



DOLLAR TREE[®]

Supplemental Financial Presentation

3rd 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 fourth quarter and fiscal year 2023; our expected gross margin for fiscal year 2023; and various underlying factors that impact our outlook for the fourth quarter and fiscal year 2023, fiscal year 2024, and thereafter.

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 November 29, 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 November 29, 2023, 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	Q1	Q2	Q3
TOTAL	11.2%	7.5%	8.5%	8.7%	3.4%	7.8%	5.4%
Customer Traffic	(3.6%)	(5.8%)	(5.2%)	(1.1%)	5.5%	9.6%	7.0%
Average Ticket	15.4%	14.2%	14.6%	10.0%	(2.1%)	(1.6%)	(1.5%)
Consumables	8.0%	7.9%	9.3%	9.0%	6.9%	13.2%	11.1%
Discretionary	14.1%	6.7%	8.1%	8.5%	1.2%	3.9%	1.1%

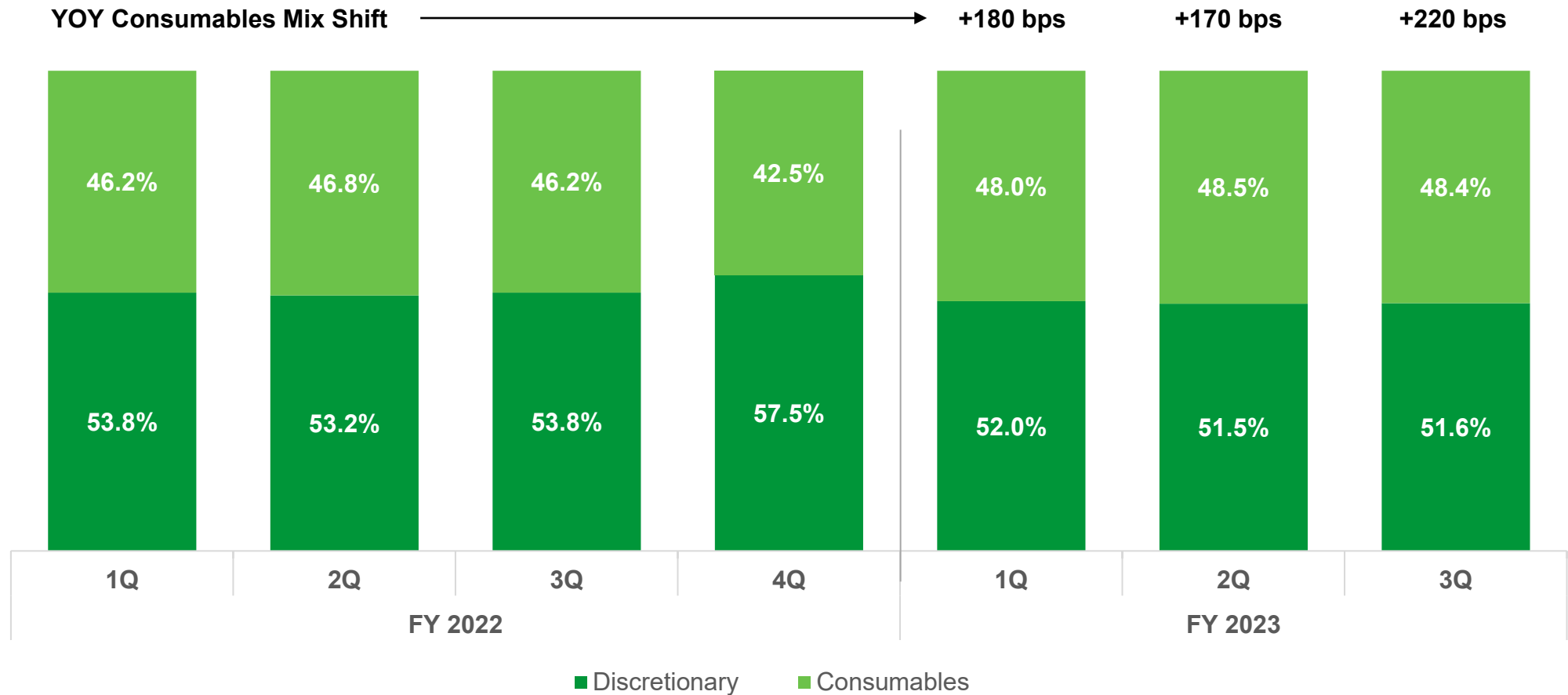
 FAMILY DOLLAR	FISCAL 2022				FISCAL 2023		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
TOTAL	(2.8%)	2.0%	4.1%	5.8%	6.6%	5.8%	2.0%
Customer Traffic	(3.7%)	(1.2%)	0.1%	0.5%	4.3%	3.4%	1.4%
Average Ticket	1.0%	3.3%	4.1%	5.3%	2.2%	2.3%	0.7%
Consumables	1.2%	4.0%	4.7%	7.6%	9.8%	9.5%	6.2%
Discretionary	(14.7%)	(4.1%)	1.5%	0.5%	(4.4%)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



