

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended August 2, 2025

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 0-25464



**DOLLAR TREE, INC.**

(Exact name of registrant as specified in its charter)

**Virginia**

(State or other jurisdiction of incorporation or organization)

**26-2018846**

(I.R.S. Employer Identification No.)

**500 Volvo Parkway  
Chesapeake, Virginia**

(Address of principal executive offices)

**23320**

(Zip Code)

**(757) 321-5000**

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	DLTR	NASDAQ Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of August 29, 2025, there were 203,967,842 shares of the registrant’s common stock outstanding.

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# PART I—FINANCIAL INFORMATION

## Item 1. Financial Statements.

### DOLLAR TREE, INC. CONDENSED CONSOLIDATED INCOME STATEMENTS (Unaudited)

(in millions, except per share data)	13 Weeks Ended		26 Weeks Ended	
	August 2, 2025	August 3, 2024	August 2, 2025	August 3, 2024
Net sales	\$ 4,566.8	\$ 4,065.5	\$ 9,203.3	\$ 8,231.1
Other revenue	3.6	3.1	6.8	6.4
Total revenue	4,570.4	4,068.6	9,210.1	8,237.5
Cost of sales	2,996.7	2,674.2	5,983.7	5,363.3
Selling, general and administrative expenses	1,350.7	1,178.6	2,619.3	2,276.5
Transition services agreement income, net	8.0	—	8.0	—
Operating income	231.0	215.8	615.1	597.7
Interest expense, net	22.8	29.9	45.5	56.6
Other (income) expense, net	(0.4)	—	(62.1)	0.1
Income from continuing operations before income taxes	208.6	185.9	631.7	541.0
Provision for income taxes	53.1	43.6	162.7	131.0
Income from continuing operations	155.5	142.3	469.0	410.0
Income (loss) from discontinued operations, net of tax	32.9	(9.9)	62.8	22.5
Net income	\$ 188.4	\$ 132.4	\$ 531.8	\$ 432.5
Basic earnings (loss) per share of common stock:				
Continuing operations	\$ 0.75	\$ 0.66	\$ 2.23	\$ 1.89
Discontinued operations	0.16	(0.04)	0.30	0.11
Total basic earnings per share of common stock	\$ 0.91	\$ 0.62	\$ 2.53	\$ 2.00
Diluted earnings (loss) per share of common stock:				
Continuing operations	\$ 0.75	\$ 0.66	\$ 2.22	\$ 1.89
Discontinued operations	0.16	(0.04)	0.30	0.11
Total diluted earnings per share of common stock	\$ 0.91	\$ 0.62	\$ 2.52	\$ 2.00
Weighted average common shares outstanding:				
Basic	207.3	215.0	210.4	216.4
Diluted	207.8	215.2	210.8	216.7

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

**DOLLAR TREE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(Unaudited)**

(in millions)	13 Weeks Ended		26 Weeks Ended	
	August 2, 2025	August 3, 2024	August 2, 2025	August 3, 2024
Net income	\$ 188.4	\$ 132.4	\$ 531.8	\$ 432.5
Foreign currency translation adjustments	(0.4)	(3.4)	5.2	(5.4)
Total comprehensive income	\$ 188.0	\$ 129.0	\$ 537.0	\$ 427.1

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

**DOLLAR TREE, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

(in millions, except par value and share data)	August 2, 2025	February 1, 2025	August 3, 2024
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 666.3	\$ 1,256.5	\$ 380.2
Merchandise inventories	2,683.4	2,672.0	2,571.4
Other current assets	264.2	169.8	211.7
Current assets of discontinued operations	—	5,008.9	2,929.0
Total current assets	3,613.9	9,107.2	6,092.3
Restricted cash	77.5	75.7	74.1
Property, plant and equipment, net of accumulated depreciation of \$4,682.9, \$4,332.3 and \$4,336.4, respectively	4,652.4	4,499.3	4,167.3
Operating lease right-of-use assets	4,393.2	4,146.4	3,955.7
Goodwill	422.4	421.2	422.5
Deferred income taxes, net	85.5	260.6	7.5
Other assets	140.0	133.6	132.9
Noncurrent assets of discontinued operations	—	—	7,764.3
Total assets	\$ 13,384.9	\$ 18,644.0	\$ 22,616.6
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Current liabilities:			
Short-term borrowings	\$ 299.5	\$ —	\$ 249.8
Current portion of long-term debt	—	1,000.0	1,000.0
Current portion of operating lease liabilities	976.7	960.7	935.1
Accounts payable	1,593.8	1,705.8	1,345.5
Income taxes payable	—	120.1	0.4
Other current liabilities	616.9	574.4	560.1
Current liabilities of discontinued operations	—	4,224.9	1,909.0
Total current liabilities	3,486.9	8,585.9	5,999.9
Long-term debt, net, excluding current portion	2,429.7	2,431.2	2,428.7
Operating lease liabilities, long-term	3,636.8	3,438.7	3,279.6
Deferred income taxes, net	—	—	916.7
Income taxes payable, long-term	27.6	28.2	19.3
Other liabilities	198.8	182.6	152.3
Noncurrent liabilities of discontinued operations	—	—	2,440.6
Total liabilities	9,779.8	14,666.6	15,237.1
Contingencies (Note 3)			
Shareholders' equity:			
Common stock, par value \$0.01; 600,000,000 shares authorized, 204,634,244, 215,078,018 and 214,985,820 shares issued and outstanding, respectively	2.1	2.2	2.2
Additional paid-in capital	—	92.9	22.2
Accumulated other comprehensive loss	(54.0)	(59.2)	(49.0)
Retained earnings	3,657.0	3,941.5	7,404.1
Total shareholders' equity	3,605.1	3,977.4	7,379.5
Total liabilities and shareholders' equity	\$ 13,384.9	\$ 18,644.0	\$ 22,616.6

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

**DOLLAR TREE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**  
**(Unaudited)**

	13 Weeks Ended August 2, 2025					
(in millions)	Common Stock Shares	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Shareholders' Equity
Balance at May 3, 2025	209.5	\$ 2.1	\$ —	\$ (53.6)	\$ 3,956.3	\$ 3,904.8
Net income	—	—	—	—	188.4	188.4
Total other comprehensive loss	—	—	—	(0.4)	—	(0.4)
Issuance of stock under Employee Stock Purchase Plan	0.1	—	2.1	—	—	2.1
Exercise of stock options	—	—	—	—	—	—
Stock-based compensation, net	0.1	—	11.6	—	—	11.6
Repurchase of stock	(5.1)	—	(8.8)	—	(487.7)	(496.5)
Excise tax on repurchases of stock	—	—	(4.9)	—	—	(4.9)
Balance at August 2, 2025	<u>204.6</u>	<u>\$ 2.1</u>	<u>\$ —</u>	<u>\$ (54.0)</u>	<u>\$ 3,657.0</u>	<u>\$ 3,605.1</u>

	26 Weeks Ended August 2, 2025					
(in millions)	Common Stock Shares	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Shareholders' Equity
Balance at February 1, 2025	215.1	\$ 2.2	\$ 92.9	\$ (59.2)	\$ 3,941.5	\$ 3,977.4
Net income	—	—	—	—	531.8	531.8
Total other comprehensive income	—	—	—	5.2	—	5.2
Issuance of stock under Employee Stock Purchase Plan	0.1	—	4.9	—	—	4.9
Exercise of stock options	—	—	—	—	—	—
Stock-based compensation, net	0.4	—	24.0	—	—	24.0
Repurchase of stock	(11.0)	(0.1)	(112.8)	—	(816.3)	(929.2)
Excise tax on repurchases of stock	—	—	(9.0)	—	—	(9.0)
Balance at August 2, 2025	<u>204.6</u>	<u>\$ 2.1</u>	<u>\$ —</u>	<u>\$ (54.0)</u>	<u>\$ 3,657.0</u>	<u>\$ 3,605.1</u>

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

**DOLLAR TREE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (cont.)**  
**(Unaudited)**

	13 Weeks Ended August 3, 2024					
(in millions)	Common Stock Shares	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Shareholders' Equity
Balance at May 4, 2024	215.7	\$ 2.2	\$ —	\$ (45.6)	\$ 7,355.8	\$ 7,312.4
Net income	—	—	—	—	132.4	132.4
Total other comprehensive loss	—	—	—	(3.4)	—	(3.4)
Issuance of stock under Employee Stock Purchase Plan	0.1	—	1.8	—	—	1.8
Stock-based compensation, net	—	—	27.1	—	—	27.1
Repurchase of stock	(0.8)	—	(5.9)	—	(84.1)	(90.0)
Excise tax on repurchases of stock	—	—	(0.8)	—	—	(0.8)
Balance at August 3, 2024	<u>215.0</u>	<u>\$ 2.2</u>	<u>\$ 22.2</u>	<u>\$ (49.0)</u>	<u>\$ 7,404.1</u>	<u>\$ 7,379.5</u>

	26 Weeks Ended August 3, 2024					
(in millions)	Common Stock Shares	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Shareholders' Equity
Balance at February 3, 2024	217.9	\$ 2.2	\$ 229.9	\$ (43.6)	\$ 7,124.6	\$ 7,313.1
Net income	—	—	—	—	432.5	432.5
Total other comprehensive loss	—	—	—	(5.4)	—	(5.4)
Issuance of stock under Employee Stock Purchase Plan	0.1	—	5.6	—	—	5.6
Exercise of stock options	—	—	0.1	—	—	0.1
Stock-based compensation, net	0.3	—	37.2	—	—	37.2
Repurchase of stock	(3.3)	—	(247.0)	—	(153.0)	(400.0)
Excise tax on repurchases of stock	—	—	(3.6)	—	—	(3.6)
Balance at August 3, 2024	<u>215.0</u>	<u>\$ 2.2</u>	<u>\$ 22.2</u>	<u>\$ (49.0)</u>	<u>\$ 7,404.1</u>	<u>\$ 7,379.5</u>

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.



