SNAPSHOT REPORT

THIRD QUARTER SNAPSHOT

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CREDIT RATING: B1

ARMS PAYMENT SCORE: 879

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SOLID QUARTER WITH MARGIN PRESSURE

ANALYST HIGHLIGHTS

- 3Q comps rose 4.2% on a 4.5% increase in average ticket and a 0.3% decline in traffic
- Adjusted operating income increased 4%, though margin contracted 40 bps primarily due to store payroll
- Raised FY25 sales outlook to $19.35 billion to $19.45 billion with comps expected at +5% to +5.5%, assuming tariff levels remain in place with mitigation efforts offsetting most of the related pressure

Store Highlights

- Opened 106 new stores, closed 15, and converted 30 Family Dollar combo stores into the Dollar Tree format
- Completed roughly 1,744 multi-price (3.0) conversions YTD, on track for about 2,000 by year-end
- Ended 3Q with 9,269 stores

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3Q25 RESULTS

Dollar Tree posted another solid quarter in 3Q25, with sales up 9.4% to $4.75 billion and comps up 4.2%, driven by a 4.5% increase in average ticket offset by a modest 0.3% decline in traffic. Both consumables (+3.5%) and discretionary (+4.8%) categories contributed. Gross margin expanded 40 bps to 35.8%, reflecting better mark-on from pricing initiatives, lower freight, and favorable mix, partly offset by tariffs, markdowns and shrink. Operating income rose 3.8% to $343 million, but margin contracted 40 bps to 7.2% as higher payroll, insurance costs and store investments outweighed leverage gains.

The Company ended the quarter with 9,269 stores after opening 106 new locations and converting 30 Family Dollar combo stores into the Dollar Tree format. Roughly 1,744 multi-price (3.0) format conversions were completed year-to-date, on track for 2,000 by year-end. Management reiterated solid momentum heading into holiday, projecting 4Q comps up 4% to 6% and raising FY net sales guidance to a range of $19.35 billion to $19.45 billion, reflecting continued strength across the multi-price rollout and a favorable mix shift. The outlook assumes current tariff levels remain in place, with mitigation efforts expected to offset most of the related pressure.

FINANCIAL SNAPSHOT
(U.S. Dollar In Millions)

	3 Months Ended			9 Months Ended		
	11/01/25	11/02/24	% Change	11/01/25	11/02/24	% Change
Sales (1)	$ 4,746.3	$ 4,338.0	9.4%	$ 13,949.6	$ 12,569.1	11.0%
Store Count (1)	9,269	8,868	4.5%	9,269	8,868	4.5%
Comps (1)	4.2%	1.8%		5.4%	1.2%	
Operating Income (1) (2)	$ 343.3	$ 330.7	3.8%	$ 958.4	$ 928.4	3.2%
Operating Margin (1)	7.2%	7.6%	-0.4%	6.9%	7.4%	-0.5%
Cash (1)	$ 594.8	$ 478.3	24.4%	$ 594.8	$ 478.3	24.4%
Total Debt (1)	$ 3,050.2	$ 3,430.0	-11.1%	$ 3,050.2	$ 3,430.0	-11.1%
Net Debt (Cash) (1)	$ 2,455.4	$ 2,951.7	-16.8%	$ 2,455.4	$ 2,951.7	-16.8%

(1) Represents Dollar Tree banner only.
(2) Company-provided operating income.

MANAGEMENT COMMENT

CEO Mike Creedon commented, "Our multi-price strategy drove strong momentum across our business in the third quarter and helped deliver an all-time record Halloween season. Today's Dollar Tree is a preferred destination for a wide range of shoppers — whether they rely on us for everyday essentials, appreciate a fast and easy trip, or enjoy the excitement of discovering something unexpected. With 85 percent of our assortment priced at two dollar or less, we continue to deliver exceptional value, while our multi-price assortment allows us to offer even more high-quality products and great gift options for the holidays. I'm incredibly proud of our team for delivering such a standout performance this quarter. And as we head into peak holiday season, we're ready to bring even more value, convenience, and discovery to our growing base of loyal customers."

COMPARABLE STORE SALES COMPOSITION

	FISCAL 2024					FISCAL 2025				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
TOTAL	**1.7%**	**1.3%**	**1.8%**	**2.0%**	**1.7%**	**5.4%**	**6.5%**	**4.2%**	**-**	**5.4%**
Customer Traffic	2.8%	1.4%	1.5%	0.7%	1.6%	2.5%	3.0%	(0.3%)	-	1.8%
Average Ticket	(1.1%)	(0.1%)	0.3%	1.3%	0.1%	2.8%	3.4%	4.5%	-	3.6%
Consumables	7.4%	4.7%	6.2%	4.2%	5.6%	6.4%	6.7%	3.5%	-	5.2%
Discretionary	(3.3%)	(1.9%)	(1.8%)	0.4%	(1.5%)	4.6%	6.1%	4.8%	-	5.4%

STORE ACTIVITY

	13 Weeks Ended		39 Weeks Ended	
	November 1, 2025	November 2, 2024	November 1, 2025	November 2, 2024
Store Count:				
Beginning	9,148	8,627	8,881	8,415
New stores	106	249	360	492
Stores converted from Family Dollar (a)	30	-	71	8
Closings	(15)	(8)	(43)	(47)
Ending	9,269	8,868	9,269	8,868
Selling Square Footage (in millions)	82.5	78.3	82.5	78.3
Growth Rate (Square Footage)	5.4%	8.9%	5.4%	8.9%

FY25 GUIDANCE UPDATE

- Net sales now expected in the range of $19.35 billion to $19.45 billion (vs. $19.30 to $19.50 billion prior), compared to $17.58 billion in FY24
- Comparable sales projected to increase 5% to 5.5% (vs. 4% to 6% prior), up from 1.8% in FY24
- Outlook assumes current tariff levels remain in place, with mitigation efforts expected to offset most of the related margin pressure

ANALYTICAL SUPPORT

For questions or analytical support, please contact Taylor Ricketts at 800-789-0123 Ext. 139 or taylorr@fdreports.com

BUSINESS DESCRIPTION

Dollar Tree is an operator of discount variety stores. The Company operates over 9,000 locations, with an aver age store size of approximately 8,000 square feet.

CONTACT INFORMATION

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KEY PERSONNEL

Michael Creedon Jr.	CEO
Jeffrey Davis	CFO

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