

Supplemental Financial Presentation

4th Quarter 2022



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 sales, comparable store sales, selling square footage, depreciation, net interest expense, effective tax rate, diluted earnings per share, and capital expenditures for the first quarter and fiscal year 2023; our 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 15, 2022, 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 March 1, 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 March 1, 2023, and you should not expect us to do so.

COMPARABLE STORE SALES COMPOSITION

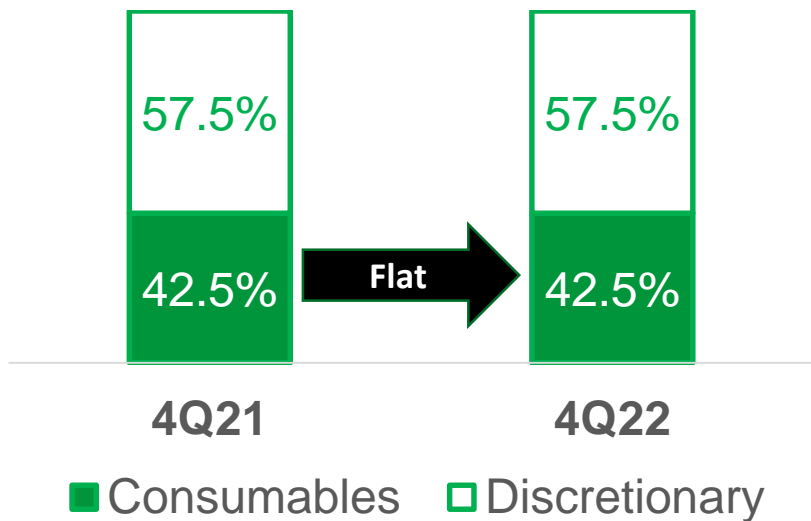
Traffic & Average Ticket
Consumables & Discretionary

 DOLLAR TREE	FISCAL 2021				FISCAL 2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TOTAL	4.7%	(0.2%)	0.6%	3.1%	11.2%	7.5%	8.5%	8.7%
Traffic	(4.4%)	1.1%	(1.1%)	(2.8%)	(3.6%)	(5.8%)	(5.2%)	(1.1%)
Average Ticket	9.4%	(1.3%)	1.8%	6.0%	15.4%	14.2%	14.6%	10.0%
Consumables	(9.3%)	(2.8%)	(2.6%)	(0.1%)	8.0%	7.9%	9.3%	9.0%
Discretionary	19.2%	2.0%	3.2%	5.4%	14.1%	6.7%	8.1%	8.5%

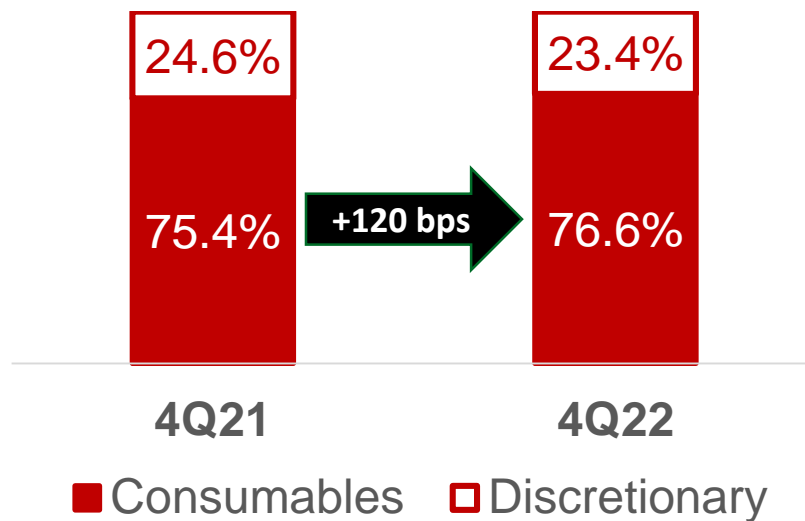
 FAMILY DOLLAR	FISCAL 2021				FISCAL 2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TOTAL	(2.8%)	(2.1%)	2.7%	1.7%	(2.8%)	2.0%	4.1%	5.8%
Traffic	(12.7%)	(3.5%)	(3.0%)	(2.7%)	(3.7%)	(1.2%)	0.1%	0.5%
Average Ticket	11.3%	1.4%	5.8%	4.6%	1.0%	3.3%	4.1%	5.3%
Consumables	(7.7%)	0.5%	3.3%	2.8%	1.2%	4.0%	4.7%	7.6%
Discretionary	14.5%	(9.5%)	(0.4%)	(2.1%)	(14.7%)	(4.1%)	1.5%	0.5%