**DOLLAR TREE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

(in millions)	26 Weeks Ended	
	August 2, 2025	August 3, 2024
Cash flows from operating activities:		
Net income	\$ 531.8	\$ 432.5
Income from discontinued operations, net of tax	62.8	22.5
Income from continuing operations	\$ 469.0	\$ 410.0
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:		
Depreciation and amortization	313.1	241.6
Provision for deferred income taxes	158.7	31.1
Stock-based compensation expense	31.6	46.9
Impairments	0.1	0.2
Gain on insurance proceeds related to fixed assets	(41.0)	—
Other non-cash adjustments to income from continuing operations	14.6	(1.0)
Changes in operating assets and liabilities:		
Merchandise inventories	(7.4)	(103.3)
Income taxes receivable	(18.0)	—
Other current assets	(52.7)	(24.3)
Other assets	(17.3)	(33.7)
Accounts payable	(114.0)	179.2
Income taxes payable	(121.0)	(13.4)
Other current liabilities	41.1	8.8
Other liabilities	15.5	6.2
Operating lease right-of-use assets and liabilities, net	(33.1)	(10.6)
Net cash provided by operating activities of continuing operations	639.2	737.7
Cash flows from investing activities:		
Capital expenditures	(493.9)	(664.3)
Proceeds from sale of discontinued operations	668.0	—
Cash divested from sale of discontinued operations	(246.0)	—
Proceeds from insurance recoveries	50.0	25.8
Proceeds from (payments for) fixed asset disposition	0.7	(0.4)
Net cash used in investing activities of continuing operations	(21.2)	(638.9)
Cash flows from financing activities:		
Principal payments for long-term debt	(1,000.0)	—
Debt-issuance costs	(3.8)	—
Proceeds from commercial paper notes	3,692.9	2,307.2
Repayments of commercial paper notes	(3,393.7)	(2,057.5)
Proceeds from stock issued pursuant to stock-based compensation plans	4.9	5.7
Cash paid for taxes on exercises/vesting of stock-based compensation	(12.1)	(20.3)
Payments for repurchase of stock	(924.2)	(400.0)
Net cash used in financing activities	(1,636.0)	(164.9)
Cash flows from discontinued operations:		
Net cash provided by operating activities of discontinued operations	343.3	264.9
Net cash used in investing activities of discontinued operations	(79.8)	(311.1)
Net cash provided by (used in) discontinued operations	263.5	(46.2)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	0.6	(0.5)
Net change in cash, cash equivalents and restricted cash	(753.9)	(112.8)
Cash, cash equivalents and restricted cash at beginning of period	1,511.2	757.2
Cash, cash equivalents and restricted cash at end of period	\$ 757.3	\$ 644.4
Supplemental disclosure of cash flow information <sup>(1)</sup> :		
Cash paid for:		
Interest, net of amounts capitalized	\$ 71.3	\$ 67.1
Income taxes	\$ 144.1	\$ 115.6
Non-cash transactions:		
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 780.1	\$ 953.5
Accrued capital expenditures	\$ 40.6	\$ 78.7
Losses on property, plant and equipment recorded in insurance receivables	\$ —	\$ 20.9

<sup>(1)</sup> Supplemental disclosures are inclusive of activity for both continuing and discontinued operations.

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

**DOLLAR TREE, INC.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1 - Description of Business and Basis of Presentation**

Dollar Tree, Inc. (“we,” “our,” “us,” or “the Company”) is a leading operator of discount retail stores in the United States and Canada.

The accompanying unaudited condensed consolidated financial statements include the financial statements of Dollar Tree, Inc., and its wholly-owned subsidiaries and were prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information and pursuant to the requirements of Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete consolidated financial statements. The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” contained in our Annual Report on Form 10-K for the fiscal year ended February 1, 2025 filed with the U.S. Securities and Exchange Commission (“SEC”) on March 26, 2025. The results of operations for the 13 and 26 weeks ended August 2, 2025 are not necessarily indicative of the results to be expected for the entire fiscal year ending January 31, 2026.

In our opinion, the unaudited condensed consolidated financial statements included herein contain all adjustments (including those of a normal recurring nature) considered necessary for a fair presentation of our financial position as of August 2, 2025 and August 3, 2024 and the results of our operations and cash flows for the periods presented. The February 1, 2025 balance sheet information was derived from the audited consolidated financial statements as of that date.

All intercompany balances and transactions have been eliminated in consolidation. All amounts stated herein are in U.S. Dollars. Continuing operations consists of the Dollar Tree segment and corporate, support and other.

As discussed in [Note 10](#), on July 5, 2025, the Company completed its previously announced sale of the Family Dollar business to 1959 Holdings, LLC, for a purchase consideration of \$1,007.5 million, subject to certain adjustments, including with respect to working capital and net indebtedness. Net proceeds from the sale consisted of \$665 million paid at closing and \$22 million to be received within 90 days of closing, subject to final adjustment under the terms of the purchase agreement, dated as of March 25, 2025. In addition, the Company monetized approximately \$113 million of cash from Family Dollar prior to the closing date primarily through a reduction of net working capital. Together, the total cash monetized from the sale of the Family Dollar business approximates \$800 million. The results of Family Dollar are presented as discontinued operations in the accompanying unaudited Condensed Consolidated Income Statements for all periods presented. The assets and liabilities of Family Dollar have been reflected as assets and liabilities of discontinued operations in the accompanying unaudited Condensed Consolidated Balance Sheets for all prior periods presented.

Unless otherwise noted, all amounts and disclosures included in these Notes to Unaudited Condensed Consolidated Financial Statements reflect only our continuing operations. Refer to [Note 10](#) for additional details on discontinued operations. Certain prior year amounts have been reclassified to conform with the current year presentation, including proceeds from and repayments of commercial paper notes in the accompanying unaudited Condensed Consolidated Statements of Cash Flows.

**Note 2 - Recent Accounting Pronouncements**

**Recently Issued Accounting Pronouncements**

In December 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Updated (“ASU”) 2023-09 “Income Taxes (Topic 740): Improvements to Income Tax Disclosures” (“ASU 2023-09”) which requires entities to disclose specific categories and greater disaggregation of information in the effective tax rate reconciliation, as well as disaggregated disclosure of income taxes paid, pretax income and income tax expense by jurisdiction. The standard also removes certain disclosure requirements that currently exist under Topic 740. ASU 2023-09 is effective on a prospective basis for annual periods beginning in fiscal 2025, with retrospective application permitted. We expect ASU 2023-09 to impact only our disclosures with no impact to our consolidated financial condition, results of operations, or cash flows.

In November 2024, the FASB issued ASU 2024-03 “Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses” (“ASU 2024-03”) which requires disaggregated disclosure of certain costs and expenses, including purchases of inventory, employee compensation, depreciation, amortization and depletion, within relevant income statement captions. ASU 2024-03 is effective on a prospective basis for annual periods beginning in fiscal 2027 and for interim periods beginning in fiscal 2028, with retrospective application permitted. We are currently evaluating the impact of this standard to our consolidated financial statements.

We have reviewed all other recently issued accounting standards and determined they were either not applicable or not expected to have a material impact on our financial position or results of operations.

### **Note 3 - Contingencies**

In the first quarter of fiscal 2024, a tornado destroyed our Dollar Tree distribution center in Marietta, Oklahoma. Based on the significant damage sustained by the facility, the inventory contained in the facility and the facility itself was not salvageable. We incurred losses totaling \$117.0 million in the first quarter of fiscal 2024, consisting of \$70.0 million related to damaged inventory and \$47.0 million related to property and equipment. These losses were fully offset by insurance receivables. Subsequently, we recorded additional insurance receivables of approximately \$7.0 million in fiscal 2024 and \$5.0 million in fiscal 2025 for other property and equipment-related damage recoveries that are reimbursable under the terms of our insurance policy.

In fiscal 2024, we received insurance proceeds totaling \$150.0 million, including \$100.0 million related to damaged inventory and \$50.0 million related to damaged property and equipment and recorded a gain of \$30.0 million in the fourth quarter of fiscal 2024 for the excess of the insurance proceeds received over the losses incurred for damaged inventory.

In the first quarter of fiscal 2025, we received additional insurance proceeds of \$70.0 million, including \$50.0 million related to damaged property and equipment and \$20.0 million related to damaged inventory. We recorded a gain of approximately \$62.0 million for the excess of the insurance proceeds received over the losses incurred for the damaged property and equipment and damaged inventory, which is reflected within “Other (income) expense, net” in the accompanying unaudited Condensed Consolidated Income Statements.

### **Legal Proceedings**

We are defendants in ordinary, routine litigation or proceedings incidental to our business, including employment-related matters; infringement of intellectual property rights; personal injury/wrongful death claims; real estate matters; environmental and safety issues; and product safety matters. Legal proceedings may also include class, collective, representative and large cases and arbitrations, including those described below. We will vigorously defend ourselves in these matters. We do not believe that any of these matters will, individually or in the aggregate, have a material effect on our business, financial condition, or liquidity. We cannot give assurance, however, that one or more of these matters will not have a material effect on our results of operations for the quarter or year in which any reserves are established (if ever) or they are resolved.

We assess our legal proceedings monthly and reserves are established if a loss is probable and the amount of such loss can be reasonably estimated. Many, if not substantially all, of our legal proceedings are subject to significant uncertainties and, therefore, determining the likelihood of a loss and the measurement of any loss can be complex and subject to judgment. With respect to the matters noted below where we have determined that a loss is reasonably possible but not probable, we are unable to reasonably estimate the amount or range of the possible loss at this time due to the inherent difficulty of predicting the outcome of and uncertainties regarding legal proceedings. Our assessments are based on estimates and assumptions that have been deemed reasonable by management, but that may prove to be incomplete or inaccurate, and unanticipated events and circumstances may occur that might cause us to change those estimates and assumptions. Management’s assessment of legal proceedings could change because of future determinations or the discovery of facts which are not presently known. Accordingly, the ultimate costs of resolving these proceedings may be substantially higher or lower than currently estimated.

### **Active Matters**

In connection with the sale of Family Dollar, Dollar Tree agreed to defend and indemnify Family Dollar against certain specified litigated matters, including certain product liability cases arising from customers' alleged use, before the sale, of talc and acetaminophen products purchased at Family Dollar.

