

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share amounts)

	February 1, 2019	February 2, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 235,487	\$ 267,441
Merchandise inventories	4,097,004	3,609,025
Income taxes receivable	57,804	108,265
Prepaid expenses and other current assets	272,725	263,121
Total current assets	4,663,020	4,247,852
Net property and equipment	2,970,806	2,701,282
Goodwill	4,338,589	4,338,589
Other intangible assets, net	1,200,217	1,200,428
Other assets, net	31,406	28,760
Total assets	<u>\$ 13,204,038</u>	<u>\$ 12,516,911</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term obligations	\$ 1,950	\$ 401,345
Accounts payable	2,385,469	2,009,771
Accrued expenses and other	618,405	549,658
Income taxes payable	10,033	4,104
Total current liabilities	3,015,857	2,964,878
Long-term obligations	2,862,740	2,604,613
Deferred income taxes	609,687	515,702
Other liabilities	298,361	305,944
Commitments and contingencies		
Shareholders' equity:		
Preferred stock	—	—
Common stock; \$0.875 par value, 1,000,000 shares authorized, 259,511 and 268,733 shares issued and outstanding at February 1, 2019 and February 2, 2018, respectively	227,072	235,141
Additional paid-in capital	3,252,421	3,196,462
Retained earnings	2,941,107	2,698,352
Accumulated other comprehensive loss	(3,207)	(4,181)
Total shareholders' equity	6,417,393	6,125,774
Total liabilities and shareholders' equity	<u>\$ 13,204,038</u>	<u>\$ 12,516,911</u>

The accompanying notes are an integral part of the consolidated financial statements.

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share amounts)

	For the Year Ended		
	February 1, 2019	February 2, 2018	February 3, 2017
Net sales	\$ 25,625,043	\$ 23,470,967	\$ 21,986,598
Cost of goods sold	17,821,173	16,249,608	15,203,960
Gross profit	7,803,870	7,221,359	6,782,638
Selling, general and administrative expenses	5,687,564	5,213,541	4,719,189
Operating profit	2,116,306	2,007,818	2,063,449
Interest expense	99,871	97,036	97,821
Other (income) expense	1,019	3,502	—
Income before income taxes	2,015,416	1,907,280	1,965,628
Income tax expense	425,944	368,320	714,495
Net income	\$ 1,589,472	\$ 1,538,960	\$ 1,251,133
Earnings per share:			
Basic	\$ 5.99	\$ 5.64	\$ 4.45
Diluted	\$ 5.97	\$ 5.63	\$ 4.43
Weighted average shares outstanding:			
Basic	265,155	272,751	281,317
Diluted	266,105	273,362	282,261
Dividends per share	\$ 1.16	\$ 1.04	\$ 1.00

The accompanying notes are an integral part of the consolidated financial statements.

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	For the Year Ended		
	February 1, 2019	February 2, 2018	February 3, 2017
<i>Cash flows from operating activities:</i>			
Net income	\$ 1,589,472	\$ 1,538,960	\$ 1,251,133
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation and amortization	454,134	404,231	379,931
Deferred income taxes	52,325	(137,648)	12,359
Loss on debt retirement	1,019	3,502	—
Noncash share-based compensation	40,879	34,323	36,967
Other noncash (gains) and losses	41,851	11,088	(3,625)
Change in operating assets and liabilities:			
Merchandise inventories	(521,342)	(348,363)	(171,908)
Prepaid expenses and other current assets	(12,097)	(49,406)	(25,046)
Accounts payable	375,214	427,911	56,477
Accrued expenses and other liabilities	65,857	75,647	42,937
Income taxes	56,390	(156,504)	26,316
Other	(152)	(1,633)	(500)
Net cash provided by (used in) operating activities	<u>2,143,550</u>	<u>1,802,108</u>	<u>1,605,041</u>
<i>Cash flows from investing activities:</i>			
Purchases of property and equipment	(734,380)	(646,456)	(560,296)
Proceeds from sales of property and equipment	2,777	1,428	9,360
Net cash provided by (used in) investing activities	<u>(731,603)</u>	<u>(645,028)</u>	<u>(550,936)</u>
<i>Cash flows from financing activities:</i>			
Issuance of long-term obligations	499,495	599,556	—
Repayments of long-term obligations	(577,321)	(752,676)	(3,138)
Net increase (decrease) in commercial paper outstanding	(63,300)	(60,300)	490,500
Borrowings under revolving credit facilities	—	—	1,584,000
Repayments of borrowings under revolving credit facilities	—	—	(1,835,000)
Costs associated with issuance and retirement of debt	(4,384)	(9,524)	—
Repurchases of common stock	(1,007,494)	(579,712)	(990,474)
Payments of cash dividends	(306,523)	(282,931)	(281,135)
Other equity and related transactions	15,626	8,033	11,110
Net cash provided by (used in) financing activities	<u>(1,443,901)</u>	<u>(1,077,554)</u>	<u>(1,024,137)</u>
Net increase (decrease) in cash and cash equivalents	(31,954)	79,526	29,968
Cash and cash equivalents, beginning of period	267,441	187,915	157,947
Cash and cash equivalents, end of period	<u>\$ 235,487</u>	<u>\$ 267,441</u>	<u>\$ 187,915</u>
<i>Supplemental cash flow information:</i>			
Cash paid for:			
Interest	\$ 98,012	\$ 88,749	\$ 92,952
Income taxes	\$ 313,457	\$ 660,510	\$ 679,633
<i>Supplemental schedule of noncash investing and financing activities:</i>			
Purchases of property and equipment awaiting processing for payment, included in Accounts payable	\$ 63,662	\$ 63,178	\$ 38,914

The accompanying notes are an integral part of the consolidated financial statements.