
Dollar General Corp. (NYSE:DG)

The Aggie Investment Club

Long / 2026 Target Price: \$156.49

DOLLAR GENERAL®

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New Management

- ❖ Supply chain **optimization**
 - First automated distribution center
 - **Reduction** in inventory receipts
- ❖ Digital front focus
 - **Compete** with e-commerce stores
- ❖ Tightening store operations
- ❖ Targeting labor inefficiencies

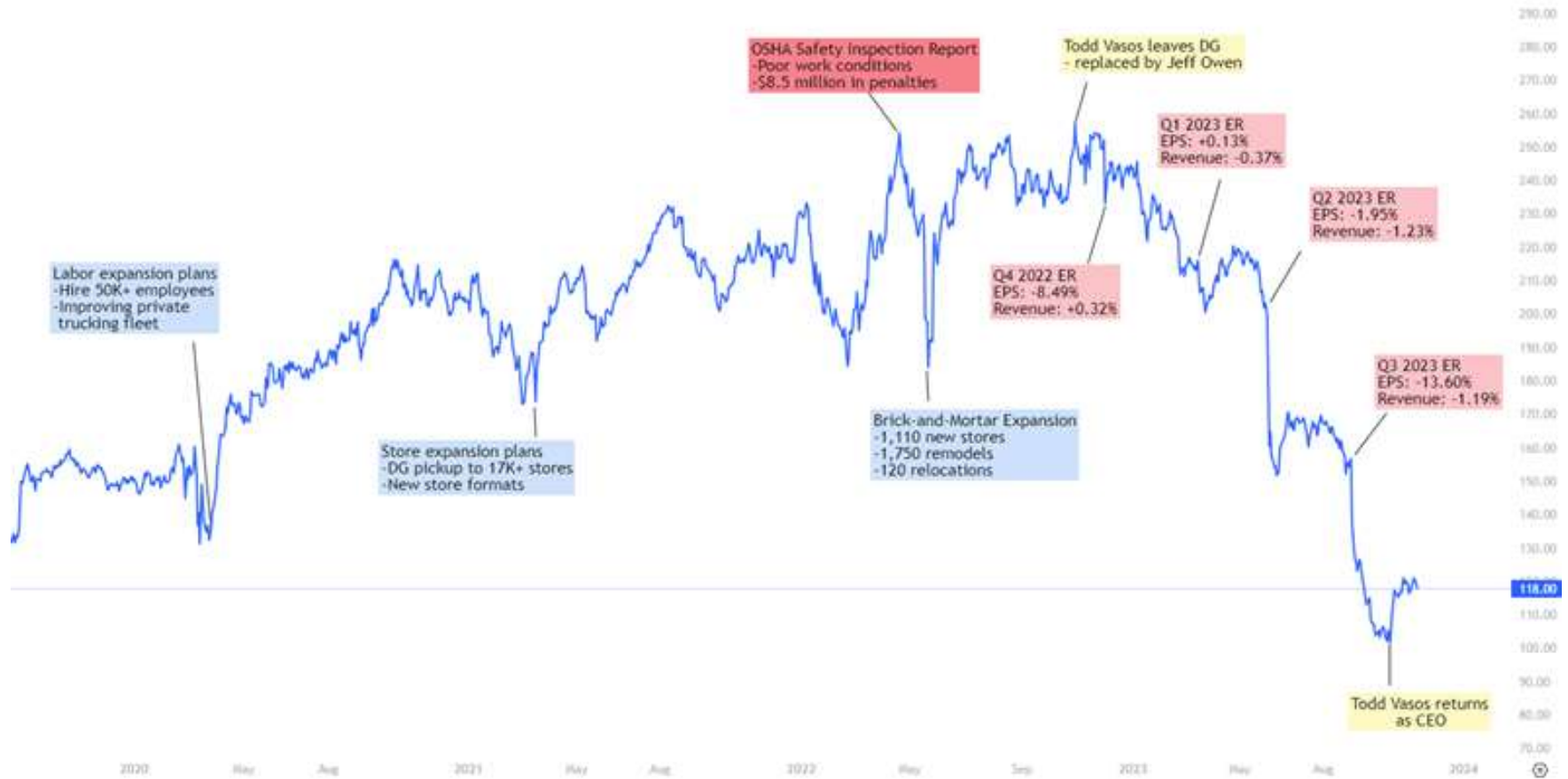
Inflation/Recession Performance and Government Initiatives

- ❖ Business model sees **increased patronage** in periods of:
 - Inflation
 - Recession
- ❖ SNAP initiative changes
 - **Increase** in **money** granted
 - Must work additional hours

New Initiatives and Improvements

- ❖ Heavy investments in **pOpshelf** model
 - Target more well-off families with most items \$5 or less
 - **Higher** margins
- ❖ Brand new 'Mi Súper Dollar General' chain
 - Exact same approach but towards Mexican families
 - **International** Expansion

Comeback Story



Company Overview



Business Description

Founded in 1939, Dollar General is a discount retailer that provides a variety of essential and consumable products across the United States. DG is the largest brick and mortar store in the United States, with over 19,000 stores and 165,000 employees. DG focuses on areas with limited resource availability, with 80% of its stores in communities of 20,000 people or less.

