

# ModernGraham Valuation

Company Name:

Dollar Tree, Inc.

Company Ticker DLTR

Date of Analysis

3/7/2019



## 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	\$24,548,986,071	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.22	Pass
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	220.13%	Pass
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	23.23	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	3.10	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	2.22	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.93	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	\$4.44
MG Growth Estimate	10.62%
<b>MG Value</b>	<b>\$132.06</b>
MG Value based on 3% Growth	\$64.38
MG Value based on 0% Growth	\$37.74
Market Implied Growth Rate	7.37%

### MG Opinion

Current Price	\$103.16
% of Intrinsic Value	78.11%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>D+</b>

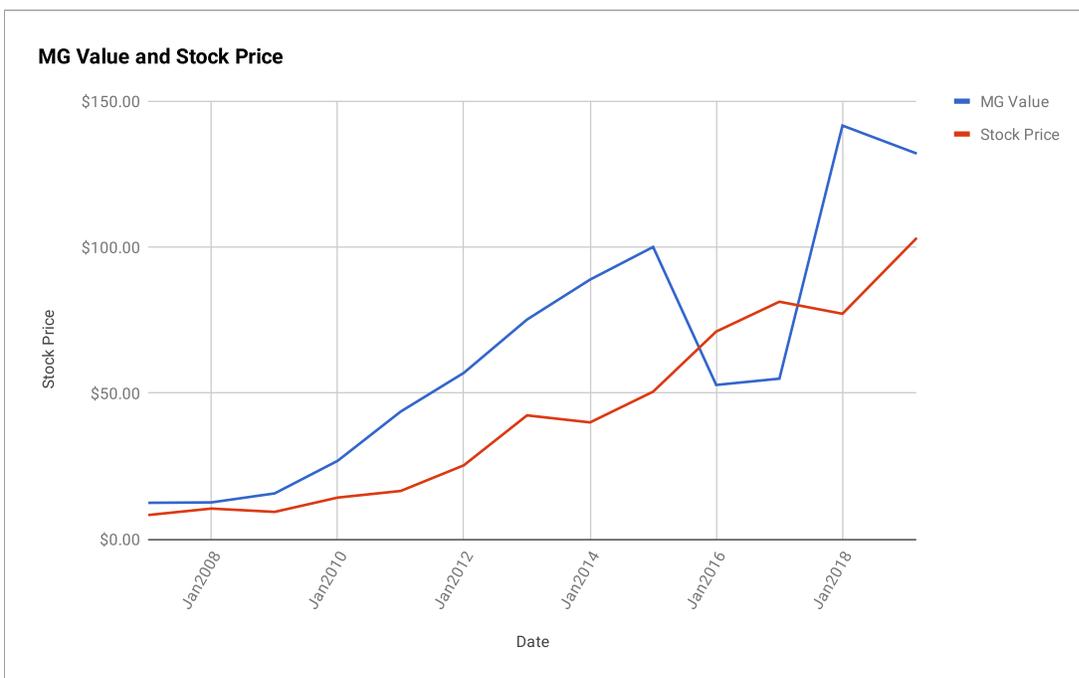
## Stage 3: Information for Further Research

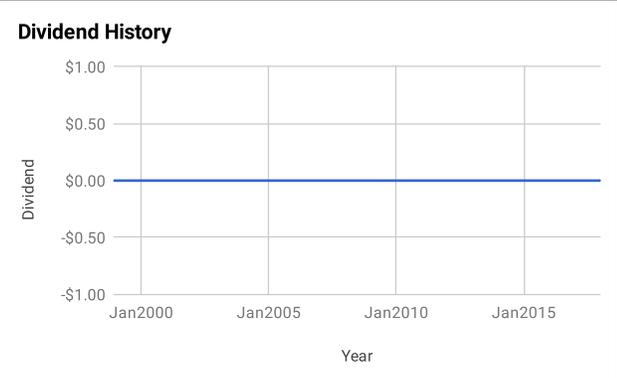
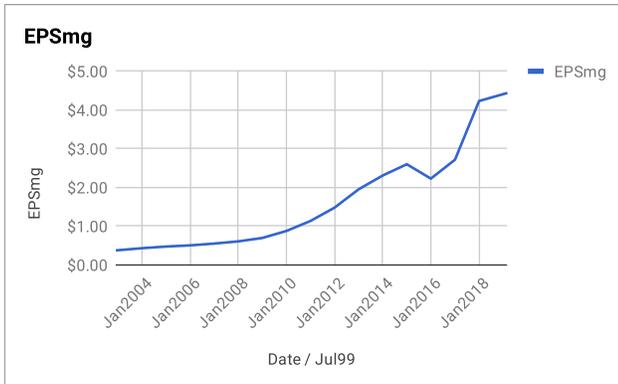
Net Current Asset Value (NCAV)	-\$16.58
Graham Number	\$53.48
PEmg	23.23
Current Ratio	2.22
PB Ratio	3.10
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### 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	\$4.20	Next Fiscal Year Estimate	\$4.44
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	<b>Balance Sheet Information 10/1/2018</b>	
Dec2000	\$0.36	Total Current Assets	\$4,749,500,000
Dec1999	\$0.31	Total Current Liabilities	\$2,135,700,000
Dec1998	\$0.24	Long-Term Debt	\$5,043,800,000
		Total Assets	\$16,649,300,000
		Intangible Assets	\$8,442,800,000
		Total Liabilities	\$8,706,200,000
		Shares Outstanding (Diluted Average)	238,700,000





**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 – May 2018 \\$DLTR](#)
- [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](#)

**Other ModernGraham posts about related companies**

- [TJX Companies Inc Valuation – February 2019 \\$TJX](#)
- [Tractor Supply Co Valuation – February 2019 \\$TSCO](#)
- [Tapestry Inc Valuation – February 2019 \\$TPR](#)
- [Dollar General Corp Valuation – February 2019 \\$DG](#)
- [Tiffany & Co Valuation – February 2019 \\$TIF](#)
- [Best Buy Co Inc Valuation – February 2019 \\$BBY](#)
- [Macy's Inc Valuation – January 2019 \\$M](#)
- [Ross Stores Inc Valuation – January 2019 \\$ROST](#)
- [Walgreens Boots Alliance Inc Valuation – December 2018 \\$WBA](#)
- [Nordstrom Inc Valuation – December 2018 \\$JWN](#)