¹Compared to same period in prior fiscal year

Dollar Tree

Consumables vs. Discretionary Mix Shift Over Time

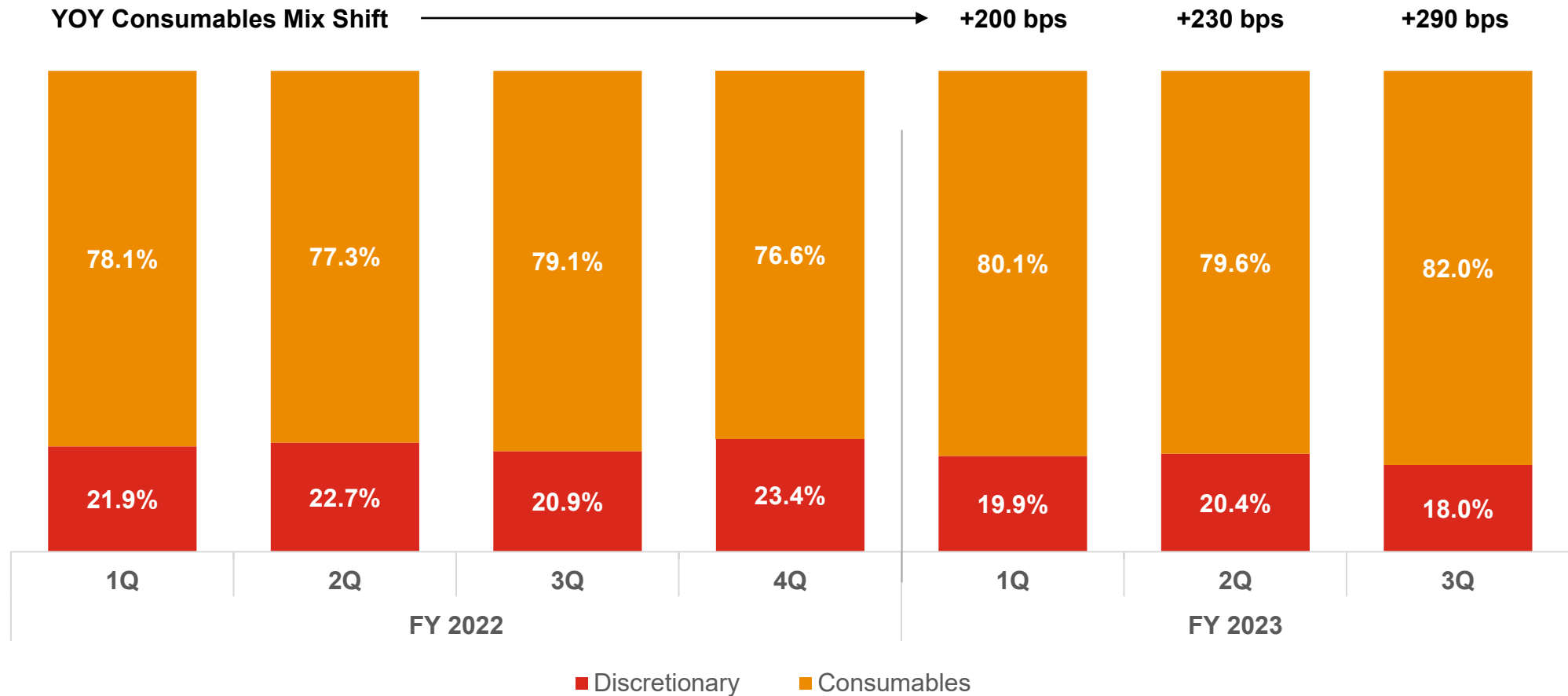


Discretionary Categories = Seasonal & Variety



Family Dollar

Consumables vs. Discretionary Mix Shift Over Time

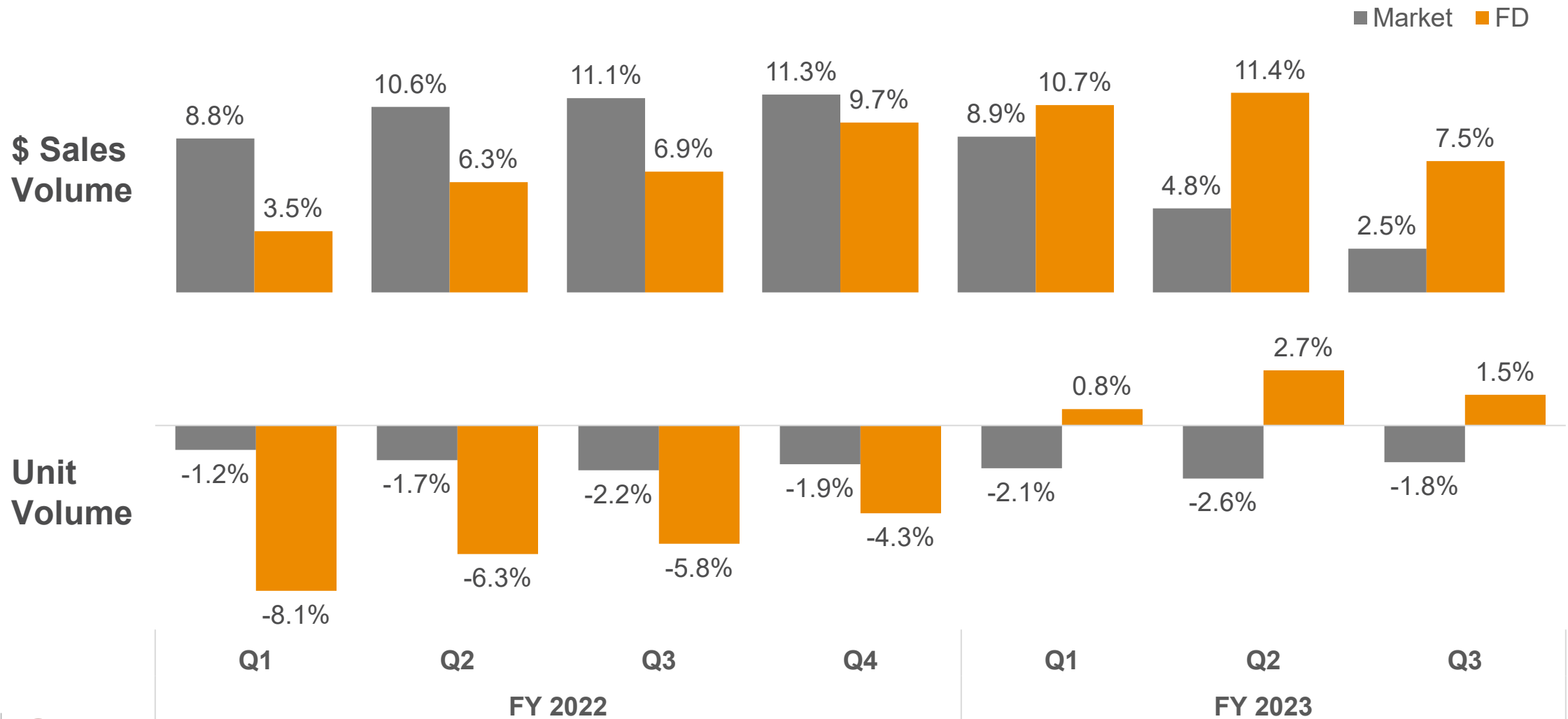


Discretionary Categories = Home, Apparel, Accessories, Seasonal, Electronics



Family Dollar Taking Market Share

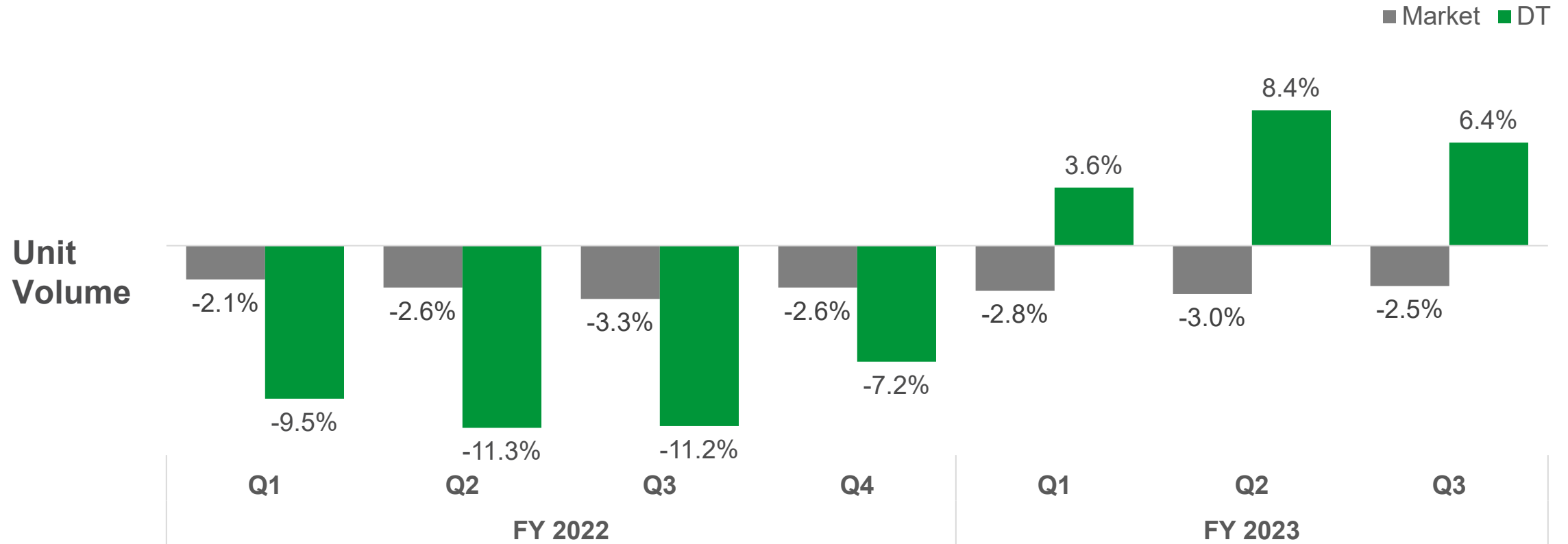
% Change vs. Last Year - Consumables



Source: Nielsen Market Data

Dollar Tree Taking Market Share


% Change vs. Last Year - Consumables



Source: Nielsen Market Data

Operating Margin

Year-Over-Year Basis Point Change

 DOLLAR TREE		FY 2023			Q3 Trend Drivers
		Q1	Q2	Q3	
Prior Year		20.2%	15.4%	13.3%	
