



DOLLAR TREE®

Supplemental Financial Presentation

4th Quarter 2024

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, and adjusted diluted earnings per share for the first quarter and fiscal year 2025; our expected gross margins, adjusted SG&A expense rates, transition services agreement (TSA) income, net interest expense, effective tax rate, depreciation, capital expenditures and new store openings for fiscal year 2025; various underlying factors that impact our outlook for the first quarter and fiscal year 2025; our target SG&A expense over the medium term; 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 20, 2024, 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 26, 2025, 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 26, 2025, and you should not expect us to do so.



KEY TAKEAWAYS

Fourth Quarter 2024

- ✓ **Review of Strategic Alternatives Concludes with Agreement to Sell Family Dollar**
- ✓ **Adjusted Diluted EPS of \$2.29, Including:**
 - \$2.11 from Continuing Operations and \$0.18 from Discontinued Operations.
- ✓ **Dollar Tree Sales Highlights**
 - 2.0% comp driven by a 0.7% increase in traffic and a 1.3% increase in average ticket
 - 1st positive discretionary comp quarter since Q4 2023
- ✓ **Multi-Price 3.0 Format Store Highlights**
 - 2,700 3.0 stores at year end, including 2,400 conversions and 300 new stores
 - Lift of 220 bps in total comp and 290 bps in discretionary comp vs. other format stores (1.0 and 2.0)
 - Lift of 200 bps in Average Ticket and 20 bps in Traffic vs. other format stores
- ✓ **Margin Performance Was Impacted by Comparison Against 53rd Week in Q4 2023**
 - Dollar Tree gross margin contracted 130 bps and adjusted operating margin contracted 220 bps
- ✓ **Real Estate**
 - Opened 33 new Dollar Tree stores in Q4, bringing full-year Dollar Tree new store openings to 525
 - In FY 2024 we reopened 162 former 99 Cents Only Stores as Dollar Trees in California and Southwest
- ✓ **Strong Balance Sheet and Cash Position**
 - Generated \$893 million of free cash flow, Pending \$800 million net proceeds from FD sale and \$350 million tax benefit
 - \$1.3 billion of cash and cash equivalents at year end, no revolver or commercial paper balances, below 2.5x leverage
 - Bridge financing in place to retire \$1 billion senior notes maturing in May 2025



Dollar Tree Comparable Store Sales Composition

Traffic, Average Ticket, Consumables, and Discretionary¹

	FISCAL 2021					FISCAL 2022				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
TOTAL	4.7%	(0.2%)	0.6%	3.1%	2.1%	11.2%	7.5%	8.6%	8.7%	9.0%
Customer Traffic	(4.4%)	1.1%	(1.1%)	(2.8%)	(1.8%)	(3.6%)	(5.8%)	(5.2%)	(1.1%)	(3.9%)
Average Ticket	9.4%	(1.3%)	1.8%	6.0%	3.9%	15.4%	14.2%	14.6%	10.0%	13.4%
Consumables	(9.3%)	(2.8%)	(2.6%)	(0.1%)	(3.7%)	8.0%	7.9%	9.3%	9.0%	8.8%
Discretionary	19.2%	2.0%	3.2%	5.4%	7.2%	14.1%	6.7%	8.1%	8.5%	9.1%

	FISCAL 2023					FISCAL 2024				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
TOTAL	3.4%	7.8%	5.4%	6.3%	5.8%	1.7%	1.3%	1.8%	2.0%	1.7%
Customer Traffic	5.5%	9.6%	7.0%	7.1%	7.4%	2.8%	1.4%	1.5%	0.7%	1.6%
Average Ticket	(2.1%)	(1.6%)	(1.5%)	(0.7%)	(1.5%)	(1.1%)	(0.1%)	0.3%	1.3%	0.1%
Consumables	6.9%	13.2%	11.1%	10.8%	10.5%	7.4%	4.7%	6.2%	4.2%	5.6%
Discretionary	1.2%	3.9%	1.1%	3.1%	2.3%	(3.3%)	(1.9%)	(1.8%)	0.4%	(1.5%)