#### Talc Product Matters

Multiple personal injury lawsuits are pending in state court in California, Illinois, Louisiana, New York, Texas, New Jersey, South Carolina, and the District of Columbia against Dollar Tree, Family Dollar or both alleging that certain talc products that we sold caused cancer. The plaintiffs seek compensatory, punitive and exemplary damages, damages for loss of consortium, and attorneys’ fees and costs. Although we have been able to resolve previous talc lawsuits against us without material loss, given the inherent uncertainties of litigation there can be no assurances regarding the outcome of pending or future cases. Future costs to litigate these cases are not known but may be material, and it is uncertain whether our costs will be covered by insurance. In addition, although we have indemnification rights against our vendors in several of these cases, it is uncertain whether the vendors will have the financial ability to fulfill their obligations to us.

#### Acetaminophen Matters

Beginning in August 2022, more than 50 personal injury cases have been filed in federal court against Dollar Tree, Family Dollar, or both, on behalf of minors alleging that their mothers took acetaminophen while pregnant, that the acetaminophen interfered with fetal development such that plaintiffs were born with autism and/or ADHD, and that we knew or should have known of the danger, had a duty to warn and failed to include appropriate warnings on the product labels. The plaintiffs seek compensatory, punitive and/or

exemplary damages, restitution and disgorgement, economic damages, and attorneys’ fees and costs. These cases, which originated in Alabama, California, Florida, Georgia, Louisiana, Minnesota, Missouri, North Carolina, Kentucky, Tennessee and Texas, along with other cases against many other defendants, were consolidated into multi-district litigation in the Southern District of New York. The court disqualified plaintiffs’ experts and, on that basis, dismissed all the cases filed against us in the multi-district litigation. The dismissal has been appealed to the Second Circuit by plaintiffs.

#### Note 4 - Short-Term Borrowings and Long-Term Debt

On March 21, 2025, the Company entered into a new revolving credit facility (“Five-Year Credit Facility”), with JPMorgan Chase Bank, N.A., as agent, the banks and the financial institutions from time to time party thereto, providing for a \$1.5 billion revolving credit facility, of which up to \$350.0 million is available for letters of credit. The Five-Year Credit Facility matures on March 21, 2030, subject to extensions permitted under the new Credit Agreement (“Credit Agreement”). The Credit Agreement contains a number of affirmative and negative covenants, similar to the prior revolving credit facility. In connection with entry into this new Five-Year Credit Facility, we terminated all commitments and fulfilled all obligations under our previous credit agreement dated December 8, 2021. As of August 2, 2025, there were no borrowings outstanding under the Five-Year Credit Facility.

Also on March 21, 2025, the Company entered into a 364-Day Revolving Credit Facility, with JPMorgan Chase Bank, N.A., as agent, the banks and the financial institutions from time to time party thereto, providing for a \$1.0 billion revolving credit facility. The 364-Day Revolving Credit Facility matures on March 20, 2026. As of August 2, 2025, there were no borrowings outstanding under the 364-Day Revolving Credit Facility.

Borrowings under the Five-Year Credit Facility and the 364-Day Revolving Credit Facility bear interest at the Adjusted Term SOFR Rate (as defined in the underlying credit agreements) plus 1.125%, subject to adjustment based on (i) our credit ratings and (ii) our leverage ratio.

On May 15, 2025, we leveraged our commercial paper program, in addition to utilizing available cash, to redeem our \$1.0 billion principal amount of 4.00% Senior Notes due 2025 (the “4.00% Senior Notes”).

As of August 2, 2025 and August 3, 2024, \$300.0 million and \$250.0 million principal amount of notes were outstanding under our commercial paper program, with a weighted-average interest rate of 4.6% and 5.5%, respectively. There were no short-term borrowings outstanding at February 1, 2025.

#### Note 5 - Fair Value Measurements

Financial assets and liabilities are classified in the fair value hierarchy in their entirety based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

#### Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis; that is, the assets and liabilities are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (e.g., when there is evidence of impairment). We did not record any material impairment charges during the 13 or 26 weeks ended August 2, 2025 or August 3, 2024.

#### Fair Value of Financial Instruments

The carrying amounts of “Cash and cash equivalents,” “Restricted cash” and “Accounts payable” as reported in the accompanying unaudited Condensed Consolidated Balance Sheets approximate fair value due to their short-term maturities. The carrying values of our Five-Year Credit Facility, our 364-Day Revolving Credit Facility and borrowings under our commercial paper program approximate their fair values. At August 2, 2025, we had no borrowings outstanding under our credit facilities and had \$300.0 million principal amount of notes outstanding under our commercial paper program.

The aggregate fair values and carrying values of our long-term borrowings, including current portion, were as follows:

(in millions)	August 2, 2025		February 1, 2025		August 3, 2024	
	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value
<b>Level 1</b>						
Senior Notes	\$ 2,209.1	\$ 2,435.1	\$ 3,140.9	\$ 3,433.6	\$ 3,184.1	\$ 3,431.8

The fair values of our Senior Notes were determined using Level 1 inputs as quoted prices in active markets for identical assets or liabilities are available.

## Note 6 - Earnings Per Share

The following table sets forth the calculations of basic and diluted earnings per share:

(in millions, except per share data)	13 Weeks Ended		26 Weeks Ended	
	August 2, 2025	August 3, 2024	August 2, 2025	August 3, 2024
<b>Numerator:</b>				
Income from continuing operations	\$ 155.5	\$ 142.3	\$ 469.0	\$ 410.0
Income (loss) from discontinued operations, net of tax	32.9	(9.9)	62.8	22.5
Net income	<u>\$ 188.4</u>	<u>\$ 132.4</u>	<u>\$ 531.8</u>	<u>\$ 432.5</u>
<b>Denominator:</b>				
Weighted average number of shares outstanding	207.3	215.0	210.4	216.4
Dilutive impact of share-based awards (as determined by applying the treasury stock method)	0.5	0.2	0.4	0.3
Weighted average number of shares and dilutive potential shares outstanding	<u>207.8</u>	<u>215.2</u>	<u>210.8</u>	<u>216.7</u>
<b>Basic earnings (loss) per share of common stock:</b>				
Continuing operations	\$ 0.75	\$ 0.66	\$ 2.23	\$ 1.89
Discontinued operations	0.16	(0.04)	0.30	0.11
Total basic earnings per share of common stock	<u>\$ 0.91</u>	<u>\$ 0.62</u>	<u>\$ 2.53</u>	<u>\$ 2.00</u>
<b>Diluted earnings (loss) per share of common stock:</b>				
Continuing operations	\$ 0.75	\$ 0.66	\$ 2.22	\$ 1.89
Discontinued operations	0.16	(0.04)	0.30	0.11
Total diluted earnings per share of common stock	<u>\$ 0.91</u>	<u>\$ 0.62</u>	<u>\$ 2.52</u>	<u>\$ 2.00</u>

Share-based awards of 2.2 million shares and 2.2 million shares were excluded from the calculation of diluted net income per share for the 13 and 26 weeks ended August 2, 2025, respectively, because their inclusion would be anti-dilutive. Share-based awards of 3.4 million shares and 3.1 million shares were excluded from the calculation of diluted net income per share for the 13 and 26 weeks ended August 3, 2024, respectively, because their inclusion would be anti-dilutive.

## Note 7 - Shareholders' Equity

We repurchased 5,030,092 and 10,957,077 shares of common stock on the open market at a cost of \$501.4 million and \$938.2 million, including applicable excise tax, during the 13 and 26 weeks ended August 2, 2025, respectively. We repurchased 746,535 and 3,283,837 shares of common stock on the open market at a cost of \$90.8 million and \$403.6 million, including applicable excise tax, during the 13 and 26 weeks ended August 3, 2024, respectively. Of the shares repurchased during the 26 weeks ended August 2, 2025, \$5.5 million settled subsequent to August 2, 2025 and these amounts were accrued in the accompanying unaudited Condensed Consolidated Balance Sheets. In the 13 weeks ended August 2, 2025, our Board of Directors replenished the Company's share repurchase authorization to an aggregate amount of \$2.5 billion, reflecting the limit previously approved by the Board in September 2021. At August 2, 2025, we had \$2.4 billion remaining under the \$2.5 billion Board repurchase authorization.

Subsequent to August 2, 2025, we purchased an additional 621,750 shares of common stock on the open market at a cost of \$71.2 million, as of August 29, 2025.

## Note 8 - Segments and Disaggregated Revenue

As previously disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended February 1, 2025, effective as of the fourth quarter of fiscal 2024, the Company no longer reports the Family Dollar segment; it now reports its financial performance based on the Dollar Tree segment and corporate, support and other. The Dollar Tree segment is a leading operator of discount variety stores offering merchandise predominantly at the opening price point of \$1.25, with additional offerings at higher price points. Dollar Tree stores serve customers with a broad range of income levels principally in suburban locations. The Dollar Tree segment includes our operations under the Dollar Tree and Dollar Tree Canada brands, 16 distribution centers in the United States and two distribution centers in Canada. Corporate, support and other consists primarily of store support center costs and the results of operations for our Summit Pointe property in Chesapeake, Virginia that are considered shared services and therefore these results are excluded from the Dollar Tree segment.

Our chief operating decision maker ("CODM") is our chief executive officer of the enterprise. The CODM evaluates the financial performance of the Dollar Tree segment using segment gross profit and operating income. The CODM reviews these metrics to allocate resources to the segment, primarily in the annual budget and quarterly forecasting process. The CODM considers variances between actual results and internal budgets/forecasts on a monthly basis for both profit measures when making decisions about allocating capital and resources to the segment. The CODM also uses segment gross profit to evaluate our ability to control product and supply chain costs relative to changes in sales between comparable periods. The CODM uses operating income to assess the overall performance for the segment. The CODM is provided asset information on a consolidated basis rather than by segment.

