



# **DOLLAR GENERAL**

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**2024 Bull Bear Presentation**

# Game Plan



Base	Bull	Bear
Company Overview	Economic Moat	Competitor Analysis
Management	Growth Opportunities	Risk Factors
Capital Allocation	Valuation & Conclusion	Valuation & Conclusion
Revenue Breakdown		
Interpretation of Financial Statements		
Value Bands & Intraportfolio Analysis		

# Base Team



31-Jan-25

**DOLLAR GENERAL**

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# **DOLLAR GENERAL**

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## **Company Overview**

**Dan The Man**



# Company Information



- Ticker: DG
- Founded: 1939
- Headquarters: Goodlettsville, TN
- Stores: 20,022
- Employees: 185,800
- Stock Price: \$82.12
- Market Cap: 16.88 Billion



# History



1939: J.L. Turner and his son start a warehouse company

1955: The name changes and the first DG is opened

1968: DG becomes a publicly traded company

1999: DG recognized on the Fortune 500 list for the first time.

2000: New corporate headquarters is opened in Goodlettsville, TN

2007: DG purchased for \$7.3B & made private by Kohlberg, Kravis, Roberts & Co

# History



2009: DG goes public  
for the second time

2012: DG opens its  
10,000<sup>th</sup> store in  
Merced, California

2015: Todd Vasos  
becomes Chief  
Executive Officer

2020: DG opens first  
pOpshelf stores

2023: First DG store  
opened in Mexico

2023: Todd Vasos  
returns as CEO

# 52 Week Price





# **DOLLAR GENERAL**

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**Management**

**Carson Alldredge**

# Executives



Todd J. Vasos  
CEO  
Age: 62  
Appointed: Oct. 2023  
16 years with DG



Anita Elliott  
Senior VP & CAO  
Age: 59  
Appointed: Dec. 2015  
19 years with DG



Kelly Dilts  
Executive VP & CFO  
Age: 55  
Appointed: May. 2023  
5 years with DG

# Executives



Carman Wenkoff  
Executive VP & CIO  
Age: 56  
7 Years with DG



Emily Taylor  
Executive VP & CMO  
Age: 48  
Executive VP since 2020  
26 years with DG



Kathleen Reardon  
Executive VP &  
CPO  
Age: 52  
15 years with DG

# Compensation Components



Pay Element	Vehicle	2023 Metrics
Base Salary	Cash	Reflects comparable positions in the competitive marketplace, recognizing performance, responsibilities and experience
Short-Term Incentive	Cash	Adjusted EBIT <b>(100%)</b>
Long-Term Incentive	Options <b>(50%)</b> <i>Vest 25% annually over 4 years</i>	Stock price
	PSUs <b>(50%)</b> <i>3-year ratable vest (Adj. EBITDA) 3-year cliff vest (Adj. ROIC)</i>	1-Year Adjusted EBITDA <b>(50%)</b> 3-Year Adjusted ROIC <b>(50%)</b>



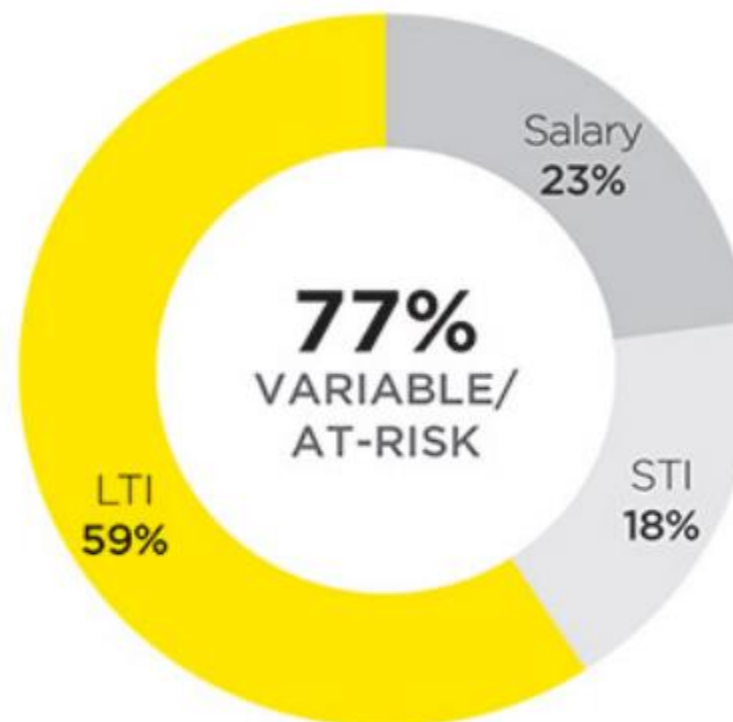
# Compensation Structure



**CEO**  
(Averaged Vasos and Owen)



**OTHER NEOs\***  
(Averaged)

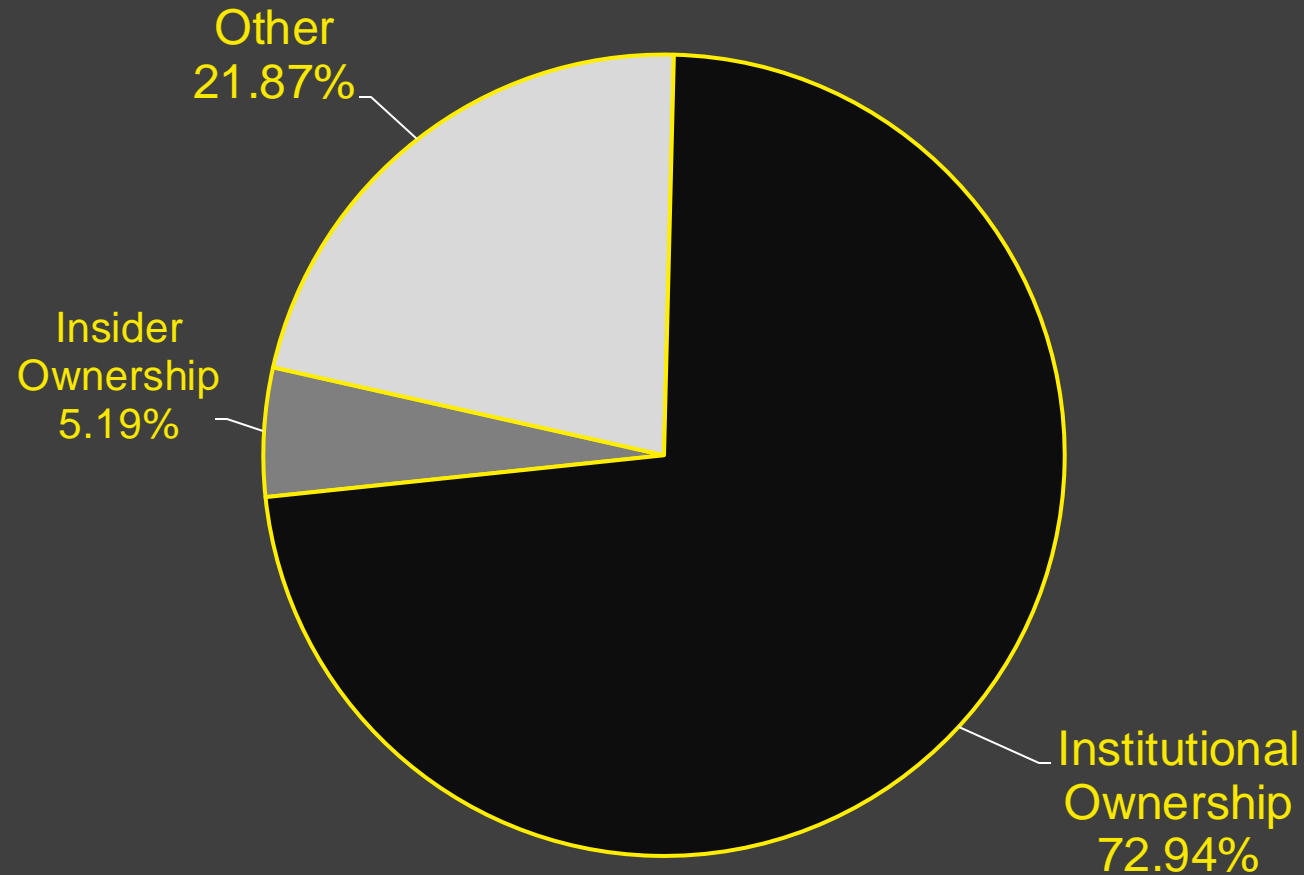


# Share Ownership Guidelines



Officer Level	Multiple of Base Salary
CEO	6X
COO/President (if any)	4X
EVP	3X
SVP	2X