COGS	Merchandise Cost ¹	(420)	(275)	55	↑ Lower freight costs ↓ Product cost inflation, unfavorable product mix
COGS	Occupancy	5	35	15	↑ Sales leverage
COGS	Distribution	(80)	(75)	(70)	↓ Higher capitalized costs in prior year, wage investments in DC payroll
COGS	Shrink	(55)	(75)	(60)	↓ Unfavorable inventory results
COGS	Markdowns	20	(5)	0	↔
SG&A	Payroll	(75)	(60)	(60)	↑ Sales leverage ↓ Wage investments in store payroll
SG&A	Facilities	(50)	(40)	(5)	↑ Sales leverage ↓ Repair & maintenance investments, elevated utilities cost
SG&A	Other ²	(5)	(15)	5	↑ Sales leverage ↓ D&A from capex projects
Current Year		13.6%	10.3%	12.1%	
Variance vs. Prior Year		-660 bps	-510 bps	-120 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

Year-Over-Year Basis Point Change

FAMILY DOLLAR.		FY 2023			Q3 Trend Drivers
		Q1	Q2	Q3	
Prior Year		2.9%	1.7%	(0.6%)	
COGS	Merchandise Cost ¹	(85)	5	140	↑ Lower freight costs ↓ Product mix
COGS	Occupancy	40	15	0	↔
COGS	Distribution	(20)	(5)	(15)	↓ Higher capitalized costs in prior period from inventory increases
COGS	Shrink	(60)	(45)	(70)	↓ Unfavorable inventory results
COGS	Markdowns	30	0	(35)	↓ Voluntary retail-level product recall (OTC items)
SG&A	Payroll	(75)	(65)	(80)	↓ Wage investments in store payroll
SG&A	Facilities	(10)	(40)	(40)	↓ Repair & maintenance investments, higher utilities, OTC recall
SG&A	Other ²	(75)	(5)	(40)	↓ Higher D&A due to store renovation and improvement capex
Current Year		0.3%	0.3%	(2.0%)	
Variance vs. Last Year		-255 bps	-140 bps	-140 bps	

