# **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.

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		

5. Earnings Growth beginning and end 246.05% Pass 6. Moderate PEmg Ratio PEmg < 20 19.65 Pass 7. Moderate Price to Assets PB Ratio < 2.5 OR PB\*PEmg < 50 3.16 Fail

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

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 Pass

Score

Suitability

Defensive No Enterprising No

#### Stage 2: Determination of Intrinsic Value

EPSmg	\$4.85
MG Growth Estimate	12.99%
MG Value	\$167.21
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%

Opinion Undervalued MG Grade

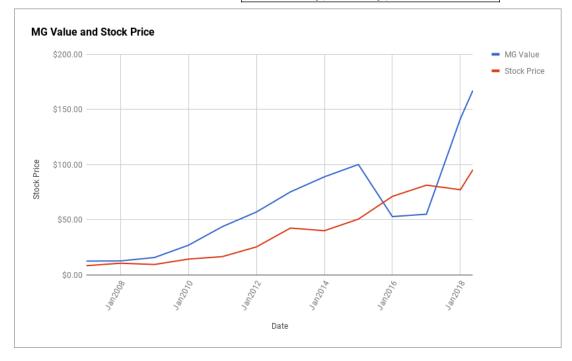
#### Stage 3: Information for Further Research

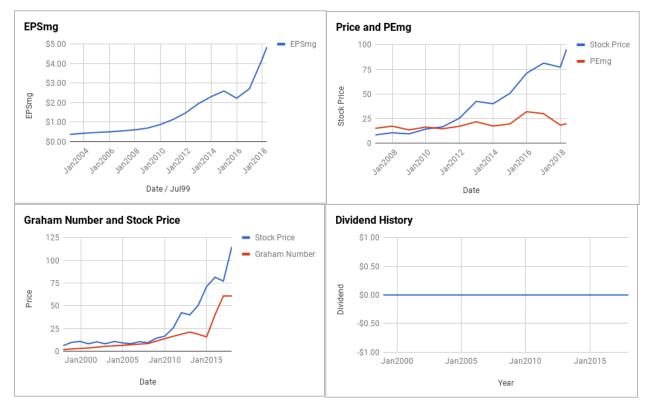
Net Current Asset Value (NCAV)	-\$19.20
Graham Number	\$60.76
PEmg	19.65
Current Ratio	1.60
PB Ratio	3.16
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend	
Growth	0

**Useful Links:** 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	\$4.85
Jan2018	\$7.21	Jan2018	\$4.23
Jan2017	\$3.78	Jan2017	\$2.72
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	Balance Sheet Information	1/1/2018
Dec2000	\$0.36	Total Current Assets	\$4,576,300,000
Dec1999	\$0.31	Total Current Liabilities	\$2,859,100,000
Dec1998	\$0.24	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

<u>Dollar General Corp Valuation – April 2018 \$DG</u> <u>Tiffany & Co. Valuation – April 2018 \$TIF</u>

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