



2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
5.89	6.80	8.18	9.22	10.62	13.28	15.75	17.06	19.92	23.84	28.68	32.93	37.67	41.82	65.96	87.74	93.00	97.05	Sales per sh ^A	122.15
.52	.66	.82	.91	.98	1.17	1.34	1.44	1.82	2.26	2.82	3.37	3.78	3.91	3.28	6.50	7.10	7.90	Cash Flow TM per sh	10.10
.36	.45	.51	.53	.53	.62	.70	.84	1.19	1.55	2.02	2.52	2.72	2.90	1.26	3.78	4.40	4.95	Earnings per sh ^{AB}	6.75
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1.93	2.50	2.96	3.43	3.67	3.91	3.67	4.60	5.44	5.91	5.82	7.42	5.62	8.68	18.76	22.82	27.05	31.90	Book Value per sh ^C	47.40
337.52	342.56	342.25	339.06	319.66	298.99	269.35	272.31	262.57	246.79	231.16	224.58	208.13	205.68	234.97	236.14	236.50	236.00	Common Shs Outst'g ^D	230.00
22.8	22.4	19.7	17.7	15.3	15.4	17.3	13.9	12.7	14.5	17.0	18.3	19.1	19.7	NMF	22.1	Bold figures are Value Line estimates	22.1	Avg Ann'l P/E Ratio	17.5
1.17	1.22	1.12	.94	.81	.83	.92	.84	.85	.92	1.07	1.16	1.07	1.04	NMF	1.13		1.13	Relative P/E Ratio	1.10
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CAPITAL STRUCTURE as of 1/28/17										4242.6	4644.9	5231.2	5882.4	6630.5	7394.5	7840.3	8602.2	15498	20719	22000	22900	Sales (\$mill) ^A	28100
Total Debt \$6321.8 mill. Due in 5yrs \$3239.1 mill.										38.2%	37.8%	38.5%	38.2%	38.3%	38.2%	38.0%	37.7%	33.2%	33.9%	33.5%	34.0%	Gross Margin	35.0%
LT Debt \$6169.7 mill. LT Interest \$366.5 mill.										11.5%	11.4%	12.8%	13.4%	14.3%	14.8%	14.8%	14.5%	9.9%	11.3%	11.5%	12.0%	Operating Margin	13.0%
(Total interest coverage: 4.5x) (53% of Cap'l)										3411	3591	3806	4101	4351	4671	4992	5367	13851	14334	15250	16250	Number of Stores	19000

										3411	3391	3606	4101	4531	4871	4992	5307	13631	14534	15230	16230	Number of Stores	19000	
Leases, Uncapitalized Annual rentals \$1276.6 mill.										201.3	229.5	320.5	397.3	488.3	581.2	596.7	599.2	282.4	896.2	1025	1175	Net Profit (\$mill)	1575	
										37.1%	36.1%	36.9%	36.9%	37.4%	36.7%	37.5%	37.2%	37.0%	32.6%	35.0%	35.5%	35.5%	Income Tax Rate	37.0%

Pfd Stock None										4.7%	4.9%	6.1%	6.8%	7.4%	7.9%	7.6%	7.0%	1.8%	4.4%	4.7%	5.1%	Net Profit Margin	5.6%
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Common Stock 236,297,936 shs. as of 3/23/17										382.9	663.3	829.7	800.5	628.4	797.3	692.2	1133.0	1840.5	1832.1	2750	3700	Working Cap'l (\$mill)	6500
										250.0	250.0	250.0	250.0	250.0	257.0	757.0	757.0	7238.4	6169.7	6000	5750	Long-Term Debt (\$mill)	5000
										988.4	1253.2	1429.2	1459.0	1344.6	1667.3	1170.7	1785.0	4406.9	5389.5	6400	7525	Shr. Equity (\$mill)	10900

MARKET CAP: \$18.3 billion (Large Cap)										16.9%	15.6%	19.3%	23.4%	30.7%	30.3%	31.4%	25.1%	5.0%	9.5%	9.5%	10.0%	Return on Total Cap'l	10.5%
										20.4%	18.3%	22.4%	27.2%	36.3%	34.9%	51.0%	33.6%	6.4%	16.6%	16.0%	15.5%	Return on Shr. Equity	14.5%
										20.4%	18.3%	22.4%	27.2%	36.3%	34.9%	51.0%	33.6%	6.4%	16.6%	16.0%	15.5%	Retained to Com Eq	14.5%
										--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

