UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended July 29, 2023

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 0-25464

DOLLAR TREE, INC.
(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction of incorporation or organization)

26-2018846
(I.R.S. Employer Identification No.)

500 Volvo Parkway
Chesapeake, Virginia
(Address of principal executive offices)

23320
(Zip Code)

(757) 321-5000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $.01 per share	DLTR	NASDAQ Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of August 22, 2023, there were220,005,537 shares of the registrant’s common stock outstanding.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

DOLLAR TREE, INC.
CONDENSED CONSOLIDATED INCOME STATEMENTS
(Unaudited)

	13 Weeks Ended		26 Weeks Ended	
(in millions, except per share data)	July 29, 2023	July 30, 2022	July 29, 2023	July 30, 2022
Net sales	$ 7,320.1	$ 6,765.3	$ 14,639.6	$ 13,665.4
Other revenue	5.2	3.2	9.5	5.7
Total revenue	7,325.3	6,768.5	14,649.1	13,671.1
Cost of sales	5,185.4	4,640.9	10,274.5	9,200.5
Selling, general and administrative expenses	1,852.1	1,622.2	3,667.1	3,233.7
Operating income	287.8	505.4	707.5	1,236.9
Interest expense, net	24.2	30.6	50.1	64.6
Other (income) expense, net	(0.1)	0.1	—	0.1
Income before income taxes	263.7	474.7	657.4	1,172.2
Provision for income taxes	63.3	114.8	158.0	275.9
Net income	$ 200.4	$ 359.9	$ 499.4	$ 896.3
Basic net income per share	$ 0.91	$ 1.61	$ 2.26	$ 3.99
Diluted net income per share	$ 0.91	$ 1.60	$ 2.26	$ 3.97

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

DOLLAR TREE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	13 Weeks Ended		26 Weeks Ended	
(in millions)	July 29, 2023	July 30, 2022	July 29, 2023	July 30, 2022
Net income	$ 200.4	$ 359.9	$ 499.4	$ 896.3
Foreign currency translation adjustments	3.9	(1.0)	1.1	(1.1)
Total comprehensive income	$ 204.3	$ 358.9	$ 500.5	$ 895.2

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

DOLLAR TREE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in millions)	July 29, 2023	January 28, 2023	July 30, 2022
ASSETS			
Current assets:			
Cash and cash equivalents	$ 512.7	$ 642.8	$ 688.9
Merchandise inventories	5,329.4	5,449.3	5,422.2
Other current assets	315.3	275.0	266.2
Total current assets	6,157.4	6,367.1	6,377.3
Property, plant and equipment, net of accumulated depreciation of $6,361.6, $6,025.4 and $5,688.9, respectively	5,359.2	4,972.2	4,652.9
Restricted cash	70.1	68.5	53.5
Operating lease right-of-use assets	6,670.9	6,458.0	6,433.6
Goodwill	1,983.3	1,983.1	1,984.3
Trade name intangible asset	3,100.0	3,100.0	3,100.0
Deferred tax asset	13.1	15.0	17.7
Other assets	74.0	58.2	57.0
Total assets	$ 23,428.0	$ 23,022.1	$ 22,676.3
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Current portion of operating lease liabilities	$ 1,478.6	$ 1,449.6	$ 1,428.3
Accounts payable	1,776.4	1,899.8	2,011.3
Income taxes payable	10.0	58.1	27.4
Other current liabilities	885.3	817.7	913.5
Total current liabilities	4,150.3	4,225.2	4,380.5
Long-term debt, net	3,423.9	3,421.6	3,419.3
Operating lease liabilities, long-term	5,447.8	5,255.3	5,139.5
Deferred income taxes, net	1,107.6	1,105.7	1,063.6
Income taxes payable, long-term	18.1	17.4	20.7
Other liabilities	249.3	245.4	256.2
Total liabilities	14,397.0	14,270.6	14,279.8
Commitments and contingencies (Note 2)			
Shareholders' equity:			
Common stock, par value $0.01; 600,000,000 shares authorized, 219,918,166, 221,222,984 and 223,932,187 shares issued and outstanding, respectively	2.2	2.2	2.2
Additional paid-in capital	446.5	667.5	1,026.7
Accumulated other comprehensive loss	(40.1)	(41.2)	(36.3)
Retained earnings	8,622.4	8,123.0	7,403.9
Total shareholders' equity	9,031.0	8,751.5	8,396.5
Total liabilities and shareholders' equity	$ 23,428.0	$ 23,022.1	$ 22,676.3

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

DOLLAR TREE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited)

	13 Weeks Ended July 29, 2023										
(in millions)	Common Stock Shares		Common Stock		Additional Paid-in Capital		Accumulated Other Comprehensive Loss		Retained Earnings		Shareholders' Equity
Balance at April 29, 2023	220.6	$	2.2	$	519.5	$	(44.0)	$	8,422.0	$	8,899.7
Net income	—		—		—		—		200.4		200.4
Total other comprehensive income	—		—		—		3.9		—		3.9
Issuance of stock under Employee Stock Purchase Plan	—		—		2.5		—		—		2.5
Stock-based compensation, net	—		—		24.4		—		—		24.4
Repurchase of stock	(0.7)		—		(99.9)		—		—		(99.9)
Balance at July 29, 2023	219.9	$	2.2	$	446.5	$	(40.1)	$	8,622.4	$	9,031.0

	26 Weeks Ended July 29, 2023										
(in millions)	Common Stock Shares		Common Stock		Additional Paid-in Capital		Accumulated Other Comprehensive Loss		Retained Earnings		Shareholders' Equity
Balance at January 28, 2023	221.2	$	2.2	$	667.5	$	(41.2)	$	8,123.0	$	8,751.5
Net income	—		—		—		—		499.4		499.4
Total other comprehensive income	—		—		—		1.1		—		1.1
Issuance of stock under Employee Stock Purchase Plan	—		—		5.4		—		—		5.4
Exercise of stock options	—		—		0.1		—		—		0.1
Stock-based compensation, net	0.4		—		25.5		—		—		25.5
Repurchase of stock	(1.7)		—		(252.0)		—		—		(252.0)
Balance at July 29, 2023	219.9	$	2.2	$	446.5	$	(40.1)	$	8,622.4	$	9,031.0

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

DOLLAR TREE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (cont.)
(Unaudited)

	13 Weeks Ended July 30, 2022					
(in millions)	Common Stock Shares	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Shareholders' Equity
Balance at April 30, 2022	225.5	$ 2.2	$ 1,230.6	$ (35.3)	$ 7,044.0	$ 8,241.5
Net income	—	—	—	—	359.9	359.9
Total other comprehensive loss	—	—	—	(1.0)	—	(1.0)
Issuance of stock under Employee Stock Purchase Plan	—	—	1.9	—	—	1.9
Stock-based compensation, net	0.1	—	30.0	—	—	30.0
Repurchase of stock	(1.7)	—	(235.8)	—	—	(235.8)
Balance at July 30, 2022	223.9	$ 2.2	$ 1,026.7	$ (36.3)	$ 7,403.9	$ 8,396.5

	26 Weeks Ended July 30, 2022					
(in millions)	Common Stock Shares	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Shareholders' Equity
Balance at January 29, 2022	225.1	$ 2.2	$ 1,243.9	$ (35.2)	$ 6,507.6	$ 7,718.5
Net income	—	—	—	—	896.3	896.3
Total other comprehensive loss	—	—	—	(1.1)	—	(1.1)
Issuance of stock under Employee Stock Purchase Plan	—	—	4.8	—	—	4.8
Stock-based compensation, net	0.6	—	28.0	—	—	28.0
Repurchase of stock	(1.8)	—	(250.0)	—	—	(250.0)
Balance at July 30, 2022	223.9	$ 2.2	$ 1,026.7	$ (36.3)	$ 7,403.9	$ 8,396.5

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

DOLLAR TREE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	26 Weeks Ended	
(in millions)	July 29, 2023	July 30, 2022
Cash flows from operating activities:		
Net income	$ 499.4	$ 896.3
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	399.0	382.4
Provision for deferred income taxes	3.8	78.8
Stock-based compensation expense	53.2	66.1
Amortization of debt discount and debt-issuance costs	2.3	2.3
Other non-cash adjustments to net income	37.6	18.8
Changes in operating assets and liabilities:		
Merchandise inventories	120.5	(1,055.3)
Income taxes receivable	(22.0)	—
Other current assets	(18.5)	(10.0)
Other assets	(15.9)	(4.9)
Accounts payable	(123.8)	127.4
Income taxes payable	(48.0)	(55.2)
Other current liabilities	35.7	83.5
Other liabilities	4.8	(0.1)
Operating lease right-of-use assets and liabilities, net	(4.3)	(9.5)
Net cash provided by operating activities	923.8	520.6
Cash flows from investing activities:		
Capital expenditures	(775.8)	(529.6)
Payments for fixed asset disposition	(5.2)	(3.8)
Net cash used in investing activities	(781.0)	(533.4)
Cash flows from financing activities:		
Proceeds from stock issued pursuant to stock-based compensation plans	5.5	4.8
Cash paid for taxes on exercises/vesting of stock-based compensation	(27.7)	(38.1)
Payments for repurchase of stock	(250.0)	(250.0)
Net cash used in financing activities	(272.2)	(283.3)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	0.9	0.2
Net decrease in cash, cash equivalents and restricted cash	(128.5)	(295.9)
Cash, cash equivalents and restricted cash at beginning of period	711.3	1,038.3
Cash, cash equivalents and restricted cash at end of period	$ 582.8	$ 742.4
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest, net of amounts capitalized	$ 64.5	$ 64.3
Income taxes	$ 223.6	$ 253.2
Non-cash transactions:		
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 959.7	$ 726.1
Accrued capital expenditures	$ 86.3	$ 96.1

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

DOLLAR TREE, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Basis of Presentation

Unless otherwise stated, references to "we," "us," and "our" in this quarterly report on Form 10-Q refer to Dollar Tree, Inc. and its direct and indirect subsidiaries on a consolidated basis. We have prepared the accompanying unaudited condensed consolidated financial statements in accordance with U.S. generally accepted accounting principles for interim financial information and pursuant to the requirements of Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete consolidated financial statements. The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in our Annual Report on Form 10-K for the year ended January 28, 2023. The results of operations for the 13 and 26 weeks ended July 29, 2023 are not necessarily indicative of the results to be expected for the entire fiscal year ending February 3, 2024.

In our opinion, the unaudited condensed consolidated financial statements included herein contain all adjustments (including those of a normal recurring nature) considered necessary for a fair presentation of our financial position as of July 29, 2023 and July 30, 2022 and the results of our operations and cash flows for the periods presented. The January 28, 2023 balance sheet information was derived from the audited consolidated financial statements as of that date.

