of Capital	✓ Repurchased 3.9 million shares for \$504.3 million in FY 2023



Updated Outlook

First Quarter and Full-Year Fiscal 2024

	First Quarter	Fiscal Year
Sales - Enterprise	\$7.6B - \$7.9B	\$31.0B - \$32.0B
<i>Comparable Sales - Dollar Tree</i>	<i>LSD-MSD</i>	<i>MSD</i>
<i>Comparable Sales - Family Dollar</i>	<i>"approximately flat"</i>	<i>LSD</i>
Comparable Sales - Enterprise	LSD-MSD	LSD-MSD
New Store Openings	-	600-650
Depreciation	-	~\$1.0B
Net Interest Expense	~\$26M	~\$95M
Effective Tax Rate	~24%	~24%
Diluted Earnings per Share	\$1.33 - \$1.48	\$6.70 - \$7.30
Capital Expenditures	-	\$2.1B - \$2.3B
LSD = Low Single-Digit (0% to 3%) MSD = Mid Single-Digit (4% to 6%) HSD = High Single-Digit (7% to 10%)		



Updated Outlook

Full-Year Fiscal 2024

Underlying Factors Impacting FY 2024 Outlook

- ✓ Fiscal Year 2024 is a 52-week year and ends February 1, 2025
- ✓ Gross Margins
 - Expect full-year gross margin of approximately 36.0% to 36.5% in the Dollar Tree segment
 - Expect full-year gross margin of approximately 24.5% to 25.0% in the Family Dollar segment
- ✓ Expect approximately \$0.80-\$0.90 per share of incremental benefit from reduced freight expenses in FY 2024
 - Expect 60% of benefit to come in the first half of the year
 - Slightly below prior outlook given adverse conditions in Panama Canal and Red Sea
 - 54% of expected 2024 shipping volume still at rates from long-term contracts that expire in FY 2025
- ✓ Expect enterprise SG&A expenses to be approximately 25% as a percentage of total revenue
 - Transformation expenses remain elevated
 - Expect SG&A expense for corporate, support, and other to be approximately 1.8% to 1.9% of total revenue
 - Dollar Tree segment SG&A outlook reflects incremental costs to reconfigure ~3,000 store to expanded multi-price format
- ✓ FY 2024 outlook assumes \$0.30 to \$0.35 EPS headwinds vs. FY 2023 results from shrink and mix in 1H 2023 as we annualize our elevated FY 2023 exit rate for both measures.
- ✓ FY 2024 outlook assumes approximately \$0.15 of EPS benefit, primarily in the second half of the year, from closing underperforming Family Dollar stores.
- ✓ FY 2024 outlook does not include any severance or other incremental costs related to the portfolio review process



Appendix: Non-GAAP Financial Measures

From time-to-time, the Company discloses certain financial measures not derived in accordance with GAAP. These non-GAAP financial measures should not be used as a substitute for GAAP financial measures, or considered in isolation, for the purposes of analyzing operating performance, financial position, liquidity, or cash flows. The non-GAAP financial measures we have disclosed in this supplemental presentation includes operating income. The Company believes providing additional information in these non-GAAP measures that exclude the unusual expenses described below is beneficial to the users of its financial statements in evaluating the Company's current operating results in relation to past periods. The Company has included a reconciliation of these non-GAAP financial measures to the most comparable GAAP measures.

1. In the first quarter of fiscal 2023, the Company recorded a \$30.0 million charge to its legal reserve for DC 202-related matters. In the fourth quarter of fiscal 2023, an additional \$26.7 million charge was recorded to the legal reserve for these matters.
2. During the fourth quarter of fiscal 2023, we announced that we had initiated a comprehensive store portfolio optimization review which involved identifying stores for closure, relocation or re-bannering based on an evaluation of current market conditions and individual store performance, among other factors. As a result of this portfolio optimization review, we plan to close approximately 970 underperforming Family Dollar stores, including approximately 600 stores to be closed in the first half of fiscal 2024, and approximately 370 stores to be closed at the end of each store's current lease term. Additionally, we identified approximately 30 underperforming Dollar Tree stores for closure and plan to close each at the end of the store's current lease term. In the fourth quarter of fiscal 2023, we incurred \$594.4 million of charges in connection with the store portfolio optimization review, comprised of \$503.9 million of store long-lived asset impairment charges, \$80.6 million of inventory markdowns, \$5.6 million of capitalized distribution cost impairment and \$4.3 million in third party consulting fees incurred related to the review.
3. In the fourth quarter of fiscal 2023, the Company performed its annual impairment testing of goodwill and non-amortizing intangible assets. The impairment test of non-amortizing intangible assets indicated that the carrying value of the Family Dollar trade name exceeded its estimated fair value resulting in the recognition of a \$950.0 million impairment charge in the fourth quarter of fiscal 2023. The goodwill impairment test indicated that the fair value of the Family Dollar reporting unit was lower than its carrying value resulting in the recognition of a \$1,069.0 million impairment charge in the fourth quarter of fiscal 2023.



Appendix: Non-GAAP Financial Measures

DOLLAR TREE, INC.
Reconciliation of Non-GAAP Financial Measures
(In millions, except per share data)
(Unaudited)

**Reconciliation of Adjusted Operating Income -
Dollar Tree Segment**

	14 Weeks Ended		13 Weeks Ended		53 Weeks Ended		52 Weeks Ended	
	February 3, 2024		January 28, 2023		February 3, 2024		January 28, 2023	
Operating income (GAAP)	\$ 862.6	17.4%	\$ 721.3	16.8%	\$ 2,278.8	13.6%	\$ 2,536.0	16.5%
SG&A adjustment:								
Add: Long-lived asset impairment	10.8	0.2%	-	0.0%	10.8	0.1%	-	0.0%
Total adjustments	10.8	0.2%	-	0.0%	10.8	0.1%	-	0.0%
Adjusted operating income (Non-GAAP)	\$ 873.4	17.6%	\$ 721.3	16.8%	\$ 2,289.6	13.7%	\$ 2,536.0	16.5%

**Reconciliation of Adjusted Operating Income -
Family Dollar Segment**

	14 Weeks Ended		13 Weeks Ended		53 Weeks Ended		52 Weeks Ended	
	February 3, 2024		January 28, 2023		February 3, 2024		January 28, 2023	
Operating income (loss) (GAAP)	\$ (2,617.8)	(71.2%)	\$ 1.4	0.0%	\$ (2,663.5)	(19.3%)	\$ 127.5	1.0%
Gross profit adjustments:								
Add: Inventory markdowns - store closures	80.6	2.2%	-	0.0%	80.6	0.6%	-	0.0%
Add: Distribution costs - store closures	5.6	0.2%	-	0.0%	5.6	0.0%	-	0.0%
SG&A adjustments:								
Add: Goodwill impairment	1,069.0	29.1%	-	0.0%	1,069.0	7.7%	-	0.0%
Add: Trade name intangible asset impairment	950.0	25.8%	-	0.0%	950.0	6.9%	-	0.0%
Add: Long-lived asset impairment	493.1	13.4%	-	0.0%	493.1	3.6%	-	0.0%
Add: Legal reserve	26.7	0.7%	-	0.0%	56.7	0.4%	-	0.0%
Total adjustments	2,625.0	71.4%	-	0.0%	2,655.0	19.2%	-	0.0%
Adjusted operating income (loss) (Non-GAAP)	\$ 7.2	0.2%	\$ 1.4	0.0%	\$ (8.5)	(0.1%)	\$ 127.5	1.0%