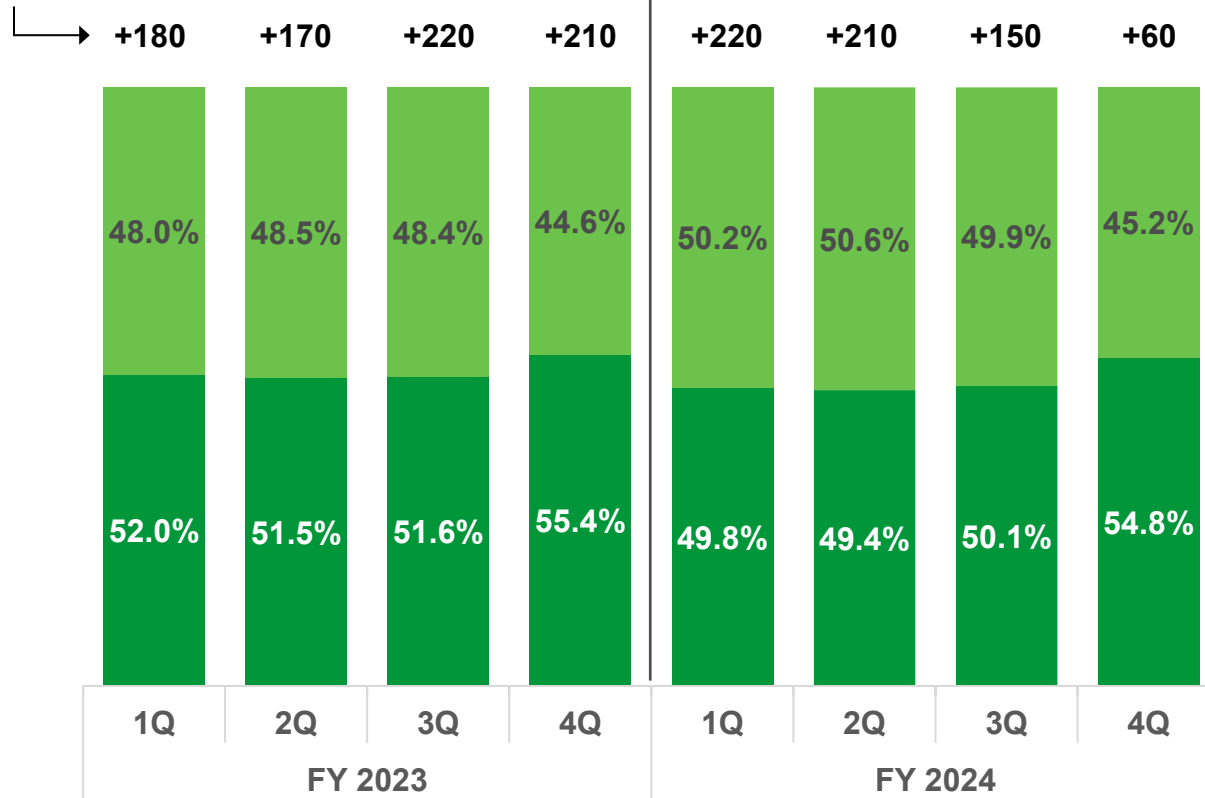
¹Compared to same period in prior fiscal year

Dollar Tree

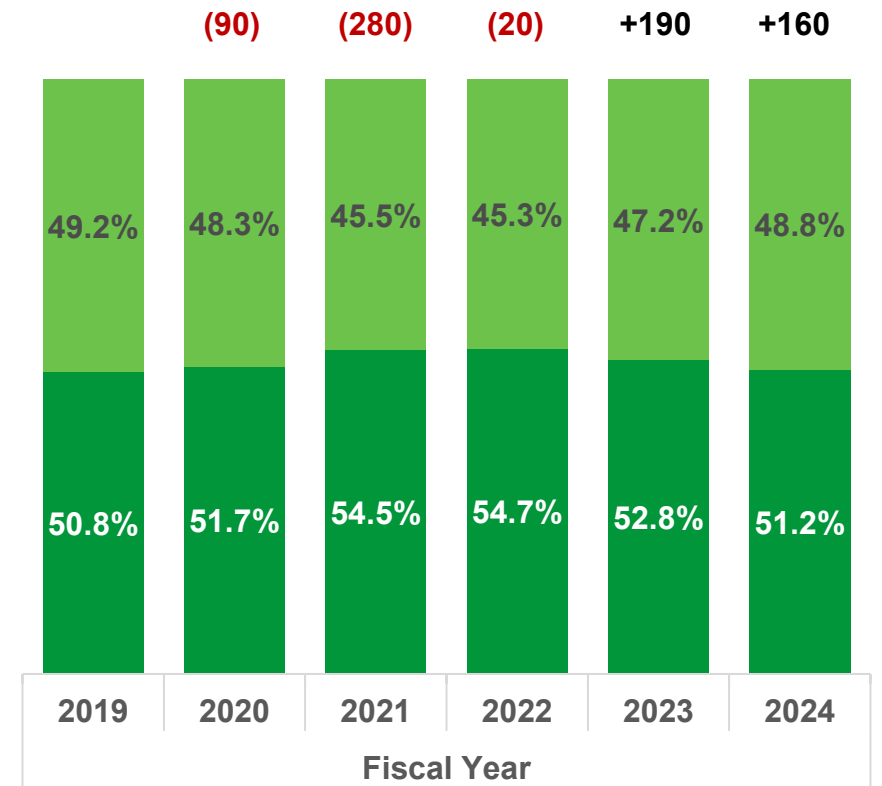
Consumables vs. Discretionary Mix Shift Over Time