# Dollar General Ownership Chart





# **DOLLAR GENERAL**

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**Capital Allocation**

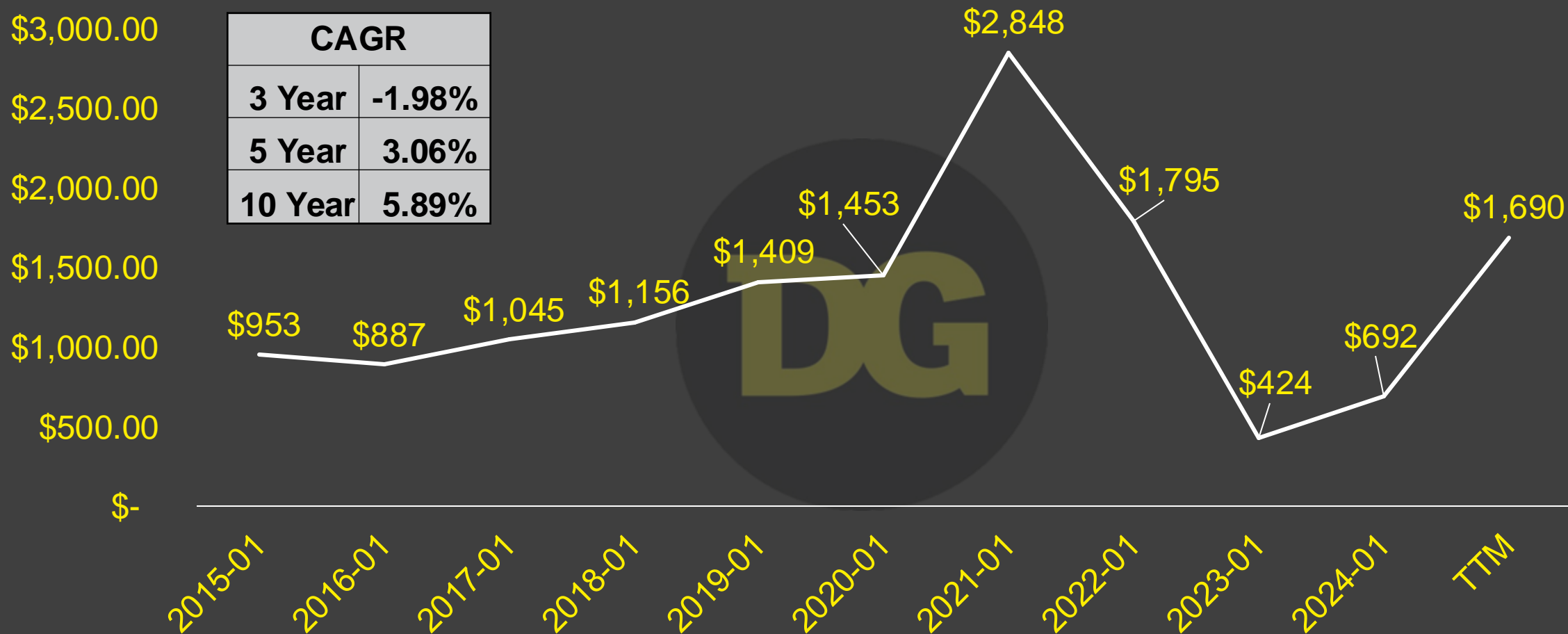
**Emily De La Rosa**

# Free Cash Flow

In millions USD

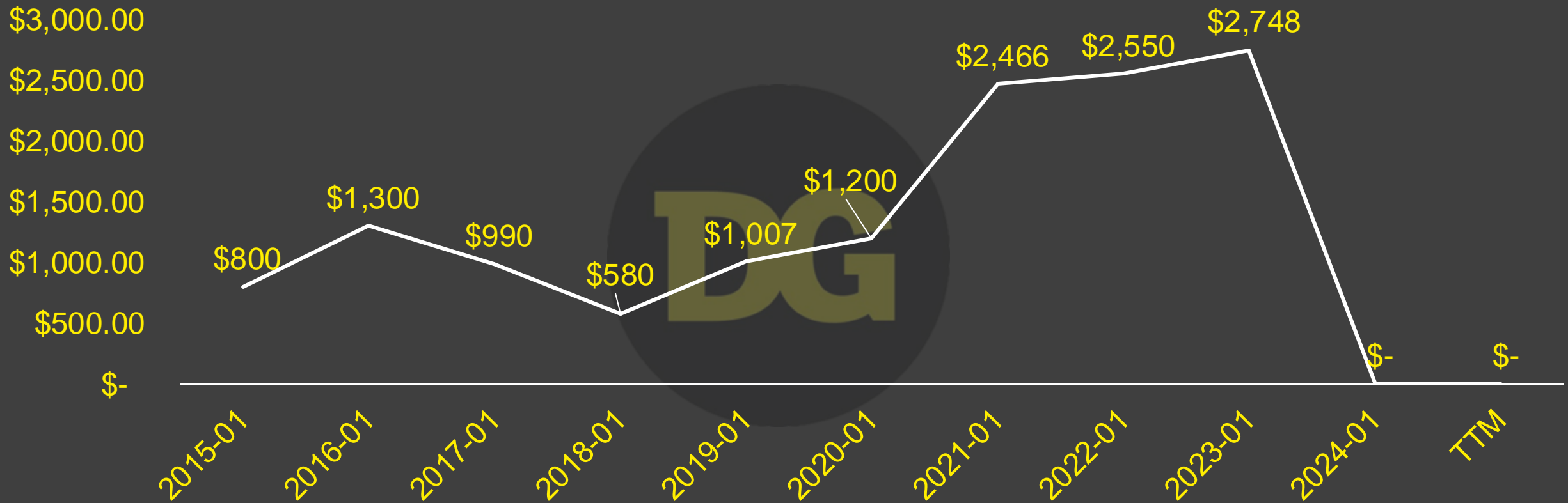


CAGR	
3 Year	-1.98%
5 Year	3.06%
10 Year	5.89%

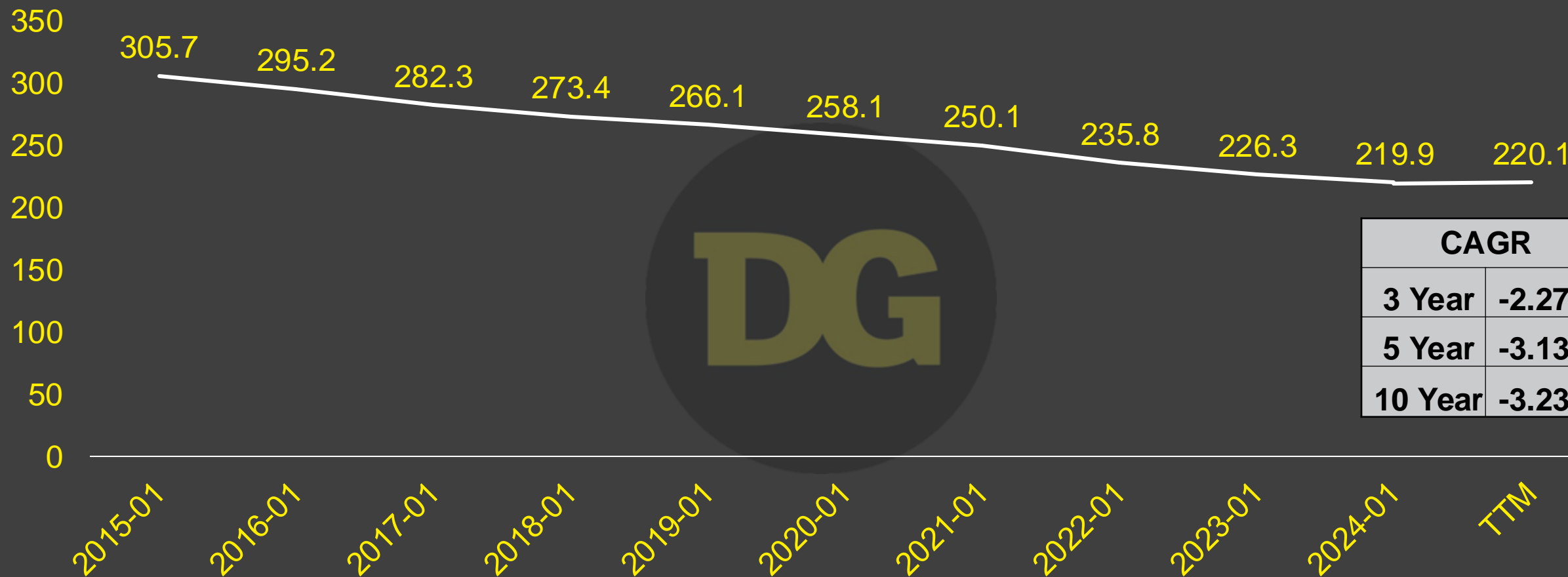


# Share Repurchases

In millions USD

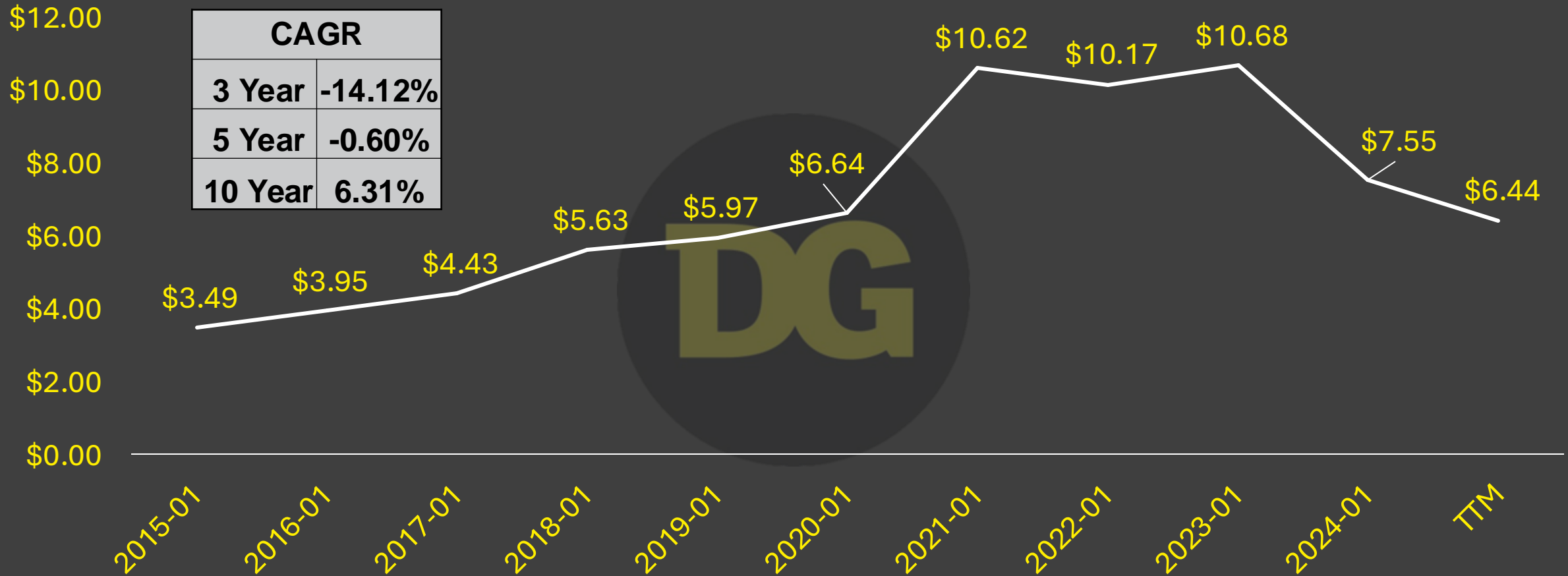


# Shares Outstanding



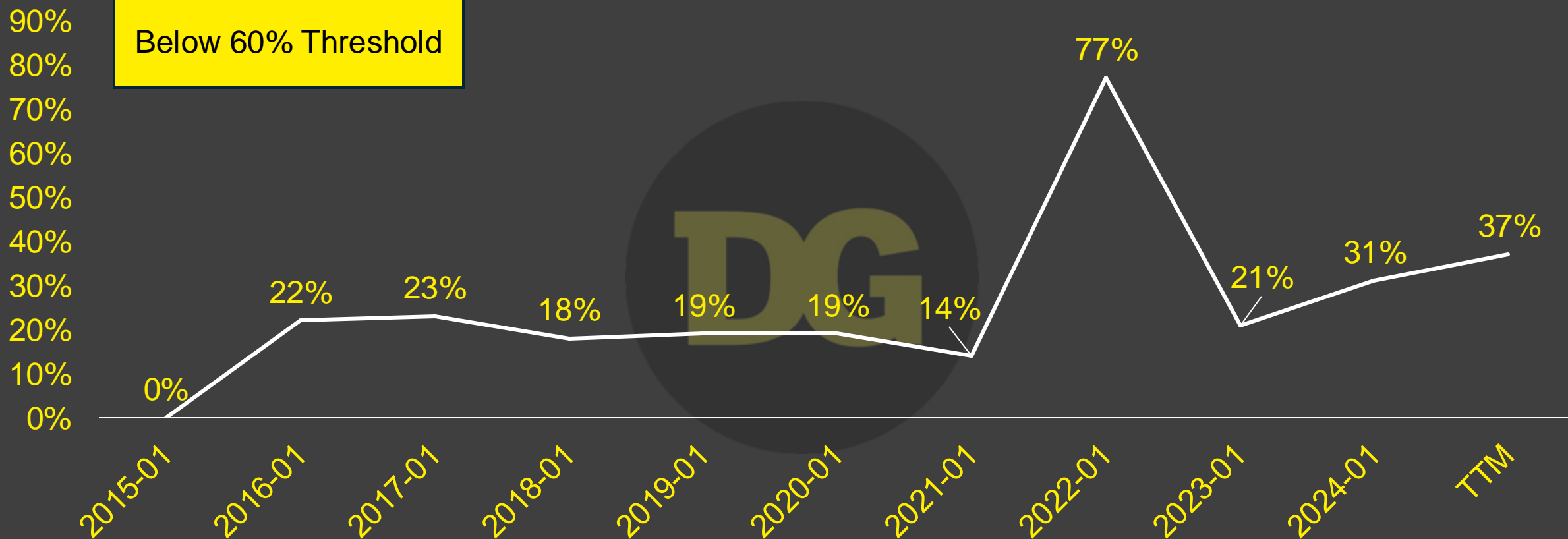
CAGR	
3 Year	-2.27%
5 Year	-3.13%
10 Year	-3.23%