Business Model

- ❖ Lease stores from developers
- ❖ Focuses on providing value and convenience
- ❖ Targets low-income and budget-conscious consumers

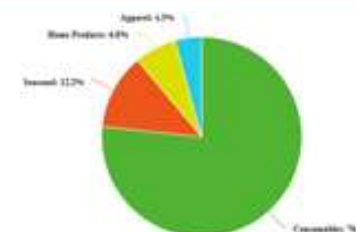
Market Data

Key Valuation Statistics (\$mm)

Enterprise Value	\$44,233		
Market Cap	\$26,550	EBITDA	\$310
P/E*	12.09x	EBITDA Margin	10.0%
EV/EBITDA*	7.3x	Debt / EV	39.9%
Cash	\$381.6	Total Debt	\$17,661.1

Revenue Segments

	2021	2020	2019
Consumables	76.7%	76.8%	78.0%
Seasonal	12.2%	12.1%	11.7%
Home products	6.8%	6.5%	5.8%
Apparel	4.3%	4.6%	4.5%



Discount Retailer Market Overview



Key Competitors



SNAP Benefits

- ❖ SNAP provides food benefits to low-income families: main market of discount retailers
- ❖ **March 2023:** SNAP recipient benefits decreased by a minimum of \$95 per person
- ❖ **October 2023:** SNAP benefits increasing by 12.5% ~ \$82 per person
- ❖ 10% of DG sales from SNAP Benefits








Low-Income Household Statistics

- ❖ The Supplemental Poverty Measure (SPM) rate in 2022 was 12.4 percent, an increase of 4.6 percentage points from 2021
- ❖ The SPM child poverty rate more than doubled, from 5.2 percent in 2021 to 12.4 percent in 2022



Competitive Landscape



Brands							
Enterprise Value (In Millions)	44,233	35,431	69,054	11,090	504,834	60,383	5,043
5 YR Revenue CAGR	10.0%	5.0%	8.5%	19.2%	4.1%	1.1%	11.1%
LTM EBIT Margins	8.0%	6.1%	4.5%	10.7%	4.1%	1.6%	9.7%
LTM EV/EBITDA	7.5x	7.5x	8.5x	14.1x	12.4x	7.1x	15.3x



Management Team



Todd Vasos
CEO

- ❖ 17+ years of experience with Dollar General, including Senior Vice President
- ❖ Leadership positions with Walmart Inc. from Jun. 1994 to Apr. 2005



Steve Dickard
VP of Growth

- ❖ Previously CEO from Jun. 2015 to Nov. 2022
- ❖ Joined in Dec. 2008
- ❖ Previous Leadership positions with Longs Drug Stores Corp., Phar-Mor Food and Drug Inc. and Eckerd Corp.



Kelly Dilts
CFO

- ❖ CFO since May 2023
- ❖ Joined Dollar General in July 2019
- ❖ Controller for Olympia Enterprises from Apr. 1993 to Feb. 1998, after beginning her career with Deloitte & Touche in Jan. 1990



Management Initiatives



Supply Chain Optimization

- ❖ Large-scale automation in distribution centers
 - Increase in productivity
 - Went live with first distribution center in South Carolina (July)
 - Capacity to supply products to over 1,000 stores once fully operational
 - Reduced inventory receipts by 40%
 - Projected to add \$95 million in profits
- ❖ Labor investments refocus
 - Plans to redirect \$150 million towards other initiatives

Major Inefficiencies	Not enough warehouse space	Too many third-party shipping trucks	E-commerce neglect
Recent fixes	- Automated distribution center -2mil sq. ft increase(1.2 more WIP)	-Increasing trucking fleet by 11% -Save 20% in associated costs per truck	Focus on digital storefront

Reach Expansion

- ❖ ‘pOpsshelf’ format
- ❖ Brand new ‘Mi Súper Dollar General’ chain
 - Experimenting with Mexico customers
 - Up to 10 by end of 2023
- ❖ Improvements in digital storefront
 - Already observed a 20% increase in monthly active users
- ❖ Meta partnership



DG Forward: Four Key Focus Areas



Winning in Rural Areas

- ❖ Plans to execute new real estate projects
- ❖ - Larger store formats
- ❖ DG Fresh Initiative:
 - Increasing product offerings of frozen and refrigerated products
 - More than 65,000 cooler doors in 2023

Extending Reach

- ❖ Extending its reach within digital properties
 - Increase of more than 20% in monthly active users
- ❖ Partnership with DoorDash, now available in over 15,000 stores

pOpshelf

- ❖ \$5 cap on most items
- ❖ Higher variety
- ❖ Diversification for Dollar General



DC Well-being

- ❖ Partnership with DocGo to provide basic healthcare services
- ❖ Quick and easy health visits right outside the store
 - Expanded to nearly 7,000 stores
- ❖ Contributing to revenue diversification