Quarterly Results

YOY Consumables Mix Shift (bps)



Annual Results

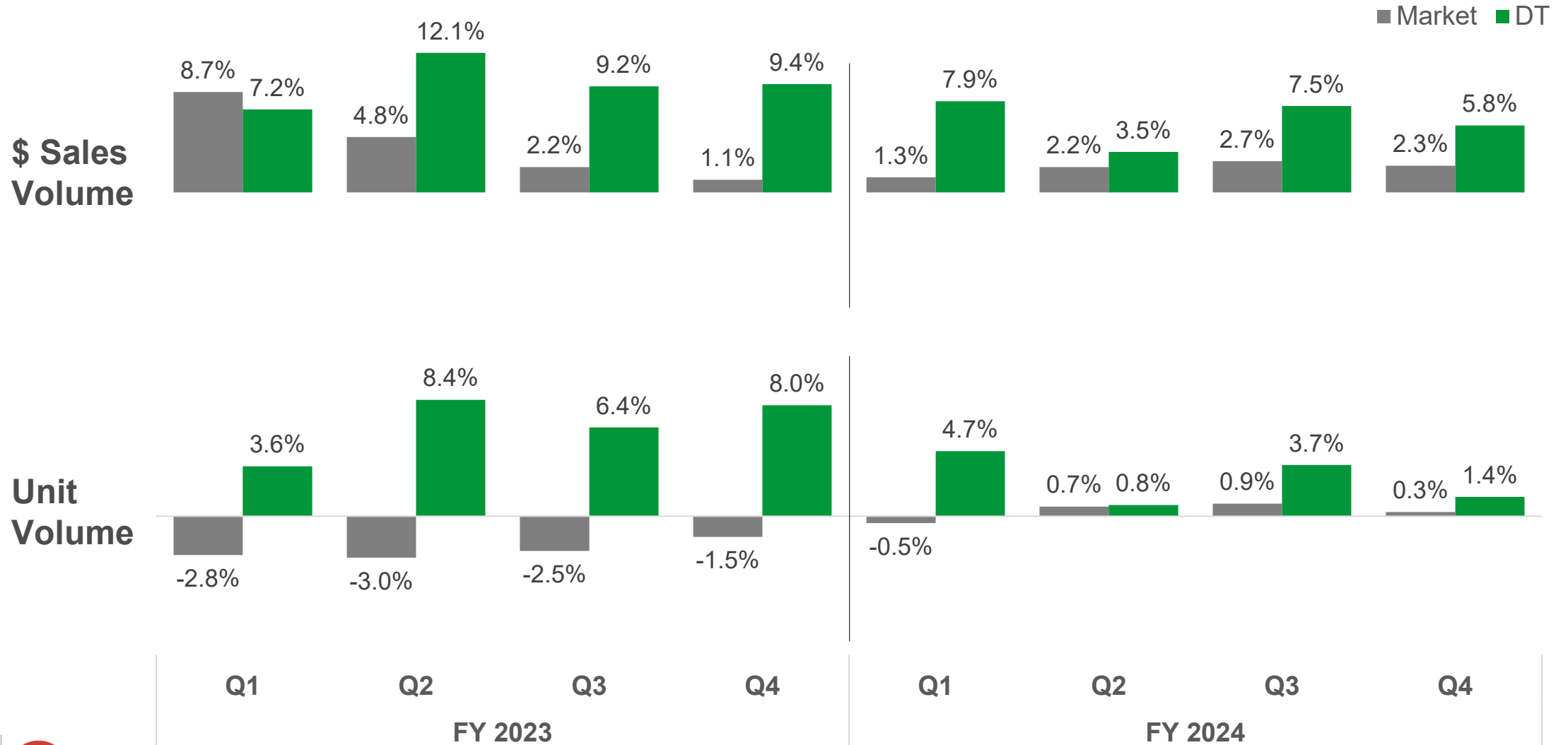


■ Consumables
 ■ Discretionary (Seasonal & Variety)