The accounting policies of the Dollar Tree segment are the same as those described in Note 2 of our Consolidated Financial Statements, included in our Annual Report on Form 10-K for the fiscal year ended February 1, 2025. We may revise the measurement of the Dollar Tree segment's operating income, as determined by the information regularly reviewed by the CODM. If the measurement of the Dollar Tree segment changes, prior period amounts and balances are reclassified to be comparable to the current period's presentation. Corporate, support and other includes costs that were previously incurred in support of the Family Dollar segment but are not directly attributable to it and thus were not recorded in discontinued operations. Information for the Dollar Tree segment, as well as for corporate, support and other, including the reconciliation to income from continuing operations before income taxes, is as follows:

(in millions)	Dollar Tree Segment		Corporate, Support and Other		Total
<b>13 Weeks Ended August 2, 2025</b>					
Net sales	\$	4,566.8	\$	—	\$ 4,566.8
Cost of sales		2,996.7		—	2,996.7
Gross Profit		1,570.1		—	1,570.1
Other revenue		—		3.6	3.6
Selling, general and administrative expenses		1,203.1		147.6	1,350.7
Transition services agreement income, net		—		8.0	8.0
Operating income (loss)		367.0		(136.0)	231.0
Interest expense, net					22.8
Other income, net					(0.4)
Income from continuing operations before income taxes					\$ 208.6
Depreciation and amortization expense	\$	152.4	\$	9.6	\$ 162.0
<b>13 Weeks Ended August 3, 2024</b>					
Net sales	\$	4,065.5	\$	—	\$ 4,065.5
Cost of sales		2,674.2		—	2,674.2
Gross Profit		1,391.3		—	1,391.3
Other revenue		—		3.1	3.1
Selling, general and administrative expenses		1,049.3		129.3	1,178.6
Operating income (loss)		342.0		(126.2)	215.8
Interest expense, net					29.9
Other expense, net					—
Income from continuing operations before income taxes					\$ 185.9
Depreciation and amortization expense	\$	116.6	\$	6.0	\$ 122.6

(in millions)	Dollar Tree Segment	Corporate, Support and Other	Total
<b>26 Weeks Ended August 2, 2025</b>			
Net sales	\$ 9,203.3	\$ —	\$ 9,203.3
Cost of sales	5,983.7	—	5,983.7
Gross Profit	3,219.6	—	3,219.6
Other revenue	—	6.8	6.8
Selling, general and administrative expenses	2,329.9	289.4	2,619.3
Transition services agreement income, net	—	8.0	8.0
Operating income (loss)	889.7	(274.6)	615.1
Interest expense, net			45.5
Other income, net			(62.1)
Income from continuing operations before income taxes			\$ 631.7
Depreciation and amortization expense	\$ 293.3	\$ 19.8	\$ 313.1
<b>26 Weeks Ended August 3, 2024</b>			
Net sales	\$ 8,231.1	\$ —	\$ 8,231.1
Cost of sales	5,363.3	—	5,363.3
Gross Profit	2,867.8	—	2,867.8
Other revenue	—	6.4	6.4
Selling, general and administrative expenses	2,003.5	273.0	2,276.5
Operating income (loss)	864.3	(266.6)	597.7
Interest expense, net			56.6
Other expense, net			0.1
Income from continuing operations before income taxes			\$ 541.0
Depreciation and amortization expense	\$ 225.5	\$ 16.1	\$ 241.6

Capital expenditures made by the Dollar Tree segment were \$239.2 million and \$358.3 million, for the 13 weeks ended August 2, 2025 and August 3, 2024 respectively, and \$477.5 million and \$629.7 million, for the 26 weeks ended August 2, 2025 and August 3, 2024, respectively.

#### Disaggregated Revenue

The following table summarizes net sales by merchandise category for our Dollar Tree segment:

(in millions)	13 Weeks Ended				26 Weeks Ended			
	August 2, 2025		August 3, 2024		August 2, 2025		August 3, 2024	
Consumable	\$ 2,311.0	50.6 %	\$ 2,058.4	50.6 %	\$ 4,647.6	50.5 %	\$ 4,150.4	50.4 %
Variety	2,236.0	49.0 %	1,992.1	49.0 %	4,355.4	47.3 %	3,900.1	47.4 %
Seasonal	19.8	0.4 %	15.0	0.4 %	200.3	2.2 %	180.6	2.2 %
Total Dollar Tree segment net sales	\$ 4,566.8	100.0 %	\$ 4,065.5	100.0 %	\$ 9,203.3	100.0 %	\$ 8,231.1	100.0 %

#### Note 9 - Supply Chain Finance Program

We facilitate a voluntary supply chain finance program, administered through a financial institution, which provides participating suppliers with the opportunity to finance payments due from us. Participating suppliers may, at their sole discretion, elect to finance one or more invoices of ours prior to their scheduled due dates at a discounted price with the financial institution.

Our obligations to our suppliers, including amounts due and scheduled payment dates, are not impacted by the supplier's decision to finance amounts under these arrangements. As such, the outstanding payment obligations under our supply chain financing program are included within "Accounts payable" in the accompanying unaudited Condensed Consolidated Balance Sheets and within "Cash flows from operating activities" in the accompanying unaudited Condensed Consolidated Statements of Cash Flows.

Our outstanding payment obligations under this program were \$329.7 million, \$346.5 million and \$123.0 million as of August 2, 2025, February 1, 2025, and August 3, 2024, respectively.

#### Note 10 – Discontinued Operations

As previously reported, in fiscal 2024 the Company initiated a formal review of strategic alternatives for the Family Dollar business. This strategic alternatives review concluded in the fourth quarter of fiscal 2024 and resulted in the decision to sell the Family Dollar business. On March 25, 2025, the Company entered into a definitive agreement to sell the Family Dollar business to 1959 Holdings, LLC, and on July 5, 2025, the Company completed the sale for a purchase consideration of \$1,007.5 million, subject to certain adjustments, including with respect to working capital and net indebtedness. Net proceeds from the sale consisted of \$665 million paid at closing and \$22 million to be received within 90 days of closing, subject to final adjustment under the terms of the purchase agreement, dated as of March 25, 2025. In addition, the Company monetized approximately \$113 million of cash from Family Dollar prior to the closing date primarily through a reduction of net working capital. Together, the total cash monetized from the sale of the Family Dollar business approximates \$800 million. As of August 2, 2025, the remaining receivable for estimated net proceeds to be received totaled \$18.7 million. The Company has continuing involvement with Family Dollar through a transition services agreement, through which the Company and Family Dollar continue to provide certain services to each other for a period of 18 months following the date of sale. During the second quarter of fiscal 2025, we recorded \$8.0 million of income from transitions services provided to Family Dollar. In addition, the Company is guaranteeing lease obligations for 121 Family Dollar stores amounting to approximately \$91.0 million for the first year following the date of sale, which represents the full lease obligations on these stores for the 12-month period following the date of sale. The amount guaranteed in the second and third year following the date of sale is \$20.0 million and \$10.0 million, respectively. The Company is also guaranteeing Family Dollar’s supply chain finance obligations for a period of 90 days following the date of sale and in connection with this guarantee, the Company established a \$30.0 million standby letter of credit which expires on October 7, 2025. The fair values of the lease and supply chain finance guarantees are immaterial.

The results of Family Dollar are presented as discontinued operations in the accompanying unaudited Condensed Consolidated Income Statements for all periods presented. The assets and liabilities of Family Dollar have been reflected as assets and liabilities of discontinued operations in the accompanying unaudited Condensed Consolidated Balance Sheets for all prior periods presented.

#### Financial Information of Discontinued Operations

“Income (loss) from discontinued operations, net of tax” in the accompanying unaudited Condensed Consolidated Income Statements reflects the after-tax results of the Family Dollar business and does not include any allocation of general corporate overhead expense or interest expense of the Company.

The following table summarizes the results of operations of the Family Dollar business that are being reported as discontinued operations:

(in millions)	13 Weeks Ended		26 Weeks Ended	
	August 2, 2025	August 3, 2024	August 2, 2025	August 3, 2024
Net sales	\$ 2,315.9	\$ 3,307.2	\$ 5,625.5	\$ 6,768
Other revenue	2.1	3.0	4.5	6
Total revenue	2,318.0	3,310.2	5,630.0	6,774
Cost of sales	1,610.2	2,484.0	3,931.6	5,073
Selling, general and administrative expenses	519.7	838.9	1,218.4	1,674
Operating income (loss)	188.1	(12.7)	480.0	26
Interest income	1.1	1.0	2.7	3
Loss on held for sale and disposal of discontinued operations	144.1	—	402.5	-
Income (loss) from discontinued operations before income taxes	45.1	(11.7)	80.2	29
Provision for income taxes	12.2	(1.8)	17.4	6
Income (loss) from discontinued operations, net of tax	\$ 32.9	\$ (9.9)	\$ 62.8	\$ 22

Depreciation expense related to discontinued operations was \$120.6 million and \$231.8 million for the 13 and 26 weeks ended August 3, 2024, respectively. The Company has ceased depreciating and amortizing its long-lived assets for Family Dollar which primarily includes right-of-use assets and property and equipment.



The following table summarizes the Family Dollar business assets and liabilities classified as discontinued operations in the accompanying unaudited Condensed Consolidated Balance Sheets:

(in millions)	August 2, 2025	February 1, 2025	August 3, 2024
<b>ASSETS</b>			
Cash and cash equivalents	\$ —	\$ 179.0	\$ 190.1
Merchandise inventories	—	2,456.4	2,530.2
Other current assets	—	200.9	208.7
Property, plant and equipment, net	—	2,268.0	2,365.8
Operating lease right-of-use assets	—	2,580.6	2,743.9
Goodwill	—	—	490.4
Trade name intangible asset	—	750.0	2,150.0
Other assets	—	12.8	14.1
Valuation allowance to adjust assets to estimated fair value, less costs of disposal	—	(3,438.8)	—
Total assets of discontinued operations	\$ —	\$ 5,008.9	\$ 10,693.2
<b>LIABILITIES</b>			
Current portion of operating lease liabilities	\$ —	\$ 598.5	\$ 601.4
Accounts payable	—	977.5	890.0
Other current liabilities	—	378.6	417.0
Operating lease liabilities, long-term	—	2,134.5	2,303.0
Other liabilities	—	135.8	137.0
Total liabilities of discontinued operations	\$ —	\$ 4,224.9	\$ 4,349.0

Assets and liabilities classified as held for sale are required to be recorded at the lower of carrying value or fair value less costs to sell. As of February 1, 2025, we determined that the fair value of the Family Dollar business, including costs to sell was lower than its carrying value and we recorded a \$3,438.8 million valuation allowance against the assets held for sale. As of May 3, 2025, we remeasured the fair value of the Family Dollar business, including costs to sell and recorded an additional valuation allowance of \$258.4 million. On July 5, 2025, the effective date of the sale, we recorded an additional loss on disposal totaling \$144.1 million. In addition, during the first quarter of fiscal 2025, certain assets and liabilities of the Family Dollar business were moved out of held for sale as they will be retained by Dollar Tree. The assets and liabilities included 57 combo stores that will be converted to Dollar Tree stores, and were reclassified as held and used at their fair value, which resulted in a \$71.4 million reduction to the valuation allowance. The fair value of the Family Dollar business was estimated using the expected sale price as negotiated with the third party buyer. The valuation allowance was recorded within “Loss on held for sale and disposal of discontinued operations” in the summarized results of operations of discontinued operations for the 13 and 26 weeks ended August 2, 2025.