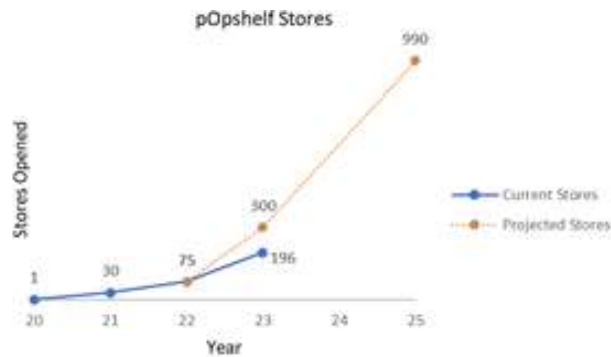


'pOpshelf' format



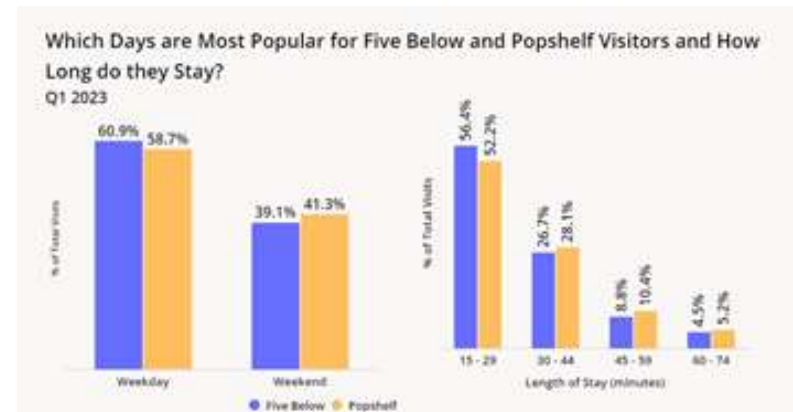
Business Model

- ❖ Newer chain
 - 100% owned by DG
 - Started in 2020, premium items under \$5
 - Expanding reach to more financially-secure families
- ❖ Higher margins
 - Average gross margins of 40%, 8 points higher than Dollar general stores
 - First-year sales was \$1.7 million on a low-end opposed to DG format's \$1.4 million



pOpshelf vs. Five Below

- ❖ Higher Gross Margins
 - 40% vs Five Below's 35%
- ❖ Plans to keep prices below \$5
 - More "Five Beyond" sections in Five Below stores
 - pOpshelf has \$5 price cap on most items
- ❖ Wider variety of items
 - Causes the average consumer to spend longer times at pOpshelf



Increasing Shareholder Value



Dividends

DIVIDEND YIELD

2.00%

ANNUAL DIVIDEND

\$2.36

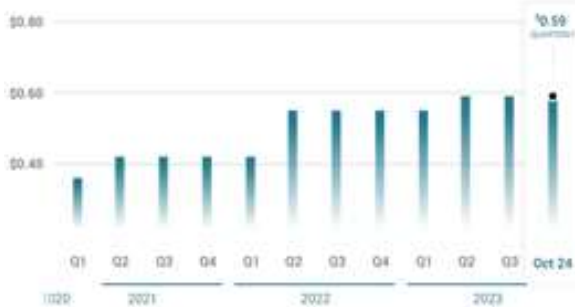
DIVIDEND PAYOUT RATIO

24.18%

DIVIDEND INCREASE
TRACK RECORD

7 Years

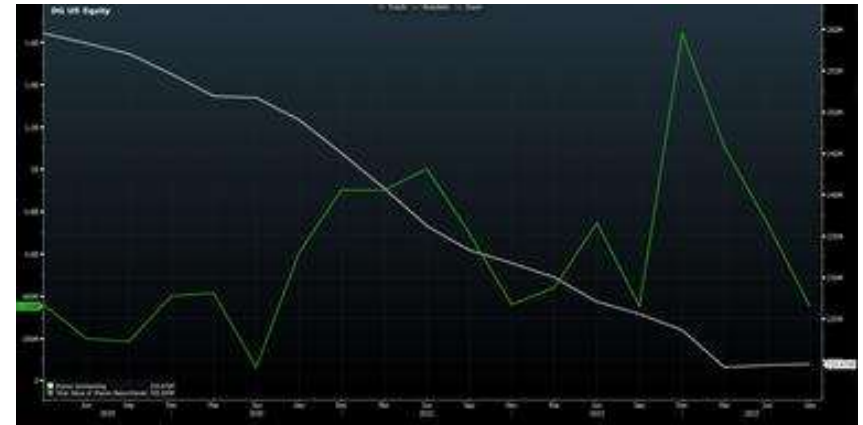
DG Dividend Payments



Share Buybacks

Share buybacks should generate shareholder value through the established program, serving as a catalyst for growth.