Note 2 - Contingencies

We are defendants in legal proceedings including class, collective, representative and large cases as well as individual claims in arbitration. We will vigorously defend ourselves in these matters. We do not believe that any of these matters will, individually or in the aggregate, have a material effect on our business, financial condition, or liquidity. We cannot give assurance, however, that one or more of these matters will not have a material effect on our results of operations for the quarter or year in which they are reserved or resolved.

We assess our legal proceedings monthly and reserves are established if a loss is probable and the amount of such loss can be reasonably estimated. For matters that have settled, we reserve the estimated settlement amount. Many, if not substantially all, of our legal proceedings are subject to significant uncertainties and, therefore, determining the likelihood of a loss and the measurement of any loss can be complex and subject to judgment. With respect to the matters noted below where we have determined that a loss is reasonably possible but not probable, we are unable to reasonably estimate the amount or range of the possible loss at this time due to the inherent difficulty of predicting the outcome of and uncertainties regarding legal proceedings. Our assessments are based on estimates and assumptions that have been deemed reasonable by management, but that may prove to be incomplete or inaccurate, and unanticipated events and circumstances may occur that might cause us to change those estimates and assumptions. Management's assessment of legal proceedings could change because of future determinations or the discovery of facts which are not presently known. Accordingly, the ultimate costs of resolving these proceedings may be substantially higher or lower than currently estimated.

Active Matters

DC 202-related Matters

On February 11, 2022, the FDA issued Form 483 observations primarily regarding rodent infestation at Family Dollar's West Memphis, Arkansas distribution center ("DC 202") and the related sale and distribution of adulterated product, as well as other processes and procedures that required remediation. In connection therewith, we initiated a retail-level product recall of FDA and U.S. Department of Agriculture-regulated products stored and shipped from DC 202 from January 1, 2021 through February 18, 2022 (the "Recall"), temporarily closed DC 202 for extensive cleaning, temporarily closed the affected stores to permit the removal and destruction of inventory subject to the Recall, ceased sales of relevant inventory subject to the Recall, ceased the direct shipment of FDA-regulated products from DC 202, and initiated corrective actions. In June 2022, we stopped shipping to stores from DC 202 and have since disposed of all of the subject inventory that was in the facility.

Since February 22, 2022, Family Dollar has been named in14 putative class action complaints primarily related to issues associated with DC 202 described above. The lawsuits are proceeding in federal court in Tennessee using the federal court's multi-district litigation ("MDL") process, seek class action status, and allege violations of the Mississippi, Arkansas, Louisiana, Tennessee, Alabama and Missouri consumer protection laws, breach of warranty, negligence, misrepresentation, deception and unjust enrichment related to the sale of products that may be contaminated by virtue of rodent infestation and other unsanitary conditions at DC 202. Plaintiffs sought damages, attorney fees and costs, punitive damages and replacement or refund of money paid to purchase the relevant products, and any other legal relief available for their claims (in each case in unspecified amounts), including equitable and injunctive relief. As a result of a mediation held in April 2023, the parties reached a claims made settlement whereby one class member per household will receive a $25 Family Dollar gift certificate. A hearing on the plaintiffs' motion for preliminary approval of the settlement was held on July 21, 2023.

On March 1, 2022, a federal grand jury subpoena was issued to us by the Eastern District of Arkansas requesting the production of information, documents and records pertaining to pests, sanitation and compliance with law regarding certain of our procedures and products. In connection with this matter, we have been investigating the condition of FDA-regulated product shipped from DC 202. We are cooperating fully with the U.S. Department of Justice investigation, including having produced documents and provided additional information. We are currently engaged in discussions with the government in an effort to reach a negotiated resolution. Due to the inherent uncertainties associated with this matter, no assurance can be given as to the timing or outcome of this matter, but we acknowledge that any negotiated resolution will include penalties and company undertakings.

On April 28, 2022, the State of Arkansas filed a complaint in state court alleging violations of the Arkansas Deceptive Trade Practices Act, gross negligence and negligence, strict liability in tort, unjust enrichment and civil conspiracy related to the sale of products that may have been contaminated by virtue of rodent infestation and other unsanitary conditions at DC 202. The State of Arkansas is seeking injunctive relief, restitution, disgorgement, damages, civil penalties, punitive damages and suspension or revocation of our authorization to do business in Arkansas. The parties have engaged in discussions regarding a potential resolution of this action.

Based on the developments discussed above, we have determined that there is a probable risk of liability for settlement amounts, costs, and potential penalties and accrued $30.0 million in the first quarter of fiscal 2023 for DC 202-related matters. We are currently unable to estimate the amount of additional incremental loss, if any, which may result when the matters are finally resolved. Based on the information available to date, we do not believe the resolution of the DOJ investigation, the State of Arkansas complaint, or settlement of any pending or potential civil litigation related to DC 202 will have a material adverse effect on our business, financial condition, or liquidity.

Talc Product Matters

Eight personal injury lawsuits are pending in state court in Illinois, New York, Texas, and New Jersey against Dollar Tree, Family Dollar or both alleging that certain talc products that we sold caused cancer. The plaintiffs seek compensatory, punitive and exemplary damages, damages for loss of consortium, and attorneys' fees and costs. Although we have been able to resolve previous talc lawsuits against us without material loss, given the inherent uncertainties of litigation there can be no assurances regarding the outcome of pending or future cases. Future costs to litigate these cases are not known but may be material, and it is uncertain whether our costs will be covered by insurance. In addition, although we have indemnification rights against our vendors in several of these cases, it is uncertain whether the vendors will have the financial ability to fulfill their obligations to us.

Acetaminophen Matters

Since August 2022, personal injury cases have been filed in federal court against Dollar Tree, Family Dollar, or both, on behalf of minors alleging that their mothers took acetaminophen while pregnant, that the acetaminophen interfered with fetal development such that plaintiffs were born with autism and/or ADHD, and that we knew or should have known of the danger, had a duty to warn and failed to include appropriate warnings on the product labels. There are currently dozens of cases pending. The plaintiffs seek compensatory, punitive and/or exemplary damages, restitution and disgorgement, economic damages, and attorneys' fees and costs. These cases, which originated in Alabama, California, Florida, Georgia, Louisiana, Minnesota, Missouri, North Carolina, Kentucky, Tennessee and Texas, along with other cases against many other defendants, have been consolidated in multi-district court litigation in the Southern District of New York.

Note 3 - Debt

Commercial Paper Program

In July 2023, we established a commercial paper program to issue unsecured commercial paper notes with maturities up to397 days from the date of issue, up to a maximum aggregate face or principal amount outstanding at any time of $1.5 billion. We expect to use the net proceeds of note issuances for general corporate purposes. Our Revolving Credit Facility will serve as a liquidity backstop for the repayment of notes outstanding under the program. The notes will rank pari passu with all of our other unsecured and unsubordinated indebtedness. As of July 29, 2023, no notes have been issued under the program.

Note 4 - Fair Value Measurements

As required, financial assets and liabilities are classified in the fair value hierarchy in their entirety based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis; that is, the assets and liabilities are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (e.g., when there is evidence of impairment). We did not record any material impairment charges during the 13 or 26 weeks ended July 29, 2023 or July 30, 2022.

Fair Value of Financial Instruments

The carrying amounts of Cash and cash equivalents, Restricted cash and Accounts payable as reported in the accompanying unaudited condensed consolidated balance sheets approximate fair value due to their short-term maturities. The carrying values of our Revolving Credit Facility and borrowings under our commercial paper program approximate their fair values.

The aggregate fair values and carrying values of our long-term borrowings were as follows:

	July 29, 2023		January 28, 2023		July 30, 2022	
(in millions)	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value
Level 1						
Senior Notes	$ 3,087.4	$ 3,428.3	$ 3,162.8	$ 3,426.7	$ 3,244.0	$ 3,425.0

The fair values of our Senior Notes were determined using Level 1 inputs as quoted prices in active markets for identical assets or liabilities are available.

Note 5 - Net Income Per Share

The following table sets forth the calculations of basic and diluted net income per share:

	13 Weeks Ended		26 Weeks Ended	
(in millions, except per share data)	July 29, 2023	July 30, 2022	July 29, 2023	July 30, 2022
Basic net income per share:				
Net income	$ 200.4	$ 359.9	$ 499.4	$ 896.3
Weighted average number of shares outstanding	220.1	224.2	220.6	224.7
Basic net income per share	$ 0.91	$ 1.61	$ 2.26	$ 3.99
Diluted net income per share:				
Net income	$ 200.4	$ 359.9	$ 499.4	$ 896.3
Weighted average number of shares outstanding	220.1	224.2	220.6	224.7
Dilutive effect of stock options and restricted stock (as determined by applying the treasury stock method)	0.4	0.8	0.5	1.0
Weighted average number of shares and dilutive potential shares outstanding	220.5	225.0	221.1	225.7
Diluted net income per share	$ 0.91	$ 1.60	$ 2.26	$ 3.97

Stock options and other stock-based awards of 2.4 million shares and 3.0 million shares were excluded from the calculation of diluted net income per share for the 13 and 26 weeks ended July 29, 2023, respectively, because their inclusion would be anti-dilutive. Stock options and other stock-based awards of 2.3 million shares and 2.8 million shares were excluded from the calculation of diluted net income per share for the 13 and 26 weeks ended July 30, 2022, respectively, because their inclusion would be anti-dilutive.

Note 6 - Shareholders' Equity

We repurchased 703,713 and 1,728,713 shares of common stock on the open market at a cost of $99.9 million and $252.0 million, including applicable excise tax, during the 13 and 26 weeks ended July 29, 2023, respectively. We repurchased 1,664,717 and 1,754,496 shares of common stock on the open market at a cost of $235.8 million and $250.0 million during the 13 and 26 weeks ended July 30, 2022, respectively. At July 29, 2023, we had $1.6 billion remaining under our Board repurchase authorization.

Note 7 - Segments and Disaggregated Revenue

We operate more than 16,400 retail discount stores in 48 states and five Canadian provinces. Our operations are conducted in two reporting business segments: Dollar Tree and Family Dollar. We define our segments as those operations whose results our chief operating decision maker ("CODM") regularly reviews to analyze performance and allocate resources.

The Dollar Tree segment is the leading operator of discount variety stores offering merchandise predominantly at the fixed price point of $1.25, with additional offerings at $3, $4 and $5 price points. The Dollar Tree segment includes our operations under the "Dollar Tree" and "Dollar Tree Canada" brands, 15 distribution centers in the United States and two distribution centers in Canada.

The Family Dollar segment operates a chain of general merchandise retail discount stores providing consumers with a selection of competitively-priced merchandise in convenient neighborhood stores. The Family Dollar segment consists of our operations under the "Family Dollar" brand and ten distribution centers. The Family Dollar segment Operating income includes advertising revenue, which is a component of Other revenue in the accompanying unaudited condensed consolidated income statements.