Capital expenditures related to discontinued operations were \$77.8 million and \$308.6 million for the 26 weeks ended August 2, 2025 and August 3, 2024, respectively.

#### Note 11 - Condensed Consolidated Financial Statement Details

The Condensed Consolidated Statements of Cash Flows includes the cash flows of continuing and discontinued operations. The following is a reconciliation between “Cash and cash equivalents” and “Restricted cash” of continuing operations presented in the Condensed Consolidated Balance Sheets and the total cash, cash equivalents and restricted cash presented in the Condensed Consolidated Statements of Cash Flows:

(in millions)	August 2, 2025	August 3, 2024
Cash and cash equivalents on the Condensed Consolidated Balance Sheets	\$ 666.3	\$ 380.2
Restricted cash on the Condensed Consolidated Balance Sheets, included in “Other current assets”	13.5	—
Restricted cash on the Condensed Consolidated Balance Sheets, noncurrent	77.5	74.1
Cash, cash equivalents and restricted cash of discontinued operations included in current assets of discontinued operations on the Condensed Consolidated Balance Sheets	—	190.1
Total cash, cash equivalents and restricted cash on the Condensed Consolidated Statements of Cash Flows	\$ 757.3	\$ 644.4

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

### Cautionary Note Regarding Forward-Looking Statements

This document contains “forward-looking statements” as that term is used in the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the fact that they address future events, developments and results and do not relate strictly to historical facts. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. Forward-looking statements include, without limitation, statements preceded by, followed by or including words such as “believe,” “anticipate,” “expect,” “intend,” “plan,” “view,” “target” or “estimate,” “may,” “will,” “should,” “predict,” “possible,” “potential,” “continue,” “strategy,” and similar expressions. For example, our forward-looking statements include, without limitation, statements regarding:

- Our plans and expectations regarding our current and future strategic initiatives, and the uncertainty with respect to the amount, timing and impact of those initiatives and investments on our business and results of operations;
- Our merchandising plans and initiatives and related impacts, including those regarding our pricing initiatives and product assortment;
- Our plans to add, renovate and remodel stores, and our expectations regarding store standards and operations, efficiency initiatives, selling square footage, the in-store experience and the performance of those formats;
- Our customer's response to our product offerings, value and shopping experience;
- Our expectations regarding the implementation and impact of investments in supply chain, distribution facilities, warehouse and human capital management systems, trucking fleet and transportation management systems, and store delivery and equipment, including new distribution centers, the expansion or conversion of existing distribution centers, and the capabilities of our distribution center network;
- Our expectations regarding the implementation and impact of investments in our technology infrastructure;
- The design and implementation of internal controls around various investments and initiatives;
- Our plans and expectations regarding the sale of the Family Dollar business, including those regarding the estimated proceeds therefrom and the transition services agreement;
- The potential effect of general business or economic conditions on our business and our customers, including the direct and indirect effects of inflation and interest rates on our business;
- The direct and indirect impacts of current and potential tariffs and other trade-related measures, restrictions and policies and any retaliatory counter measures;
- Our plans to mitigate the impact of current and potential tariffs and related implementation costs;
- The expected and possible outcome, costs, and impact of pending or potential litigation, arbitrations, other legal proceedings or governmental investigations, our plans regarding these matters, and the availability of indemnification or insurance with respect to such matters;
- The impacts of tornado damage to our Dollar Tree distribution center in Marietta, Oklahoma, including changes within our supply chain network and expectations regarding our customer shopping experience;
- The impacts of recent legislation, including those affecting various tax regulations; and
- Our liquidity and cash needs, including our ability to fund our future capital expenditures and working capital requirements.

A forward-looking statement is neither a prediction nor a guarantee of future results, events or circumstances. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q. Our forward-looking statements are all based on currently available operating, financial and business information. The outcome of the events described in these forward-looking statements is subject to a variety of factors, including, but not limited to, the risks and uncertainties summarized below and the more detailed discussions in the “Risk Factors” and “Management's Discussion and Analysis of Financial Condition and Results of Operations” sections and elsewhere in our Annual Report on Form 10-K for the fiscal year ended February 1, 2025 and in this Quarterly Report on Form 10-Q. The following risks could have a material adverse impact on our sales, costs, profitability, financial performance or implementation of strategic initiatives:

- Our profitability is vulnerable to cost pressures from increases in merchandise, shipping, freight and fuel costs, wage and benefit and other operating costs.
- Risks associated with merchandise supply, including tariffs and other trade-related measures, restrictions and policies and any retaliatory counter measures, could adversely affect our financial performance.
- Our tariff mitigation strategies could subject us to increased costs and other risks.
- Higher costs and disruptions in our distribution network could have an adverse impact on our sales and profitability.
- We may stop selling or recall certain products for safety-related or other issues.
- We could experience a decline in consumer confidence and spending because of concerns about the quality and safety of our products or our brand standards.
- Inflation, other changes in economic conditions or consumer spending habits could impact our sales or profitability.
- Our growth is dependent on our ability to increase sales in existing stores and to expand our square footage profitably.
- Our profitability is affected by the mix of products we sell.
- Our business is seasonal, and adverse events during the fourth quarter could materially affect our full-year financial results.
- Failure to protect our inventory or other assets from loss and theft may impact our financial results.
- We have risks related to the security of our facilities including risks of personal injury to customers or associates.
- We face significant pressure from competitors which may reduce our sales and profits.
- Our business could be adversely affected if we fail to manage our organizational talent and capacity, including attracting and retaining qualified associates and key personnel.
- We rely on third parties in many aspects of our business, which creates additional risk.
- We may not be successful in implementing or in anticipating the impact of important strategic initiatives, which may have an adverse impact on our business and financial results.
- The completion of the sale of the Family Dollar business is subject to various risks and uncertainties, including those related to the estimated proceeds therefrom and transition services agreement income, and may be disruptive to our business operations and adversely affect our profitability.
- We may not achieve the anticipated benefits of the sale of the Family Dollar business, and the transaction may expose us to new risks.
- We have incurred and may in the future incur losses due to impairment of goodwill and other long-lived assets.
- We make estimates and assumptions in connection with the preparation of our consolidated financial statements, and any changes to those estimates and assumptions could adversely affect our results of operations.
- We rely on computer and technology systems in our operations, and any material failure, inadequacy, interruption or security failure of those systems, including because of a cyberattack, could harm our ability to effectively operate and grow our business and could adversely affect our financial results.
- The potential unauthorized access to our systems could disrupt operations or lead to the theft of data which may violate privacy laws and could damage our business reputation, subject us to negative publicity, litigation and costs, and adversely affect our results of operations or financial condition.
- Legal proceedings may adversely affect our reputation, business, results of operations or financial condition.
- Our failure to comply with applicable law, or to adequately respond to changes to such laws, could increase our expenses, expose us to legal risks or otherwise adversely affect us.
- Our business is subject to evolving disclosure requirements and expectations with respect to environmental, social and governance matters that could expose us to numerous risks.

- Our inability to access credit or capital markets, a downgrade of our credit ratings and/or increases in interest rates could negatively affect our financing costs, results of operations and financial condition.
- Our business or the value of our common stock could be negatively affected as a result of actions by shareholders.
- The price of our common stock is subject to market and other conditions and may be volatile.
- Certain provisions in our Articles of Incorporation and By-Laws could delay or discourage a change of control transaction that may be in a shareholder's best interest.

We cannot assure you that the results, events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements. Moreover, new risks and uncertainties emerge from time to time and it is not possible for us to predict all risks and uncertainties that could have an impact on our forward-looking statements.

We do not undertake to publicly update or revise any forward-looking statements after the date of this Quarterly Report on Form 10-Q, whether as a result of new information, future events, or otherwise.

Investors should also be aware that while we do, from time to time, communicate with securities analysts and others, it is against our policy to disclose to them any material, nonpublic information or other confidential commercial information. Accordingly, shareholders should not assume that we agree with any statement or report issued by any securities analyst regardless of the content of the statement or report. Furthermore, we have a policy against confirming projections, forecasts or opinions issued by others. Thus, to the extent that reports issued by securities analysts contain any projections, forecasts or opinions, such reports are not our responsibility.

## Overview

We are a leading operator of more than 9,100 retail discount stores, as of August 2, 2025, offering merchandise predominantly at the opening price point of \$1.25, with additional offerings at higher price points.

Our net sales are derived from the sale of merchandise. Two major factors tend to affect our net sales trends. First is our success at opening new stores. Second is the performance of stores once they are open which can be impacted by a number of factors including operational performance, competition, inflation, consumer buying preference and changes in the product assortment, pricing, or quality. Sales vary at our existing stores from one year to the next. We refer to this as a change in comparable store net sales, because we include only those stores that are open throughout both of the periods being compared, beginning after the first fifteen months of operation. We include sales from stores expanded, relocated or remodeled during the period in the calculation of comparable store net sales, which has the effect of increasing our comparable store net sales. Stores that were converted from Family Dollar stores to Dollar Tree stores are considered to be new stores and are not included in the calculation of the comparable store net sales change until after the first fifteen months of operation under the Dollar Tree brand. Additionally, sales that are excluded from the calculation of comparable store net sales are referred to as non-comparable store sales and consist of sales from new stores open fifteen months or less and stores that are closed permanently or expected to be closed for more than 90 days.

On July 5, 2025, the Company completed its previously announced sale of the Family Dollar business to 1959 Holdings, LLC, for a purchase consideration of \$1,007.5 million, subject to certain adjustments, including with respect to working capital and net indebtedness. Net proceeds from the sale consisted of \$665 million paid at closing and \$22 million to be received within 90 days of closing, subject to final adjustment under the terms of the purchase agreement, dated as of March 25, 2025. In addition, the Company monetized approximately \$113 million of cash from Family Dollar prior to the closing date primarily through a reduction of net working capital. Together, the total cash monetized from the sale of the Family Dollar business approximates \$800 million. The results of Family Dollar are presented as discontinued operations in the accompanying unaudited Condensed Consolidated Income Statements for all periods presented. The assets and liabilities of Family Dollar have been reflected as assets and liabilities of discontinued operations in the accompanying unaudited Condensed Consolidated Balance Sheets for all prior periods presented. Unless otherwise noted, all amounts, percentages and discussions below reflect only the results of operations and financial condition of our continuing operations. Refer to "Strategic Initiatives and Recent Developments" below and [Note 10](#) to the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for more information on discontinued operations.