Approved buybacks of over \$2.0 billion



~5.02% shares outstanding decreased/year

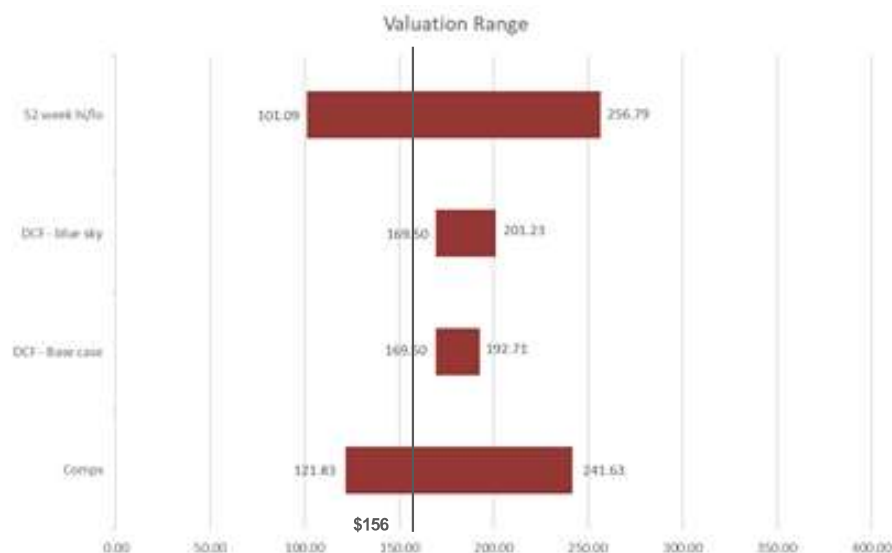


Comparables Valuation



Trading Comp Valuation

Calculating Implied Share Price	2025 Trading Multiple			Enterprise Value			Implied Share Price		
	Revenue	EBITDA	P/E	Revenue	EBITDA	Net Income	Revenue	EBITDA	Net Income
Minimum	0.4x	7.6x	5.4x	17,024	29,064	--	\$ (1.17)	\$ 212.36	\$ 47.47
Mean	1.1x	12.7x	18.3x	48,835	48,361	--	\$ 144.09	\$ 141.93	\$ 162.37
Median	0.9x	11.6x	21.7x	37,224	43,959	--	\$ 91.07	\$ 121.83	\$ 192.45
Maximum	2.3x	18.5x	30.0x	97,581	70,197	--	\$ 366.68	\$ 241.63	\$ 266.42



Discounted Cash Flow Valuation



DCF Valuation

Terminal Value - Multiples Method:	
Median TEV / EBITDA of Comps:	7.4 x
Baseline Terminal EBITDA Multiple:	12.3 x
Baseline Terminal Value:	\$ 63,771
Implied Terminal FCF Growth Rate:	1.84%
(+) PV of Terminal Value:	28,338
(+) Sum of PV of Free Cash Flows:	23,890
Implied Enterprise Value:	52,228
% of Implied TEV from Terminal Value:	54.3%
(+) Cash & Cash-Equivalents:	(382)
(+) Equity Investments:	-
(+) Other Non-Core Assets, Net:	-
(+) Net Operating Losses:	8,490
(-) Total Debt & Capital Leases:	(18,036)
(-) Preferred Stock:	-
(-) Noncontrolling Interests:	-
(-) Unfunded Pension Obligations:	-
Implied Equity Value:	42,301
Diluted Shares Outstanding:	219.5
Implied Share Price from DCF:	\$ 192.71
Premium / (Discount) to Current:	60.6%

Terminal Value - Perpetuity Growth Method:	
Expected Long-Term GDP Growth:	2.50%
Baseline Terminal FCF Growth Rate:	0.50%
Baseline Terminal Value:	\$ 52,303
Implied Terminal EBITDA Multiple:	10.1 x
(+) PV of Terminal Value:	23,242
(+) Sum of PV of Free Cash Flows:	23,890
Implied Enterprise Value:	47,132
% of Implied TEV from Terminal Value:	49.3%
(+) Cash & Cash-Equivalents:	(382)
(+) Equity Investments:	-
(+) Other Non-Core Assets, Net:	-
(+) Net Operating Losses:	8,490
(-) Total Debt:	(18,036)
(-) Preferred Stock:	-
(-) Noncontrolling Interests:	-
(-) Unfunded Pension Obligations:	-
Implied Equity Value:	37,204
Diluted Shares Outstanding:	219.5
Implied Share Price from DCF:	\$ 169.50
Premium / (Discount) to Current:	41.2%

WACC: 8.45%
 Tax rate: 31.7%
 Implied Share Price from Terminal
 FCF Growth Rate: \$366.15

Discount Rate (WACC):	Terminal EBITDA Multiple:										
	9.5 x	10.3 x	11.1 x	11.9 x	12.7 x	13.5 x	14.3 x	15.1 x	15.9 x	16.7 x	17.5 x
5.00%	\$ 213.34	\$ 224.48	\$ 235.62	\$ 246.76	\$ 257.90	\$ 269.04	\$ 280.18	\$ 291.32	\$ 302.46	\$ 313.60	\$ 324.74
5.15%	218.13	229.34	240.54	252.35	263.76	275.17	286.58	297.98	309.39	320.80	332.21
4.90%	223.03	234.72	246.40	258.08	269.76	281.45	293.13	304.81	316.49	328.18	339.86
4.65%	228.06	240.02	251.98	263.95	275.91	287.88	299.84	311.81	323.77	335.74	347.70
4.40%	233.20	245.45	257.71	269.96	282.22	294.47	306.72	318.98	331.23	343.49	355.74
4.15%	238.47	251.02	263.57	276.12	288.67	301.22	313.78	326.33	338.88	351.43	363.98
3.90%	243.86	256.72	269.58	282.43	295.29	308.15	321.00	333.86	346.72	359.57	372.43
3.65%	249.39	262.56	275.73	288.90	302.07	315.24	328.41	341.58	354.75	367.92	381.09
3.40%	255.05	268.54	282.04	295.54	309.02	322.51	336.01	349.50	362.99	376.48	389.97

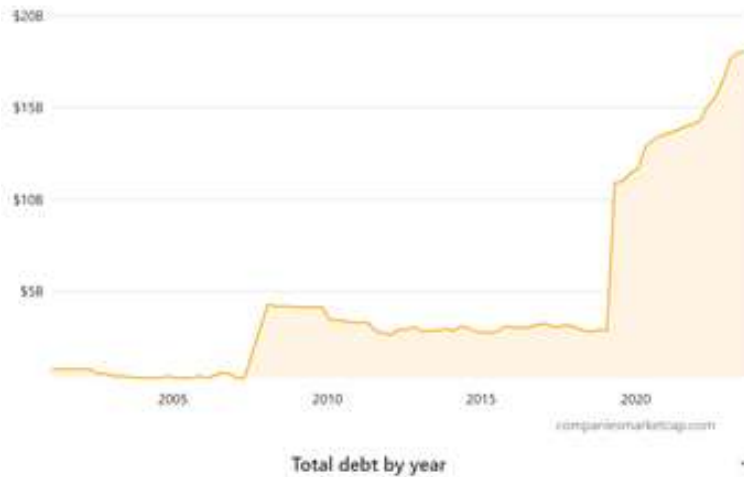


Risks & Mitigations



Debt

- ❖ \$18 Billion in long-term debt vs. \$323 million in cash
- ❖ \$26 billion market capitalization
- ❖ Paying off debt as notes approach maturity