# Earnings Per Share



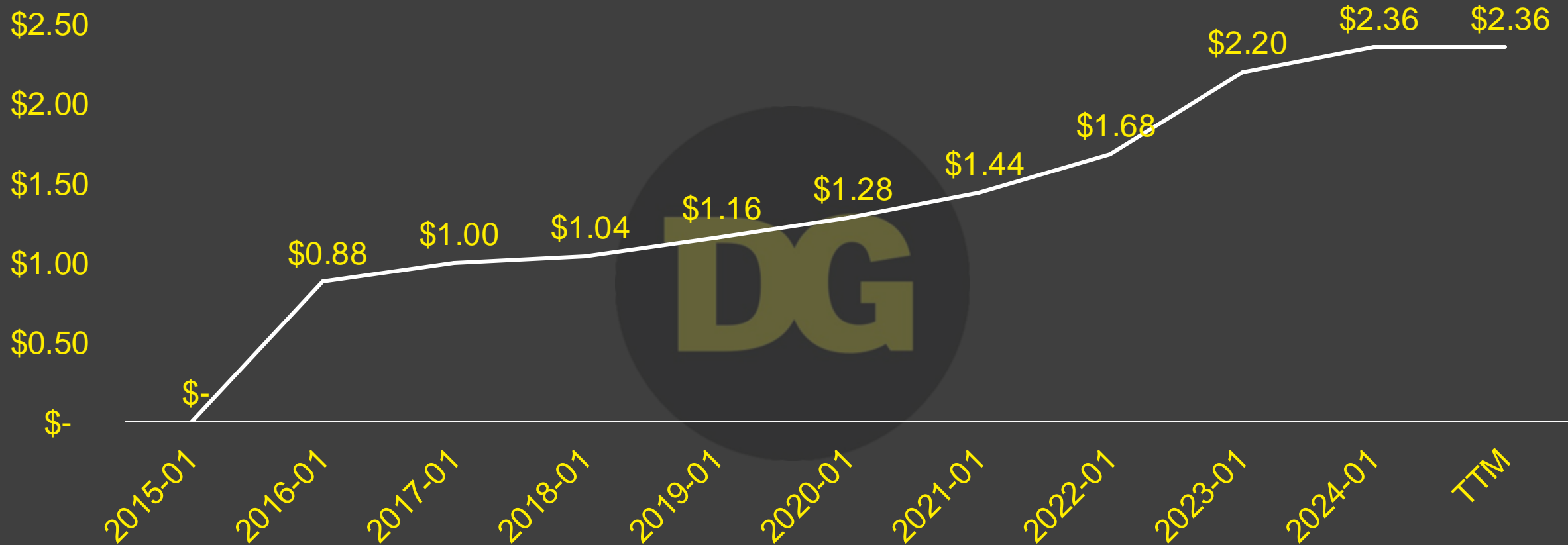


# Dividend Payout Ratio



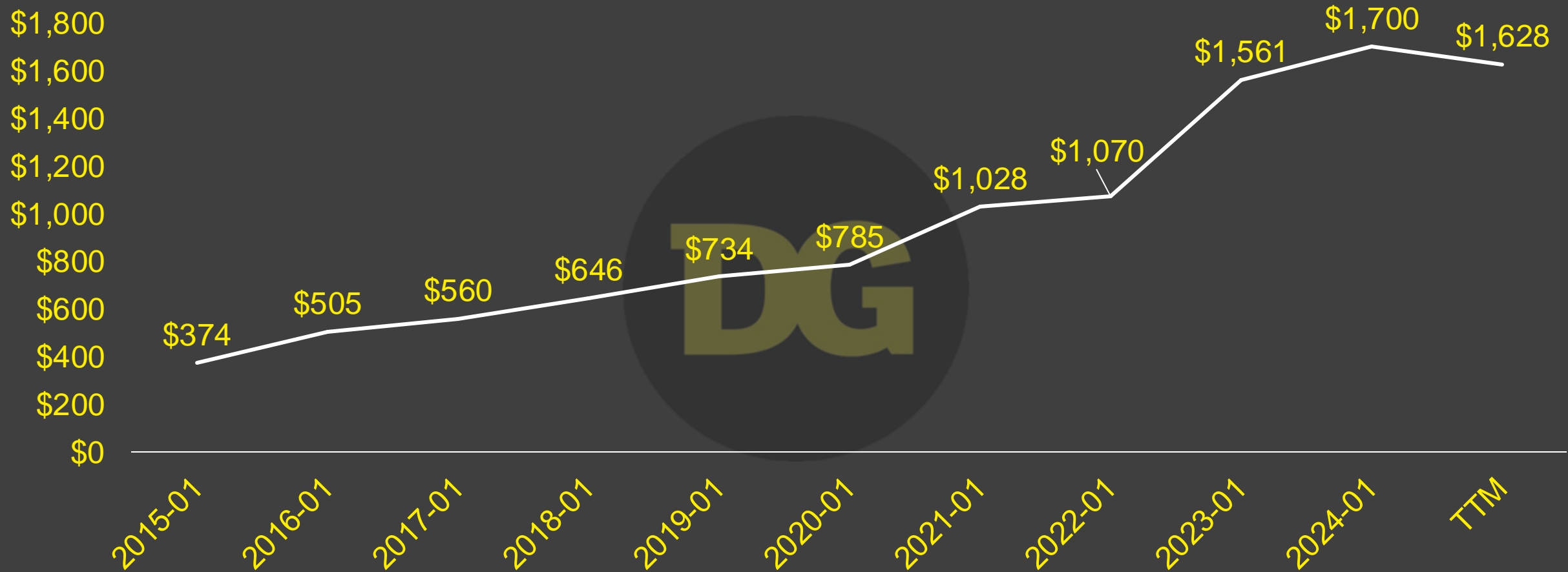
**DOLLAR GENERAL**

# Dividends Per Share



# Capital Expenditures

In millions USD





# **DOLLAR GENERAL**

## **Revenue Breakdown**

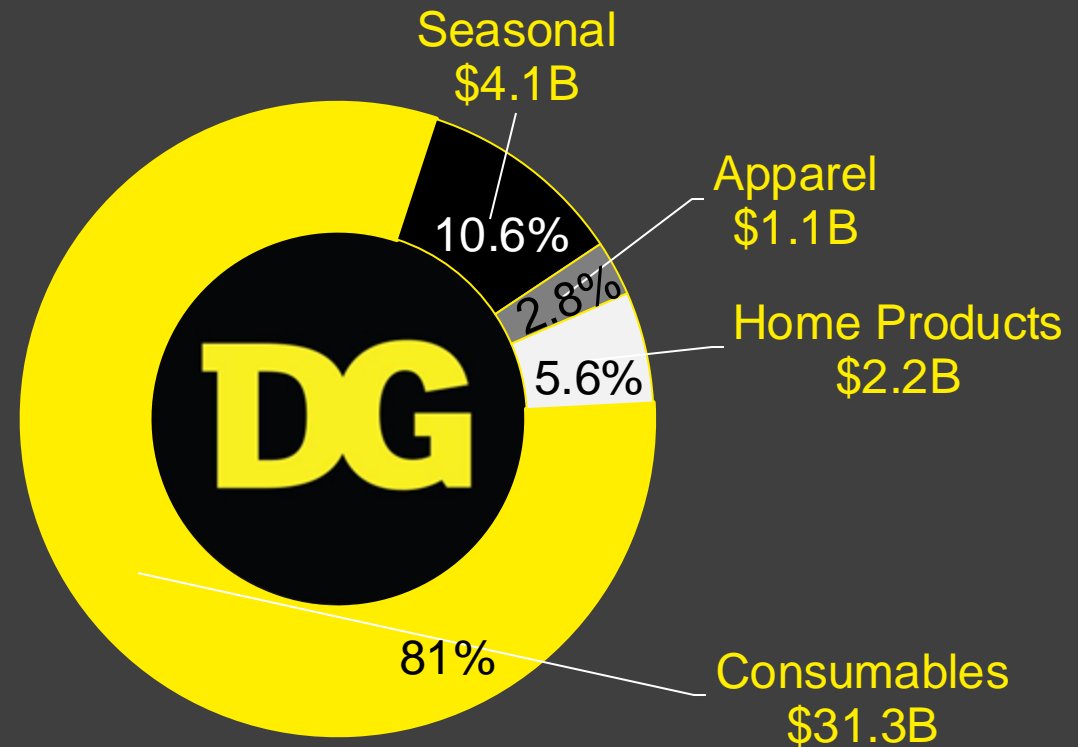
**Ryker Purdy**

# Segments TTM



## Consumables

- Food Products
- Pet
- Cleaning Supplies
- Seasonal
  - Holiday items
  - Toys & Electronics
  - General Supplies & Hardware
- Apparel
- Home Products
  - General home supplies & appliances