## Quarterly Results

Financial highlights for the 13 weeks ended August 2, 2025, as compared to the 13 weeks ended August 3, 2024, include:

- Net sales increased 12.3% to \$4,566.8 million due to a 6.5% comparable store net sales increase and net sales of \$318.7 million at non-comparable stores.

- Gross profit increased 12.9% to \$1,570.1 million primarily due to our net store growth. Gross profit, as a percentage of net sales, increased 20 basis points to 34.4%.
- Selling, general and administrative expenses, as a percentage of total revenues, increased 60 basis points to 29.6%.
- Transition services agreement income, net was \$8.0 million resulting from services provided to Family Dollar following the sale.
- Operating income, as a percentage of total revenues, decreased 20 basis points to 5.1%.
- The effective tax rate was 25.5%, an increase of 200 basis points as compared to the prior year quarter.
- Income from continuing operations was \$155.5 million, or \$0.75 per diluted share, compared to \$142.3 million, or \$0.66 per diluted share in the prior year quarter.

#### Store Activity & Selected Sales Data

At August 2, 2025, we operated stores in 48 states and the District of Columbia, as well as stores in five Canadian provinces. The average size of stores opened during the 26 weeks ended August 2, 2025 was approximately 9,210 selling square feet. A breakdown of the changes in store count and square footage is as follows:

	26 Weeks Ended	
	August 2, 2025	August 3, 2024
<b>Store Count:</b>		
Beginning	8,881	8,415
New stores	254	243
Stores converted from Family Dollar	41	8
Closings	(28)	(39)
Ending	9,148	8,627
Relocations	3	13
<b>Selling Square Feet (in millions):</b>		
Beginning	78.4	73.1
New stores	2.3	2.3
Stores converted from Family Dollar*	0.7	0.1
Closings	(0.2)	(0.3)
Ending	81.2	75.2
*Selling square footage impact of converted stores is only provided if it equals or exceeds 0.1 million selling square feet.		

The store counts above do not include new stores until they are opened for sales. Similarly, stores converted from a Family Dollar store to a Dollar Tree store are reflected in the table above when they re-opened as a Dollar Tree store.

The percentage change in comparable store net sales, as compared with the preceding year, is as follows:

	13 Weeks Ended		26 Weeks Ended	
	August 2, 2025	August 3, 2024	August 2, 2025	August 3, 2024
Sales Growth	6.5%	1.3%	5.9%	1.5%
Change in Customer Traffic	3.0%	1.4%	2.8%	2.1%
Change in Average Ticket	3.4%	(0.1)%	3.1%	(0.6)%

Comparable store net sales are positively affected by our expanded, relocated and remodeled stores, which we include in the calculation, and are negatively affected when we open new stores or expand stores near existing stores.

Net sales per selling square foot is calculated based on total net sales for the preceding 12 months as of the end of the reporting period divided by the average selling square footage during the period. Selling square footage excludes the storage, receiving and

office space that generally occupies approximately 20% of the total square footage of our stores. We believe that net sales per selling square foot more accurately depicts the productivity and operating performance of our stores as it reflects the portion of our footprint that is dedicated to selling merchandise. Net sales per selling square foot for the 52 weeks ended August 2, 2025 and August 3, 2024 is as follows:

	52 Weeks Ended	
	August 2, 2025	August 3, 2024
Net sales per selling square foot	\$237	\$235

See our “Strategic Initiatives and Recent Developments” below for more information on the initiatives that are driving our comparable store net sales growth and net sales per selling square foot growth.

**Strategic Initiatives and Recent Developments**

We continue to execute on a number of strategic initiatives to drive productive sales growth, improve operating efficiency, invest in technology, and expand our culture of service to our associates. These initiatives include, among others, and in no particular order, the following.

*Dollar Tree Merchandising.* In addition to our \$1.25 price point, we continue to expand our brand assortment at varying price points to provide greater value to our customers and increase customer traffic and store productivity. We are continuing to expand our multi-price product assortment, which began with the introduction of \$3 and \$5 products in select discretionary categories, expanded into \$3, \$4 and \$5 frozen and refrigerated product, and now comprises a wide assortment of other consumable and discretionary product at varying price points. As of August 2, 2025, we had more than 4,240 multi-price format stores. On August 28, 2025, we announced a new nationwide partnership with Uber to bring the Uber Eats platform to nearly 9,000 Dollar Tree stores, offering customers on-demand access to and delivery of value-driven essentials, snacks, party supplies and seasonal surprises.

*Tariffs and Other Trade Measures.* Beginning in the first quarter of 2025, new tariffs were announced on imports to the U.S. (“U.S. Tariffs”), including additional tariffs on imports from China, Mexico, Canada and other countries from which we import goods. In response, several countries have imposed, or threatened to impose, reciprocal tariffs on imports from the U.S. and other retaliatory measures. Various modifications and delays to the U.S. Tariffs have been announced and further changes are expected to be made in the future, which may include additional sector-based tariffs or other measures.

We are actively implementing mitigation strategies to offset the impact of cost inflation including tariffs as noted above, by negotiating lower product costs, rebates or invoice deductions with our suppliers, shifting supply sources to alternate countries, changing our product assortment or discontinuing certain items, or increasing our prices. We believe our mitigation strategies will allow us to protect our margins and maintain our competitiveness over the long term and, most importantly, keep providing our customers with the value, convenience, and discovery they expect for the products they need to help live and celebrate their lives. However, we expect our results to be impacted by near-term challenges, including higher costs due to the volatility in effective tariffs in the second half of fiscal 2025. Additionally, implementation costs associated with our mitigation strategies may be experienced before the benefits from those efforts are expected to materialize. The ultimate impact of cost inflation including tariffs and other related measures remains uncertain and will depend on several factors, including whether additional or incremental U.S. Tariffs or other measures are announced or imposed, to what extent other countries implement tariffs or other retaliatory measures in response, the overall magnitude and duration of these measures, and the costs and effectiveness of, and consumer response to, our mitigation efforts.

*Our Workforce & Our Workplace.* We are investing in our talent, including initiatives to provide competitive pay and benefits, enhanced training, and attractive career opportunities to deliver an enhanced associate experience, reduce turnover, and improve our store standards and efficiencies and ultimately the customer experience. Additional initiatives include projects to optimize and modernize our stores, with a focus on improving the in-store experience through renovations and customer service enhancements.

*Supply Chain Optimization.* Our supply chain initiatives include expanding and enhancing our distribution and transportation network, investments in our truck fleet, and upgrades in our warehouse management systems. Investments are also underway for a new distribution center as well as enhancements in automation in existing buildings to improve efficiency. These investments are expected to negatively impact gross margin in the near-to-mid term.

*Technology Investment.* We continue our multi-year plan for significant investment in our technology across our business, including our mobile app, human capital management system and supply chain system. We believe these improvements can promote operational efficiencies and deliver an elevated customer experience.

*Marietta, Oklahoma Distribution Center.* In the first quarter of fiscal 2024, a tornado destroyed our distribution center in Marietta, Oklahoma. Based on the significant damage sustained by the facility, the inventory contained in the facility and the facility itself are not salvageable. We have pivoted our supply chain network to deliver products to the approximately 600 Marietta-served stores, and

we believe these efforts have limited and will continue to limit disruption to the Dollar Tree shopping experience. Such efforts included the conversion of the West Memphis Family Dollar distribution center to a Dollar Tree distribution center in the third quarter of fiscal 2024 and the conversion of the Odessa, Texas Family Dollar distribution center to a Dollar Tree distribution center in the second quarter of fiscal 2025. We are incurring additional costs within our supply chain as a result of servicing these impacted stores, including additional stem miles for delivered product and outside storage, and expect such costs to continue negatively impacting gross margin in the near-to-mid term. In April 2025, we announced that we will be returning to Marietta, Oklahoma with a new, enhanced distribution center that is expected to be fully operational by spring 2027 with the capacity to serve 700 stores across the West and Southwest regions of the country.

*Family Dollar Strategic Alternatives Review.* On March 25, 2025, we entered into a definitive agreement to sell the Family Dollar business to 1959 Holdings, LLC, and on July 5, 2025, we completed the sale for a purchase consideration of \$1,007.5 million, subject to certain adjustments, including with respect to working capital and net indebtedness. Net proceeds from the sale consisted of \$665 million paid at closing and \$22 million to be received within 90 days of closing, subject to final adjustment under the terms of the purchase agreement, dated as of March 25, 2025. In addition, the Company monetized approximately \$113 million of cash from Family Dollar prior to the closing date primarily through a reduction of net working capital. Together, the total cash monetized from the sale of the Family Dollar business approximates \$800 million. For information on discontinued operations, refer to [Note 10](#) to the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

## Results of Operations

Our results of operations and period-over-period changes are discussed in the following section. Note that the cost of sales rate is calculated by dividing cost of sales by net sales. Gross profit margin is calculated as gross profit (i.e., net sales less cost of sales) divided by net sales. The selling, general and administrative expense rate and operating income margin are calculated by dividing the applicable amount by total revenue. Basis points, as referred to below, are a percentage of net sales for expense categories within gross profit and cost of sales, and are a percentage of total revenue for all other expense categories. A 100 basis point increase equals 1.00% and a 1 basis point increase equals 0.01%.