(In thousands)	February 3, 2023	January 28, 2022
Revolving Facility	\$ —	\$ —
364-Day Revolving Facility	—	—
3.250% Senior Notes due April 15, 2023 (net of discount of \$0 and \$319)	—	899,681
4.250% Senior Notes due September 20, 2024 (net of discount of \$563 and \$0)	749,437	—
4.150% Senior Notes due November 1, 2025 (net of discount of \$249 and \$332)	499,751	499,668
3.875% Senior Notes due April 15, 2027 (net of discount of \$207 and \$251)	599,793	599,749
4.625% Senior Notes due November 1, 2027 (net of discount of \$495 and \$0)	549,505	—
4.125% Senior Notes due May 1, 2028 (net of discount of \$287 and \$336)	499,713	499,664
3.500% Senior Notes due April 3, 2030 (net of discount of \$504 and \$564)	952,440	988,990
5.000% Senior Notes due November 1, 2032 (net of discount of \$2,346 and \$0)	697,654	—
4.125% Senior Notes due April 3, 2050 (net of discount of \$4,766 and \$4,857)	495,234	495,143
5.500% Senior Notes due November 1, 2052 (net of discount of \$292 and \$0)	299,708	—
Unsecured commercial paper notes	1,501,900	54,300
Other	200,695	159,525
Debt issuance costs, net	(36,431)	(24,652)
Long-term obligations	<u>\$ 7,009,399</u>	<u>\$ 4,172,068</u>

Macroeconomic environment

- ❖ The threat of higher interest rates and a recession could further impact Dollar General’s margins - could be mitigated by pOpshelf
- ❖ Worsening conditions could lead to slower and more expensive growth over short-term



Final Recommendation



- ❖ pOpshelf is a new chain used to grow Dollar General's margins through non essential consumer goods
- ❖ New management is fixing old inefficiencies in supply chain and labor
- ❖ Expansion into mexican markets providing an even larger consumer audience
- ❖ Valuation is cheap relative to peers in the industry
- ❖ Debt is comfortably paid as notes approach maturity



Based on a current share price of **\$118.00**, we see a **32.2%** upside with an implied share price of **\$156.49**.



Thank you for your time

Questions?

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Revenue Growth

Unlevered Free Cash Flow Projections:	Units:	Historical:			Projected:									
		FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Retail Square Feet:	M Sq. Ft.	129.50	136.43	143.60	146	149	152	154	155	157	158	159	159	160
Growth Rate:	%	N/A	5.4%	5.3%	2.0%	2.0%	1.5%	1.5%	1.0%	1.0%	0.5%	0.5%	0.5%	0.5%
Sales per Square Foot:	\$ / Sq. Ft.	260.60	250.84	263.54	270.65	277.96	284.91	292.03	297.88	303.83	308.39	313.02	316.15	319.31
Growth Rate:	%	N/A	(3.7%)	5.1%	2.7%	2.7%	2.5%	2.5%	2.0%	2.0%	1.5%	1.5%	1.0%	1.0%
COGS and OpEx per Square Foot:	\$ / Sq. Ft.	233.13	227.21	240.35	247.56	254.98	261.96	267.89	273.25	278.72	282.90	287.14	290.01	292.91
Growth Rate:	%	N/A	(2.5%)	5.8%	3.0%	3.0%	2.5%	2.5%	2.0%	2.0%	1.5%	1.5%	1.0%	1.0%
Maintenance CapEx per Square Foot:	\$ / Sq. Ft.	(0.89)	8.27	11.44	11.78	12.14	12.44	12.75	13.01	13.27	13.46	13.67	13.80	13.94
Growth Rate:	%	N/A	(1031.2%)	38.4%	3.0%	3.0%	2.5%	2.5%	2.0%	2.0%	1.5%	1.5%	1.0%	1.0%
D&A per Square Foot:	\$ / Sq. Ft.	4.43	4.70	5.05	5.17	5.30	5.41	5.52	5.60	5.68	5.74	5.80	5.85	5.89
Growth Rate:	%	N/A	6.0%	7.4%	2.5%	2.5%	2.0%	2.0%	1.5%	1.5%	1.0%	1.0%	0.8%	0.8%
Growth CapEx per New Square Foot:	\$ / Sq. Ft.				150.00	154.50	159.14	163.11	167.19	170.54	173.95	176.55	179.20	181.00
Growth Rate:	%					3.0%	3.0%	2.5%	2.5%	2.0%	2.0%	1.5%	1.5%	1.0%
Membership & Other Income Growth Rate:	%	N/A	N/A	N/A	3.0%	3.0%	2.5%	2.5%	2.0%	2.0%	1.5%	1.5%	1.0%	1.0%
Revenue:														
(+) Net Sales:	\$ M	\$ 33,747	\$ 34,220	\$ 37,845	\$ 39,644	\$ 41,529	\$ 43,205	\$ 44,950	\$ 46,307	\$ 47,706	\$ 48,664	\$ 49,640	\$ 50,388	\$ 51,146
Total Revenue:	\$ M	33,747	34,220	37,845	39,644	41,529	43,205	44,950	46,307	47,706	48,664	49,640	50,388	51,146
Revenue Growth:	%	N/A	1.4%	10.6%	4.8%	4.8%	4.0%	4.0%	3.0%	3.0%	2.0%	2.0%	1.5%	1.5%
Operating Income (EBIT):	\$ M	3,558	3,223	3,330	3,383	3,433	3,572	3,716	3,828	3,944	4,023	4,104	4,165	4,228
Operating (EBIT) Margin:	%	10.5%	9.4%	8.8%	8.5%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%
(-) Taxes, Excluding Effect of Interest:	\$ M	(1,128)	(1,022)	(1,056)	(1,073)	(1,089)	(1,133)	(1,178)	(1,214)	(1,251)	(1,276)	(1,301)	(1,321)	(1,341)
Net Operating Profit After Tax (NOPAT):	\$ M	2,429	2,201	2,274	2,310	2,344	2,439	2,537	2,614	2,693	2,747	2,802	2,844	2,887
Adjustments for Non-Cash Charges:														
(+) Depreciation & Amortization:	\$ M	574	641	725	758	792	820	849	871	893	906	920	932	944
% Revenue:	%	1.7%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.8%	1.8%