We measure the results of our segments using, among other measures, each segment's net sales, gross profit and operating income. The CODM reviews these metrics for each of our reporting segments. We may revise the measurement of each segment's operating income, as determined by the information regularly reviewed by the CODM. If the measurement of a segment changes, prior period amounts and balances are reclassified to be comparable to the current period's presentation. Corporate, support and Other consists primarily of store support center costs that are considered shared services and therefore these selling, general and administrative costs are excluded from our two reporting business segments. These costs include operating expenses for our store support center and the results of operations for our Summit Pointe property in Chesapeake, Virginia.

Information for our segments, as well as for Corporate, support and Other, including the reconciliation to Income before income taxes, is as follows:

	13 Weeks Ended		26 Weeks Ended	
(in millions)	July 29, 2023	July 30, 2022	July 29, 2023	July 30, 2022
Condensed Consolidated Income Statement Data:				
Net sales:				
Dollar Tree	$ 3,873.4	$ 3,571.1	$ 7,805.1	$ 7,352.9
Family Dollar	3,446.7	3,194.2	6,834.5	6,312.5
Consolidated Net sales	$ 7,320.1	$ 6,765.3	$ 14,639.6	$ 13,665.4
Gross profit:				
Dollar Tree	$ 1,293.3	$ 1,334.9	$ 2,681.9	$ 2,869.6
Family Dollar	841.4	789.5	1,683.2	1,595.3
Consolidated Gross profit	$ 2,134.7	$ 2,124.4	$ 4,365.1	$ 4,464.9
Operating income (loss):				
Dollar Tree	$ 397.8	$ 550.8	$ 933.5	$ 1,315.0
Family Dollar	11.8	55.0	20.6	144.5
Corporate, support and Other	(121.8)	(100.4)	(246.6)	(222.6)
Consolidated Operating income	287.8	505.4	707.5	1,236.9
Interest expense, net	24.2	30.6	50.1	64.6
Other expense, net	(0.1)	0.1	—	0.1
Income before income taxes	$ 263.7	$ 474.7	$ 657.4	$ 1,172.2

(in millions)	As of July 29, 2023	As of January 28, 2023	As of July 30, 2022
Condensed Consolidated Balance Sheet Data:			
Goodwill:			
Dollar Tree	$ 423.8	$ 423.6	$ 424.8
Family Dollar	1,559.5	1,559.5	1,559.5
Consolidated Goodwill	$ 1,983.3	$ 1,983.1	$ 1,984.3
Total assets:			
Dollar Tree	$ 9,742.9	$ 9,914.6	$ 9,783.8
Family Dollar	13,065.0	12,562.2	12,359.1
Corporate, support and Other	620.1	545.3	533.4
Consolidated Total assets	$ 23,428.0	$ 23,022.1	$ 22,676.3

Disaggregated Revenue

The following table summarizes net sales by merchandise category for our segments:

(in millions)	13 Weeks Ended July 29, 2023		13 Weeks Ended July 30, 2022		26 Weeks Ended July 29, 2023		26 Weeks Ended July 30, 2022	
Dollar Tree segment net sales by merchandise category:								
Consumable	$ 1,880.9	48.5 %	$ 1,671.9	46.8 %	$ 3,768.1	48.3 %	$ 3,419.1	46.5 %
Variety	1,981.8	51.2 %	1,892.9	53.0 %	3,845.4	49.3 %	3,757.3	51.1 %
Seasonal	10.7	0.3 %	6.3	0.2 %	191.6	2.4 %	176.5	2.4 %
Total Dollar Tree segment net sales	$ 3,873.4	100.0 %	$ 3,571.1	100.0 %	$ 7,805.1	100.0 %	$ 7,352.9	100.0 %
Family Dollar segment net sales by merchandise category:								
Consumable	$ 2,741.9	79.6 %	$ 2,467.0	77.3 %	$ 5,455.4	79.8 %	$ 4,902.1	77.7 %
Home products	223.0	6.5 %	234.1	7.3 %	462.5	6.8 %	482.2	7.6 %
Apparel and accessories	174.4	5.0 %	191.9	6.0 %	337.6	4.9 %	359.3	5.7 %
Seasonal and electronics	307.4	8.9 %	301.2	9.4 %	579.0	8.5 %	568.9	9.0 %
Total Family Dollar segment net sales	$ 3,446.7	100.0 %	$ 3,194.2	100.0 %	$ 6,834.5	100.0 %	$ 6,312.5	100.0 %

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Cautionary Note Regarding Forward-Looking Statements

This document contains "forward-looking statements" as that term is used in the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the fact that they address future events, developments and results and do not relate strictly to historical facts. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. Forward-looking statements include, without limitation, statements preceded by, followed by or including words such as "believe," "anticipate," "expect," "intend," "plan," "view," "target" or "estimate," "may," "will," "should," "predict," "possible," "potential," "continue," "strategy," and similar expressions. For example, our forward-looking statements include, without limitation, statements regarding:

- Our plans and expectations regarding our current initiatives and future strategic investments and the uncertainty with respect to the amount, timing and impact of those initiatives and investments on our business and results of operations;
- Our merchandising plans and initiatives and related impacts, including those regarding product assortment, merchandisable space and store layout, cooler and freezer expansions, private label products and planogram and category resets in the Family Dollar segment, and multi-price assortments in the Dollar Tree segment;
- Our plans to add, renovate and remodel stores, including our plans relating to new store concepts such as H2.5, rural and XSB formats for Family Dollar stores, and Dollar Tree *Plus* formats, and our expectations regarding store standards and operations, efficiency initiatives, selling square footage and the performance of those formats;
- Our expectations regarding the implementation and impact of investments in supply chain, distribution facilities, store delivery and equipment, and technology initiatives, store appearance, wage investments and other workforce investments and goals;
- The expected and possible outcome, costs, and impact of pending or potential litigation, arbitrations, other legal proceedings or governmental investigations (including U.S. Food and Drug Administration and Department of Justice matters), and the availability of indemnification or insurance with respect to such matters;
- Our expectations regarding the impact of inflation on our business;
- Our expectations regarding our commercial paper program, including our expected use of proceeds and repayment sources; and
- Our cash needs, including our ability to fund our future capital expenditures and working capital requirements.

A forward-looking statement is neither a prediction nor a guarantee of future results, events or circumstances. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q. Our forward-looking statements are all based on currently available operating, financial and business information. The outcome of the events described in these forward-looking statements is subject to a variety of factors, including, but not limited to, the risks and uncertainties summarized below and the more detailed discussions in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections and elsewhere in our Annual Report on Form 10-K for the fiscal year ended January 28, 2023, and in this Quarterly Report on Form 10-Q. The following risks could have a material adverse impact on our sales, costs, profitability, financial performance or implementation of strategic initiatives:

- Our profitability is vulnerable to increases in merchandise, shipping, freight and fuel costs, wage and benefit costs and other operating costs.
- We are experiencing higher costs and disruptions in our distribution network, which have had and could have an adverse impact on our sales, margins and profitability.
- We may stop selling or recall certain products for safety-related or other issues.
- Our business and results of operations could be materially harmed if we experience a decline in consumer confidence and spending as a result of consumer concerns about the quality and safety of our products or our brand standards.
- Inflation or other adverse change or downturn in economic conditions could impact our sales or profitability.
- Risks associated with our domestic and foreign suppliers could adversely affect our financial performance.
- Our supply chain may be disrupted by changes in United States trade policy with China.
- Our growth is dependent on our ability to increase sales in existing stores and to expand our square footage profitably.

- Our profitability is affected by the mix of products we sell.
- Pressure from competitors may reduce our sales and profits.
- Our business could be adversely affected if we fail to attract and retain qualified associates and key personnel.
- We may not be successful in implementing or in anticipating the impact of important strategic initiatives, we may fail to realize our desired sales, operational efficiencies or other anticipated benefits of those initiatives, and our plans for implementing such initiatives may be altered or delayed due to various factors, any of which may have an adverse impact on our business and financial results.
- Customers may not accept or respond to changes in our product assortment, store layouts and formats, and other results of our strategic initiatives.
- We could incur losses due to impairment of long-lived assets, goodwill and intangible assets.
- We rely on computer and technology systems in our operations, and any material failure, inadequacy, interruption or security failure of those systems, including because of a cyber-attack, could harm our ability to effectively operate and grow our business and could adversely affect our financial results.
- The potential unauthorized access to customer information may violate privacy laws and could damage our business reputation, subject us to negative publicity, litigation and costs, and adversely affect our results of operations or business.
- Litigation, arbitration and government proceedings may adversely affect our business, financial condition and/or results of operations.
- Changes in laws and government regulations or in other stakeholder expectations concerning business conduct, or our failure to adequately estimate the impact of such changes or expectations, could increase our expenses, expose us to legal risks or otherwise adversely affect us.
- Our substantial indebtedness could adversely affect our financial condition, limit our ability to obtain additional financing, restrict our operations and make us more vulnerable to economic downturns and competitive pressures.
- The terms of the agreements governing our indebtedness may restrict our current and future operations, particularly our ability to respond to changes or to pursue our business strategies, and could adversely affect our capital resources, financial condition and liquidity.
- Our variable-rate indebtedness subjects us to interest rate risk, which could cause our annual debt service obligations to increase significantly.
- Our business or the value of our common stock could be negatively affected as a result of actions by shareholders.
- The price of our common stock is subject to market and other conditions and may be volatile.
- Certain provisions in our Articles of Incorporation and By-Laws could delay or discourage a change of control transaction that may be in a shareholder’s best interest.

We cannot assure you that the results, events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements. Moreover, new risks and uncertainties emerge from time to time and it is not possible for us to predict all risks and uncertainties that could have an impact on our forward-looking statements.

We do not undertake to publicly update or revise any forward-looking statements after the date of this Form 10-Q, whether as a result of new information, future events, or otherwise.

Investors should also be aware that while we do, from time to time, communicate with securities analysts and others, it is against our policy to disclose to them any material, nonpublic information or other confidential commercial information. Accordingly, shareholders should not assume that we agree with any statement or report issued by any securities analyst regardless of the content of the statement or report. Furthermore, we have a policy against confirming projections, forecasts or opinions issued by others. Thus, to the extent that reports issued by securities analysts contain any projections, forecasts or opinions, such reports are not our responsibility.

Overview

We are a leading operator of more than 16,400 retail discount stores and we conduct our operations in two reporting segments. Our Dollar Tree segment is the leading operator of discount variety stores offering merchandise predominantly at the fixed price point of $1.25, with additional offerings at $3, $4 and $5 price points. Our Family Dollar segment operates general merchandise retail discount stores providing consumers with a selection of competitively-priced merchandise in convenient neighborhood stores.