# Sales Growth

In millions of USD



Trailing Twelve Months  
Revenue: \$39,677

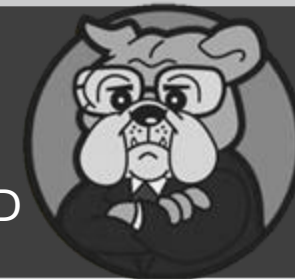
Fiscal Year 2023  
Revenue: \$38,692

Fiscal Year 2022  
Revenue: \$37,845

Growth: 2% 

# Consumables Net Sales

In millions of USD



# Clover Valley



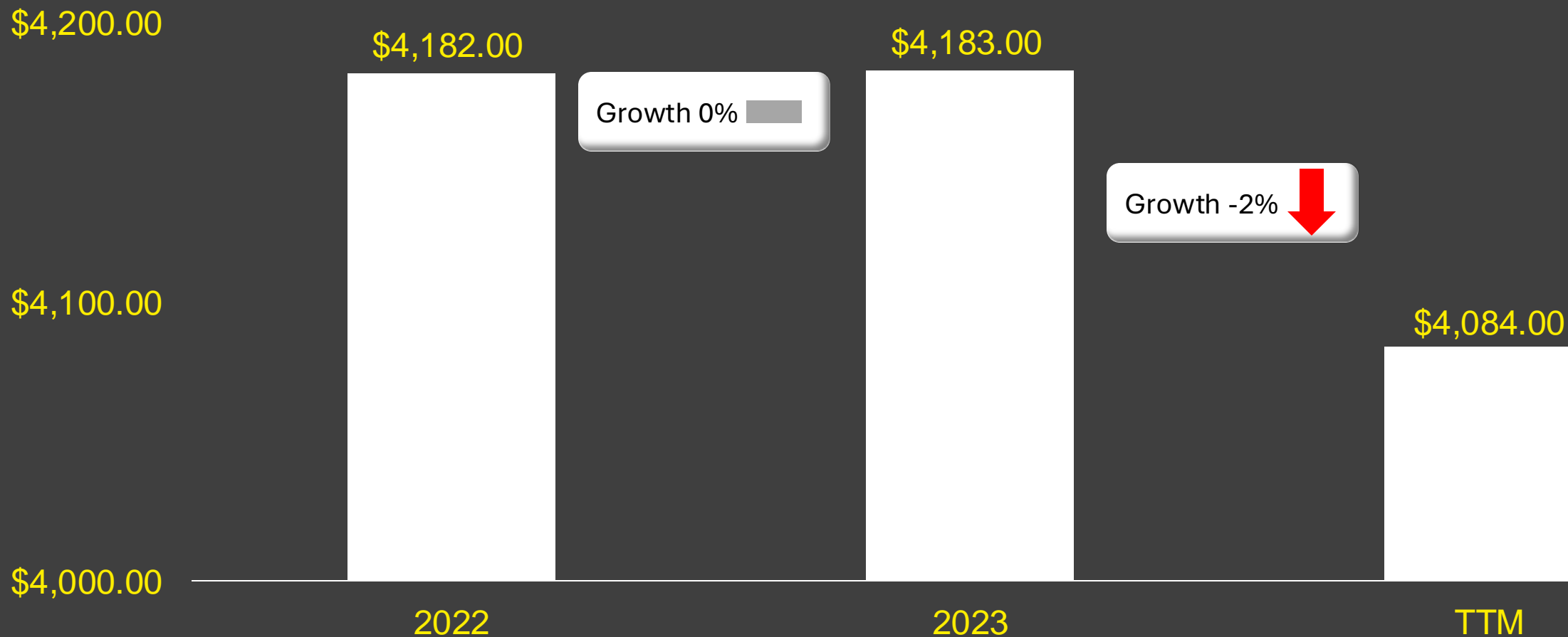
- Food Essentials & Pantry Staples
- Offers high-quality alternatives to national brands at affordable prices
- Approximately 600 items, including sauces, condiments, entrees, sides, snacks, and beverages
- Targets budget-conscious households





# Seasonal Net Sales

In millions of USD



# Home Net Sales

In millions of USD



\$2,000.00

\$1,500.00

\$1,000.00

\$500.00

\$0.00

1457

Growth -20%



1174

Growth 6%



1101

2022

2023

TTM

# True Living

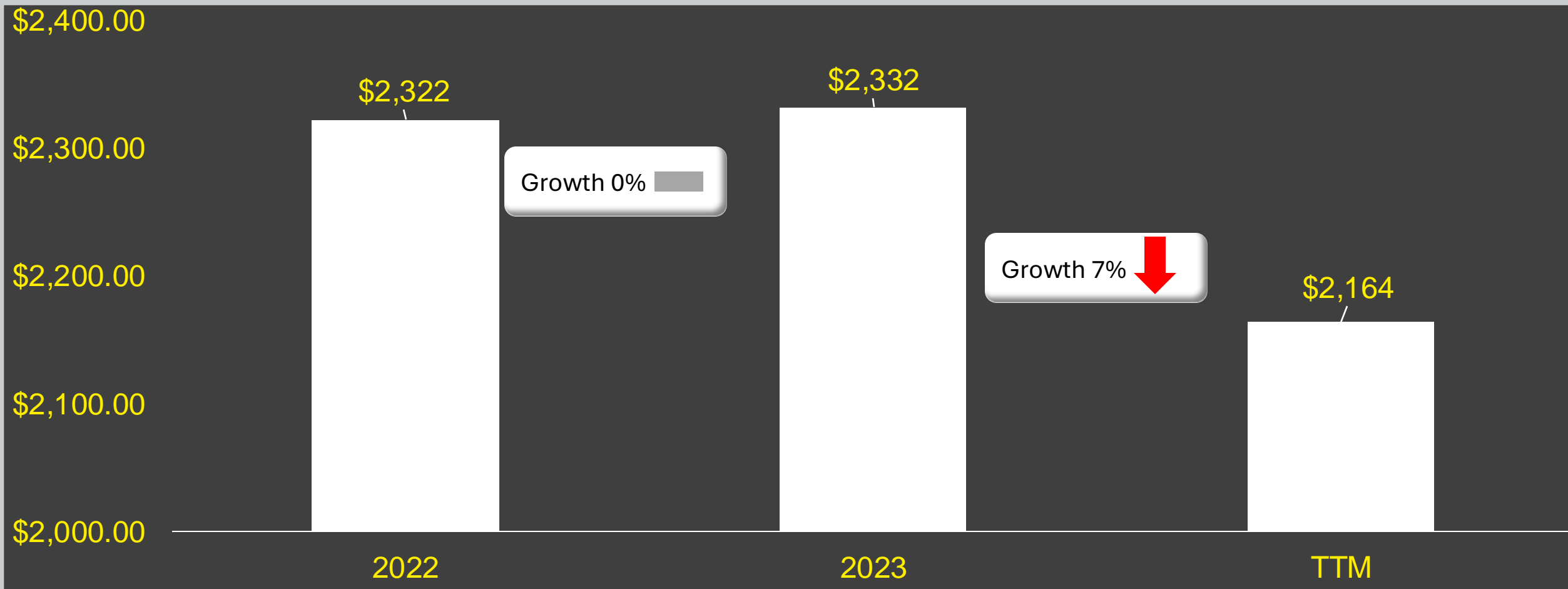


- Affordable Home Goods & Essentials
- Includes furniture, décor, kitchen essentials, bath products, cleaning supplies, and laundry detergents
- Emphasizes low prices
- Targets individuals and families seeking budget-friendly products



# Apparel Net Sales

In millions of USD



# pOpshelf



- Home décor & essential variety store
- Considered more upscale & affordable with a “treasure hunt” experience
- Higher margin merchandise
- 95% of items priced at \$5 or less
- Targeted towards households making \$50K-125K



