ModernGraham Valuation

Company Name:

Dollar Tree, Inc.

Company Ticker Date of Analysis

DLTR

2/8/2017

7. Moderate Price to Assets



3.57 Fail

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.

 Adequate Size of the Enterprise 	Market Cap > \$2Bil	\$17,974,740,141 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.03 Pass
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior	Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	187.71% Pass
J. Lannings Growth	beginning and end	107.7170 1 833
Moderate PEmg Ratio	PEmg < 20	28.33 Fail

PB Ratio < 2.5 OR PB*PEmg < 50

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	2.03 Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	3.14 Fail
3. Earnings Stability	Positive EPS for 5 years prior	Pass
Dividend Record	Currently Pays Dividend	Fail
5. Earnings Growth	EPSmg greater than 5 years ago	Pass

Score

Suitability

Defensive No Enterprising

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.68
MG Growth Estimate	5.61%
MG Value	\$52.92
MG Value based on 3% Growth	\$38.92
MG Value based on 0% Growth	\$22.81
Market Implied Growth Rate	9.92%

MG Opinion

Current Price \$76.05 143.70% % of Intrinsic Value

Opinion Overvalued

MG Grade D

Stage 3: Information for Further Research

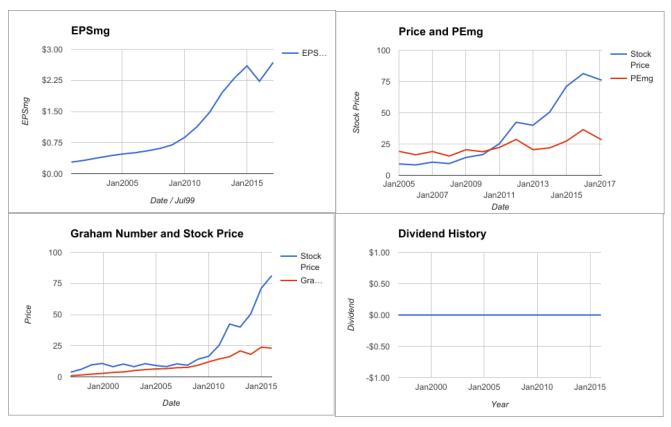
Net Current Asset Value (NCAV)	-\$28.72
Graham Number	\$42.08
PEmg	28.33
Current Ratio	2.03
PB Ratio	3.57
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend	
Growth	0

Useful Links: ModernGraham tagged articles

Morningstar Google Finance MSN Money Yahoo Finance Seeking Alpha GuruFocus SEC Filings

EPS History		EPSmg History	·
Next Fiscal Year			
Estimate	*****	Next Fiscal Year Estimate	\$2.68
Jan2016	\$1.26	Jan2016	\$2.23
Jan2015	\$2.90	Jan2015	\$2.60
Jan2014	\$2.72	Jan2014	\$2.31
Jan2013	\$2.68	Jan2013	\$1.95
Jan2012	\$2.01	Jan2012	\$1.48
Jan2011	\$1.55	Jan2011	\$1.14
Jan2010	\$1.19	Jan2010	\$0.88
Jan2009	\$0.84	Jan2009	\$0.70
Jan2008	\$0.70	Jan2008	\$0.61
Jan2007	\$0.62	Jan2007	\$0.55
Jan2006	\$0.53	Jan2006	\$0.51
Jan2005	\$0.53	Jan2005	\$0.47
Jan2004	\$0.51	Jan2004	\$0.43
Dec2002	\$0.45	Dec2002	\$0.38
Dec2001	\$0.36	Dec2001	\$0.32
Dec2000	\$0.36	Dec2000	\$0.28
Dec1999	\$0.31	Balance Sheet Information	10/1/2016
Dec1998	\$0.24	Total Current Assets	\$4,342,400,000
Dec1997	\$0.17	Total Current Liabilities	\$2,134,200,000
Dec1996	\$0.12	Long-Term Debt	\$6,938,000,000
		Total Assets	\$16,195,000,000
		Intangible Assets	\$8,621,900,000
		Total Liabilities	\$11,147,300,000
		Shares Outstanding (Diluted Average)	236,900,000





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 Dollar Tree Stores Inc. Valuation – October 2015 Update \$DLTR 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

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