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	Q2	Q3	Q4	Q4 Trend Driver
Prior Year		12.1%	10.1%	8.5%	15.0%	
COGS	Merchandise Cost ¹	590	455	485	150	▲ Higher Initial Mark-on and Lower Freight
COGS	Occupancy	80	50	60	50	▲ Sales Leverage
COGS	Distribution	50	20	20	(40)	▼ Maintenance, Compliance and Trailer Detention Costs
COGS	Shrink	0	(20)	(35)	(30)	▼ Unfavorable inventory results Increase in accrual rate
COGS	Markdowns	(30)	(5)	(10)	(20)	▼ Higher seasonal markdowns
SGA	Payroll	100	90	70	90	▲ Sales Leverage ▼ Minimum wage increases Investments in Store Payroll
SGA	Facilities	25	(10)	(45)	(20)	▼ Elevated Store standards (Repairs & Maintenance) Utilities
	Other ²	(5)	(50)	(65)	0	
Current Year		20.2%	15.4%	13.3%	16.8%	
Δ vs. LY		810 bps	530 bps	480 bps	180 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	Q2	Q3	Q4	Q4 Trend Driver
Prior Year		6.7%	5.1%	3.0%	2.7%	
COGS	Merchandise Cost ¹	35	(15)	45	100	Higher Initial Mark-on, Vendor Support and Lower Freight Category & Product Mix
COGS	Occupancy	(45)	-	25	30	Sales Leverage
COGS	Distribution	15	-	15	(20)	Maintenance, Compliance and Trailer Detention Costs
COGS	Shrink	(25)	(45)	(85)	(25)	Unfavorable inventory results Accrual rate decrease in PY
COGS	Markdowns	(75)	(80)	(105)	(60)	Higher Promotional and Clearance Markdowns
SGA	Payroll	(90)	(70)	(95)	(90)	Sales Leverage Minimum wage increases Investments in Store Payroll
SGA	Facilities	(65)	(50)	(75)	(40)	Elevated standards (Repairs & Maintenance) Utility Costs
	Other ²	(130)	(80)	(85)	(165)	Non-cash Impairment Inflationary Cost Pressure
Current Year		2.9%	1.7%	(0.6%)	0.0%	
Δ vs. LY		-380 bps	-340 bps	-360 bps	-270 bps	

Note: All figures rounded to the nearest 5 bps

¹Includes Freight (Import, Inbound and Outbound)

²Includes other items not included in above line items

FISCAL 2023 OUTLOOK

	First Quarter	Fiscal Year
Sales - Enterprise	\$7.2B - \$7.4B	\$29.9B - \$30.5B
Comp Sales – Enterprise	MSD	LSD - MSD
Comp Sales – Dollar Tree	LSD	LSD
Comp Sales – Family Dollar	MSD	MSD
Selling Square Footage Growth		3.0% to 3.5%
Depreciation		\$845M - \$850M
Net Interest Expense	~\$27M	~\$97M
Effective Tax Rate	24.25% - 24.50%	24.25% - 24.50%
Diluted Earning per Share	\$1.46 - \$1.56	\$6.30 - \$6.80
Capital Expenditures		~\$2.0B