Our net sales are derived from the sale of merchandise. Two major factors tend to affect our net sales trends. First is our success at opening new stores. Second is the performance of stores once they are open which can be impacted by a number of factors including operational performance, competition, inflation and changes in the product assortment, pricing, or quality. Sales vary at our existing stores from one year to the next. We refer to this as a change in comparable store net sales, because we include only those stores that are open throughout both of the periods being compared, beginning after the first fifteen months of operation. We include sales from stores expanded or remodeled during the period in the calculation of comparable store net sales, which has the effect of increasing our comparable store net sales. The term ‘expanded’ also includes stores that are relocated. Stores that have been re-bannered are considered to be new stores and are not included in the calculation of the comparable store net sales change until after the first fifteen months of operation under the new brand. Sales that are excluded from the calculation of comparable store net sales are referred to as non-comparable store sales and consist of sales from new stores open fifteen months or less and stores that are closed permanently or expected to be closed for more than 90 days.

At July 29, 2023, we operated stores in 48 states and the District of Columbia, as well as stores in five Canadian provinces. The average size of stores opened during the 26 weeks ended July 29, 2023 was approximately 9,310 selling square feet for the Dollar Tree segment and 9,515 selling square feet for the Family Dollar segment. A breakdown of store counts and square footage by segment for the 26 weeks ended July 29, 2023 and July 30, 2022 is as follows:

	26 Weeks Ended					
	July 29, 2023			July 30, 2022		
	Dollar Tree	Family Dollar	Total	Dollar Tree	Family Dollar	Total
Store Count:						
Beginning	8,134	8,206	16,340	8,061	8,016	16,077
New stores	80	145	225	74	165	239
Re-bannered stores	4	(1)	3	(5)	7	2
Closings	(41)	(51)	(92)	(27)	(60)	(87)
Ending	8,177	8,299	16,476	8,103	8,128	16,231
Relocations	16	48	64	17	45	62
Selling Square Feet (in millions):						
Beginning	70.5	61.6	132.1	69.7	59.2	128.9
New stores	0.7	1.4	2.1	0.6	1.5	2.1
Re-bannered stores	—	—	—	—	0.1	0.1
Closings	(0.3)	(0.3)	(0.6)	(0.2)	(0.4)	(0.6)
Relocations	—	0.1	0.1	0.1	0.1	0.2
Ending	70.9	62.8	133.7	70.2	60.5	130.7

Stores are included as re-banners when they close or open, respectively.

The percentage change in comparable store net sales for the 13 and 26 weeks ended July 29, 2023, as compared with the preceding year, is as follows:

	13 Weeks Ended July 29, 2023			26 Weeks Ended July 29, 2023		
	Sales Growth	Change in Customer Traffic	Change in Average Ticket	Sales Growth	Change in Customer Traffic	Change in Average Ticket
Consolidated	6.9%	7.1%	(0.2)%	5.9%	6.1%	(0.2)%
Dollar Tree Segment	7.8%	9.6%	(1.6)%	5.6%	7.7%	(1.9)%
Family Dollar Segment	5.8%	3.4%	2.3%	6.2%	3.9%	2.3%

Comparable store net sales are positively affected by our expanded and relocated stores, which we include in the calculation, and are negatively affected when we open new stores, re-banner stores or expand stores near existing stores.

Net sales per selling square foot is calculated based on total net sales for the preceding 12 months as of the end of the reporting period divided by the average selling square footage during the period. Selling square footage excludes the storage, receiving and office space that generally occupies approximately 20% of the total square footage of our stores. We believe that net sales per selling square foot more accurately depicts the productivity and operating performance of our stores as it isolates that portion of our footprint that is dedicated to selling merchandise. Net sales per selling square foot is calculated for stores open throughout the period presented. Net sales per selling square foot for the 52 weeks ended July 29, 2023 and July 30, 2022 is as follows:

	52 Weeks Ended					
	July 29, 2023			July 30, 2022		
	Dollar Tree	Family Dollar	Total	Dollar Tree	Family Dollar	Total
Net sales per selling square foot	$225	$218	$222	$212	$210	$211

Strategic Initiatives

In recent years, we have pursued and executed a number of strategic initiatives across the Dollar Tree and Family Dollar banners, including the $1.25 price point at Dollar Tree, implementation of Dollar Tree *Plus*, increased frozen and refrigerated products in our stores, and implementation of new store formats at Family Dollar. During our 2023 Investor Conference on June 21, 2023, we outlined updated strategies and plans to build upon these initiatives and drive productive sales growth, improve operating efficiency, invest in technology, and expand our culture of service to our associates. These initiatives include, among others, the following.

Dollar Tree Merchandising. We completed our $1.25 price point initiative with the rollout to all Dollar Tree stores during the first quarter of fiscal 2022. This allowed us to re-introduce products and expand our brand assortment at the new $1.25 price point to provide greater value for our customers and increase customer traffic and store productivity. We are also continuing to implement our Dollar Tree *Plus* initiative, which introduces products priced at the $3 and $5 price points and provides our customers with extraordinary value in select discretionary categories. As of July 29, 2023, we have approximately 3,630 Dollar Tree *Plus* stores.

We are planning the continued expansion of our multi-price product assortment, both through the addition of $3, $4 and $5 frozen and refrigerated product, as well as other consumable and discretionary product. As of July 29, 2023, approximately 5,580 stores had $3, $4 and $5 frozen and refrigerated products. Within these stores, we also plan to transition some of our existing $1.25 freezer and cooler doors to multi-price products. We are currently taking actions to improve operating efficiencies and prepare for expanded multi-price products within our stores, including raising shelf heights, implementing space productivity, and rightsizing assortments.

Family Dollar Merchandising. During the past several years, we have been implementing store design initiatives at Family Dollar with significantly improved merchandise offerings and establishing a minimum number of cooler doors. We are building upon these formats to further tailor space and assortment to local demographics with emerging formats including H2.5, our new primary store format (generally 6,700 to 8,700 square feet) with optimized layout and expanded frozen and refrigerated doors; rural stores, which are an evolution of our Combo format, generally contain more square footage (8,700+ square feet) and have assortments that may include Dollar Tree product; and XSB (Extra Small Box), which generally contain less square footage (less than 6,700 square feet) and add elements of H2.5 optimized to our smaller stores, particularly in urban markets. As of July 29, 2023, we have approximately 830 H2.5 stores, and in the quarter we opened or converted 90 stores into our rural Combo format.

Actions taken in recent months have improved Family Dollar’s price position relative to competition, which we believe has positively impacted customer traffic and average ticket. Building on this momentum, we plan to improve our product assortment across all of Family Dollar’s formats by expanding our SKUs, continuing to add cooler doors, increasing our standard shelf profile from 72 inches to 78 inches, and implementing planogram and category resets. We continue to introduce new private brands at Family Dollar, convert control brands to private brands and align our “Family” brand message across key categories.

Our Workforce & Our Workplace. Across both of our banners, we are investing in our talent, including initiatives to provide competitive pay and benefits, enhanced training, and attractive career opportunities to deliver an enhanced associate experience, reduce turnover, and improve our store standards and efficiencies and ultimately the customer experience. Additional initiatives include accelerating new store openings and expanding renovations and other projects to optimize and modernize our stores. We are continuing to implement our G.O.L.D. (Grand Opening Look Daily) initiative to improve store appearance, deliver consistent experiences across all stores, and drive positive sales trends.

Supply Chain Optimization. Our supply chain initiatives include enhancing our distribution and transportation network to support store growth and merchandising programs, including investments in building a Dollar Tree Fleet Ownership Program, modernizing the existing Family Dollar fleet, transportation management systems, a new co-bannered distribution center to increase capacity and improve efficiency, and a new rotacart delivery process that is expected to, among other things, streamline the truck unloading and store delivery process, improve associate and driver utilization and improve operational efficiencies.

Technology Investment. Over the next several years, we are planning significant investment in our technology, including next-gen applications, data and analytics capabilities, and enhanced user experience across our business, including our store network and point-of-sale, merchandising and supply chain. We believe these improvements can promote operational efficiencies and deliver an elevated customer experience.

Results of Operations

Our results of operations and period-over-period changes are discussed in the following section. Note that gross profit margin is calculated as gross profit (i.e., net sales less cost of sales) divided by net sales. The selling, general and administrative expense rate and operating income margin are calculated by dividing the applicable amount by total revenue.

Net Sales

	13 Weeks Ended			26 Weeks Ended		
(dollars in millions)	July 29, 2023	July 30, 2022	Percentage Change	July 29, 2023	July 30, 2022	Percentage Change
Net sales	$ 7,320.1	$ 6,765.3	8.2 %	$ 14,639.6	$ 13,665.4	7.1 %
Comparable store net sales change	6.9 %	4.8 %		5.9 %	4.6 %	

The increase in net sales in the 13 weeks ended July 29, 2023 was a result of the comparable store net sales increases in the Dollar Tree and Family Dollar segments and net sales of $233.1 million at non-comparable stores.

Enterprise comparable store net sales increased 6.9% in the 13 weeks ended July 29, 2023, as a result of a 7.1% increase in customer traffic, partially offset by a 0.2% decrease in average ticket. Comparable store net sales increased 7.8% in the Dollar Tree segment and increased 5.8% in the Family Dollar segment.

The increase in net sales in the 26 weeks ended July 29, 2023 was a result of the comparable store net sales increases in the Dollar Tree and Family Dollar segments and net sales of $495.0 million at non-comparable stores.

Enterprise comparable store net sales increased 5.9% in the 26 weeks ended July 29, 2023, as a result of a 6.1% increase in customer traffic, partially offset by a 0.2% decrease in average ticket. Comparable store net sales increased 6.2% in the Family Dollar segment and increased 5.6% in the Dollar Tree segment.

Gross Profit

	13 Weeks Ended			26 Weeks Ended		
(dollars in millions)	July 29, 2023	July 30, 2022	Percentage Change	July 29, 2023	July 30, 2022	Percentage Change
Gross profit	$ 2,134.7	$ 2,124.4	0.5 %	$ 4,365.1	$ 4,464.9	(2.2) %
Gross profit margin	29.2 %	31.4 %	(2.2) %	29.8 %	32.7 %	(2.9) %

The decrease in gross profit margin in the 13 weeks ended July 29, 2023 was a result of the net of the following:

- Merchandise cost, which includes freight, increased 145 basis points resulting from lower initial mark-on due to the prior year benefiting from the $1.25 rollout whereas the current year reflects product value re-investments at Dollar Tree and cost increases as well as higher sales of lower margin consumable merchandise, partially offset by lower freight costs.
- Shrink costs increased 60 basis points in the current year resulting from unfavorable physical inventory results.
- Distribution costs increased 40 basis points due to a higher amount of costs capitalized in the prior year quarter resulting from increasing inventory levels in the prior year quarter and higher distribution center payroll costs in the current year quarter, primarily on the Dollar Tree segment.
- Occupancy costs decreased 25 basis points due to leverage from the comparable store net sales increase.