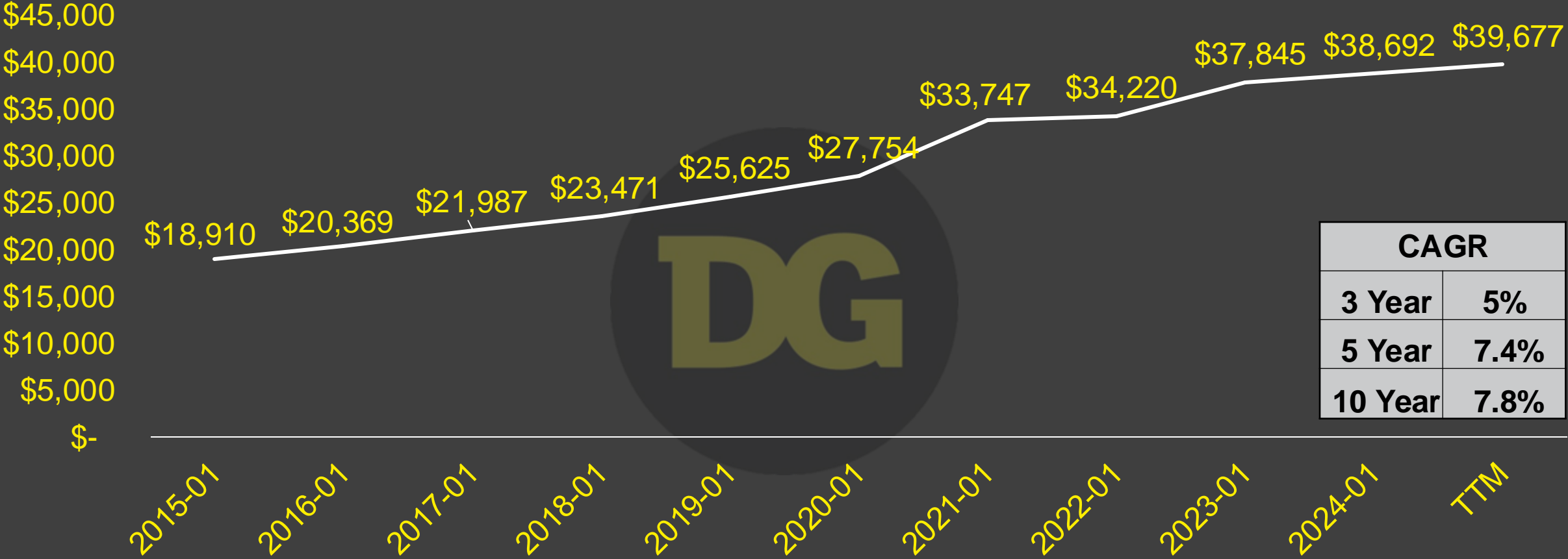


# **DOLLAR GENERAL**

**Interpretation of Financial Statements**

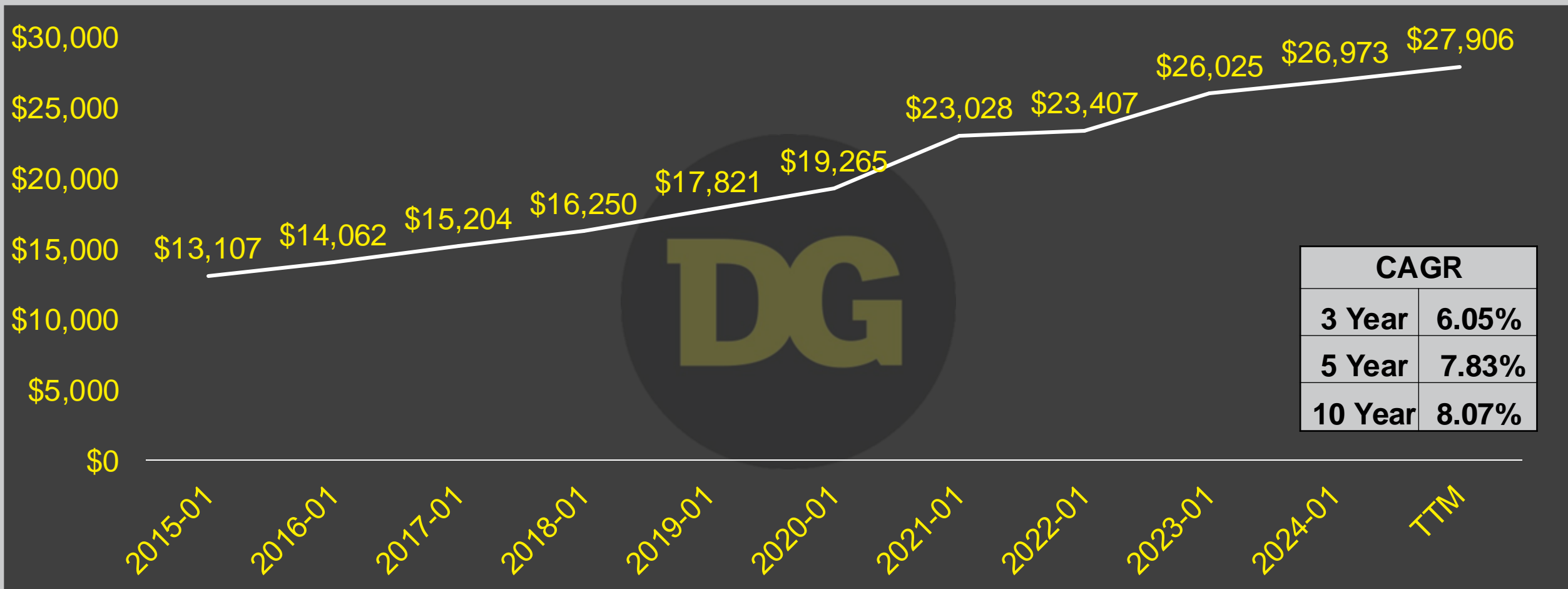
**Jaiden Conrad**

# Revenue (In Millions USD)



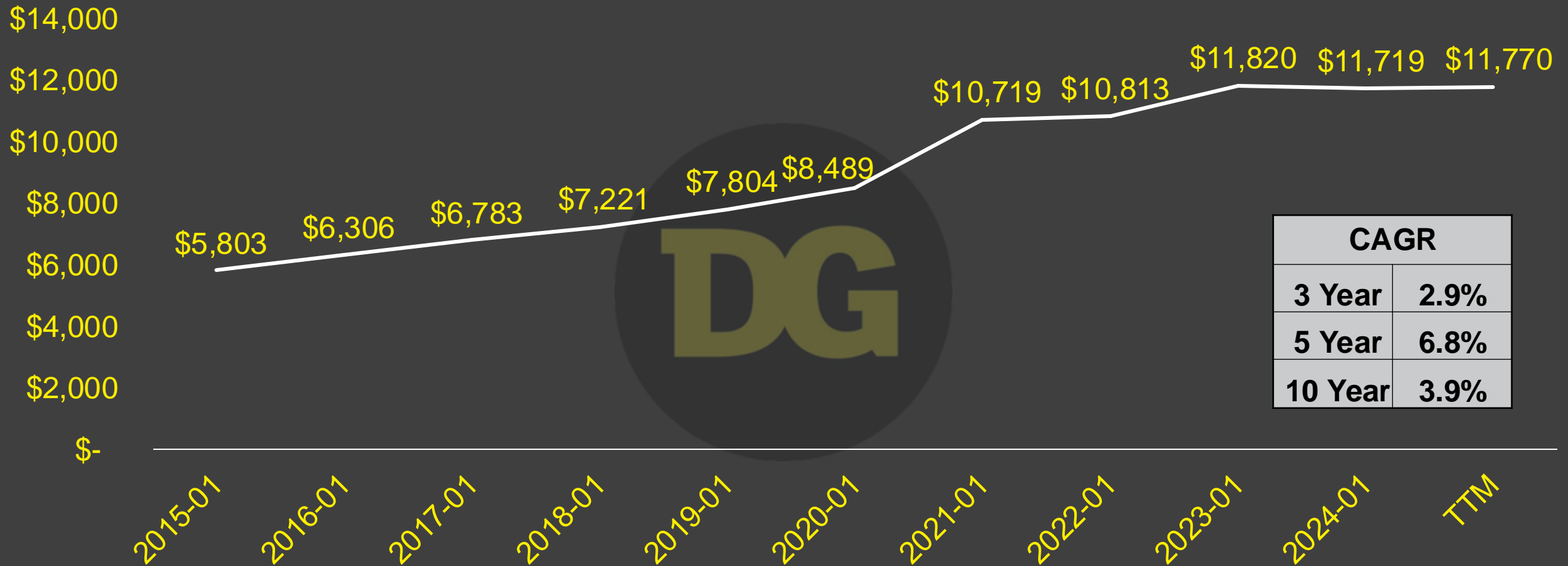
CAGR	
3 Year	5%
5 Year	7.4%
10 Year	7.8%

# Cost of Goods Sold (In Millions USD)





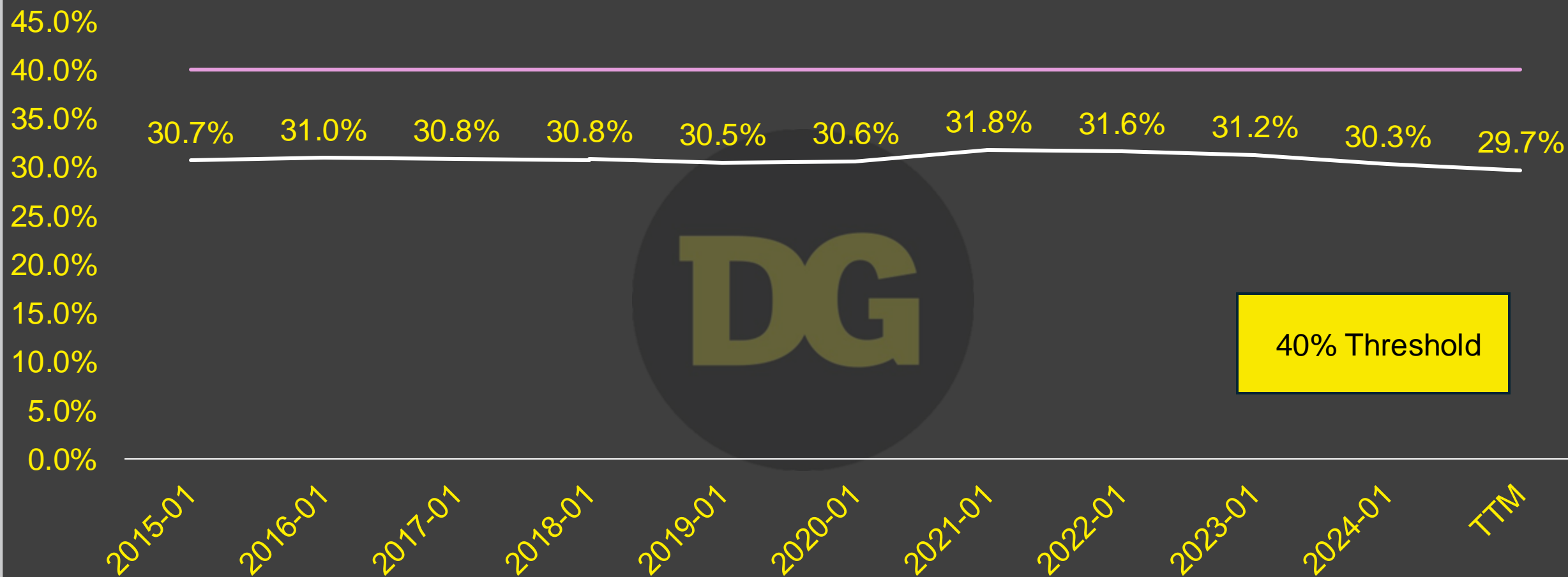
# Gross Profit (In Millions USD)



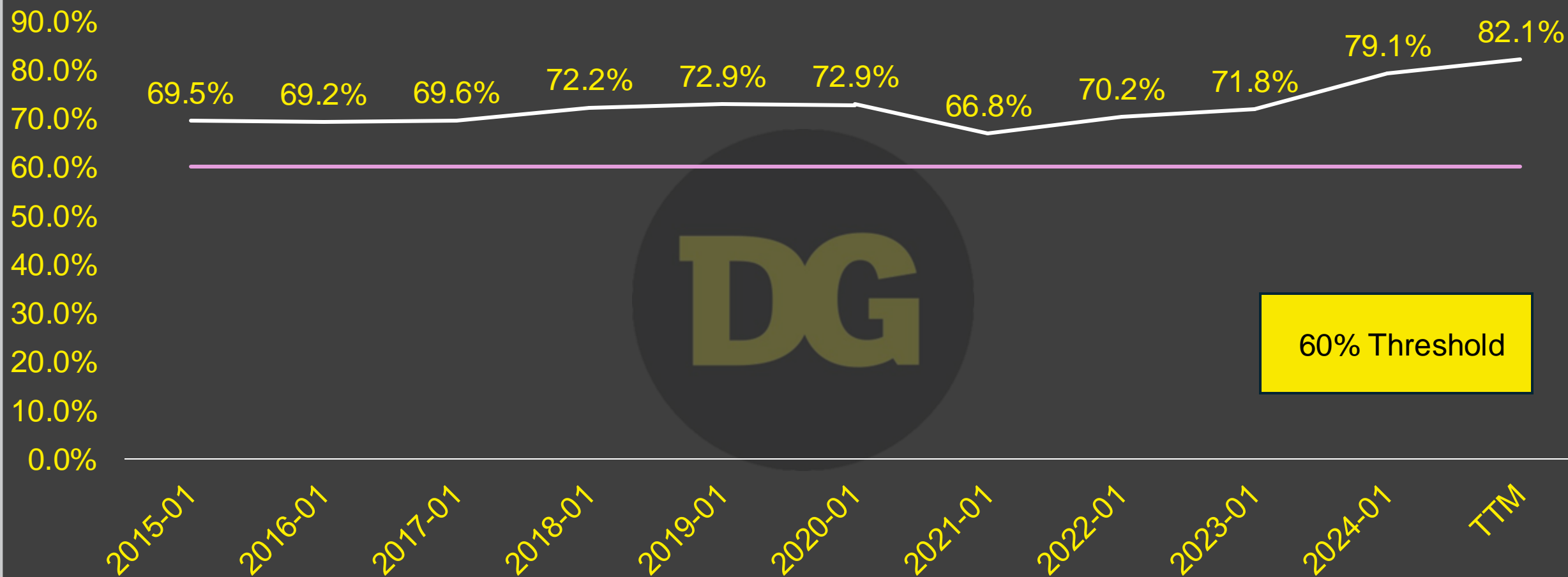
CAGR	
3 Year	2.9%
5 Year	6.8%
10 Year	3.9%