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

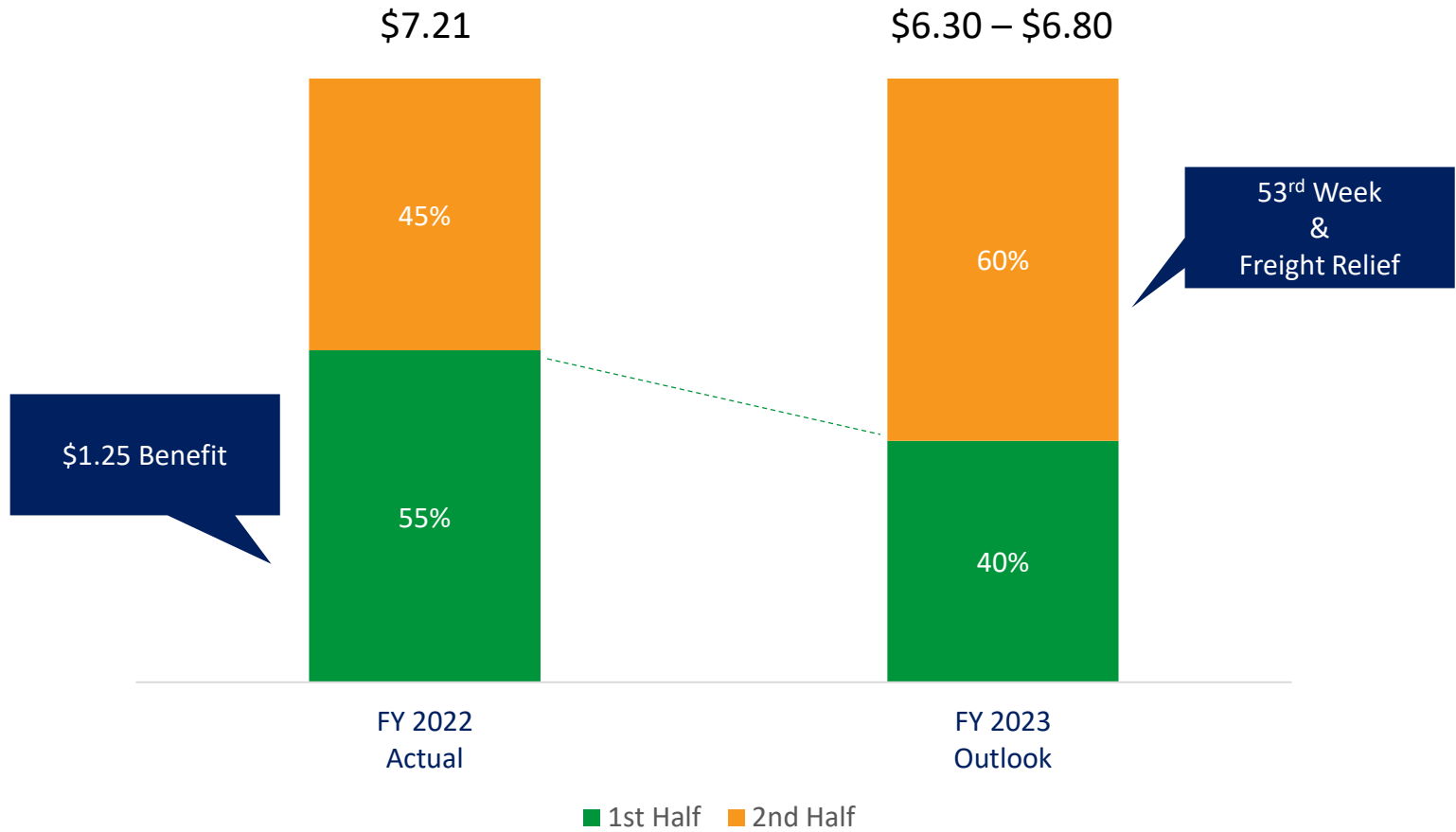
FISCAL 2023 OUTLOOK

Underlying Factors Impacting Outlook

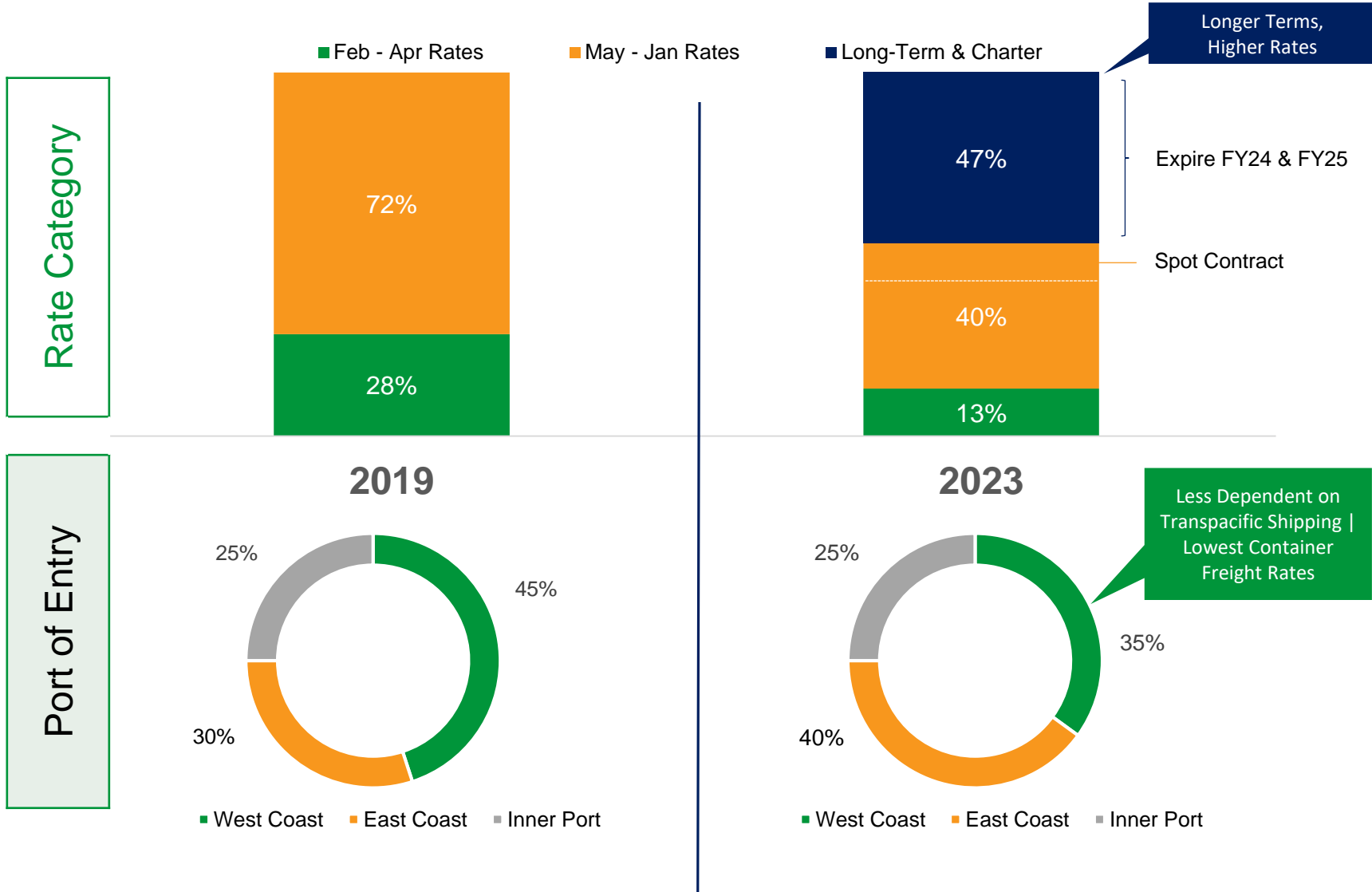
- ✓ Fiscal Year 2023 ending February 3, 2024 includes a 53rd week
 - 53rd week will benefit the 4th Quarter by approximately \$500 million in Sales and \$0.29 to diluted EPS
- ✓ Dollar Tree segment is cycling 600 basis point outsized gross margin benefit from the 1st Half 2022
 - Expect 2023 gross margin 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
- ✓ Expect 2023 EPS to be weighted approximately 40% in the 1st Half and 60% in the 2nd Half