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



Updated Outlook

Fourth Quarter and Full-Year Fiscal 2023

	Fourth Quarter	Fiscal Year
Sales - Enterprise	\$8.6B - \$8.8B	\$30.5B - \$30.7B
<i>Comparable Sales - Dollar Tree</i>	<i>MSD</i>	<i>MSD</i>
<i>Comparable Sales - Family Dollar</i>	<i>-1% to +1%</i>	<i>LSD</i>
Comparable Sales - Enterprise	LSD	MSD
Selling Square Footage Growth	-	3.0% - 3.5%
Depreciation	-	\$840M - \$845M
Net Interest Expense	~\$30M	~\$110M
Effective Tax Rate	~24%	~23.5%
Diluted Earnings per Share	\$2.58 - \$2.78	\$5.81 - \$6.01 ⁽¹⁾
Capital Expenditures	-	~\$2.0B

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

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 2023

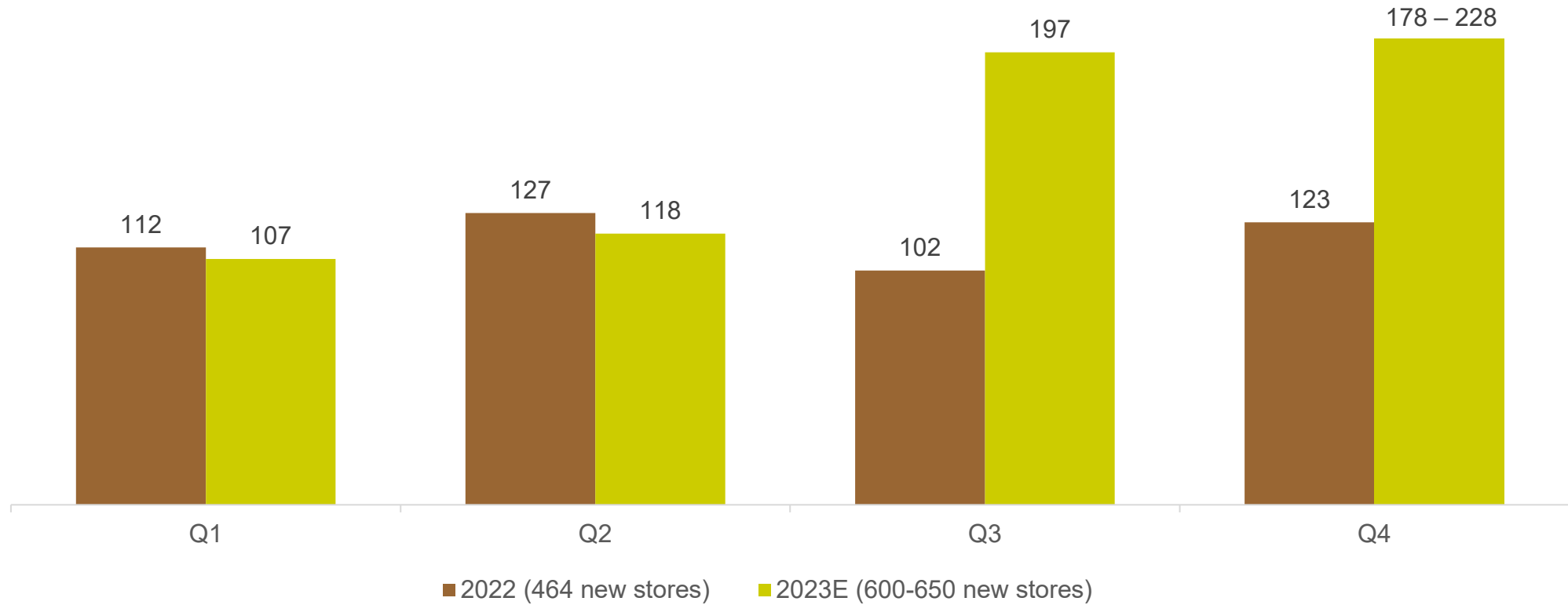
Underlying Factors Impacting FY 2023 Outlook