Unlev. Beta & FCF Growth

Comparable Companies - Unlevered Beta Calculation:										
Name	Levered Beta	Debt	% Debt	Preferred Stock	% Preferred	Equity Value	% Equity	Tax Rate	Unlevered Beta	
Dollar Tree Inc.	0.81	\$ 10,350	28.7%	\$ -	-	\$ 25,773	71.3%	24.4%	0.62	
Walgreens Boots Alliance, Inc.	0.48	34,511	65.0%	-	-	18,574	35.0%	29.0%	0.21	
Target Corp.	1.04	19,272	27.3%	-	-	51,271	72.7%	23.7%	0.81	
Ollie's Bargain Outlet Holdings, Inc.	0.97	461	8.7%	-	-	4,844	91.3%	21.2%	0.90	
Walmart Inc.	0.54	66,861	13.0%	-	-	445,508	87.0%	24.4%	0.48	
Median:	0.81	\$ 19,272	27.3%	\$ -	-	\$ 25,773	72.7%	24.4%	0.62	

Discount Rate (WACC):	Terminal FCF Growth Rate:											
	(1.25%)	(1.00%)	(0.75%)	(0.50%)	(0.25%)	0.00%	0.25%	0.50%	0.75%	1.00%	1.25%	
5.40%	\$ 246.45	\$ 253.35	\$ 260.81	\$ 268.89	\$ 277.70	\$ 287.32	\$ 297.87	\$ 309.50	\$ 322.38	\$ 336.73	\$ 352.80	
5.15%	258.65	266.27	274.54	283.53	293.36	304.14	316.02	329.18	343.84	360.26	378.78	
4.90%	271.86	280.30	289.49	299.53	310.55	322.69	336.13	351.11	367.88	386.81	408.33	
4.65%	286.20	295.59	305.85	317.10	329.51	343.24	358.54	375.68	395.02	417.01	442.23	
4.40%	301.83	312.31	323.81	336.48	350.52	366.15	383.66	403.42	425.88	451.65	481.51	
4.15%	318.92	330.67	343.61	357.96	373.93	391.82	412.01	434.97	461.30	491.81	527.58	
3.90%	337.68	350.91	365.57	381.89	400.17	420.80	444.26	471.17	502.35	538.90	582.35	
3.65%	358.38	373.35	390.03	408.72	429.80	453.77	481.27	513.13	550.48	594.89	648.54	
3.40%	381.32	398.36	417.46	439.01	463.51	491.61	524.17	562.34	607.72	662.55	730.13	

WACC Assumptions

Discount Rate Calculations - Assumptions:

Risk-Free Rate:	4.65%
Equity Risk Premium:	7.00%
Pre-Tax Cost of Debt:	6.50%
Cost of Preferred Stock:	—