FISCAL 2023 EPS OUTLOOK

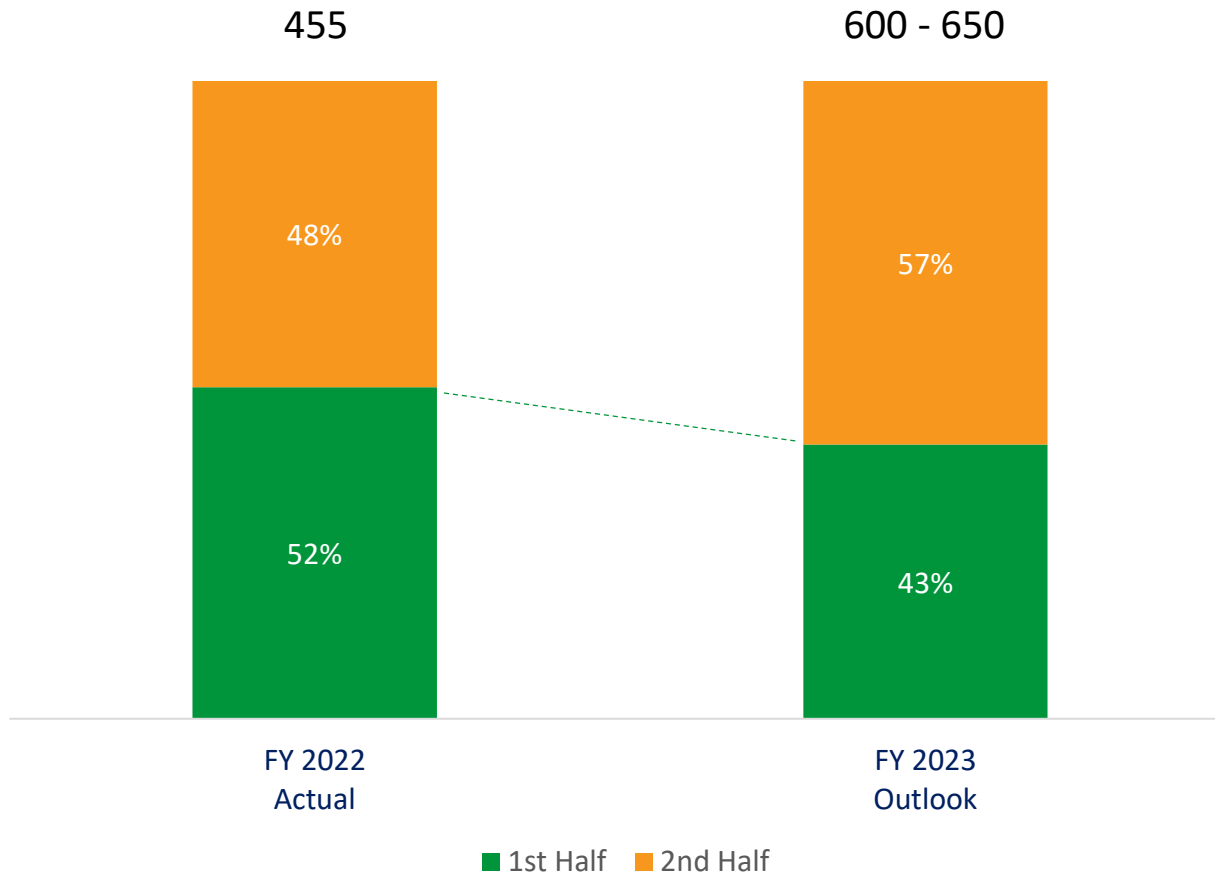
TALE OF TWO HALVES



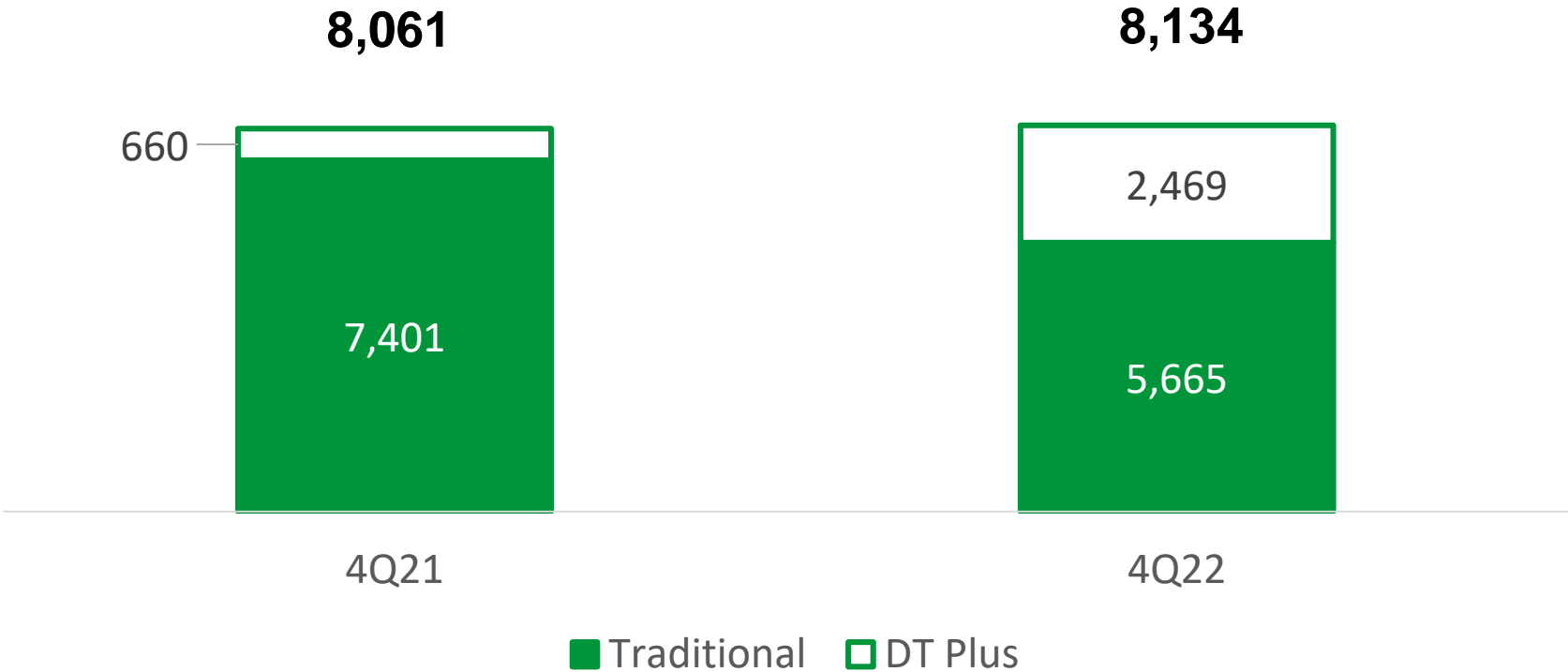
IMPORT FREIGHT COMPARISON: 2019 vs. 2023