The following table contains results of operations data for the 13 and 26 weeks ended August 2, 2025 and August 3, 2024:

(in millions, except percentages)	13 Weeks Ended		26 Weeks Ended	
	August 2, 2025	August 3, 2024	August 2, 2025	August 3, 2024
<b>Revenues</b>				
Net sales	\$ 4,566.8	\$ 4,065.5	\$ 9,203.3	\$ 8,231.1
Other revenue	3.6	3.1	6.8	6.4
Total revenue	4,570.4	4,068.6	9,210.1	8,237.5
<b>Expenses &amp; other operating items</b>				
Cost of sales	2,996.7	2,674.2	5,983.7	5,363.3
Selling, general and administrative expenses	1,350.7	1,178.6	2,619.3	2,276.5
Transition services agreement income, net	8.0	—	8.0	—
<b>Operating income</b>	231.0	215.8	615.1	597.7
Interest expense, net	22.8	29.9	45.5	56.6
Other (income) expense, net	(0.4)	—	(62.1)	0.1
<b>Income from continuing operations before income taxes</b>	208.6	185.9	631.7	541.0
Provision for income taxes	53.1	43.6	162.7	131.0
<b>Income from continuing operations</b>	<u>\$ 155.5</u>	<u>\$ 142.3</u>	<u>\$ 469.0</u>	<u>\$ 410.0</u>
Gross profit margin	34.4 %	34.2 %	35.0 %	34.8 %
Selling, general and administrative expense rate	29.6 %	29.0 %	28.4 %	27.6 %
Operating income margin	5.1 %	5.3 %	6.7 %	7.3 %
Income from continuing operations before income taxes as a percentage of total revenue	4.6 %	4.6 %	6.9 %	6.6 %
Effective tax rate	25.5 %	23.5 %	25.8 %	24.2 %
Income from continuing operations as a percentage of total revenue	3.4 %	3.5 %	5.1 %	5.0 %

## Net Sales

(dollars in millions)	13 Weeks Ended		Percentage Change	26 Weeks Ended		Percentage Change
	August 2, 2025	August 3, 2024		August 2, 2025	August 3, 2024	
Net sales	\$ 4,566.8	\$ 4,065.5	12.3 %	\$ 9,203.3	\$ 8,231.1	11.8 %
Comparable store net sales change	6.5 %	1.3 %		5.9 %	1.5 %	

The increase in net sales in the 13 weeks ended August 2, 2025 was a result of the comparable store net sales increase and net sales of \$318.7 million at non-comparable stores. Comparable store net sales increased 6.5% in the 13 weeks ended August 2, 2025, as a result of a 3.4% increase in average ticket and a 3.0% increase in customer traffic.

The increase in net sales in the 26 weeks ended August 2, 2025 was a result of the comparable store net sales increase and net sales of \$670.7 million at non-comparable stores. Comparable store net sales increased 5.9% in the 26 weeks ended August 2, 2025, as a result of a 3.1% increase in average ticket and a 2.8% increase in customer traffic.

## Gross Profit

(dollars in millions)	13 Weeks Ended		Percentage Change	26 Weeks Ended		Percentage Change
	August 2, 2025	August 3, 2024		August 2, 2025	August 3, 2024	
Gross profit	\$ 1,570.1	\$ 1,391.3	12.9 %	\$ 3,219.6	\$ 2,867.8	12.3 %
Gross profit margin	34.4 %	34.2 %	0.2 %	35.0 %	34.8 %	0.2 %

Gross profit margin increased during the 13 weeks ended August 2, 2025 due to a 20 basis point decrease in cost of sales. The cost of sales rate decreased to 65.6% during the 13 weeks ended August 2, 2025 from 65.8% during the same period last year primarily due to improved mark-on from pricing initiatives, lower domestic freight costs, favorable sales mix resulting from lower sales of low margin consumable merchandise as a percentage of net sales, and lower occupancy costs due to leverage from the comparable store net sales increase, partially offset by higher tariff costs, higher markdowns, increased distribution costs, and higher shrink costs resulting from unfavorable inventory results.

Gross profit margin increased during the 26 weeks ended August 2, 2025 due to a 20 basis point decrease in cost of sales. The cost of sales rate decreased to 65.0% during the 26 weeks ended August 2, 2025 from 65.2% during the same period last year primarily due to improved mark-on from pricing initiatives, lower domestic freight costs, favorable sales mix resulting from lower sales of low margin consumable merchandise as a percentage of net sales, and lower occupancy costs due to leverage from the comparable store net sales increase, partially offset by higher tariff costs, higher markdowns, increased distribution costs, and higher shrink costs resulting from unfavorable inventory results.

## Selling, General and Administrative Expenses

(dollars in millions)	13 Weeks Ended		Percentage Change	26 Weeks Ended		Percentage Change
	August 2, 2025	August 3, 2024		August 2, 2025	August 3, 2024	
Selling, general and administrative expenses	\$ 1,350.7	\$ 1,178.6	14.6 %	\$ 2,619.3	\$ 2,276.5	15.1 %
Selling, general and administrative expense rate	29.6 %	29.0 %	0.6 %	28.4 %	27.6 %	0.8 %

The selling, general and administrative expense rate increased 60 basis points during the 13 weeks ended August 2, 2025 primarily due to higher store payroll in support of our pricing initiatives and from wage increases, higher depreciation expense from store investments, higher incentive compensation and higher store-related repairs and maintenance expenses, partially offset by a decrease in general liability expenses, lower stock compensation and leverage from the comparable store net sales increase. While we continue to see increases in general liability claim costs, the unfavorable actuarial adjustments were higher in the prior year quarter.

The selling, general and administrative expense rate increased 80 basis points during the 26 weeks ended August 2, 2025 primarily due to higher store payroll in support of our pricing initiatives and from wage increases, higher depreciation expense from store investments, higher incentive compensation and higher store-related repairs and maintenance expenses, partially offset by a decrease in general liability expenses, lower stock compensation and leverage from the comparable store net sales increase. While we continue to see increases in general liability claims costs, the unfavorable actuarial adjustments were higher in the prior year.



### Operating Income

(dollars in millions)	13 Weeks Ended		Percentage Change	26 Weeks Ended		Percentage Change
	August 2, 2025	August 3, 2024		August 2, 2025	August 3, 2024	
Operating income	\$ 231.0	\$ 215.8	7.0 %	\$ 615.1	\$ 597.7	2.9 %
Operating income margin	5.1 %	5.3 %	(0.2)%	6.7 %	7.3 %	(0.6)%

Operating income margin decreased to 5.1% for the 13 weeks ended August 2, 2025 compared to 5.3% for the same period last year, resulting from the increase in the selling, general and administrative expense rate, partially offset by the increase in gross profit margin as described above and income from the transition services agreement with Family Dollar.

Operating income margin decreased to 6.7% for the 26 weeks ended August 2, 2025 compared to 7.3% for the same period last year, resulting from the increase in the selling, general and administrative expense rate, partially offset by the increase in gross profit margin as described above and income from the transition services agreement with Family Dollar.

### Interest Expense, Net

(dollars in millions)	13 Weeks Ended		Percentage Change	26 Weeks Ended		Percentage Change
	August 2, 2025	August 3, 2024		August 2, 2025	August 3, 2024	
Interest expense, net	\$ 22.8	\$ 29.9	(23.7)%	\$ 45.5	\$ 56.6	(19.6)%

Interest expense, net decreased \$7.1 million in the 13 weeks ended August 2, 2025 compared to the same period last year, primarily due to higher interest income on investments.

Interest expense, net decreased \$11.1 million in the 26 weeks ended August 2, 2025 compared to the same period last year, primarily due to higher interest income on investments.

### Other (Income) Expense, Net

(dollars in millions)	13 Weeks Ended		Percentage Change	26 Weeks Ended		Percentage Change
	August 2, 2025	August 3, 2024		August 2, 2025	August 3, 2024	
Other (income) expense, net	\$ (0.4)	\$ —	N/A	\$ (62.1)	\$ 0.1	(62,200.0)%

Other income, net was \$62.1 million in the 26 weeks ended August 2, 2025 compared to expense of \$0.1 million in the same period last year, primarily due to an insurance gain of approximately \$62.0 million recognized in the first quarter of fiscal 2025 for the excess of the insurance proceeds received over the losses incurred for damaged property and equipment and damaged inventory associated with the tornado that destroyed our Marietta, Oklahoma Dollar Tree distribution center.

### Provision for Income Taxes

(dollars in millions)	13 Weeks Ended		Percentage Change	26 Weeks Ended		Percentage Change
	August 2, 2025	August 3, 2024		August 2, 2025	August 3, 2024	
Provision for income taxes	\$ 53.1	\$ 43.6	21.8 %	\$ 162.7	\$ 131.0	24.2 %
Effective tax rate	25.5 %	23.5 %	2.0 %	25.8 %	24.2 %	1.6 %

The effective tax rate increased to 25.5% for the 13 weeks ended August 2, 2025 compared to 23.5% for the comparable prior year period, primarily due to the impact of favorable audit settlements in the second quarter of fiscal 2024 and an increase in expected state taxes.

The effective tax rate increased to 25.8% for the 26 weeks ended August 2, 2025 compared to 24.2% for the comparable prior year period, primarily due to reduced benefits from the vesting of share-based payment awards and an increase in expected state taxes.

## Liquidity and Capital Resources

We invest capital to build and open new stores, expand and renovate existing stores, enhance and grow our distribution network, operate our existing stores, maintain and upgrade our technology, and support our other strategic initiatives. Our working capital requirements for existing stores are seasonal in nature and typically reach their peak in the months of September and October. We have satisfied our seasonal working capital requirements for existing and new stores and have funded our distribution network programs and other capital projects from internally generated funds and borrowings under our credit facilities and commercial paper program.

The following table compares our cash flows for the 26 weeks ended August 2, 2025 and August 3, 2024:

(in millions)	26 Weeks Ended	
	August 2, 2025	August 3, 2024
Net cash provided by (used in):		
Operating activities of continuing operations	\$ 639.2	\$ 737.7
Investing activities of continuing operations	(21.2)	(638.9)
Financing activities of continuing operations	(1,636.0)	(164.9)

Net cash provided by operating activities decreased \$98.5 million primarily due to a decrease in accounts payable in the current year compared to an increase in the prior year, partially offset by inventory levels increasing at a lower rate compared to the prior year, and higher income from continuing operations.

Net cash used in investing activities decreased \$617.7 primarily due to \$668.0 million of net proceeds received for the sale of Family Dollar, lower capital expenditures, and higher insurance recoveries related to damaged property and equipment at our Dollar Tree distribution center in Marietta, Oklahoma in the current year period, partially offset by \$246.0 million of cash divested from the sale of Family Dollar.