The decrease in gross profit margin in the 26 weeks ended July 29, 2023 was a result of the net of the following:

- Merchandise cost, which includes freight, increased 215 basis points resulting from lower initial mark-on due to the prior year benefiting from the $1.25 rollout whereas the current year reflects product value re-investments at Dollar Tree and cost increases as well as higher sales of lower margin consumable merchandise, partially offset by lower freight costs.
- Shrink costs increased 60 basis points in the current year resulting from unfavorable physical inventory results.
- Distribution costs increased 50 basis points due to a higher amount of costs capitalized in the prior year resulting from increasing inventory levels on both the Dollar Tree and Family Dollar segments in the prior year and higher distribution center payroll costs in the current year on the Dollar Tree segment.
- Markdown costs decreased 10 basis points due to the prior year including higher clearance markdowns resulting from a transition to a higher value assortment at the $1.25 price point on the Dollar Tree segment and shipping delays of seasonal merchandise and slow moving inventory on the Family Dollar segment, partially offset by higher seasonal markdowns on the Dollar Tree segment in the current year.
- Occupancy costs decreased 25 basis points due to leverage from the comparable store net sales increase.

Selling, General and Administrative Expenses

	13 Weeks Ended			26 Weeks Ended		
(dollars in millions)	July 29, 2023	July 30, 2022	Percentage Change	July 29, 2023	July 30, 2022	Percentage Change
Selling, general and administrative expenses	$ 1,852.1	$ 1,622.2	14.2 %	$ 3,667.1	$ 3,233.7	13.4 %
Selling, general and administrative expense rate	25.3 %	24.0 %	1.3 %	25.0 %	23.7 %	1.3 %

The increase in the selling, general and administrative expense rate in the 13 weeks ended July 29, 2023 was the result of the net of the following:

- Payroll expenses increased 65 basis points primarily due to wage investments and minimum wage increases in store payroll, and higher incentive compensation expense, partially offset by lower stock compensation expense and leverage from the comparable store net sales increase.
- Other selling, general and administrative expenses increased 45 basis points primarily due to unfavorable development of general liability insurance claims, increases in professional fees, and higher information technology system costs.
- Store facility costs increased 25 basis points primarily due to higher repairs and maintenance expenses as we focus on store conditions for our customers and associates, and higher utility costs, partially offset by leverage from the comparable store net sales increase.
- Depreciation and amortization expense decreased 5 basis points primarily due to leverage from the comparable store net sales increase, partially offset by capital expenditures related to store renovations and improvements.

The increase in the selling, general and administrative expense rate in the 26 weeks ended July 29, 2023 was the result of the net of the following:

- Payroll expenses increased 60 basis points primarily due to wage investments and minimum wage increases in store payroll, partially offset by lower stock compensation expenses and leverage from the comparable store net sales increase.
- Other selling, general and administrative expenses increased 60 basis points primarily due to increases in professional fees and legal costs, partially offset by higher costs in the prior year in connection with long-lived asset impairments at the Family Dollar West Memphis, Arkansas distribution center. The increase in legal costs was primarily due to a $30.0 million accrual for DC 202-related legal matters, partially offset by legal fees in the prior year related to the reconstitution of the Board of Directors.
- Store facility costs increased 25 basis points primarily due to higher repairs and maintenance expenses as we focus on store conditions for our customers and associates, and higher utility costs, partially offset by leverage from the comparable store net sales increase.
- Depreciation and amortization expense decreased 5 basis points primarily due to leverage from the comparable store net sales increase, partially offset by capital expenditures related to store renovations and improvements.

Operating Income

(dollars in millions)	13 Weeks Ended July 29, 2023	13 Weeks Ended July 30, 2022	Percentage Change	26 Weeks Ended July 29, 2023	26 Weeks Ended July 30, 2022	Percentage Change
Operating income	$ 287.8	$ 505.4	(43.1) %	$ 707.5	$ 1,236.9	(42.8) %
Operating income margin	3.9 %	7.5 %	(3.6) %	4.8 %	9.0 %	(4.2) %

Operating income margin decreased to 3.9% for the 13 weeks ended July 29, 2023 compared to 7.5% for the same period last year, resulting from the decrease in gross profit margin and the increase in the selling, general and administrative expense rate, as described above.

Operating income margin decreased to 4.8% for the 26 weeks ended July 29, 2023 compared to 9.0% for the same period last year, resulting from the decrease in gross profit margin and the increase in the selling, general and administrative expense rate, as described above.

Interest Expense, Net

(dollars in millions)	13 Weeks Ended July 29, 2023	13 Weeks Ended July 30, 2022	Percentage Change	26 Weeks Ended July 29, 2023	26 Weeks Ended July 30, 2022	Percentage Change
Interest expense, net	$ 24.2	$ 30.6	(20.9) %	$ 50.1	$ 64.6	(22.4) %

Interest expense, net decreased $6.4 million in the 13 weeks ended July 29, 2023 compared to the same period last year, resulting from higher interest income on investments.

Interest expense, net decreased $14.5 million in the 26 weeks ended July 29, 2023 compared to the same period last year, resulting from higher interest income on investments.

Provision for Income Taxes

(dollars in millions)	13 Weeks Ended July 29, 2023	13 Weeks Ended July 30, 2022	Percentage Change	26 Weeks Ended July 29, 2023	26 Weeks Ended July 30, 2022	Percentage Change
Provision for income taxes	$ 63.3	$ 114.8	(44.9) %	$ 158.0	$ 275.9	(42.7) %
Effective tax rate	24.0 %	24.2 %	(0.2) %	24.0 %	23.5 %	0.5 %

The effective tax rate was 24.0% for the 13 weeks ended July 29, 2023 compared to 24.2% for the comparable prior year period, resulting from higher Work Opportunity Tax Credits as a percentage of pre-tax income in the current year, offset partially by higher non-deductible expenses.

The effective tax rate was 24.0% for the 26 weeks ended July 29, 2023 compared to 23.5% for the comparable prior year period, resulting from lower stock-based compensation deductions and higher non-deductible expenses, offset partially by higher Work Opportunity Tax Credits as a percentage of pre-tax income in the current year.

Segment Information

Our operating results for the Dollar Tree and Family Dollar segments and period-over-period changes are discussed in the following sections.

Dollar Tree

The following table summarizes the operating results of the Dollar Tree segment:

	13 Weeks Ended			26 Weeks Ended		
(dollars in millions)	July 29, 2023	July 30, 2022	Percentage Change	July 29, 2023	July 30, 2022	Percentage Change
Net sales	$ 3,873.4	$ 3,571.1	8.5 %	$ 7,805.1	$ 7,352.9	6.1 %
Gross profit	1,293.3	1,334.9	(3.1) %	2,681.9	2,869.6	(6.5) %
Gross profit margin	33.4 %	37.4 %	(4.0) %	34.4 %	39.0 %	(4.6) %
Operating income	$ 397.8	$ 550.8	(27.8) %	$ 933.5	$ 1,315.0	(29.0) %
Operating income margin	10.3 %	15.4 %	(5.1) %	12.0 %	17.9 %	(5.9) %

Net sales for the Dollar Tree segment increased $302.3 million, or 8.5%, for the 13 weeks ended July 29, 2023 compared to the same period last year. The increase was due to an increase in comparable store net sales of 7.8% and $78.4 million of non-comparable store sales. Customer traffic increased 9.6% and average ticket decreased 1.6%.

Net sales for the Dollar Tree segment increased $452.2 million, or 6.1%, for the 26 weeks ended July 29, 2023 compared to the same period last year. The increase was due to an increase in comparable store net sales of 5.6% and $177.8 million of non-comparable store sales. Customer traffic increased 7.7% and average ticket decreased 1.9%.

Gross profit margin for the Dollar Tree segment decreased to 33.4% for the 13 weeks ended July 29, 2023 compared to 37.4% for the same period last year as a result of the net of the following:

- Merchandise cost, which includes freight, increased 275 basis points due to the prior year benefiting from the $1.25 rollout whereas the current year reflects lower initial mark-on resulting from product value re-investments and cost increases as well as higher sales of lower margin consumable merchandise, partially offset by lower freight costs.
- Distribution costs increased 75 basis points due to a higher amount of costs capitalized in the prior year quarter resulting from increasing inventory levels in the prior year quarter and higher distribution center payroll costs in the current year quarter.
- Shrink costs increased 75 basis points in the current year resulting from unfavorable physical inventory results.
- Occupancy costs decreased 35 basis points due to leverage from the comparable store net sales increase.

Gross profit margin for the Dollar Tree segment decreased to 34.4% for the 26 weeks ended July 29, 2023 compared to 39.0% for the same period last year as a result of the net of the following:

- Merchandise cost, which includes freight, increased 350 basis points due to the prior year benefiting from the $1.25 rollout whereas the current year reflects lower initial mark-on resulting from product value re-investments and cost increases as well as higher sales of lower margin consumable merchandise, partially offset by lower freight costs.
- Distribution costs increased 80 basis points due to a higher amount of costs capitalized in the prior year resulting from increasing inventory levels in the prior year and higher distribution center payroll costs in the current year.
- Shrink costs increased 65 basis points in the current year resulting from unfavorable physical inventory results.
- Markdown costs decreased 10 basis points resulting from higher clearance markdowns in the prior year due to a transition to a higher value assortment at the $1.25 price point.
- Occupancy costs decreased 20 basis points due to leverage from the comparable store net sales increase.

Operating income margin for the Dollar Tree segment decreased to 10.3% for the 13 weeks ended July 29, 2023 from 15.4% for the same period last year as a result of the gross profit margin decrease noted above and an increase in the selling, general and administrative expense rate. The selling, general and administrative expense rate increased to 23.1% in the 13 weeks ended July 29, 2023 compared to 22.0% for the same period last year as a result of the net of the following:

- Payroll expenses increased 60 basis points primarily due to wage investments and minimum wage increases in store payroll, and higher incentive compensation expense, partially offset by leverage from the comparable store net sales increase.
- Store facility costs increased 40 basis points primarily due to higher repairs and maintenance expenses as we focus on store conditions for our customers and associates, and higher utility costs, partially offset by leverage from the comparable store net sales increase.
- Other selling, general and administrative expenses increased 20 basis points primarily due to unfavorable development of general liability insurance claims.
- Depreciation and amortization expense decreased 5 basis points primarily due to leverage from the comparable store net sales increase, partially offset by capital expenditures related to store renovations and improvements.