Dollar Tree Consumables Market Share

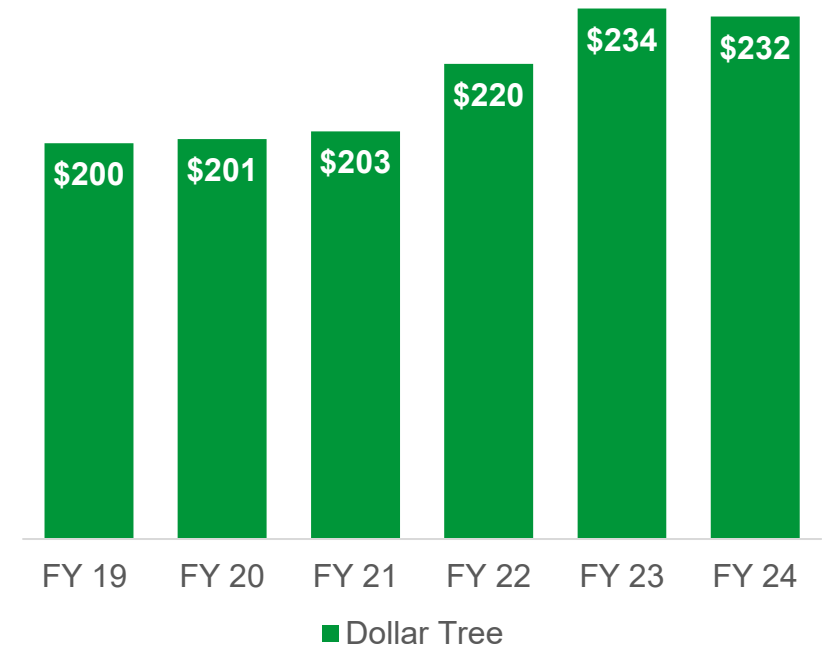
% Change vs. Last Year



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

Sales per Square Foot

Dollar Tree




Note: Sales per square foot is calculated based on LTM net sales for the reporting period divided by the average selling square footage for the LTM period.



Operating Margin (GAAP)

Year-Over-Year Basis Point Change


 DOLLAR TREE	FY 2024				Q4 Trend Drivers
	Q1	Q2	Q3	Q4	
Prior Year - GAAP	13.6%	10.3%	12.1%	17.4%	
Cost of sales	10	80	60	(130)	<ul style="list-style-type: none"> ↓ Loss of sales leverage from the 53rd week in FY 2023 ↓ Lower initial mark-on ↓ Higher shrink, distribution, and markdown costs ↑ Lower freight
Selling, general and administrative	(120)	(270)	(180)	(90)	<ul style="list-style-type: none"> ↓ Higher D&A, temp labor to support multi-price initiative, utility cost ↓ Loss of sales leverage from the 53rd week in FY 2023 ↑ Lower general liability claim adjustments
Current Year - GAAP	12.5%	8.4%	10.7%	15.2%	
Variance vs. Last Year	-110 bps	-190 bps	-140 bps	-220 bps	

Note: Figures may not foot due to rounding



Operating Margin (NON-GAAP)