CURRENT POSITION		2014	2015	1/28/17
(\$MILL.)				
Cash Assets		864.1	740.1	870.4
Receivables		--	--	--
Inventory (FIFO)		1035.7	2885.5	2865.8
Other		94.8	310.3	201.8
Current Assets		1994.6	3935.9	3938.0
Accts Payable		433.6	1251.9	1119.6
Debt Due		--	108.0	152.1
Other		428.0	735.5	834.2
Current Liab.		861.6	2095.4	2105.9

ANNUAL RATES		Past	Past	Est'd '13-'15
of change (per sh)		10 Yrs.	5 Yrs.	to '20-'22
Sales		18.0%	19.0%	14.0%
"Cash Flow"		15.0%	15.0%	18.0%
Earnings		16.0%	14.0%	18.0%
Dividends		--	--	Nil
Book Value		12.5%	15.5%	23.0%

Fiscal Year Begins	QUARTERLY SALES (\$mill.) ^A				Full Fiscal Year
	Apr.Per	Jul.Per	Oct.Per	Jan.Per	
2014	2000.3	2031.1	2095.2	2475.6	8602.2
2015	2176.7	3011.2	4945.2	5365.3	15498.4
2016	5085.8	4996.4	5001.7	5635.3	20719.2
2017	5325	5275	5325	6075	22000
2018	5500	5400	5600	6400	22900

Fiscal Year Begins	EARNINGS PER SHARE ^{ABE}				Full Fiscal Year
	Apr.Per	Jul.Per	Oct.Per	Jan.Per	
2014	.67	.59	.64	1.00	2.90
2015	.34	d.46	.35	.97	1.26
2016	.98	.72	.72	1.36	3.78
2017	.95	.90	.90	1.65	4.40
2018	1.15	1.00	1.05	1.75	4.95

Cal-endar	QUARTERLY DIVIDENDS PAID				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2013					
2014					
2015					
2016					
2017					

(A) Through 2002, year ended Dec. 31st. Afterward, fiscal year ends on Saturday nearest to Jan 31st. of the following calendar year.

(B) Diluted earnings. Excludes acquisition costs: Incl. inventory accounting change '10, \$0.06; favorable tax benefit '12, \$0.025; All numbers are GAAP except 2015. Next earnings report due late May. (C) Incl. intang. As of 1/30/17: \$8128.6 mill., \$34.42 a share. (D) In mill., adjusted for stock splits. (E) Qtrly egs. may not add to total due to change in shares outstanding.

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Dollar Tree is likely to get off to a tough start in fiscal 2017 (began January 29th). Guidance supported this assertion, with management saying that it anticipates earning \$0.91 to \$0.98 a share in the April quarter, the midpoint of which represents a 4% decline. It expects the retail environment to remain difficult, and for flat to low single-digit same-store-sales growth. We are modeling in a 3% share-net decline, on a 4% top-line gain for the April quarter.

Full-year results ought to get a boost from the inclusion of an extra week of business. The 53rd week is expected to add \$400 million to \$430 million to sales and \$0.19 to \$0.22 to share earnings. Including these benefits, we look for sales to improve 6%, on nearly 4% square-footage growth, and for earnings per share to increase 16%, to \$4.40. Meanwhile, a lower interest expense should pitch in, as Dollar Tree has been deleveraging its balance sheet, and will likely continue to do so going forward.

Margin improvement is expected to play a bigger role next year. Family Dollar stores, added to the mix back in mid-2015, continue to deliver far worse margins than the company's namesake locations. In fact, the operating margin at the former was nearly four times that at the latter in the most recent quarter. That said, management is actively looking to unlock synergies and be more efficient at Family stores. The benefits should really take shape in fiscal 2018, helping to drive a 13% share-net improvement.

This equity has continued to trickle lower in recent months and is trading about 23% off its 2016 high. However, we think the current entry point presents a good opportunity. Dollar Tree shares are favorably ranked (2: Above Average) for Timeliness and offer wide 3- to 5-year rebound potential. The company is better insulated than most others in the retail space thanks to its lower-priced product offerings. Also, the Family Dollar stores should be a catalyst for margin expansion. Dollar Tree generates substantial cash flow and thus has the flexibility to continue paying down debt, begin buying back stock, and perhaps even throw its hat back in the acquisition ring.

Andre J. Costanza
April 28, 2017

Company's Financial Strength A

Stock's Price Stability 65

Price Growth Persistence 90

Earnings Predictability 45

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