

DOLLAR TREE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions, except per share data)	Year Ended		
	February 2, 2019	February 3, 2018	January 28, 2017
Net sales	\$ 22,823.3	\$ 22,245.5	\$ 20,719.2
Cost of sales	15,875.8	15,223.6	14,324.5
Gross profit	6,947.5	7,021.9	6,394.7
Selling, general and administrative expenses, excluding Goodwill impairment and Receivable impairment	5,160.0	5,004.3	4,689.9
Goodwill impairment	2,727.0	—	—
Receivable impairment	—	18.5	—
Selling, general and administrative expenses	7,887.0	5,022.8	4,689.9
Operating income (loss)	(939.5)	1,999.1	1,704.8
Interest expense, net	370.0	301.8	375.5
Other income, net	(0.5)	(6.7)	(0.1)
Income (loss) before income taxes	(1,309.0)	1,704.0	1,329.4
Provision for income taxes	281.8	(10.3)	433.2
Net income (loss)	\$ (1,590.8)	\$ 1,714.3	\$ 896.2
Basic net income (loss) per share	\$ (6.69)	\$ 7.24	\$ 3.80
Diluted net income (loss) per share	\$ (6.66)	\$ 7.21	\$ 3.78

See accompanying Notes to Consolidated Financial Statements

DOLLAR TREE, INC.
CONSOLIDATED BALANCE SHEETS

(in millions, except share and per share data)	February 2, 2019	February 3, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 422.1	\$ 1,097.8
Merchandise inventories	3,536.0	3,169.3
Other current assets	335.2	309.2
Total current assets	4,293.3	4,576.3
Property, plant and equipment, net of accumulated depreciation of \$3,690.6 and \$3,192.1, respectively	3,445.3	3,200.7
Restricted cash	24.6	—
Goodwill	2,296.6	5,025.2
Favorable lease rights, net of accumulated amortization of \$287.8 and \$230.9, respectively	288.7	375.3
Trade name intangible asset	3,100.0	3,100.0
Other assets	52.7	55.3
Total assets	<u>\$ 13,501.2</u>	<u>\$ 16,332.8</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ —	\$ 915.9
Accounts payable	1,416.4	1,174.8
Income taxes payable	60.0	31.5
Other current liabilities	619.3	736.9
Total current liabilities	2,095.7	2,859.1
Long-term debt, net, excluding current portion	4,265.3	4,762.1
Unfavorable lease rights, net of accumulated amortization of \$76.9 and \$61.1, respectively	78.8	100.0
Deferred income taxes, net	973.2	985.2
Income taxes payable, long-term	35.4	43.8
Other liabilities	409.9	400.3
Total liabilities	7,858.3	9,150.5
Commitments and contingencies		
Shareholders' equity:		
Common stock, par value \$0.01; 600,000,000 shares authorized, 238,081,664 and 237,325,963 shares issued and outstanding at February 2, 2019 and February 3, 2018, respectively	2.4	2.4
Additional paid-in capital	2,602.7	2,545.3
Accumulated other comprehensive loss	(38.3)	(32.3)
Retained earnings	3,076.1	4,666.9
Total shareholders' equity	5,642.9	7,182.3
Total liabilities and shareholders' equity	<u>\$ 13,501.2</u>	<u>\$ 16,332.8</u>

See accompanying Notes to Consolidated Financial Statements

DOLLAR TREE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)	Year Ended		
	February 2, 2019	February 3, 2018	January 28, 2017
Cash flows from operating activities:			
Net income (loss)	\$ (1,590.8)	\$ 1,714.3	\$ 896.2
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Goodwill impairment	2,727.0	—	—
Receivable impairment	—	18.5	—
Depreciation and amortization	621.1	611.2	637.5
Provision for deferred income taxes	(12.1)	(473.5)	(124.1)
Stock-based compensation expense	63.1	65.7	61.6
Amortization of debt discount and debt-issuance costs	57.2	15.4	55.2
Other non-cash adjustments to net income (loss)	7.8	10.9	9.4
Loss on debt extinguishment	114.7	—	—
Changes in operating assets and liabilities:			
Merchandise inventories	(369.2)	(300.9)	21.9
Other current assets	(20.2)	(114.6)	117.2
Accounts payable	242.6	54.5	(133.8)
Income taxes payable	28.5	(58.5)	77.1
Other current liabilities	(105.4)	(22.7)	30.4
Other liabilities	1.7	(10.1)	24.7
Net cash provided by operating activities	1,766.0	1,510.2	1,673.3
Cash flows from investing activities:			
Capital expenditures	(817.1)	(632.2)	(564.7)
Purchase of restricted investments	—	—	(36.1)
Proceeds from sale of restricted and unrestricted investments	—	4.0	118.1
Proceeds from (payments for) fixed asset disposition	0.4	0.3	(0.9)
Net cash used in investing activities	(816.7)	(627.9)	(483.6)
Cash flows from financing activities:			
Proceeds from long-term debt, net of discount	4,775.8	—	2,962.5
Principal payments for long-term debt	(6,214.7)	(659.1)	(4,036.2)
Debt-issuance and debt extinguishment costs	(155.3)	—	(6.1)
Proceeds from revolving credit facility	50.0	—	140.0
Repayments of revolving credit facility	(50.0)	—	(140.0)
Proceeds from stock issued pursuant to stock-based compensation plans	17.5	35.0	41.5
Cash paid for taxes on exercises/vesting of stock-based compensation	(23.2)	(27.4)	(22.2)
Net cash used in financing activities	(1,599.9)	(651.5)	(1,060.5)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(0.5)	0.6	1.1
Net increase (decrease) in cash, cash equivalents and restricted cash	(651.1)	231.4	130.3
Cash, cash equivalents and restricted cash at beginning of year	1,097.8	866.4	736.1
Cash, cash equivalents and restricted cash at end of year	\$ 446.7	\$ 1,097.8	\$ 866.4
Supplemental disclosure of cash flow information:			
Cash paid for:			
Interest, net of amounts capitalized	\$ 383.4	\$ 286.5	\$ 329.1
Income taxes	\$ 277.5	\$ 552.4	\$ 501.8
Non-cash transactions:			
Accrued capital expenditures	\$ 43.2	\$ 45.0	\$ 30.3

See accompanying Notes to Consolidated Financial Statements