Operating income margin for the Dollar Tree segment decreased to 12.0% for the 26 weeks ended July 29, 2023 from 17.9% for the same period last year as a result of the gross profit margin decrease noted above and an increase in the selling, general and administrative expense rate. The selling, general and administrative expense rate increased to 22.4% in the 26 weeks ended July 29, 2023 compared to 21.1% for the same period last year as a result of the following:

- Payroll expenses increased 70 basis points primarily due to wage investments and minimum wage increases in store payroll, partially offset by leverage from the comparable store net sales increase.
- Store facility costs increased 45 basis points primarily due to higher repairs and maintenance expenses as we focus on store conditions for our customers and associates, and higher utility costs, partially offset by leverage from the comparable store net sales increase.
- Other selling, general and administrative expenses increased 10 basis points primarily due to unfavorable development of general liability insurance claims.
- Depreciation and amortization expense was unchanged as a percentage of total revenue, as leverage from the comparable store net sales increase offset capital expenditures related to store renovations and improvements.

Family Dollar

The following table summarizes the operating results of the Family Dollar segment:

	13 Weeks Ended			26 Weeks Ended		
(dollars in millions)	July 29, 2023	July 30, 2022	Percentage Change	July 29, 2023	July 30, 2022	Percentage Change
Net sales	$ 3,446.7	$ 3,194.2	7.9 %	$ 6,834.5	$ 6,312.5	8.3 %
Gross profit	841.4	789.5	6.6 %	1,683.2	1,595.3	5.5 %
Gross profit margin	24.4 %	24.7 %	(0.3) %	24.6 %	25.3 %	(0.7) %
Operating income	$ 11.8	$ 55.0	(78.5) %	$ 20.6	$ 144.5	(85.7) %
Operating income margin	0.3 %	1.7 %	(1.4) %	0.3 %	2.3 %	(2.0) %

Net sales for the Family Dollar segment increased $252.5 million, or 7.9%, for the 13 weeks ended July 29, 2023 compared to the same period last year. The increase was due to a comparable store net sales increase of 5.8% and $154.7 million of non-comparable store sales. For the 13 weeks ended July 29, 2023, customer traffic increased 3.4% and average ticket increased 2.3%.

Net sales for the Family Dollar segment increased $522.0 million, or 8.3%, for the 26 weeks ended July 29, 2023 compared to the same period last year. The increase was due to a comparable store net sales increase of 6.2% and $317.2 million of non-comparable store sales. For the 26 weeks ended July 29, 2023, customer traffic increased 3.9% and average ticket increased 2.3%.

Gross profit margin for the Family Dollar segment decreased to 24.4% for the 13 weeks ended July 29, 2023 compared to 24.7% for the same period last year. The decrease is due to the net of the following:

- Shrink costs increased 45 basis points in the current year resulting from unfavorable physical inventory results.
- Merchandise cost, which includes freight, decreased 5 basis points resulting from lower freight costs, partially offset by lower initial mark-on and higher sales of lower margin consumable merchandise.
- Occupancy costs decreased 15 basis points primarily due to leverage from the comparable store net sales increase.

Gross profit margin for the Family Dollar segment decreased to 24.6% for the 26 weeks ended July 29, 2023 compared to 25.3% for the same period last year. The decrease is due to the net of the following:

- Shrink costs increased 55 basis points in the current year resulting from unfavorable physical inventory results.
- Merchandise cost, which includes freight, increased 40 basis points resulting from lower initial mark-on and higher sales of lower margin consumable merchandise, partially offset by lower freight costs.
- Distribution costs increased 10 basis points due to a higher amount of costs capitalized in the prior year resulting from increasing inventory levels during the prior year.
- Markdown costs decreased 15 basis points primarily due to higher clearance markdowns in the prior year as a result of shipping delays of seasonal merchandise and slow moving inventory items, and lower promotional markdowns in the current year.
- Occupancy costs decreased 30 basis points primarily due to leverage from the comparable store net sales increase.

Operating income margin for the Family Dollar segment decreased to 0.3% for the 13 weeks ended July 29, 2023 from 1.7% for the same period last year resulting from the gross profit margin decrease noted above and an increase in the selling, general and administrative expense rate. The selling, general and administrative expense rate increased to 24.1% in the 13 weeks ended July 29, 2023 compared to 23.0% for the same period last year as a result of the net of the following:

- Payroll expenses increased 65 basis points primarily due to wage investments and minimum wage increases in store payroll, partially offset by leverage from the comparable store net sales increase.
- Store facility costs increased 40 basis points primarily due to an increase in repairs and maintenance expenses as we focus on store conditions for our customers and associates, and higher utility costs, partially offset by leverage from the comparable store net sales increase.
- Other selling, general and administrative expenses increased 10 basis points primarily due to increases in professional fees and advertising costs.
- Depreciation and amortization expense decreased 10 basis points primarily due to leverage from the comparable store net sales increase, partially offset by capital expenditures related to store renovations and improvements.

Operating income margin for the Family Dollar segment decreased to 0.3% for the 26 weeks ended July 29, 2023 from 2.3% for the same period last year resulting from the gross profit margin decrease noted above and an increase in the selling, general and administrative expense rate. The selling, general and administrative expense rate increased to 24.4% in the 26 weeks ended July 29, 2023 compared to 23.0% for the same period last year as a result of the net of the following:

- Payroll expenses increased 70 basis points primarily due to wage investments and minimum wage increases in store payroll, partially offset by leverage from the comparable store net sales increase.
- Other selling, general and administrative expenses increased 50 basis points primarily due to increases in legal costs, professional fees and advertising costs, partially offset by higher costs in the prior year in connection with long-lived asset impairments at the West Memphis, Arkansas distribution center. The increase in legal costs was primarily due to a $30.0 million accrual for DC 202-related legal matters recorded in the first quarter of the current year.
- Store facility costs increased 25 basis points primarily due to an increase in repairs and maintenance expenses as we focus on store conditions for our customers and associates, and higher utility costs, partially offset by leverage from the comparable store net sales increase and higher costs in the prior year associated with a product recall.
- Depreciation and amortization expense decreased 10 basis points primarily due to leverage from the comparable store net sales increase, partially offset by capital expenditures related to store renovations and improvements.

Liquidity and Capital Resources

We invest capital to build and open new stores, expand and renovate existing stores, enhance and grow our distribution network, operate our existing stores, maintain and upgrade our technology, and support our other strategic initiatives. Our working capital requirements for existing stores are seasonal in nature and typically reach their peak in the months of September and October. Historically, we have satisfied our seasonal working capital requirements for existing and new stores and have funded our distribution network programs and other capital projects from internally generated funds and borrowings under our credit facilities.

The following table compares cash flow-related information for the 26 weeks ended July 29, 2023 and July 30, 2022:

	26 Weeks Ended	
(in millions)	July 29, 2023	July 30, 2022
Net cash provided by (used in):		
Operating activities	$ 923.8	$ 520.6
Investing activities	(781.0)	(533.4)
Financing activities	(272.2)	(283.3)

Net cash provided by operating activities increased $403.2 million primarily due to lower inventory levels, partially offset by lower current year earnings, net of non-cash items, lower accounts payable, and lower accrued liability balances.

Net cash used in investing activities increased $247.6 million due to higher capital expenditures.

Net cash used in financing activities decreased $11.1 million due to lower taxes paid on exercises/vesting of stock-based compensation.

At July 29, 2023, our long-term borrowings were $3.45 billion and we had $1.5 billion available under our Revolving Credit Facility, less amounts outstanding for standby letters of credit totaling $4.3 million. We also have $425.0 million in trade letters of credit with various financial institutions, under which $232.8 million was committed to letters of credit issued for routine purchases of imported merchandise as of July 29, 2023. Additionally, in July 2023, we established a commercial paper program to issue unsecured commercial paper notes with maturities up to 397 days from the date of issue, up to a maximum aggregate face or principal amount outstanding at any time of $1.5 billion. Our Revolving Credit Facility will serve as a liquidity backstop for the repayment of notes outstanding under the program. As of July 29, 2023, no notes have been issued under the program. For additional details regarding our commercial paper program, please see Note 3 to the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q

We repurchased 1,728,713 and 1,754,496 shares of common stock on the open market during the 26 weeks ended July 29, 2023 and July 30, 2022, respectively, for $250.0 million and $250.0 million, respectively. At July 29, 2023, we had $1.6 billion remaining under our Board repurchase authorization.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to various types of market risk in the normal course of our business, including the impact of interest rate changes, diesel fuel cost changes and inflation. We may enter into interest rate or diesel fuel swaps to manage exposure to interest rate and diesel fuel price changes. We do not enter into derivative instruments for any purpose other than cash flow hedging and we do not hold derivative instruments for trading purposes.

Interest Rate Risk

Our exposure to interest rate risk relates to our Revolving Credit Facility and borrowings under our commercial paper program. At July 29, 2023, there were no borrowings outstanding under the Revolving Credit Facility or the commercial paper program.

Inflation Risk

The primary inflationary factors impacting our business include changes to the costs of merchandise, transportation (including the cost of diesel fuel), and labor. If these inflationary pressures become significant, we may not be able to fully offset such higher costs through price increases on the Family Dollar banner or through adjustments to our product assortment, improvements in operational efficiencies or increases in our comparable store net sales on the Dollar Tree banner. Our inability or failure to do so could harm our business, financial condition and results of operations.

Item 4. Controls and Procedures.

Our management has carried out, with the participation of our Chief Executive Officer and Chief Financial Officer, an evaluation of the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) under the Exchange Act as of the end of the period covered by this report. Based upon this evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of July 29, 2023, our disclosure controls and procedures were designed and functioning effectively to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and (ii) accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding disclosure.

There have been no changes in our internal control over financial reporting during the fiscal quarter ended July 29, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

For information regarding legal proceedings in which we are involved, please see Note 2 to the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q

Item 1A. Risk Factors.

There have been no material changes to the risk factors described in "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended January 28, 2023, other than as set forth in the discussion of certain items that have impacted or could impact our business or results of operations during 2023 or in the future as disclosed in "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Form 10-Q.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The following table presents our share repurchase activity during the second quarter of 2023:

Fiscal Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs (in millions)
April 30, 2023 - May 27, 2023	363,330	$ 145.81	363,330	$ 1,648.4
May 28, 2023 - July 1, 2023	340,383	135.08	340,383	1,602.4
July 2, 2023 - July 29, 2023	—	—	—	1,602.4
Total	703,713	$ 140.62	703,713	$ 1,602.4

As of July 29, 2023, we had $1.6 billion remaining under our Board repurchase authorization.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

During the fiscal quarter ended July 29, 2023, none of our directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408(a) of Regulation S-K).

Item 6. Exhibits.