Year-Over-Year Basis Point Change

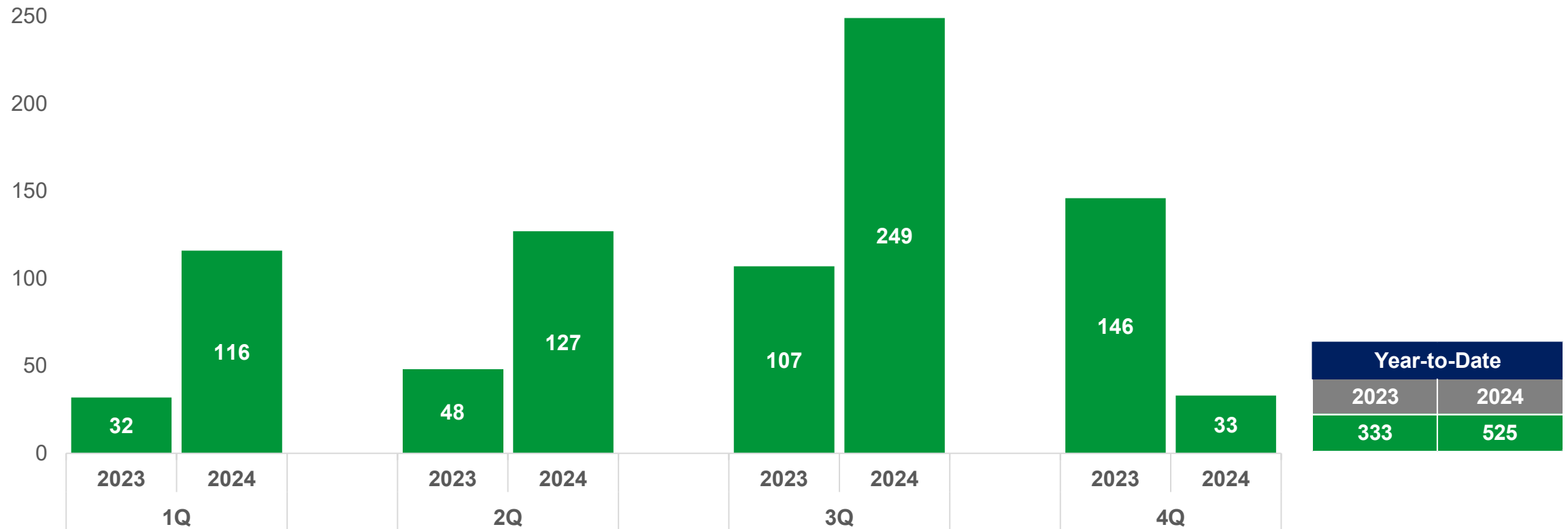
 DOLLAR TREE	FY 2024				Q4 Trend Drivers
	Q1	Q2	Q3	Q4	
Prior Year - Non-GAAP	13.6%	10.3%	12.1%	17.6%	
Cost of sales	10	80	60	(130)	<ul style="list-style-type: none"> ↓ Loss of sales leverage from the 53rd week in FY 2023 ↓ Lower initial mark-on ↓ Higher shrink, distribution, and markdown costs ↑ Lower freight
Selling, general and administrative	(120)	(270)	(180)	(90)	<ul style="list-style-type: none"> ↓ Higher D&A, temp labor to support multi-price initiative, utility cost ↓ Loss of sales leverage from the 53rd week in FY 2023 ↑ Lower general liability claim adjustments
Current Year - Non-GAAP	12.5%	8.4%	10.7%	15.4%	
Variance vs. Last Year	-110 bps	-190 bps	-140 bps	-220 bps	