- ✓ Fiscal Year 2023 ends February 3, 2024, and includes a 53rd week
 - 53rd week expected to benefit Q4 by approximately \$515 million in sales and \$0.30 of diluted EPS
- ✓ Dollar Tree segment is cycling 600 bps of outsized gross margin benefit in 1st half of FY 2022
 - Expect gross margin to decline in 1st half of FY 2023 and recover in 2nd half
 - Expect FY 2023 gross margin to be in the range of 35% to 36%
- ✓ Expect \$1.35 - \$1.45 per share benefit from reduced freight expenses, primarily in 2nd half of FY 2023
 - At least \$1.00 of freight savings per share expected in FY 2024 and thereafter, assuming current market conditions persist
- ✓ SG&A expenses expected to grow in the low teens
 - Operating expenses include approximately \$430 million, or \$1.50 per share in accelerated investments to support company transformation
 - Guidance assumes minimal returns on these investments in FY 2023, with attractive returns expected to materialize in FY 2024 and thereafter
- ✓ FY 2023 guidance includes \$30 million (or \$0.12 per share) of costs incurred in Q1 for an accrual of previously disclosed legal proceedings related to our West Memphis, Arkansas distribution center.
- ✓ Q4 and FY 2023 guidance does not include any potential impact from the optimization review of the Family Dollar portfolio.



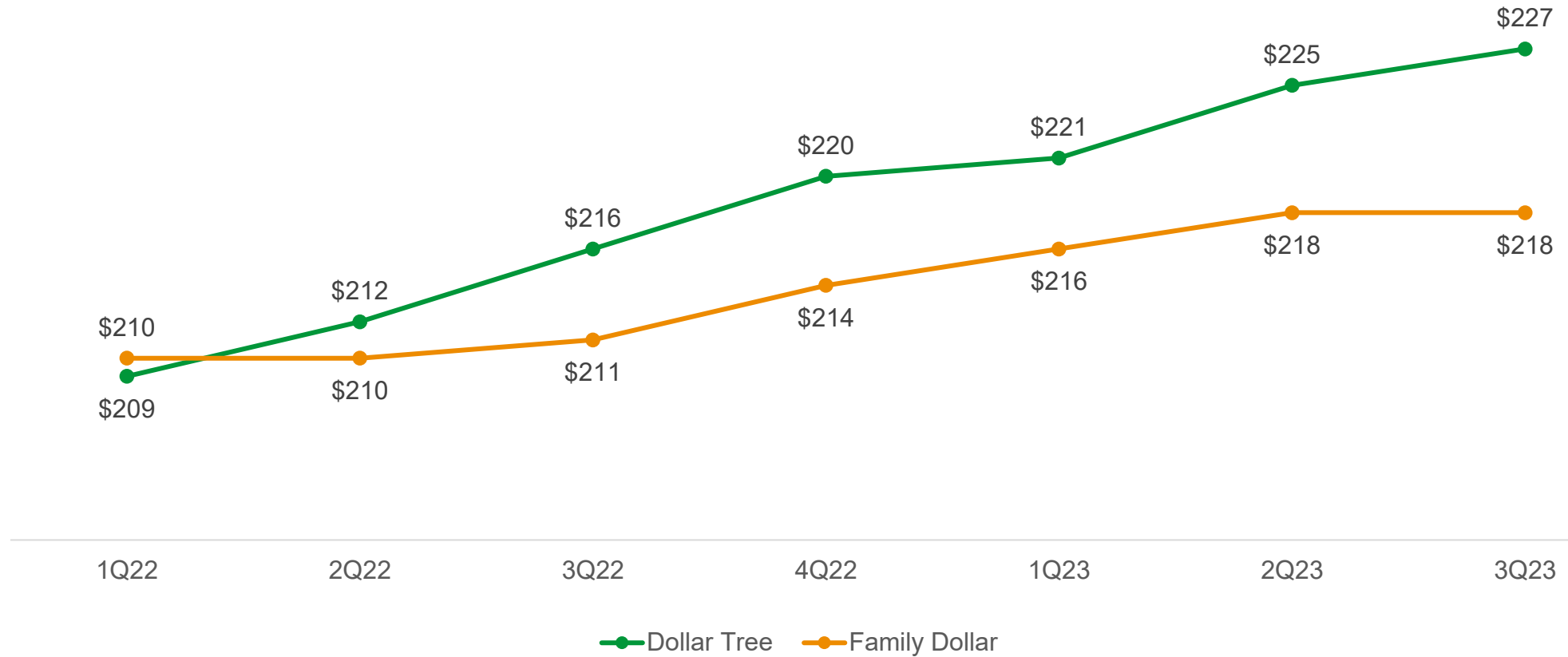
Fiscal 2023 New Store Growth

Back-End Weighted



Sales per Square Foot

by Banner



Store Count by Format



Traditional: Dollar Tree stores primarily at a fixed-price point of \$1.25 per item

DT Plus: Dollar Tree stores that include \$3 and \$5 Plus merchandise in their assortment