Revenue, EBITDA, & NI Growth

DG - Comps Model

Date: 11/9/2023
 Currency: USD

Ticker	Company Name	Current Price	Share Count	Enterprise Value	Market Cap	Revenue		EBITDA		Net Income		Revenue Growth		EBITDA Margin		Profit Margin		Trading Multiples							
						'23	'24	'25	'24	'25	'24	'25	'24	'25	'24	'25	'24	'25	'24	'25					
DG	Dollar General	119.46	220	44,333	26,550	38,668	40,578	43,116	3,440	3,303	1,720	1,946	3%	6%	8%	9%	4%	3%	1.1x	1.0x	12.9x	11.6x	18.4x	13.6x	
1	DLTR	Dollar Tree	114.77	220	35,431	25,593	30,866	32,184	34,321	3,040	3,505	1,535	1,829	4%	7%	9%	10%	3%	3%	1.1x	1.0x	11.7x	10.1x	16.7x	14.0x
2	TGT	Target	109.85	462	89,054	51,400	107,023	107,656	111,204	8,520	9,036	4,054	4,485	1%	3%	8%	8%	4%	4%	0.6x	0.6x	8.1x	7.6x	12.6x	11.3x
3	FIVE	Five Below	176.88	95	11,090	9,320	3,548	4,136	4,900	622	753	366	442	17%	18%	12%	13%	3%	3%	2.7x	2.3x	17.8x	16.7x	27.1x	22.3x
4	WMT	Walmart	164.3	2,692	504,834	445,888	839,553	665,928	685,473	41,036	43,678	18,042	20,543	3%	4%	8%	6%	3%	2%	0.8x	0.7x	12.3x	11.6x	23.4x	21.7x
5	COIT	Costco	867.38	443	248,126	252,924	253,913	271,060	287,508	12,384	11,449	7,592	8,418	7%	6%	8%	5%	3%	3%	0.9x	0.9x	20.0x	18.3x	23.3x	20.0x
6	WBA	Walgreens Boot Alliance, Inc.	21	864	60,383	18,142	143,014	149,051	182,926	3,943	3,638	3,167	3,389	4%	3%	4%	4%	2%	2%	0.4x	0.4x	10.2x	10.7x	8.7x	8.4x
7	OLU	Oldemark Retail Group, Inc.	79.28	62	5,043	4,892	2,086	2,279	2,300	290	318	192	211	9%	10%	11%	11%	8%	8%	2.2x	2.0x	17.4x	18.9x	25.9x	23.1x
Mean													6%	7%	9%	9%	5%	5%	1.2x	1.1x	13.9x	12.7x	20.6x	18.3x	
Median													4%	6%	8%	8%	4%	4%	0.9x	0.9x	12.3x	11.6x	23.4x	21.7x	

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In thousands, except per share amounts)

	February 3, 2023	January 28, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 381,576	\$ 344,829
Merchandise inventories	6,760,733	5,614,325
Income taxes receivable	135,775	97,394
Prepaid expenses and other current assets	302,925	247,295
Total current assets	7,581,009	6,303,843
Net property and equipment	5,236,309	4,346,127
Operating lease assets	10,670,014	10,092,930
Goodwill	4,338,589	4,338,589
Other intangible assets, net	1,199,700	1,199,750
Other assets, net	57,746	46,132
Total assets	<u>\$ 29,083,367</u>	<u>\$ 26,327,371</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of operating lease liabilities	1,288,939	1,183,559
Accounts payable	3,552,991	3,738,604
Accrued expenses and other	1,036,919	1,049,139
Income taxes payable	8,919	8,055
Total current liabilities	5,887,768	5,979,357
Long-term obligations	7,009,399	4,172,068
Long-term operating lease liabilities	9,362,761	8,890,709
Deferred income taxes	1,060,906	825,254
Other liabilities	220,761	197,997
Commitments and contingencies		
Shareholders' equity:		
Preferred stock	—	—
Common stock; \$0.875 par value, 1,000,000 shares authorized, 219,105 and 230,016 shares issued and outstanding at February 3, 2023 and January 28, 2022, respectively	191,718	201,265
Additional paid-in capital	3,693,871	3,587,914
Retained earnings	1,656,140	2,473,999
Accumulated other comprehensive income (loss)	43	(1,192)
Total shareholders' equity	5,541,772	6,261,986
Total liabilities and shareholders' equity	<u>\$ 29,083,367</u>	<u>\$ 26,327,371</u>

	For the Year Ended		
	February 3, 2023	January 28, 2022	January 29, 2021
<i>Cash flows from operating activities:</i>			
Net income	\$ 2,415,989	\$ 2,399,232	\$ 2,655,050
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation and amortization	724,877	641,316	574,237
Deferred income taxes	235,299	114,359	34,976
Noncash share-based compensation	72,712	78,178	68,609
Other noncash (gains) and losses	530,530	191,040	11,570
Change in operating assets and liabilities:			
Merchandise inventories	(1,665,352)	(550,114)	(575,827)
Prepaid expenses and other current assets	(65,102)	(47,471)	(16,516)
Accounts payable	(194,722)	98,735	745,596
Accrued expenses and other liabilities	(25,409)	(37,328)	388,597
Income taxes	(37,517)	(14,642)	(6,522)
Other	(6,750)	(7,494)	(3,611)
Net cash provided by (used in) operating activities	<u>1,984,555</u>	<u>2,865,811</u>	<u>3,876,159</u>
<i>Cash flows from investing activities:</i>			
Purchases of property and equipment	(1,560,582)	(1,070,460)	(1,027,963)
Proceeds from sales of property and equipment	5,236	4,903	3,053
Net cash provided by (used in) investing activities	<u>(1,555,346)</u>	<u>(1,065,557)</u>	<u>(1,024,910)</u>
<i>Cash flows from financing activities:</i>			
Issuance of long-term obligations	2,296,053	—	1,494,315
Repayments of long-term obligations	(911,330)	(6,402)	(4,640)
Net increase (decrease) in commercial paper outstanding	1,447,600	54,300	(425,200)
Borrowings under revolving credit facilities	—	—	300,000
Repayments of borrowings under revolving credit facilities	—	—	(300,000)
Costs associated with issuance of debt	(16,925)	(2,268)	(13,574)
Repurchases of common stock	(2,748,014)	(2,549,669)	(2,466,434)
Payments of cash dividends	(493,726)	(392,188)	(355,926)
Other equity and related transactions	33,880	64,225	56,467
Net cash provided by (used in) financing activities	<u>(392,462)</u>	<u>(2,832,002)</u>	<u>(1,714,992)</u>
Net increase (decrease) in cash and cash equivalents	36,747	(1,031,748)	1,136,257
Cash and cash equivalents, beginning of period	344,829	1,376,577	240,320
Cash and cash equivalents, end of period	<u>\$ 381,576</u>	<u>\$ 344,829</u>	<u>\$ 1,376,577</u>
<i>Supplemental cash flow information:</i>			
Cash paid for:			
Interest	\$ 195,312	\$ 159,803	\$ 128,211
Income taxes	\$ 500,814	\$ 568,267	\$ 721,570
<i>Supplemental noncash investing and financing activities:</i>			
Right of use assets obtained in exchange for new operating lease liabilities	\$ 1,836,718	\$ 1,778,564	\$ 1,721,530
Purchases of property and equipment awaiting processing for payment, included in Accounts payable	\$ 150,694	\$ 143,589	\$ 118,059

The accompanying notes are an integral part of the consolidated financial statements.

