

# ModernGraham Valuation

Company Name:

Dollar Tree, Inc.

Company Ticker DLTR

Date of Analysis

5/15/2018



## 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	\$22,656,970,683	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.60	Fail
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	246.05%	Pass
5. Earnings Growth	PEmg < 20	19.65	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.16	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	1.60	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	2.77	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 Score		Pass

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$4.85
MG Growth Estimate	12.99%
<b>MG Value</b>	<b>\$167.21</b>
MG Value based on 3% Growth	\$70.33
MG Value based on 0% Growth	\$41.23
Market Implied Growth Rate	5.57%

### MG Opinion

Current Price	\$95.29
% of Intrinsic Value	56.99%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>C-</b>

## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$19.20
Graham Number	\$60.76
PEmg	19.65
Current Ratio	1.60
PB Ratio	3.16
Current Dividend	\$0.00
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		Next Fiscal Year Estimate	
Jan2018	\$5.43	Jan2018	\$4.85
Jan2017	\$7.21	Jan2017	\$4.23
Jan2016	\$3.78	Jan2016	\$2.72
Jan2015	\$1.26	Jan2015	\$2.23
Jan2014	\$2.90	Jan2014	\$2.60
Jan2013	\$2.72	Jan2013	\$2.31
Jan2012	\$2.68	Jan2012	\$1.95
Jan2011	\$2.01	Jan2011	\$1.48
Jan2010	\$1.55	Jan2010	\$1.14
Jan2009	\$1.19	Jan2009	\$0.88
Jan2008	\$0.84	Jan2008	\$0.70
Jan2007	\$0.70	Jan2007	\$0.61
Jan2006	\$0.62	Jan2006	\$0.55
Jan2005	\$0.53	Jan2005	\$0.51
Jan2004	\$0.53	Jan2004	\$0.47
Jan2004	\$0.51	Jan2004	\$0.43
Dec2002	\$0.45	Dec2002	\$0.38
Dec2001	\$0.36	<b>Balance Sheet Information</b>	
Dec2000	\$0.36	<b>1/1/2018</b>	
Dec1999	\$0.31	Total Current Assets	\$4,576,300,000
Dec1998	\$0.24	Total Current Liabilities	\$2,859,100,000
		Long-Term Debt	\$4,762,100,000
		Total Assets	\$16,332,800,000
		Intangible Assets	\$8,505,300,000
		Total Liabilities	\$9,150,500,000
		Shares Outstanding (Diluted Average)	238,300,000





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

[Dollar Tree Inc Valuation – February 2017 \\$DLTR](#)  
[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](#)

Other  
ModernGraham  
posts about related  
companies

[TJX Companies Inc Valuation – May 2018 \\$TJX](#)  
[Tractor Supply Co Valuation – April 2018 \\$TSCO](#)  
[Tapestry Inc Valuation – April 2018 \\$TPR](#)  
[Dollar General Corp Valuation – April 2018 \\$DG](#)  
[Tiffany & Co. Valuation – April 2018 \\$TIF](#)  
[Best Buy Co Inc Valuation – April 2018 \\$BBY](#)  
[Macy's Inc Valuation – April 2018 \\$M](#)  
[Walgreens Boots Alliance Inc Valuation – March 2018 \\$WBA](#)  
[Bed Bath & Beyond Inc Valuation – March 2018 \\$BBBY](#)  
[Ross Stores Inc Valuation – March 2018 \\$ROST](#)