Net cash used in financing activities increased \$1,471.1 million primarily due to the repayment of our \$1.0 billion principal amount of 4.00% Senior Notes due May 15, 2025, and higher stock repurchases, partially offset by increased borrowings under our commercial paper program.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted in the U.S. The most significant impacts to the Company of the OBBBA are the immediate expensing of domestic research and development expenditures and the permanent reinstatement of bonus depreciation for qualifying properties. The Company expects the impact will defer the payment of a significant portion of current federal income taxes. The Company currently expects to defer approximately \$100.0 million in cash payments for federal income taxes related to these changes.

In connection with the sale of Family Dollar, completed on July 5, 2025, the Company expects to realize cash tax benefits from losses on the sale totaling approximately \$425.0 million, subject to final adjustment under the terms of the purchase agreement approximately 90 days after the closing date.

At August 2, 2025, our long-term borrowings were \$2.45 billion. Additionally, we had \$1.5 billion available under our new Five-Year Credit Facility, less amounts outstanding for standby letters of credit totaling \$3.8 million, and \$1.0 billion available under our 364-Day Revolving Credit Facility. Refer to [Note 4](#) to the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for further discussion of the new Five-Year Credit Facility and 364-Day Revolving Credit Facility. We also have a commercial paper program under which we may issue unsecured commercial paper notes up to an aggregate amount outstanding at any time of \$1.5 billion. On May 15, 2025, we leveraged our commercial paper program, in addition to utilizing available cash, to redeem our \$1.0 billion principal amount of 4.00% Senior Notes. As of August 2, 2025, \$300.0 million principal amount of notes were outstanding under the commercial paper program. Our Five-Year Credit Facility serves as a liquidity backstop for the repayment of notes outstanding under the program. Additionally, we have \$100.0 million in trade letters of credit with various financial institutions, under which \$3.5 million was committed to letters of credit issued for routine purchases of imported merchandise as of August 2, 2025.

We repurchased 10,957,077 and 3,283,837 shares of common stock on the open market at a cost of \$938.2 million and \$403.6 million, including applicable excise tax, during the 26 weeks ended August 2, 2025 and August 3, 2024, respectively. Of the shares repurchased during the 26 weeks ended August 2, 2025, \$5.5 million settled subsequent to August 2, 2025 and these amounts were accrued in the accompanying unaudited Condensed Consolidated Balance Sheets. In the 13 weeks ended August 2, 2025, our Board of Directors replenished the Company's share repurchase authorization to an aggregate amount of \$2.5 billion, reflecting the limit previously approved by the Board in September 2021. At August 2, 2025, we had \$2.4 billion remaining under the \$2.5 billion Board repurchase authorization.

Subsequent to August 2, 2025, we purchased an additional 621,750 shares of common stock on the open market at a cost of \$71.2 million, as of August 29, 2025.

### **Critical Accounting Estimates and Assumptions**

Our condensed consolidated financial statements have been prepared in accordance with U.S. GAAP. To prepare these financial statements, we must make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosures of contingent assets and liabilities. Our estimates are often based on complex judgments, probabilities and assumptions that management believes to be reasonable, but that are inherently uncertain and unpredictable. It is also possible that other professionals, applying reasonable judgment to the same facts and circumstances, could develop and support a range of alternative estimated amounts. Actual results could be significantly different from these estimates.

For a summary of our significant accounting policies and critical accounting estimates, refer to Note 2 of our Consolidated Financial Statements and Critical Accounting Estimates and Assumptions within Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of our Annual Report on Form 10-K for the fiscal year ended February 1, 2025.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

We are exposed to various types of market risk in the normal course of our business, including the impact of interest rate changes, diesel fuel cost changes and inflation. We may enter into interest rate or diesel fuel swaps to manage exposure to interest rate and diesel fuel price changes. We do not enter into derivative instruments for any purpose other than cash flow hedging and we do not hold derivative instruments for trading purposes.

#### **Interest Rate Risk**

Our exposure to interest rate risk relates to our Five-Year Credit Facility, our 364-Day Revolving Credit Facility, borrowings under our commercial paper program, and any future registered offerings of senior notes to raise capital or replace existing maturities. At August 2, 2025, there were no borrowings outstanding under the credit facilities and \$300.0 million principal amount of notes were outstanding under the commercial paper program. A hypothetical increase of one percentage point on such borrowings would not materially affect our results of operations or cash flows.

#### **Inflation Risk**

The primary inflationary factors impacting our business include changes to the costs of merchandise, transportation (including the cost of diesel fuel), store construction-related costs, and labor. If these inflationary pressures become significant, we may not be able to fully offset such higher costs through adjustments to our product assortment, improvements in operational efficiencies or increases in our comparable store net sales. Our inability or failure to do so could harm our business, financial condition and results of operations.

### **Item 4. Controls and Procedures.**

Our management has carried out, with the participation of our Chief Executive Officer and Chief Financial Officer, an evaluation of the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 ("Exchange Act") as of the end of the period covered by this report. Based upon this evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of August 2, 2025, our disclosure controls and procedures were designed and functioning effectively to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and (ii) accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding disclosure.

In fiscal 2024, we implemented a new warehouse management system in two of our distribution centers and expect to complete a phased implementation of the system to our remaining distribution centers over the next several years. In the second quarter of fiscal 2025, we converted an additional two distribution centers to the new system. We have made changes to our internal control over financial reporting to align with the functionality and updated processes associated with the new system. We are also updating our human capital management system and expect to implement the new system in fiscal 2025. We will continue to monitor and modify, as needed, the design and operating effectiveness of key control activities to align with the updated business processes and capabilities of the new systems.

In the second quarter of fiscal 2025, we completed the previously announced sale of the Family Dollar business. Prior to or at the closing date of the sale on July 5, 2025, we made changes to our internal controls over financial reporting to separate information technology access between the Company and Family Dollar for systems that will be shared during the transition services agreement term.

There were no other changes in our internal control over financial reporting during the fiscal quarter ended August 2, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II—OTHER INFORMATION

### Item 1. Legal Proceedings.

For information regarding legal proceedings in which we are involved, please see [Note 3](#) to the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

### Item 1A. Risk Factors.

There have been no material changes to the risk factors described in “Item 1A. Risk Factors” of our Annual Report on Form 10-K for the fiscal year ended February 1, 2025, other than as set forth in the discussion of certain items that have impacted or could impact our business or results of operations during 2025 or in the future as disclosed in “[Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations](#)” of this Quarterly Report on Form 10-Q.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The following table presents our share repurchase activity during the second quarter of 2025:

Fiscal Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs (in millions)
May 4, 2025 - May 31, 2025	779,512	\$ 86.61	779,512	\$ 452.2
June 1, 2025 - July 5, 2025	3,198,258	97.78	3,198,258	139.5
July 6, 2025 - August 2, 2025	1,052,322	110.46	1,052,322	2,392.2
Total	<u>5,030,092</u>	<u>\$ 98.70</u>	<u>5,030,092</u>	<u>\$ 2,392.2</u>

In July 2025, our Board of Directors replenished the Company’s share repurchase authorization to an aggregate amount of \$2.5 billion, reflecting the limit previously approved by the Board in September 2021. At August 2, 2025, we had \$2.4 billion remaining under the \$2.5 billion Board repurchase authorization.

### Item 3. Defaults Upon Senior Securities.

None.

### Item 4. Mine Safety Disclosures.

None.

### Item 5. Other Information.

During the fiscal quarter ended August 2, 2025, none of our directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408(a) of Regulation S-K).

### Item 6. Exhibits.

Exhibit	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Exhibit	Filing Date	
3.1	<a href="#">Amended and Restated Articles of Incorporation of Dollar Tree, Inc., effective October 14, 2022</a>	10-Q	3.1	11/22/2022	
3.2	<a href="#">Amended and Restated By-Laws of Dollar Tree, Inc., effective June 19, 2025</a>	8-K	3.1	6/20/2025	
10.1	<a href="#">Dollar Tree, Inc. 2025 Employee Stock Purchase Plan, effective September 1, 2025</a>	S-8	4.3	7/31/2025	
31.1	<a href="#">Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>				X
31.2	<a href="#">Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>				X

Exhibit	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Exhibit	Filing Date	
32.1	<a href="#">Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>				X
32.2	<a href="#">Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>				X
101	The following financial statements from our Form 10-Q for the fiscal quarter ended August 2, 2025, formatted in Inline XBRL: (i) Condensed Consolidated Income Statements, (ii) Condensed Consolidated Statements of Comprehensive Income, (iii) Condensed Consolidated Balance Sheets, (iv) Condensed Consolidated Statements of Shareholders' Equity, (v) Condensed Consolidated Statements of Cash Flows and (vi) Notes to Unaudited Condensed Consolidated Financial Statements				X
104	The cover page from our Form 10-Q for the fiscal quarter ended August 2, 2025, formatted in Inline XBRL and contained in Exhibit 101				X

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

### **DOLLAR TREE, INC.**

Date: September 3, 2025

By: /s/ Stewart Glendinning

Stewart Glendinning

Chief Financial Officer

(On behalf of the registrant and as principal financial officer)

Chief Executive Officer Certification

I, Michael C. Creedon Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dollar Tree, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 3, 2025

/s/ Michael C. Creedon Jr.

Michael C. Creedon Jr.  
Chief Executive Officer



Chief Financial Officer Certification

I, Stewart Glendinning, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dollar Tree, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 3, 2025

/s/ Stewart Glendinning

Stewart Glendinning  
Chief Financial Officer

**Certification Pursuant to 18 U.S.C. Section 1350,  
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Dollar Tree, Inc. (the Company) on Form 10-Q for the quarter ending August 2, 2025, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Michael C. Creedon Jr., Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

September 3, 2025  
Date

/s/ Michael C. Creedon Jr.  
\_\_\_\_\_  
Michael C. Creedon Jr.  
Chief Executive Officer

A signed original of this written statement required by Section 906 has been furnished to Dollar Tree, Inc. and will be retained by Dollar Tree, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**Certification Pursuant to 18 U.S.C. Section 1350,  
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Dollar Tree, Inc. (the Company) on Form 10-Q for the quarter ending August 2, 2025, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Stewart Glendinning, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

September 3, 2025  
Date

/s/ Stewart Glendinning  
Stewart Glendinning  
Chief Financial Officer

A signed original of this written statement required by Section 906 has been furnished to Dollar Tree, Inc. and will be retained by Dollar Tree, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.