Note: Figures may not foot due to rounding



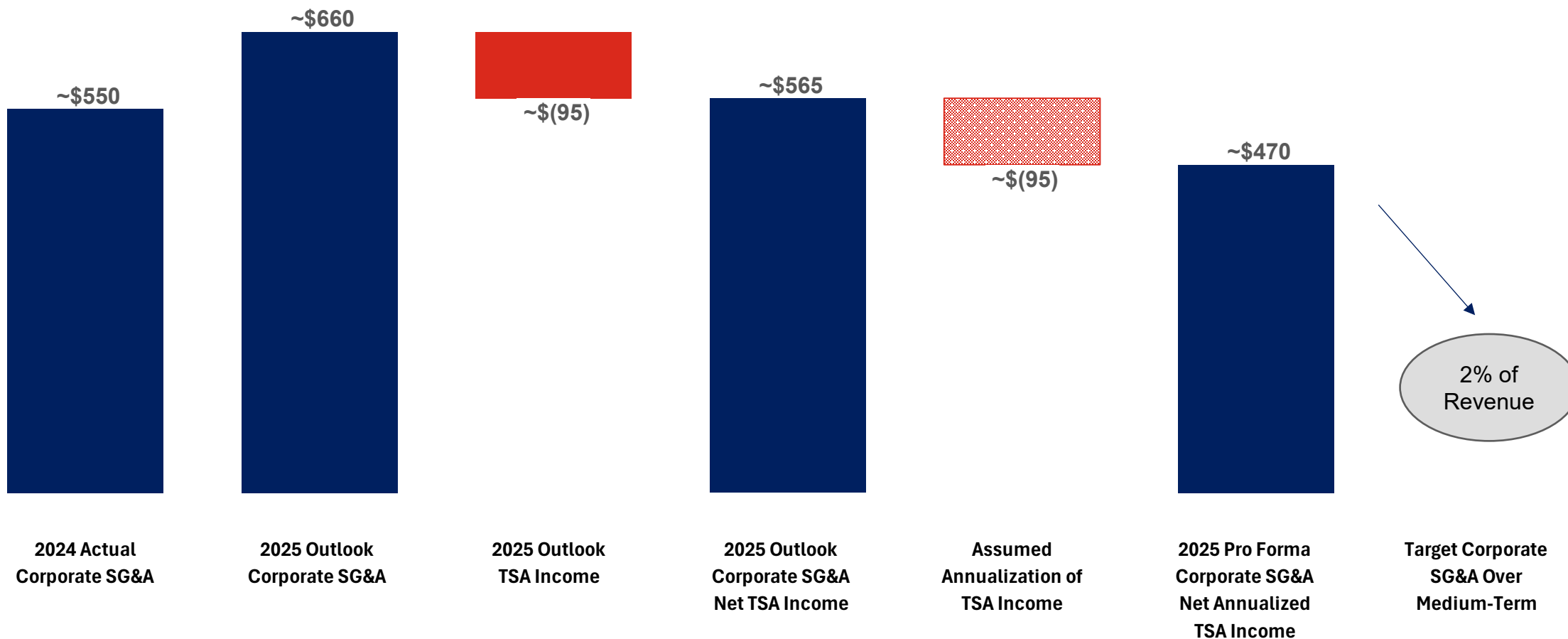
Fiscal 2024 New Store Openings

Dollar Tree



Corporate, Support, and Other SG&A and TSA Income

Bridge from 2024 Actual to 2025 Pro Forma Outlook Assuming Annualized TSA



Updated Outlook – Continuing Operations

First Quarter and Full-Year Fiscal 2025

	First Quarter	Fiscal Year
Sales - Dollar Tree	\$4.5B - \$4.6B	\$18.5B - \$19.1B
Comparable Sales - Dollar Tree	3% to 5%	3% to 5%
Gross margin ¹	-	<i>"modest improvement"</i>
Dollar Tree Segment Adjusted SG&A Rate ¹	-	<i>~50-80 bps deleverage</i>
Corporate, Support, and Other Adjusted S&GA Rate	-	<i>"up ~20% YOY"</i>
Transition Services Agreement (TSA) income	-	<i>~\$95M</i>
Net Interest Expense	-	<i>~\$115M</i>
Effective Tax Rate	-	<i>~25.2%</i>
Weighted Average Number of Shares ²	-	<i>~216M</i>
Adjusted Diluted Earnings per Share	\$1.10 - \$1.25	\$5.00 - \$5.50
Depreciation	-	\$0.6B - \$0.7B
Capital Expenditures	-	\$1.2B - \$1.3B
New Store Openings	-	~400

Note: (1) Includes the estimated impact of the February 2025 tariff of 10% on Chinese imports, excludes estimated impact of March 2025 tariffs of an additional 10% on Chinese imports and 25% on imports from Mexico and Canada, and excludes any waterfall impact from already announced tariffs.

(2) Assumes no incremental share repurchases



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 include adjusted gross profit; adjusted gross profit margin; adjusted selling, general and administrative expenses; adjusted selling, general and administrative expense rate; adjusted operating income (loss); adjusted operating income (loss) margin; adjusted income from continuing operations; adjusted income (loss) from discontinued operations, net of tax; adjusted net income; adjusted diluted earnings per share; adjusted effective tax rate; and free cash flow. 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. In addition, the Company's debt covenants exclude the impact of certain unusual expenses. The Company has included a reconciliation of these non-GAAP financial measures to the most comparable GAAP measures in the following tables.

- 1.) In the first quarter of fiscal 2024, the Company reduced its legal reserve by \$2.5 million for West Memphis-related matters based on updated information.
- 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-banning based on an evaluation of current market conditions and individual store performance, among other factors. In connection with this portfolio optimization review, we have closed approximately 695 Family Dollar stores and incurred \$27.5 million of costs in fiscal 2024 including severance and retention expenses for impacted associates and other related closure costs. This included the closure of approximately 25 Family Dollar stores during the fourth quarter of fiscal 2024 and \$1.8 million of costs incurred.
- 3.) During the first quarter of fiscal 2024, a tornado destroyed our Dollar Tree distribution center in Marietta, Oklahoma ("DC 8"). We incurred losses totaling \$124.0 million in fiscal 2024, consisting of \$70.0 million related to damaged inventory and \$54.0 million related to property and equipment, which are fully insured and therefore not contemplated in the non-GAAP adjustments below. Through the end of fiscal 2024, we have received insurance proceeds totaling \$100.0 million related to damaged inventory, including \$55.0 million in the fourth quarter of fiscal 2024. We recorded a gain of \$30.0 million for the excess of the insurance proceeds received for damaged inventory over the losses incurred. No gain has been recorded in fiscal 2024 for the \$50.0 million of insurance proceeds received for our property and equipment losses. In the second quarter of fiscal 2024, we accrued \$2.2 million of severance-related costs for employees at DC 8, and reduced our final severance accrual in the fourth quarter of fiscal 2024 by \$0.2 million.