Exhibit		Exhibit Description	Incorporated by Reference			Filed Herewith
			Form	Exhibit	Filing Date	
3.1		Amended and Restated Articles of Incorporation of Dollar Tree, Inc., effective October 14, 2022	10-Q	3.1	11/22/2022	
3.2		Amended and Restated By-Laws of Dollar Tree, Inc., effective August 15, 2023	8-K	3.1	8/16/2023	
10.1	*	Non-Employee Director Deferred Compensation Program, effective July 1, 2023				X
10.2		Form of Commercial Paper Dealer Agreement between the Company, as issuer, and the applicable Dealer party thereto.	8-K	10.1	7/7/2023	
31.1		Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
31.2		Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X

		Incorporated by Reference			
Exhibit	Exhibit Description	Form	Exhibit	Filing Date	Filed Herewith
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
101	The following financial statements from our Form 10-Q for the fiscal quarter ended July 29, 2023, formatted in Inline XBRL: (i) Condensed Consolidated Income Statements, (ii) Condensed Consolidated Statements of Comprehensive Income, (iii) Condensed Consolidated Balance Sheets, (iv) Condensed Consolidated Statements of Shareholders' Equity, (v) Condensed Consolidated Statements of Cash Flows and (vi) Notes to Unaudited Condensed Consolidated Financial Statements				X
104	The cover page from our Form 10-Q for the fiscal quarter ended July 29, 2023, formatted in Inline XBRL and contained in Exhibit 101				X

*Management contract or compensatory plan or arrangement

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DOLLAR TREE, INC.

Date: August 24, 2023

By: /s/ Jeffrey A. Davis

Jeffrey A. Davis
Chief Financial Officer
(principal financial officer)

Exhibit 10.1

DOLLAR TREE, INC.

NON-EMPLOYEE DIRECTOR DEFERRED COMPENSATION PROGRAM

Adopted on March 8, 2023

The Board of Directors (the "Board") of Dollar Tree, Inc. (the "Company") has approved the following Non-Employee Director Deferred Compensation Program (the "Program") to continue to provide deferred compensation opportunities for non-employee directors with respect to compensation earned for their service on the Board. The Program is effective July 1, 2023. For the avoidance of doubt, all amounts deferred by Non-Employee Directors pursuant to the terms of the Company's 2013 Director Deferred Compensation Plan on or before June 30, 2023, shall continue to be administered in accordance with the terms of such Plan and applicable deferral elections.

1. ELIGIBILITY. Any member of the Board who is not an employee of the Company or any of its subsidiaries (a "Non-Employee Director") is eligible to defer compensation under this Program.

2. COMMON STOCK ISSUANCE. Any amount payable in the form of Company common stock ("Common Stock") pursuant to an election made under the Program shall be issued pursuant to and in accordance with the terms of the Company's 2021 Omnibus Incentive Plan or any successor plan (the "Incentive Plan").

3. ADMINISTRATION. The Program shall be administered and interpreted by the Compensation Committee of the Board (the "Committee") or any delegate appointed by the Committee to the extent of such delegation. Such administration and interpretation shall be in a manner consistent with the Incentive Plan as applicable.

4. DEFERRED COMPENSATION.

4.1 DEFERRAL OF CASH COMPENSATION. Any Non-Employee Director may elect to defer, for subsequent payment in either cash or shares of Common Stock, all or a portion of the annual cash retainer and any additional cash fees payable by the Company to a Non-Employee Director for his or her service as a director (the "Cash Fees," which shall not include reimbursements of expenses or other payments that are not related to services rendered as a director) earned during any calendar year by delivering a deferral election to the Company not later than (a) December 31 of the calendar year immediately preceding the calendar year to which the deferral election relates, or (b) with respect to the calendar year in which an individual first becomes a Non-Employee Director the date stated in a deferral election form provided by the Company, which date shall be no later than thirty days after the date such individual becomes a Non-Employee Director; provided that an election made under clause (b) of this Section 4.1 shall not apply to any Cash Fees earned prior to the date such election becomes irrevocable. Unless otherwise expressly provided by the Board, all Cash Fees are earned upon the date payable (absent a deferral election). The election form shall specify the amount or portion of the Cash Fees to be

deferred; whether and to what extent such Cash Fees are to be deferred for payment in cash or in shares of Common Stock; the manner of payment with respect to such deferred amounts; the date on which the deferred amounts shall be paid; and whether the deferred amount shall be paid in a lump sum or in installment payments. Such election shall remain in force for such calendar year and for Cash Fees earned in each calendar year thereafter until changed or revoked by the director by written notice to the Company not later than December 31 immediately preceding the calendar year to which such change or revocation relates. A deferral election made under this Section 4.1 may not be changed or revoked after the dates set forth in clauses (a) or (b) above. The foregoing provisions of this Section 4.1 shall pertain to initial deferral elections with regard to a deferral of Cash Fees under the Program. In addition, any Non-Employee Director may elect to make one subsequent deferral election with regard to Cash Fees subject to an initial deferral election under this Section 4.1. Such subsequent deferral election shall be made on a form provided or specified by the Company for this purpose and shall be irrevocable when made. Further, such subsequent deferral election (i) may be made only with respect to a distribution date previously specified by a Non-Employee Director on his or her applicable initial election form and not with respect to a distribution based on the date the Non-Employee Director ceases to serve as a director of the Company; (ii) may not change the form of distribution from a lump sum to installments or from installments to a lump sum; (iii) must be made not less than 12 months before the distribution date previously specified; (iv) shall not take effect until 12 months after the date on which such subsequent deferral election is made; (v) must specify a new distribution date that is at least five years after the distribution date previously specified; (vi) may not change an election for payment in cash to an election for payment in shares of Common Stock (or vice versa); and (vii) must be approved in advance by the Board or the Compensation Committee (or a subcommittee thereof) in accordance with the requirements of Rule 16b-3 under the Securities Exchange Act of 1934, if the initial deferral election was for payment in shares of Common Stock.

4.2 DEFERRAL OF EQUITY AWARDS. A Non-Employee Director may elect to defer all or a portion of the shares of Common Stock issuable under the Incentive Plan as equity compensation to a Non-Employee Director for his or her service as a director (each, an "Equity Award") earned during any calendar year by delivering a deferral election to the Company not later than (a) December 31 of the calendar year immediately preceding the calendar year to which the deferral election relates; or (b) with respect to the calendar year in which an individual first becomes a Non-Employee Director, the date stated in a deferral election form provided by the Company, which date shall be no later than thirty days after the date such individual becomes a Non-Employee Director; provided that an election made under clause (b) of this Section 4.2 shall not apply to any Equity Award earned prior to the date such election becomes irrevocable. Unless otherwise expressly provided by the Board, an Equity Award is earned as of the date it is awarded (absent a deferral election). The election form shall specify the amount or portion of the Equity Award to be deferred; the date on which the deferred shares shall be issued to the Non-Employee Director; and whether the deferred shares shall be issued in a lump sum or in installments. Such election shall remain in force for such calendar year and for Equity Awards earned during each calendar year thereafter until changed or revoked by the Non-Employee Director by written notice to the Company not later than December 31 immediately preceding the calendar year to which such change or revocation relates. A deferral election made under this Section 3.2 may not be changed or revoked after the dates set forth in clauses (a) or (b) above. The foregoing provisions of this Section 4.2 shall pertain to initial deferral elections with regard to deferral of an Equity

Award under the Program. In addition, any Non-Employee Director may elect to make one subsequent deferral election with regard to an Equity Award subject to an initial deferral election under this Section 4.2. Such subsequent deferral election shall be made on a form provided or specified by the Company for this purpose and shall be irrevocable when made. Further, such subsequent deferral election (i) may be made only with respect to a distribution date previously specified by a Non-Employee Director on his or her applicable initial election form and not with respect to a distribution based on the date the Non-Employee Director ceases to serve as a director of the Company; (ii) may not change the form of distribution from a lump sum to installments or from installments to a lump sum; (iii) must be made not less than 12 months before the distribution date previously specified; (iv) shall not take effect until 12 months after the date on which such subsequent deferral election is made; (v) must specify a new distribution date that is at least five years after the distribution date previously specified; and (vi) must be approved in advance by the Board or the Compensation Committee (or a subcommittee thereof) in accordance with the requirements of Rule 16b-3 under the Securities Exchange Act of 1934.

4.3 ACCOUNTS; INTEREST AND DIVIDEND CREDITS. On the first day of each calendar quarter (the "Credit Date"), a Non-Employee Director who elects to defer his or her Cash Fees shall receive a credit to his or her applicable deferred compensation accounts under the Program (the "Deferred Compensation Accounts") as hereinafter provided. Any portion of a Non-Employee Director's Cash Fees which are deferred in cash shall be credited to the Non-Employee Director's cash deferral account (a "Cash Deferral Account"). The amount of the credit shall equal the amount of Cash Fees deferred in cash by the Non-Employee Director during the immediately preceding calendar quarter. Any portion of a Non-Employee Director's Cash Fees which are deferred for payment in shares of Common Stock shall be credited to the Non-Employee Director's deferred stock account (a "Deferred Stock Account"). The amount of the credit to such Deferred Stock Account shall be the number of shares of Common Stock (rounded to the nearest one hundredth of a Share) determined by dividing the amount of the Non-Employee Director's Cash Fees deferred for payment in shares of Common Stock during the immediately preceding quarter by the closing price of a share of Common Stock as reported on the principal stock exchange where the Common Stock is listed on the Credit Date, or if there is no trading on such exchange on the Credit Date, on the immediately preceding trading day. On the first day of each calendar quarter, an amount shall be credited to each Non-Employee Director's Cash Deferral Account equal to the Interest Rate (as hereinafter defined) on the balance credited to the Cash Deferral Account during the immediately preceding calendar quarter. Interest shall accrue on the balance of each Non-Employee Director's Cash Deferral Account commencing with the date the first payment is credited thereto and ending with the final payment therefrom. For this purpose, "Interest Rate" shall mean, with respect to any calendar quarter, the 30-year Treasury Bond Rate then in effect.

A Non-Employee Director who elects under Section 4.2 to defer issuance of an Equity Award shall receive a credit to his or her Deferred Stock Account as of the date of grant of such Equity Award. The amount of the credit to such Deferred Stock Account shall equal the number of shares of Common Stock granted to the Non-Employee Director pursuant to the Equity Award which the Non-Employee Director elected to defer for the applicable calendar year.

Each time any dividend is paid on the Common Stock, a Non-Employee Director who has a positive balance in his or her Deferred Stock Account shall receive a credit to such Account. The

amount of the dividend credit shall be the number of shares of Common Stock (rounded to the nearest one-hundredth of a share) determined by multiplying the dividend amount per share of Common Stock by the number of shares of Common Stock credited to the Non-Employee Director's Deferred Stock Account as of the record date for the dividend and dividing the product by the closing price per share of Common Stock reported on the principal stock exchange where the Common Stock is listed on the dividend payment date.

