

# ModernGraham Valuation

Company Name:

Dollar Tree, Inc.

Company Ticker

DLTR

Date of Analysis

10/15/2015



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass 6 out of the following 7 tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$14,451,458,200	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.18	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	210.62%	Pass
5. Earnings Growth	PEmg < 20	28.46	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.27	Fail
7. Moderate Price to Assets			

*Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.*

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	2.18	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.37	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>No</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.17
MG Growth Estimate	6.99%
<b>MG Value</b>	<b>\$48.76</b>
MG Value based on 3% Growth	\$31.45
MG Value based on 0% Growth	\$18.43
Market Implied Growth Rate	9.98%

### MG Opinion

Current Price	\$61.72
% of Intrinsic Value	126.58%
<b>Opinion</b>	<b>Overvalued</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$37.30
Graham Number	\$20.47
PEmg	28.46
Current Ratio	2.18
PB Ratio	3.27
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.08	Next Fiscal Year Estimate	\$2.17
Jan15	\$2.90	Jan15	\$2.60
Jan14	\$2.72	Jan14	\$2.31
Jan13	\$2.68	Jan13	\$1.95
Jan12	\$2.01	Jan12	\$1.48
Jan11	\$1.55	Jan11	\$1.14
Jan10	\$1.19	Jan10	\$0.88
Jan09	\$0.84	Jan09	\$0.70
Jan08	\$0.70	Jan08	\$0.61
Jan07	\$0.62	Jan07	\$0.55
Jan06	\$0.53	Jan06	\$0.51
Jan05	\$0.53	Jan05	\$0.47
Jan04	\$0.51	Jan04	\$0.43
Dec02	\$0.45	Dec02	\$0.38
Dec01	\$0.36	Dec01	\$0.32
Dec00	\$0.36	Dec00	\$0.28
Dec99	\$0.31	Dec99	\$0.22
Dec98	\$0.24	<b>Balance Sheet Information Jul15</b>	
Dec97	\$0.17	Total Current Assets	\$4,524,700,000
Dec96	\$0.12	Total Current Liabilities	\$2,073,300,000
Dec95	\$0.08	Long-Term Debt	\$8,265,500,000
		Total Assets	\$16,565,100,000
		Intangible Assets	\$8,709,900,000
		Total Liabilities	\$12,518,100,000
		Shares Outstanding (Diluted Average)	214,300,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

## Recommended Reading:

Other  
ModernGraham  
posts about the  
company

[5 Undervalued Companies with a Low Beta – October 2015](#)  
[The Best Companies of the Retail Industry – August 2015](#)  
[The 20 Best Stocks For Value Investors This Week – 7/25/15](#)  
[Dollar Tree Inc. Analysis – July 2015 Update \\$DLTR](#)  
[21 Companies in the Spotlight This Week – 5/9/15](#)

Other  
ModernGraham  
posts about related  
companies

[Tiffany and Company Valuation – October 2015 Update \\$TIF](#)  
[Urban Outfitters Inc. Analysis – October 2015 Update \\$URBN](#)  
[Staples Inc. Analysis – September 2015 Update \\$SPLS](#)  
[Fossil Group Inc. Analysis – September 2015 Update \\$FOSL](#)  
[Ross Stores Inc. Analysis – August 2015 Update \\$ROST](#)  
[The Best Companies of the Retail Industry – August 2015](#)  
[Bed Bath & Beyond Inc. Analysis – August 2015 Update \\$BBBY](#)  
[Ann Inc. Analysis – Initial Coverage \\$ANN](#)  
[Kohl's Corporation Analysis – August 2015 Update \\$KSS](#)  
[Aaron's Inc. Analysis – Initial Coverage \\$AAN](#)