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share amounts)

	For the Year Ended		
	February 3, 2022	January 28, 2022	January 29, 2021
Net sales	\$ 37,844,863	\$ 34,220,449	\$ 33,746,839
Cost of goods sold	26,024,765	23,407,443	23,027,977
Gross profit	11,820,098	10,813,006	10,718,862
Selling, general and administrative expenses	8,491,796	7,592,331	7,164,097
Operating profit	3,328,302	3,220,675	3,554,765
Interest expense	211,273	157,526	150,385
Other (income) expense	415	—	—
Income before income taxes	3,116,614	3,063,149	3,404,380
Income tax expense	700,625	663,917	749,330
Net income	\$ 2,415,989	\$ 2,399,232	\$ 2,655,050
Earnings per share:			
Basic	\$ 10.73	\$ 10.24	\$ 10.70
Diluted	\$ 10.68	\$ 10.17	\$ 10.62
Weighted average shares outstanding:			
Basic	225,148	234,261	248,171
Diluted	226,297	235,812	250,076
Dividends per share	\$ 2.20	\$ 1.68	\$ 1.44

DOLLAR GENERAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

	For the Year Ended		
	February 3, 2022	January 28, 2022	January 29, 2021
Net income	\$ 2,415,989	\$ 2,399,232	\$ 2,655,050
Unrealized net gain (loss) on hedged transactions and currency translation, net of related income tax expense (benefit) of \$353, \$346, and \$346, respectively	1,235	971	972
Comprehensive income	\$ 2,417,224	\$ 2,400,203	\$ 2,656,022

Debt Repayments

Chart Selected Items + Add Data Items		12 months	12 months	12 months	12 months	12 months	LTM
For the Fiscal Period Ending		Feb-01-2019	Jan-31-2020	Jan-29-2021	Jan-28-2022	Feb-03-2023	12 months
Currency		USD	USD	USD	USD	USD	12 months
							Aug-04-2023
							USD
Net Income	↓	1,589.5	1,712.6	2,655.1	2,399.2	2,416.0	2,168.5
Depreciation & Amort.	↓	454.1	504.8	574.2	641.3	724.9	785.4
Depreciation & Amort., Total	↓	454.1	504.8	574.2	641.3	724.9	785.4
(Gain) Loss From Sale Of Assets	↓	42.9	8.3	11.6	191.0	530.5	373.8
Stock-Based Compensation	↓	40.9	48.6	68.6	78.2	72.7	64.5
Other Operating Activities	↓	52.3	55.4	35.0	114.4	235.3	212.0
Change In Inventories	↓	(521.3)	(578.8)	(575.8)	(550.1)	(1,665.4)	(953.6)
Change in Acc. Payable	↓	375.2	428.6	745.6	98.7	(194.7)	(709.3)
Change in Inc. Taxes	↓	56.4	(20.4)	(6.5)	(14.6)	(37.5)	(58.0)
Change in Other Net Operating Assets	↓	53.6	78.9	368.5	(92.3)	(97.3)	(120.2)
Cash from Ops.	↓	2,143.6	2,238.0	3,876.2	2,865.8	1,984.6	1,763.3
Capital Expenditure	↓	(734.4)	(784.8)	(1,028.0)	(1,070.5)	(1,560.6)	(1,669.7)
Sale of Property, Plant, and Equipment	↓	2.8	2.4	3.1	4.9	5.2	6.3
Cash Acquisitions	↓	-	-	-	-	-	-
Divestitures	↓	-	-	-	-	-	-
Invest. in Marketable & Equity Secur.	↓	-	-	-	-	-	-
Net (Inc.) Dec. in Loans Originated/Sold	↓	-	-	-	-	-	-
Other Investing Activities	↓	-	-	-	-	-	-
Cash from Investing	↓	(731.6)	(782.5)	(1,024.9)	(1,065.6)	(1,555.3)	(1,663.4)
Short Term Debt Issued	↓	-	58.3	300.0	54.3	1,447.6	-
Long-Term Debt Issued	↓	499.5	-	1,494.3	-	2,296.1	-
Total Debt Issued	↓	499.5	58.3	1,794.3	54.3	3,743.7	4,700.7
Short Term Debt Repaid	↓	(63.3)	-	(725.2)	-	-	-
Long-Term Debt Repaid	↓	(577.3)	(1.5)	(4.6)	(6.4)	(911.3)	-
Total Debt Repaid	↓	(640.6)	(1.5)	(729.8)	(6.4)	(911.3)	(2,620.9)
Repurchase of Common Stock	↓	(1,007.5)	(1,200.4)	(2,466.4)	(2,549.7)	(2,748.0)	(1,652.6)