Appendix: Non-GAAP Financial Measures

- 4.) During the second quarter of fiscal 2024, we announced that we had initiated a formal review of strategic alternatives for the Family Dollar business segment, which could include among others, a potential sale, spin-off or other disposition of the business. Since the second quarter of fiscal 2024, we incurred consulting and other expenses totaling \$33.8 million related to the strategic review, including \$19.3 million during the fourth quarter of fiscal 2024. This strategic alternatives review concluded in the fourth quarter of fiscal 2024 and resulted in the decision to sell the Family Dollar business. The Company determined the assets of the Family Dollar business met the criteria for classification as held for sale and have included its results as discontinued operations in our consolidated financial statements. As a result of the classification of the Family Dollar business as held for sale, the Company determined that the fair value of the Family Dollar business, including costs to sell was lower than its carrying value and we recorded a \$3,438.7 million loss. The Company has ceased depreciating and amortizing its long-lived assets for Family Dollar, which resulted in increases to gross profit of \$48.7 million and reductions in selling, general and administrative costs of \$35.3 million in the fourth quarter of fiscal 2024.
- 5.) In connection with the decision to sell the Family Dollar business in the fourth quarter of fiscal 2024, the Company recorded software impairments and related contract termination costs of approximately \$58.0 million related to dual-banner merchandising and store system projects that were not fully implemented and were cancelled.
- 6.) In the fourth quarter of fiscal 2024, the Company performed its annual impairment testing of goodwill and nonamortizing intangible assets. The impairment test of nonamortizing intangible assets indicated that the carrying value of the Family Dollar trade name exceeded its estimated fair value resulting in the recognition of a \$1,400.0 million impairment charge in the fourth quarter of fiscal 2024. 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 \$490.5 million impairment charge in the fourth quarter of fiscal 2024.
- 7.) In the fourth quarter of fiscal 2024, the Company performed a review of events or changes in circumstances that indicate whether the carrying amount of store-related asset groups may not be recoverable. As a result of this review, we identified underperforming stores within the Family Dollar business that indicated that the carrying amount of their long-lived assets may not be recoverable and recorded \$79.6 million of impairment charges for operating lease ROU assets and property and equipment.
- 8.) In the fourth quarter of fiscal 2024, Richard W. Dreiling, Executive Chairman and Chief Executive Officer resigned from the Company. As a result, \$27.1 million of expense was recognized in the fourth quarter of fiscal 2024 related to the accelerated vesting of an additional number of options pursuant to the terms of his Executive Agreement with the Company effective March 19, 2022, as amended January 25, 2023.



Appendix: Non-GAAP Financial Measures

In addition, the Company discloses free cash flow, a non-GAAP financial measure that we calculate as net cash provided by operating activities less capital expenditures. The Company believes free cash flow is an important indicator of our liquidity as it measures the amount of cash we generate from our business operations. Free cash flow may not represent the amount of cash flow available for general discretionary use, because it excludes non-discretionary expenditures, such as mandatory debt repayments and required settlements of recorded and/or contingent liabilities not reflected in cash flow from operations. The Company has included a reconciliation of free cash flow to the most comparable GAAP measures in the following tables.

A reconciliation of the projected adjusted diluted EPS, which is a forward-looking non-GAAP financial measure, to the most directly comparable GAAP financial measure, is not provided because the company is unable to provide such reconciliation without unreasonable effort. The inability to provide a reconciliation is due to the uncertainty and inherent difficulty predicting the occurrence, the financial impact and the periods in which the non-GAAP adjustments may be recognized. GAAP measures may include the impact of such items as litigation reserves; restructuring charges; goodwill and intangible asset impairments; natural disasters; our store portfolio optimization review and strategic review of Family Dollar, and the tax effect of all such items. Historically, the company has excluded these items from non-GAAP financial measures. The company currently expects to continue to exclude these items in future disclosures of non-GAAP financial measures and may also exclude other items that may arise (collectively, “non-GAAP adjustments”). The decisions and events that typically lead to the recognition of non-GAAP adjustments, such as a decision to exit part of the business or reaching settlement of a legal dispute, are inherently unpredictable as to if or when they may occur. For the same reasons, the company is unable to address the probable significance of the unavailable information, which could be material to future results.



