

**DOLLAR TREE, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

(in millions, except per share data)	Year Ended		
	February 1, 2020	February 2, 2019	February 3, 2018
Net sales	\$ 23,610.8	\$ 22,823.3	\$ 22,245.5
Cost of sales	16,570.1	15,875.8	15,223.6
Gross profit	7,040.7	6,947.5	7,021.9
Selling, general and administrative expenses, excluding Goodwill impairment and Receivable impairment	5,465.5	5,160.0	5,004.3
Goodwill impairment	313.0	2,727.0	—
Receivable impairment	—	—	18.5
Selling, general and administrative expenses	5,778.5	7,887.0	5,022.8
Operating income (loss)	1,262.2	(939.5)	1,999.1
Interest expense, net	162.1	370.0	301.8
Other expense (income), net	1.4	(0.5)	(6.7)
Income (loss) before income taxes	1,098.7	(1,309.0)	1,704.0
Provision for income taxes	271.7	281.8	(10.3)
Net income (loss)	\$ 827.0	\$ (1,590.8)	\$ 1,714.3
Basic net income (loss) per share	\$ 3.49	\$ (6.69)	\$ 7.24
Diluted net income (loss) per share	\$ 3.47	\$ (6.69)	\$ 7.21

See accompanying Notes to Consolidated Financial Statements

**DOLLAR TREE, INC.**  
**CONSOLIDATED BALANCE SHEETS**

(in millions, except share and per share data)	February 1, 2020	February 2, 2019
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 539.2	\$ 422.1
Merchandise inventories	3,522.0	3,536.0
Other current assets	208.2	335.2
Total current assets	4,269.4	4,293.3
Property, plant and equipment, net of accumulated depreciation of \$4,194.1 and \$3,690.6, respectively	3,881.8	3,445.3
Restricted cash	46.8	24.6
Operating lease right-of-use assets	6,225.0	—
Goodwill	1,983.3	2,296.6
Favorable lease rights, net of accumulated amortization of \$287.8 at February 2, 2019	—	288.7
Trade name intangible asset	3,100.0	3,100.0
Deferred tax asset	24.4	—
Other assets	43.9	52.7
Total assets	<u>\$ 19,574.6</u>	<u>\$ 13,501.2</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Current portion of long-term debt	\$ 250.0	\$ —
Current portion of operating lease liabilities	1,279.3	—
Accounts payable	1,336.5	1,416.4
Income taxes payable	62.7	60.0
Other current liabilities	618.0	619.3
Total current liabilities	3,546.5	2,095.7
Long-term debt, net, excluding current portion	3,522.2	4,265.3
Operating lease liabilities, long-term	4,979.5	—
Unfavorable lease rights, net of accumulated amortization of \$76.9 at February 2, 2019	—	78.8
Deferred income taxes, net	984.7	973.2
Income taxes payable, long-term	28.9	35.4
Other liabilities	258.0	409.9
Total liabilities	13,319.8	7,858.3
Commitments and contingencies		
Shareholders' equity:		
Common stock, par value \$0.01; 600,000,000 shares authorized, 236,726,563 and 238,081,664 shares issued and outstanding at February 1, 2020 and February 2, 2019, respectively	2.4	2.4
Additional paid-in capital	2,454.4	2,602.7
Accumulated other comprehensive loss	(39.8)	(38.3)
Retained earnings	3,837.8	3,076.1
Total shareholders' equity	6,254.8	5,642.9
Total liabilities and shareholders' equity	<u>\$ 19,574.6</u>	<u>\$ 13,501.2</u>

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**DOLLAR TREE, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(in millions)	Year Ended		
	February 1, 2020	February 2, 2019	February 3, 2018
<b>Cash flows from operating activities:</b>			
Net income (loss)	\$ 827.0	\$ (1,590.8)	\$ 1,714.3
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Goodwill impairment	313.0	2,727.0	—
Receivable impairment	—	—	18.5
Depreciation and amortization	645.4	621.1	611.2
Provision for deferred income taxes	9.1	(12.1)	(473.5)
Stock-based compensation expense	61.4	63.1	65.7
Amortization of debt discount and debt-issuance costs	6.9	57.2	15.4
Other non-cash adjustments to net income (loss)	24.5	7.8	10.9
Loss on debt extinguishment	—	114.7	—
Changes in operating assets and liabilities:			
Merchandise inventories	13.6	(369.2)	(300.9)
Other current assets	(8.4)	(21.1)	(117.2)
Other assets	8.2	0.9	2.6
Accounts payable	(79.8)	242.6	54.5
Income taxes payable	2.7	28.5	(58.5)
Other current liabilities	24.3	(105.4)	(22.7)
Other liabilities	(14.6)	1.7	(10.1)
Operating lease right-of-use assets and liabilities, net	36.5	—	—
Net cash provided by operating activities	1,869.8	1,766.0	1,510.2
<b>Cash flows from investing activities:</b>			
Capital expenditures	(1,034.8)	(817.1)	(632.2)
Proceeds from governmental grant	16.5	—	—
Proceeds from (payments for) fixed asset disposition	(1.9)	0.4	0.3
Proceeds from sale of unrestricted investments	—	—	4.0
Net cash used in investing activities	(1,020.2)	(816.7)	(627.9)
<b>Cash flows from financing activities:</b>			
Proceeds from long-term debt, net of discount	—	4,775.8	—
Principal payments for long-term debt	(500.0)	(6,214.7)	(659.1)
Debt-issuance and debt extinguishment costs	—	(155.3)	—
Proceeds from revolving credit facility	—	50.0	—
Repayments of revolving credit facility	—	(50.0)	—
Proceeds from stock issued pursuant to stock-based compensation plans	15.2	17.5	35.0
Cash paid for taxes on exercises/vesting of stock-based compensation	(25.0)	(23.2)	(27.4)
Payments for repurchase of stock	(200.0)	—	—
Net cash used in financing activities	(709.8)	(1,599.9)	(651.5)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(0.5)	(0.5)	0.6
Net increase (decrease) in cash, cash equivalents and restricted cash	139.3	(651.1)	231.4
Cash, cash equivalents and restricted cash at beginning of year	446.7	1,097.8	866.4
Cash, cash equivalents and restricted cash at end of year	\$ 586.0	\$ 446.7	\$ 1,097.8
<b>Supplemental disclosure of cash flow information:</b>			
<b>Cash paid for:</b>			
Interest, net of amounts capitalized	\$ 170.2	\$ 383.4	\$ 286.5
Income taxes	\$ 266.8	\$ 277.5	\$ 552.4
<b>Non-cash transactions:</b>			
Accrued capital expenditures	\$ 51.1	\$ 43.2	\$ 45.0

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