# Gross Margin

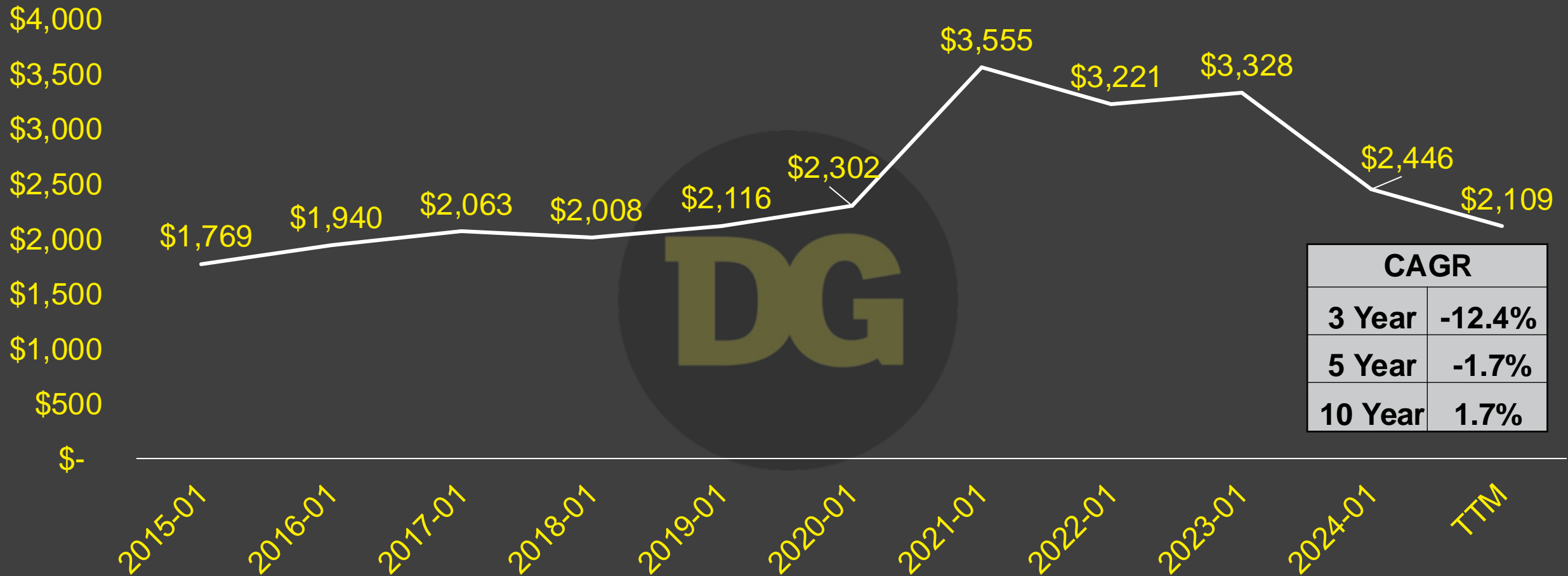
(GM=(Revenue/ Gross Profit)×100)