Any distribution of shares of Common Stock from a Non-Employee Director's Deferred Stock Account shall be made from the Incentive Plan. A Non-Employee Director shall have no rights as a shareholder with respect to the Deferred Stock Account until the date of the issuance of shares of Common Stock to the Non-Employee Director (as evidenced by the issuance of a stock certificate or the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company).

The Company shall manage the recordkeeping and other routine administrative duties relating to the deferrals of cash and equity compensation by a Non-Employee Director.

4.4 PAYMENT OF DEFERRED FEES; ISSUANCE OF DEFERRED SHARES.

(a) A Non-Employee Director's Deferred Compensation Accounts shall be distributed (by cash payment or issuance of Common Stock, as applicable) to the Non-Employee Director (or, in the event of death, to his or her designated beneficiary or estate) as follows: at the Non-Employee Director's election, either (i) in a single lump sum distribution as soon as practicable following the earlier of (x) the date on which the Non-Employee Director ceases to serve as a director of the Company (and such cessation constitutes a "separation from service" under Treasury Regulation sections 1.409A-1(h)(2)(i) and (h)(5)) or (y) the date specified by the Non-Employee Director as the distribution date (such earlier date shall be referred to as the "Distribution Date"), or (ii) in annual installments over a period, to be specified by the Non-Employee Director, not to exceed five years commencing as soon as practicable after the Distribution Date. A Non-Employee Director shall elect the time and form of distribution of the Non-Employee Director's Deferred Compensation Accounts at the same time and in the same manner as his or her related deferral elections under Sections 4.1 or 4.2 of this Program. A Non-Employee Director's elections under this Section 4.4 shall become irrevocable at the same time as his or her related deferral elections under Sections 4.1 or 4.2 of the Program. With respect to any deferral election timely made under Section 4.1 or 4.2, if the Non-Employee Director fails to make a valid election with respect to the time and form of distribution of a deferred amount, then such deferred amount shall be distributed in a single lump sum as soon as practicable following the date the Non-Employee Director ceases to serve as a director. If a Non-Employee Director's Deferred Compensation Accounts is distributed in installments, then the amount of an installment distribution shall be equal to the balance of the Cash Deferral Account (including interest credits) or the number of deferred shares in the Deferred Stock Accounts, as applicable, as of the distribution date of the applicable installment, divided by the remaining number of installment payments (including the applicable installment) to be made. With respect to any lump sum payment or final installment payment of shares of Common Stock from a Non-Employee Director's Deferred Stock Account, any fraction of a share shall be paid in cash.

(b) Upon the death of a Non-Employee Director, the Company shall distribute any remaining account balance or deferred shares of Common Stock in such Non-Employee Director's Deferred Compensation Accounts as a single lump sum within 90 days following the date of death as set forth in Section 4.5 of this Program.

(c) A lump sum distribution and the first distribution in a series of installment distributions shall be made no later than: (i) the end of the calendar year in which the Distribution Date occurs, or (ii) if later, the 15th day of the third month following the Distribution Date. Subsequent installment distributions shall be paid on the anniversary date of the first distribution; provided the director may not directly or indirectly designate the taxable year of payment. For purposes of applying Internal Revenue Code ("Code") section 409A, installment distributions shall be treated as a single payment or distribution.

(d) Except as provided in Treasury Regulation section 1.409A-3(j), no acceleration in the time or schedule of any payment or amount scheduled to be paid from a Non-Employee Director's Deferred Compensation Account is permitted.

4.5 DESIGNATION OF AND PAYMENT TO BENEFICIARY. Each Non-Employee Director may designate in writing a beneficiary to receive such portion, if any, of the Non-Employee Director's Deferred Compensation Accounts as remains unpaid at the director's death. Upon receipt of evidence of death, the Company shall be authorized to distribute any deferred shares of Common Stock or pay any deferred cash in accordance with the most recent beneficiary designation instructions provided by the director under the Program. A valid beneficiary designation under this Program shall be the sole beneficiary designation applicable to an Equity Award deferred under this Program and shall constitute the beneficiary designation form approved by the Company with respect to any Equity Award deferred under this Program for purposes of Section 19.5 of the Incentive Plan. In the absence of a valid beneficiary designation, that portion, if any, of a Deferred Cash Account or Deferred Stock Account remaining unpaid at the director's death shall be paid to his or her estate.

4.6 NATURE OF PROMISE. The Company shall not be required to segregate or earmark any funds or shares of Common Stock in respect of its obligations under this Section 4. Neither a Non-Employee Director nor any other person shall have any rights to any assets of the Company by reason of amounts deferred or benefits accrued under this Program, other than as a general unsecured creditor of the Company. The Program constitutes a mere promise by the Company to make payments in the future and is unfunded for purposes of Title I of the Employee Retirement Income Security Act of 1974, as amended, and the Code.

4.7 NO RIGHT TO CONTINUE AS A DIRECTOR. Neither this Program nor any action taken pursuant to this Program shall constitute or be evidence of any agreement or understanding, express or implied, that the Company will retain a director for any period of time, or at any particular rate of compensation.

4.8 CHANGE IN CONTROL. Any outstanding balance in a Non-Employee Director's Deferred Cash Account shall be paid in a lump sum and any outstanding balance in a Non-Employee Director's Deferred Stock Account shall be fully distributed in shares of Common Stock

if the Eligible Director ceases to serve as a director of the Company or a surviving company during the period that begins on the date of a Change in Control (as defined below) and ends on the last day of the calendar year in which such Change in Control occurs. For purposes of Section 4 of the Program, the term "Change in Control" means the occurrence of any of the following: (i) the sale, exchange or other transfer of all or substantially all of the assets of the Company (in one transaction or in a series of related transactions) to an entity that is not controlled by the Company; or (ii) any individual, partnership, firm, corporation, association, trust, unincorporated organization or other entity or person, or any syndicate or group deemed to be a person under Section 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") is or becomes the "beneficial owner" (as defined in Rule 13d-3 of the General Rules and Regulations under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding securities entitled to vote in the election of directors of the Company; or (iii) a merger, consolidation, share exchange, or other transaction to which the Company is a party pursuant to which the holders of all the shares of Stock outstanding prior to such transaction do not hold, directly or indirectly, at least 50% of the outstanding shares of the surviving company after the transaction; or (iv) during any period of twelve (12) consecutive months, individuals who at the beginning of such period constituted the Board and any new directors, whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least three-fourths (3/4ths) of the directors then still in office (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director) who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof. Notwithstanding the foregoing, no event shall constitute a Change in Control unless such event would also constitute a change in ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company within the meaning of Code section 409A and Treasury Regulations § 1.409A-3(i)(5)(v), (vi) & (vii).

4.9 SECTION 409A OF THE CODE.

(a) It is specifically intended that all provisions of Section 4 of the Program and all elections, consents and modifications thereunder will comply with the requirements of Code section 409A. The Company is authorized to adopt rules or regulations deemed necessary or appropriate in connection therewith to anticipate and/or comply the requirements of Code section 409A and to declare any election, consent or modification thereto void if non-compliant with Code section 409A. Any benefit, payment or other right provided by the Program shall be provided or made in a manner, and at such time, in such form and subject to such election procedures (if any), as is necessary to avoid a plan failure described in Code section 409A(a)(1), including without limitation, deferring payment until the occurrence of an event, specified time or pursuant to a fixed schedule described in Code section 409A(a)(2), subject, to the extent applicable, the six-month delay for any deferred payments due a "specified employee" upon separation from service, as applied consistent with Treasury Regulations section 1.409A-3(i)(2) (in which case payment distributions may not be made before the date which is six months after the date of separation from service, or if earlier the date of death of the Non-Employee Director..

(b) The provisions of Section 4 of the Program and all elections, consents and modifications thereunder shall be interpreted and operated as necessary to comply with the

Program's intent as set forth in this Section 4.9. The Company does not guarantee the tax treatment of any payment of cash or shares of Common Stock or any other rights or benefits provided under this Program and in all events a Non-Employee Director shall remain liable for all federal, state and local income and employment taxes for any such payments, benefits or other rights.

5. GENERAL PROVISIONS.

5.1 AMENDMENT OR TERMINATION OF THE PROGRAM. The Board may suspend or discontinue the Program or revise or amend it in any respect, subject to Section 4.9. The Program may not be terminated unless such termination is permitted and administered in accordance with Treasury Regulation section 1.409A-3(j)(4)(ix).

5.2 NO SHAREHOLDERS' RIGHTS. A Non-Employee Director shall have no rights as a shareholder with respect to the Deferred Stock Account until the date of the issuance of shares of Common Stock to the Non-Employee Director (as evidenced by the issuance of a stock certificate or the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company).

5.3 CHOICE OF LAW. Except to the extent governed by applicable federal law, the validity, interpretation, construction and performance of the Program, including each election made hereunder, shall be governed by the laws of the Commonwealth of Virginia, without regard to its conflict of law rules.

5.4 SEVERABILITY. If any one or more of the provisions (or any part thereof) of the Program shall be held invalid, illegal or unenforceable in any respect, such provision shall be modified so as to make it valid, legal and enforceable, and the validity, legality and enforceability of the remaining provisions (or any part thereof) of the Program shall not in any way be affected or impaired thereby.

Exhibit 31.1

Chief Executive Officer Certification

I, Richard W. Dreiling, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dollar Tree, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 24, 2023

/s/ Richard W. Dreiling

Richard W. Dreiling
Chairman and Chief Executive Officer

Exhibit 31.2

Chief Financial Officer Certification

I, Jeffrey A. Davis, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dollar Tree, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 24, 2023

/s/ Jeffrey A. Davis
Jeffrey A. Davis
Chief Financial Officer

Exhibit 32.1

Certification Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Dollar Tree, Inc. (the Company) on Form 10-Q for the quarter ending July 29, 2023, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Richard W. Dreiling, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that:

(1) To my knowledge, the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 24, 2023
Date

/s/ Richard W. Dreiling

Richard W. Dreiling
Chairman and Chief Executive Officer

A signed original of this written statement required by Section 906 has been furnished to Dollar Tree, Inc. and will be retained by Dollar Tree, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

Certification Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Dollar Tree, Inc. (the Company) on Form 10-Q for the quarter ending July 29, 2023, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Jeffrey A. Davis, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that:

(1) To my knowledge, the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 24, 2023	/s/ Jeffrey A. Davis
Date	Jeffrey A. Davis
	Chief Financial Officer

A signed original of this written statement required by Section 906 has been furnished to Dollar Tree, Inc. and will be retained by Dollar Tree, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.