

ModernGraham Valuation

Company Name:

Dollar Tree, Inc.

Company Ticker DLTR

Date of Analysis

2/8/2017



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	\$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
6. Moderate PEmg Ratio	PEmg < 20	28.33	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.57	Fail

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
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	No
Enterprising	No

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
% of Intrinsic Value	143.70%
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	\$3.68	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](#)

Other
ModernGraham
posts about related
companies

- [Staples Inc Valuation – February 2017 \\$SPLS](#)
- [Stein Mart Inc Valuation – Initial Coverage \\$SMRT](#)
- [J C Penney Company Inc Valuation – Initial Coverage \\$JCP](#)
- [TJX Companies Inc Valuation – December 2016 \\$TJX](#)
- [Shoe Carnival Inc Valuation – Initial Coverage \\$SCVL](#)
- [Aaron's Inc Valuation – November 2016 \\$AAN](#)
- [Tractor Supply Company Valuation – August 2016 \\$TSCO](#)
- [Fossil Group Inc Valuation – August 2016 \\$FOSL](#)
- [Target Corp Valuation – August 2016 \\$TGT](#)
- [TJX Companies Inc Valuation – August 2016 \\$TJX](#)