# SGA as a % of Gross Profit

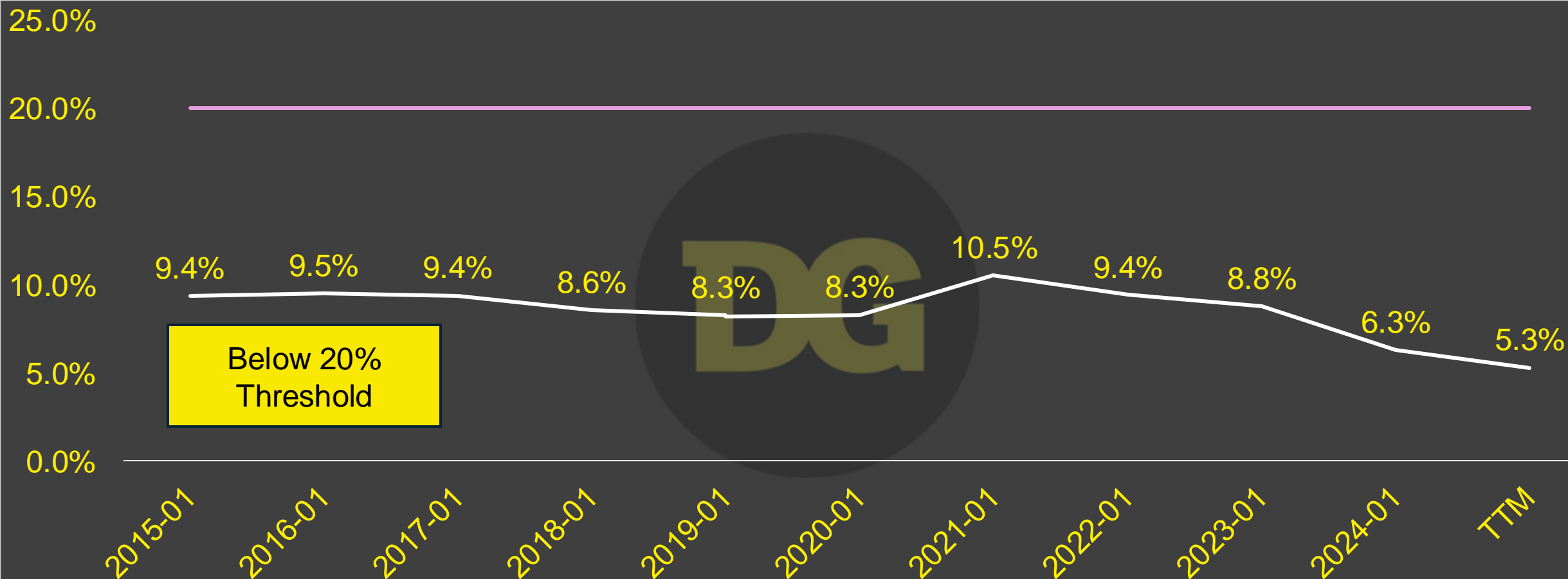


# Operating Income (In Millions USD)

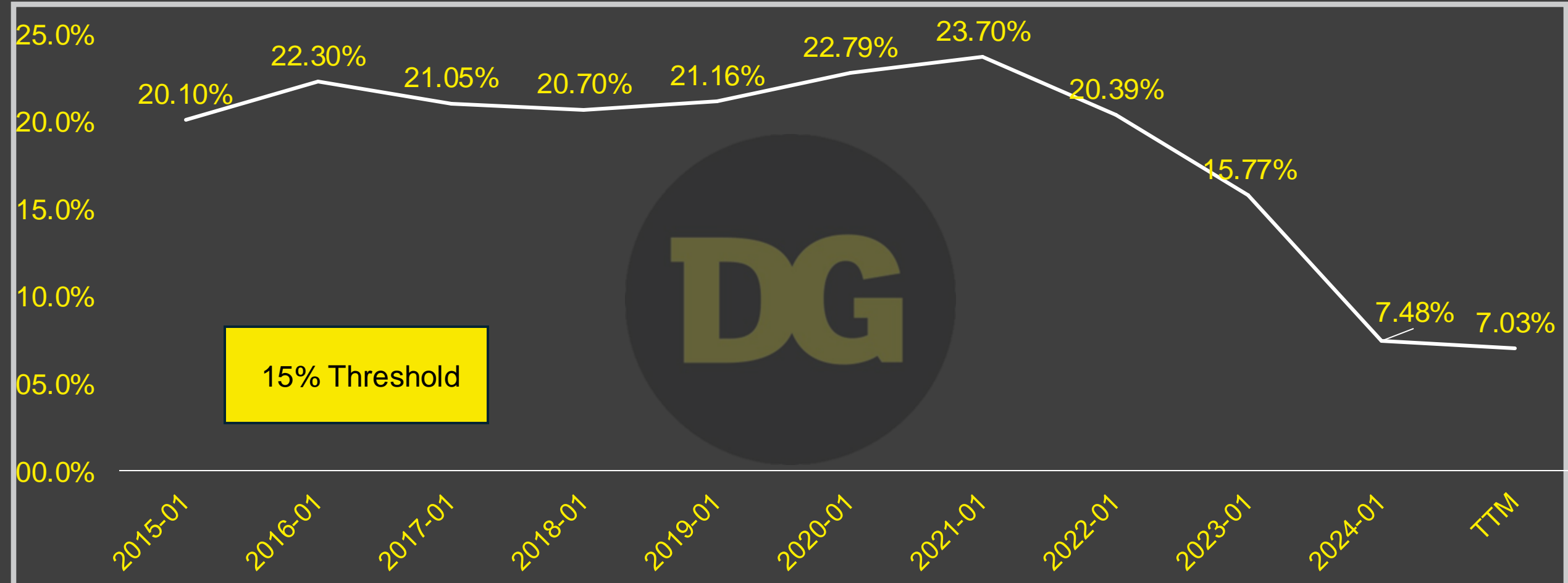


# Operating Margin

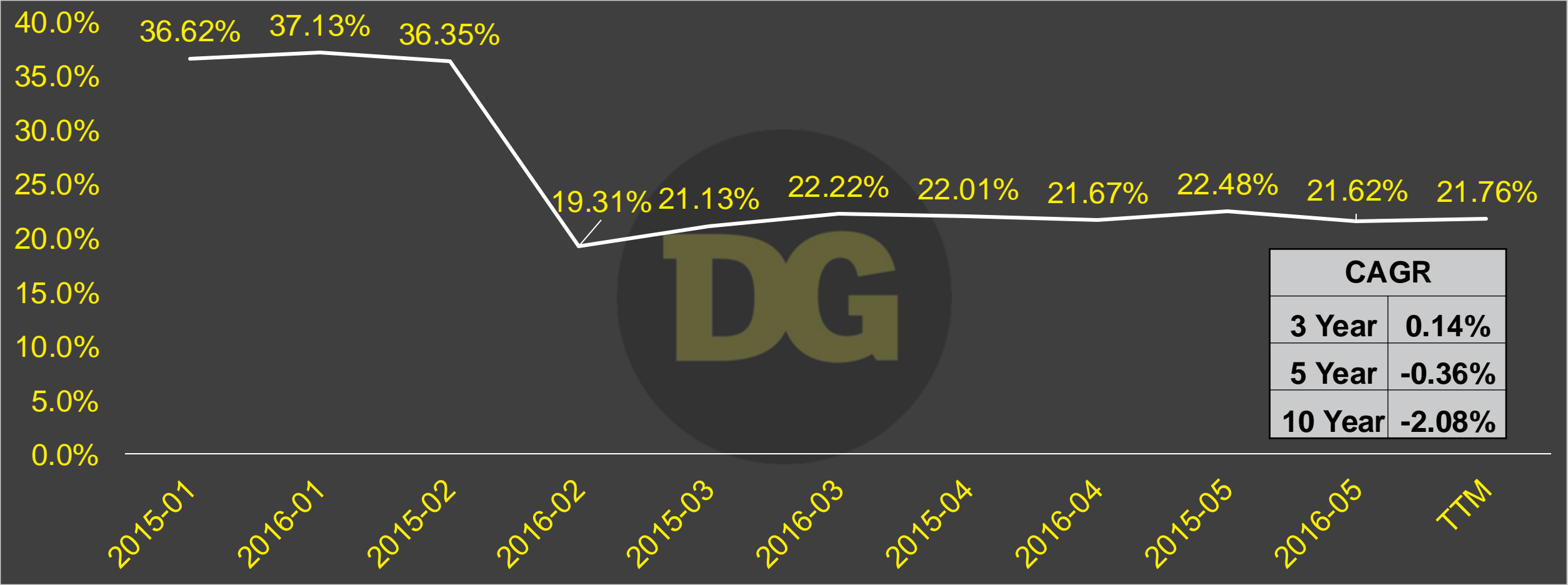
(Operating Margin=(Revenue/Operating Income)×100)



