

ModernGraham Valuation

Company Name:

Dollar General Corp.

Company Ticker DG

Date of Analysis

2/9/2019



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	\$30,578,666,799	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.55	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	215.16%	Pass
5. Earnings Growth	PEmg < 20	22.67	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	4.86	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	1.55	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.76	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass
	Score		

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$5.13
MG Growth Estimate	10.68%
MG Value	\$153.23
MG Value based on 3% Growth	\$74.39
MG Value based on 0% Growth	\$43.61
Market Implied Growth Rate	7.09%

MG Opinion

Current Price	\$116.32
% of Intrinsic Value	75.91%
Opinion	Fairly Valued
MG Grade	C

Stage 3: Information for Further Research

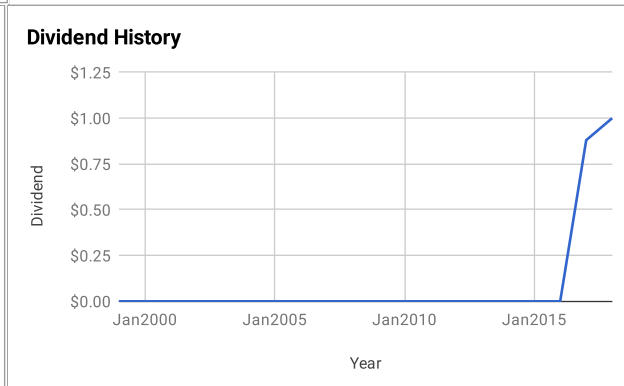
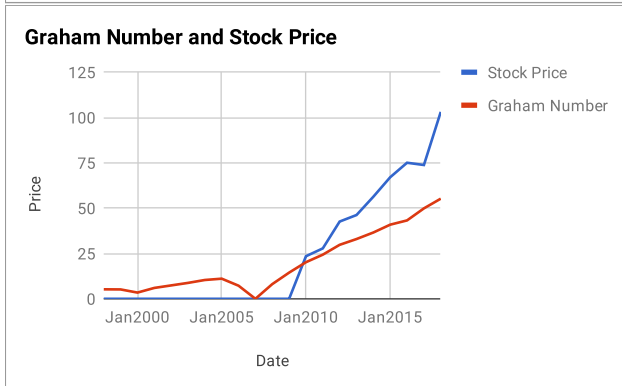
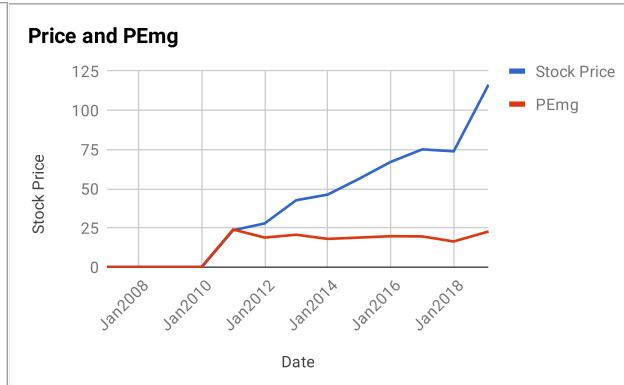
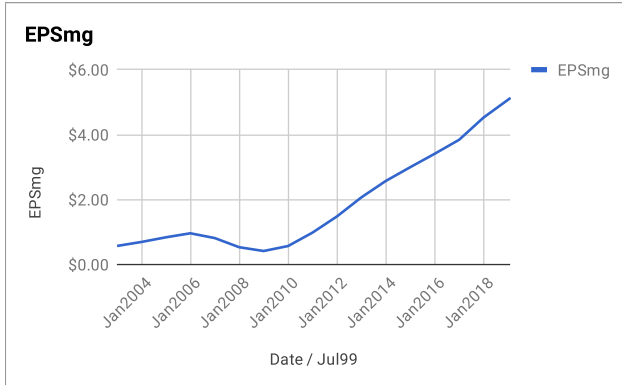
Net Current Asset Value (NCAV)	-\$8.04
Graham Number	\$55.24
PEmg	22.67
Current Ratio	1.55
PB Ratio	4.86
Current Dividend	\$1.04
Dividend Yield	0.89%
Number of Consecutive Years of Dividend Growth	3

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	
Jan2018	\$5.95	Jan2018	\$5.13
Jan2017	\$5.63	Jan2017	\$4.52
Jan2016	\$4.43	Jan2016	\$3.84
Jan2015	\$3.95	Jan2015	\$3.41
Jan2014	\$3.49	Jan2014	\$3.00
Jan2013	\$3.17	Jan2013	\$2.57
Jan2012	\$2.85	Jan2012	\$2.07
Jan2011	\$2.22	Jan2011	\$1.48
Jan2010	\$1.82	Jan2010	\$0.98
Jan2009	\$1.04	Jan2009	\$0.57
Jan2008	\$0.34	Jan2008	\$0.41
Jan2007	\$0.00	Jan2007	\$0.53
Jan2006	\$0.44	Jan2006	\$0.81
Jan2005	\$1.08	Jan2005	\$0.96
Jan2004	\$1.04	Jan2004	\$0.84
Jan2003	\$0.89	Jan2003	\$0.69
Jan2002	\$0.78	Jan2003	\$0.57
Jan2001	\$0.62	Balance Sheet Information 10/1/2018	
Jan2000	\$0.21	Total Current Assets	\$4,630,344,000
Jan2000	\$0.55	Total Current Liabilities	\$2,982,182,000
Jan1999	\$0.45	Long-Term Debt	\$2,902,439,000
		Total Assets	\$13,121,021,000
		Intangible Assets	\$5,538,859,000
		Total Liabilities	\$6,765,133,000
		Shares Outstanding (Diluted Average)	265,522,000





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:

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ModernGraham
posts about the
company

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[14 Best Undervalued Stocks of the Week – 8/6/16](#)
[Dollar General Corp Valuation – August 2016 \\$DG](#)
[27 Companies in the Spotlight This Week – 4/4/15](#)
[Dollar General Corporation Annual Valuation – April 2015 \\$DG](#)

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[Canadian National Railway Co Valuation – August 2018 \\$TSE:CNR](#)
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[Norfolk Southern Corp Valuation – April 2018-corrected](#)
[Norfolk Southern Corp Valuation – April 2018 \\$NSC](#)
[CSX Corporation Valuation – April 2018 \\$CSX](#)
[Union Pacific Corp Valuation – April 2018 \\$UNP](#)
[Canadian Pacific Railway Ltd Valuation – Initial Coverage \\$TSE:CP](#)
[Canadian National Railway Co Valuation – Initial Valuation \\$TSE:CNR](#)
[Kansas City Southern Valuation – December 2016 \\$KSU](#)