Appendix: Non-GAAP Financial Measures

	<u>13 Weeks Ended</u> <u>February 1, 2025</u>	<u>14 Weeks Ended</u> <u>February 3, 2024</u>	<u>52 Weeks Ended</u> <u>February 1, 2025</u>	<u>53 Weeks Ended</u> <u>February 3, 2024</u>
Reconciliation of Adjusted Operating Income - Dollar Tree Segment				
Operating income (GAAP)	\$ 759.1	\$ 862.6	\$ 2,088.6	\$ 2,278.8
Add: Strategic review costs	8.8	-	10.0	-
Add/Deduct: Severance	(0.2)	-	2.0	-
Add: Long-lived asset impairment	-	10.8	-	10.8
Adjusted operating income (Non-GAAP)	\$ 767.7	\$ 873.4	\$ 2,100.6	\$ 2,289.6
<i>Adjusted operating income margin (Non-GAAP)</i>	<i>15.4%</i>	<i>17.6%</i>	<i>12.0%</i>	<i>13.7%</i>
Reconciliation of Adjusted Diluted Earnings Per Share - Continuing Operations				
Diluted earnings per share - continuing operations (GAAP)	\$ 1.86	\$ 2.44	\$ 4.83	\$ 5.76
SG&A adjustments:				
Add: Strategic review costs	0.04	-	0.05	-
Add/Deduct: Severance	(0.00)	-	0.01	-
Add/Deduct: Store closure costs	(0.00)	-	0.01	-
Add: Software impairments and termination costs	0.27	-	0.27	-
Add: Stock option acceleration cost	0.13	-	0.13	-
Add: Long-lived asset impairment	-	0.05	-	0.05
Add: Other consulting fees	-	0.02	-	0.02
Non-operating adjustment:				
Deduct: Non-operating insurance gain	(0.14)	-	(0.14)	-
Provision for income tax adjustments	(0.05)	(0.02)	(0.05)	(0.02)
Adjusted diluted earnings per share - continuing operations (Non-GAAP)	\$ 2.11	\$ 2.49	\$ 5.10	\$ 5.81



Appendix: Non-GAAP Financial Measures

	13 Weeks Ended				52 Weeks Ended
	May 4, 2024	August 3, 2024	November 2, 2024	February 1, 2025	February 1, 2025
Reconciliation of Adjusted Diluted Earnings (Loss) Per Share - Discontinued Operations					
Diluted earnings (loss) per share - discontinued operations (GAAP)	\$ 0.15	\$ (0.04)	\$ 0.00	\$ (19.03)	\$ (18.86)
Gross profit adjustment:					
Deduct: Held for sale - depreciation / amortization	-	-	-	(0.23)	(0.23)
SG&A adjustments:					
Deduct: Legal reserve	(0.01)	-	-	-	(0.01)
Add: Strategic review costs	-	0.03	0.03	0.05	0.11
Add: Store closure costs	0.08	0.02	0.01	0.01	0.12
Add: Impairment of intangible assets and goodwill	-	-	-	8.78	8.76
Add: Long-lived asset impairments	-	-	-	0.37	0.37
Deduct: Held for sale - depreciation / amortization	-	-	-	(0.16)	(0.16)
Non-operating adjustment:					
Add: Non-operating held for sale loss	-	-	-	15.97	15.93
Provision for income tax adjustments	(0.02)	(0.01)	(0.01)	(5.58)	(5.61)
Adjusted diluted earnings (loss) per share - Discontinued Operations (Non-GAAP)	\$ 0.20	\$ (0.01)	\$ 0.03	\$ 0.18	\$ 0.41



Appendix: Non-GAAP Financial Measures

	13 Weeks Ended				Ended
	May 4, 2024	August 3, 2024	November 2, 2024	February 1, 2025	February 1, 2025
Reconciliation of Adjusted Diluted Earnings Per Share - Consolidated					
Diluted net earnings (loss) per share - consolidated (GAAP)	\$ 1.38	\$ 0.62	\$ 1.08	\$ (17.17)	\$ (14.03)
Gross profit adjustment:					
Deduct: Held for sale - depreciation / amortization	-	-	-	(0.23)	(0.23)
SG&A adjustments:					
Add: Strategic review costs	-	0.03	0.04	0.09	0.16
Add/Deduct: Severance	-	0.01	-	(0.00)	0.01
Add: Store closure costs	0.08	0.03	0.01	0.01	0.13
Add: Software impairments and termination costs	-	-	-	0.27	0.27
Add: Stock option acceleration cost	-	-	-	0.13	0.13
Deduct: Legal reserve	(0.01)	-	-	-	(0.01)
Add: Impairment of intangible assets and goodwill	-	-	-	8.78	8.76
Add: Long-lived asset impairments	-	-	-	0.37	0.37
Deduct: Held for sale - depreciation / amortization	-	-	-	(0.16)	(0.16)
Non-operating adjustment:					
Deduct: Non-operating insurance gain	-	-	-	(0.14)	(0.14)
Add: Non-operating held for sale loss	-	-	-	15.97	15.93
Provision for income tax adjustments	(0.02)	(0.02)	(0.01)	(5.63)	(5.66)
Adjusted diluted net earnings per share - consolidated (Non-GAAP)	\$ 1.43	\$ 0.67	\$ 1.12	\$ 2.29	\$ 5.51