FISCAL 2023 NEW STORE GROWTH BACK-END WEIGHTED

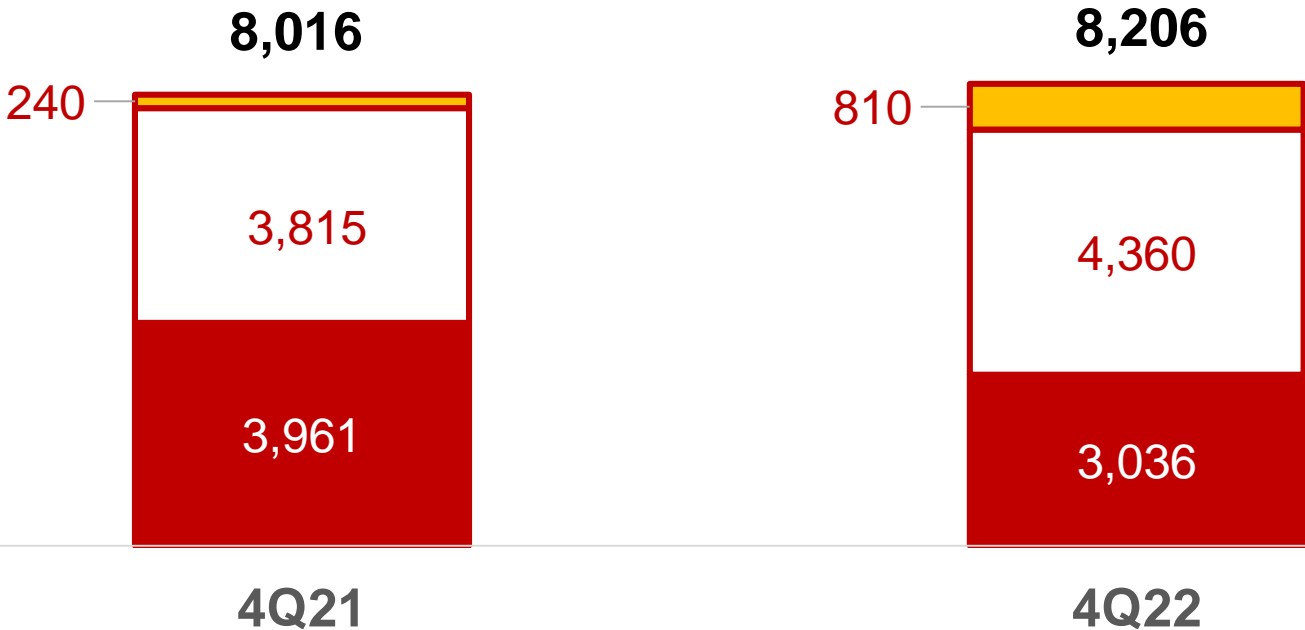


STORE COUNT BY FORMAT



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

DOLLAR TREE \$1.25

Anniversary Prior Year Store Rollout