# Interest Expense as a % of Operating Income



# Tax Rate

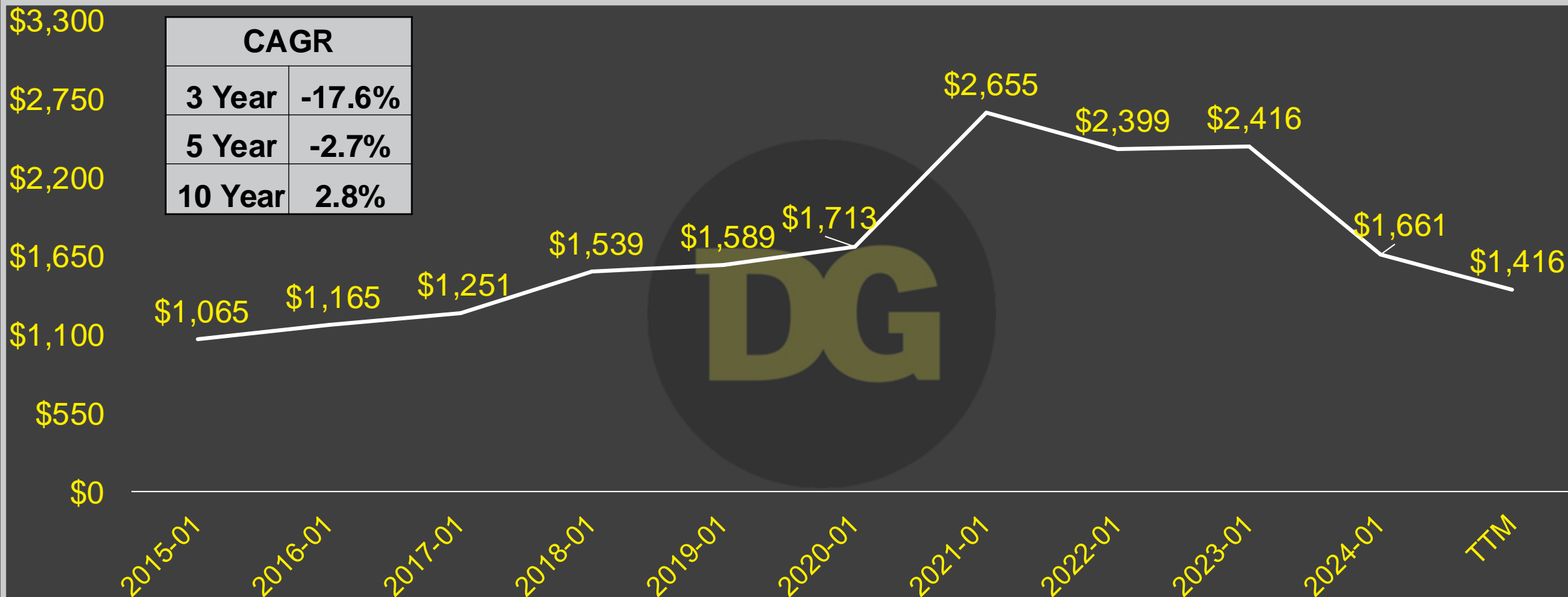


CAGR	
3 Year	0.14%
5 Year	-0.36%
10 Year	-2.08%

# Net Income (In Millions USD)

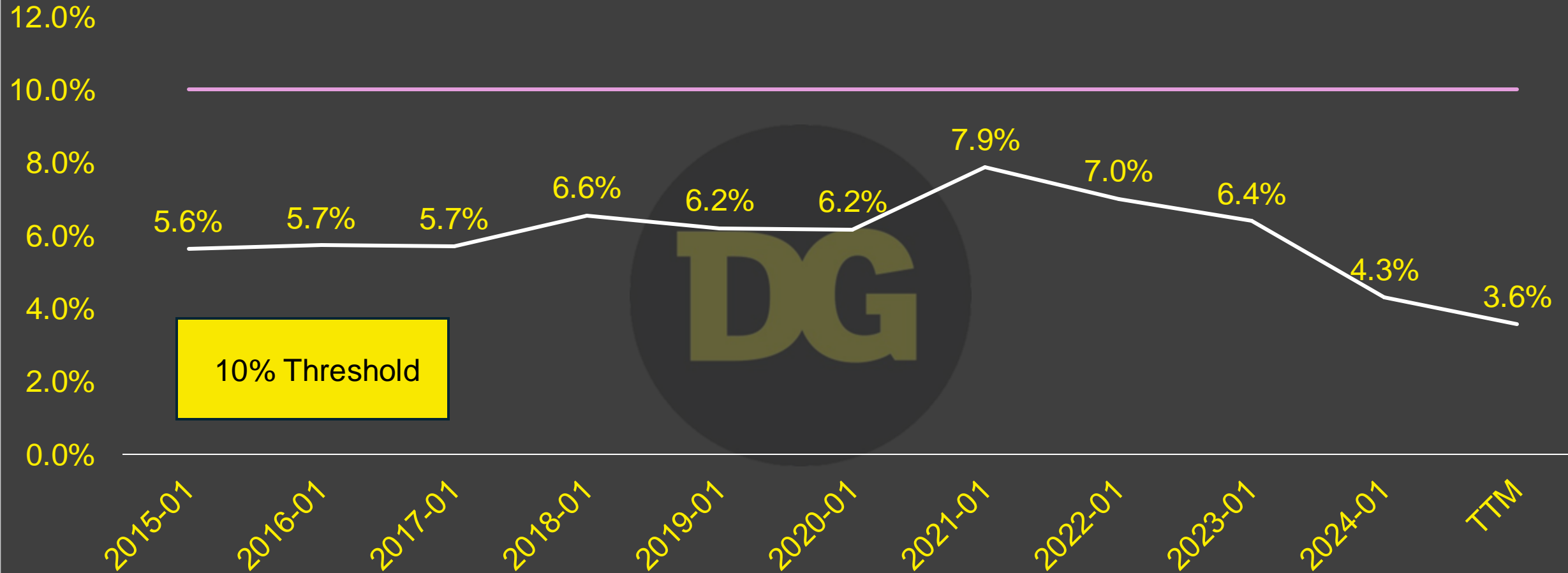


CAGR	
3 Year	-17.6%
5 Year	-2.7%
10 Year	2.8%





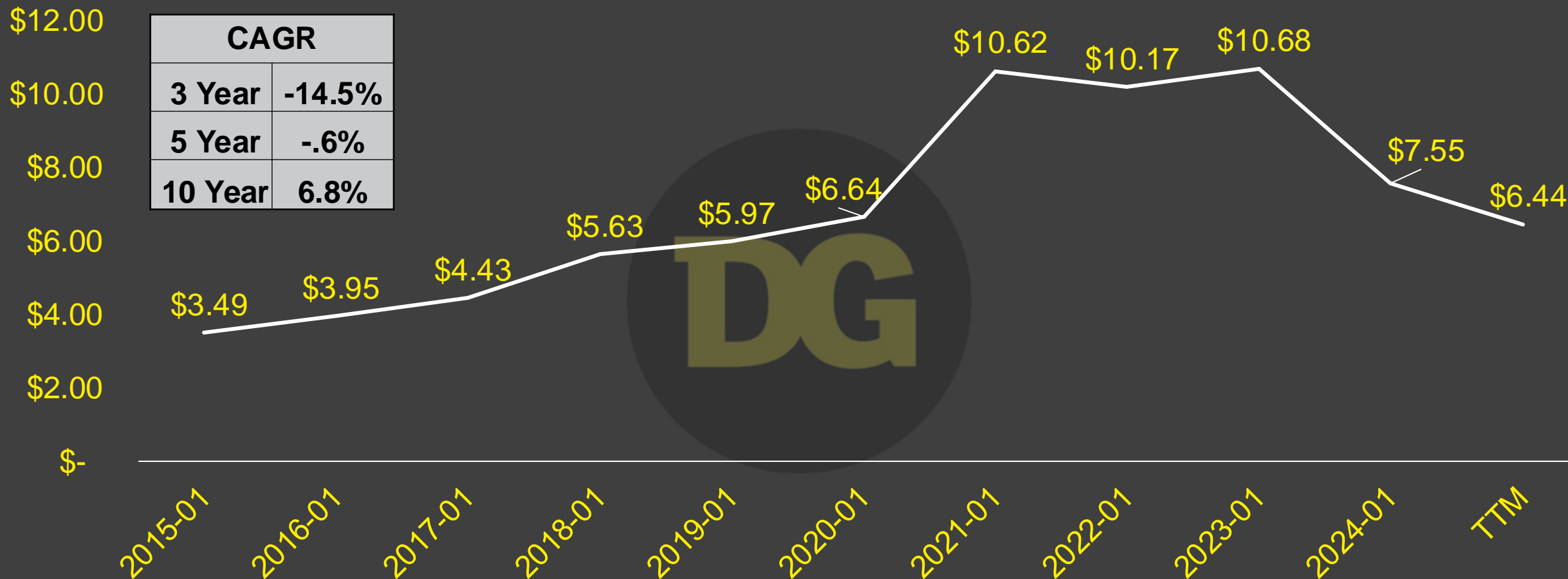
# Net Margin



# Earnings Per Share

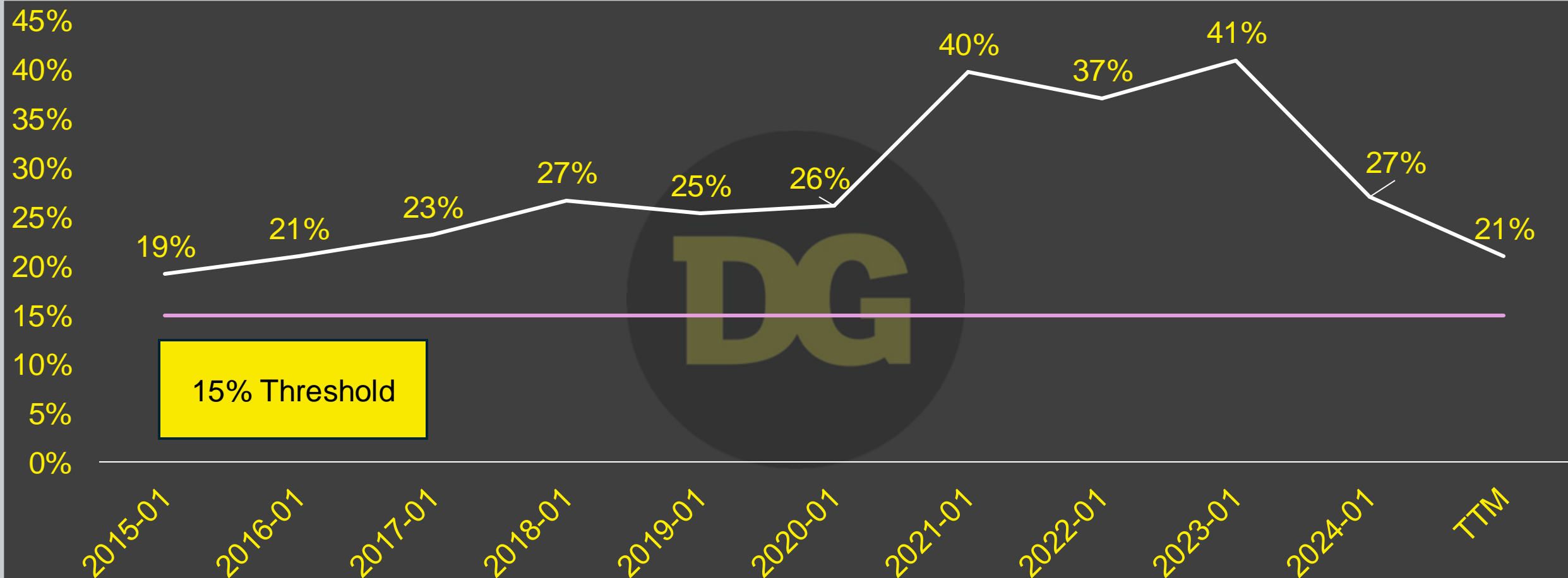


CAGR	
3 Year	-14.5%
5 Year	-.6%
10 Year	6.8%

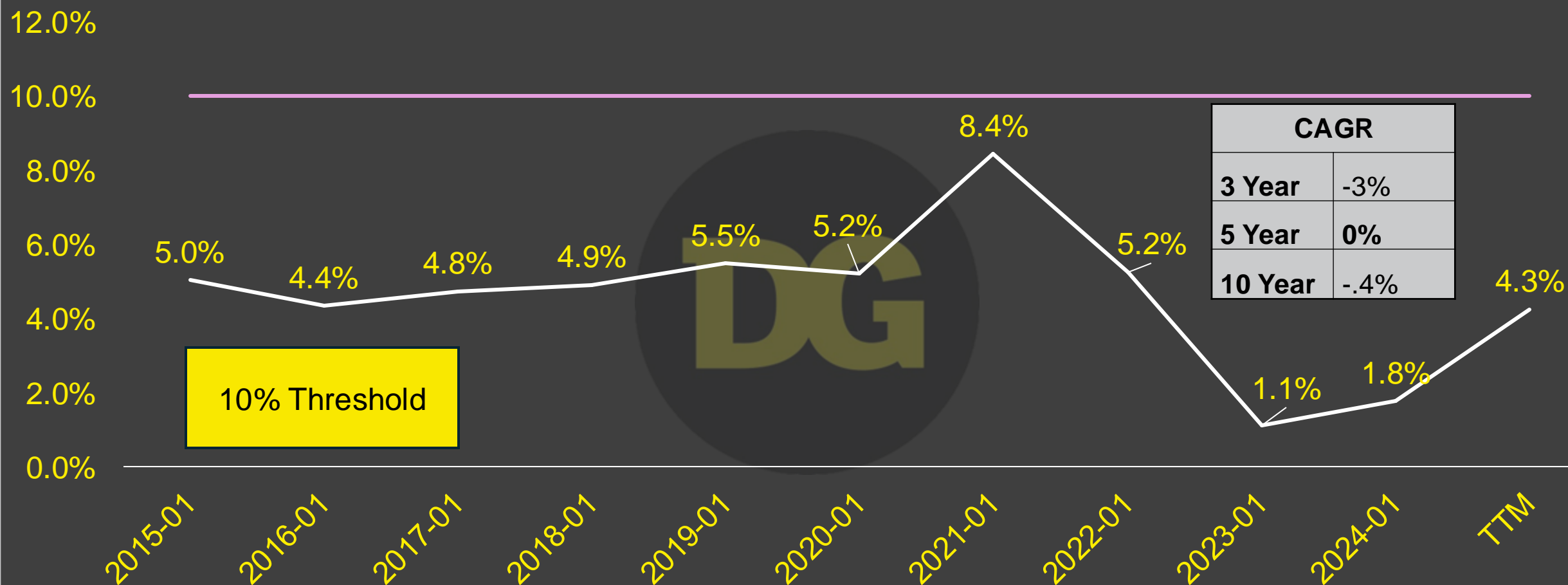


# Return On Equity

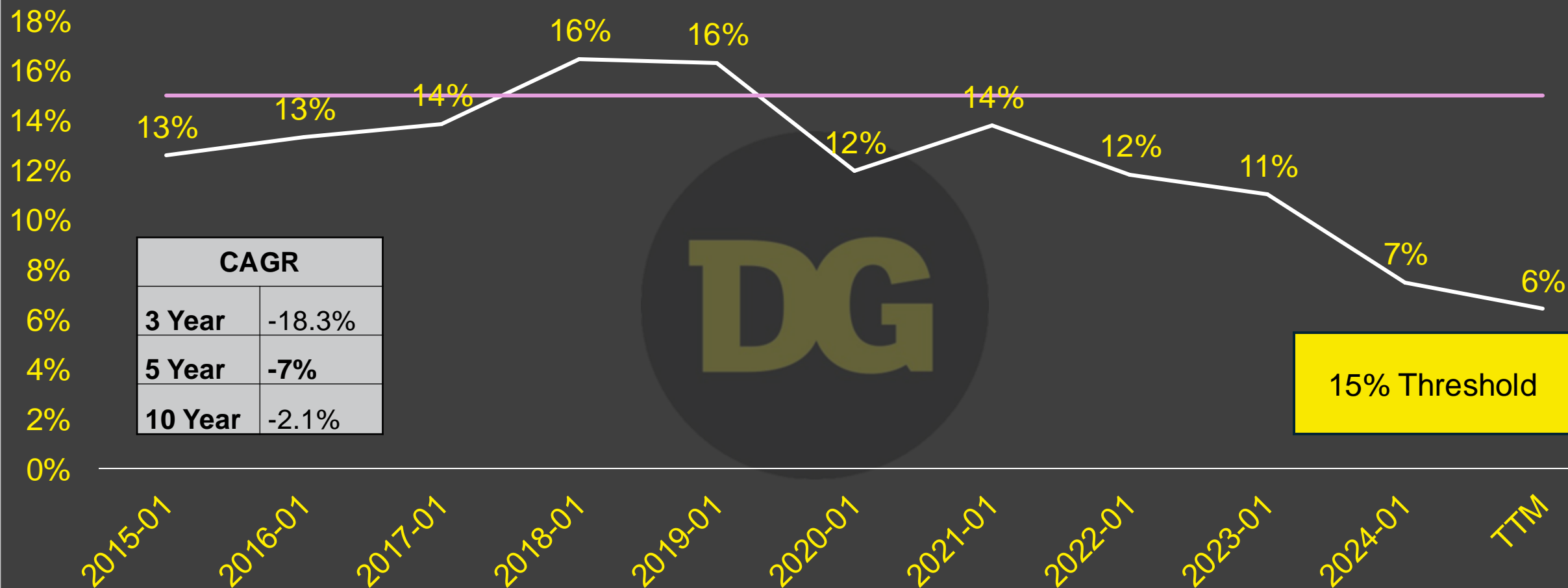
ROE=Shareholders' Equity/Net Income



# Free Cash Flow Margin



# Return On Invested Capital



# Obligation Ratio<sub>(in millions of USD)</sub>



Item	Amount
(+) Long Term Debt	\$16019
(+) Short Term Debt	\$769
(+) Preferred Stock	0
(+) Annualized Leases	19,764
(-) Cash	\$1223
(/) TTM Net Income	\$1416
Obligation Ratio	18 Years > 5-year threshold

# Debt Maturity Schedule

(In Millions USD)



Year	Total
2024	\$768,645
2025	\$518,969
2026	\$1,165,917
2027	\$1,015,222
2028+	\$3,614,187

DG's debt is generally spread out over the next 4 years  
in comparison to their total



# **DOLLAR GENERAL**

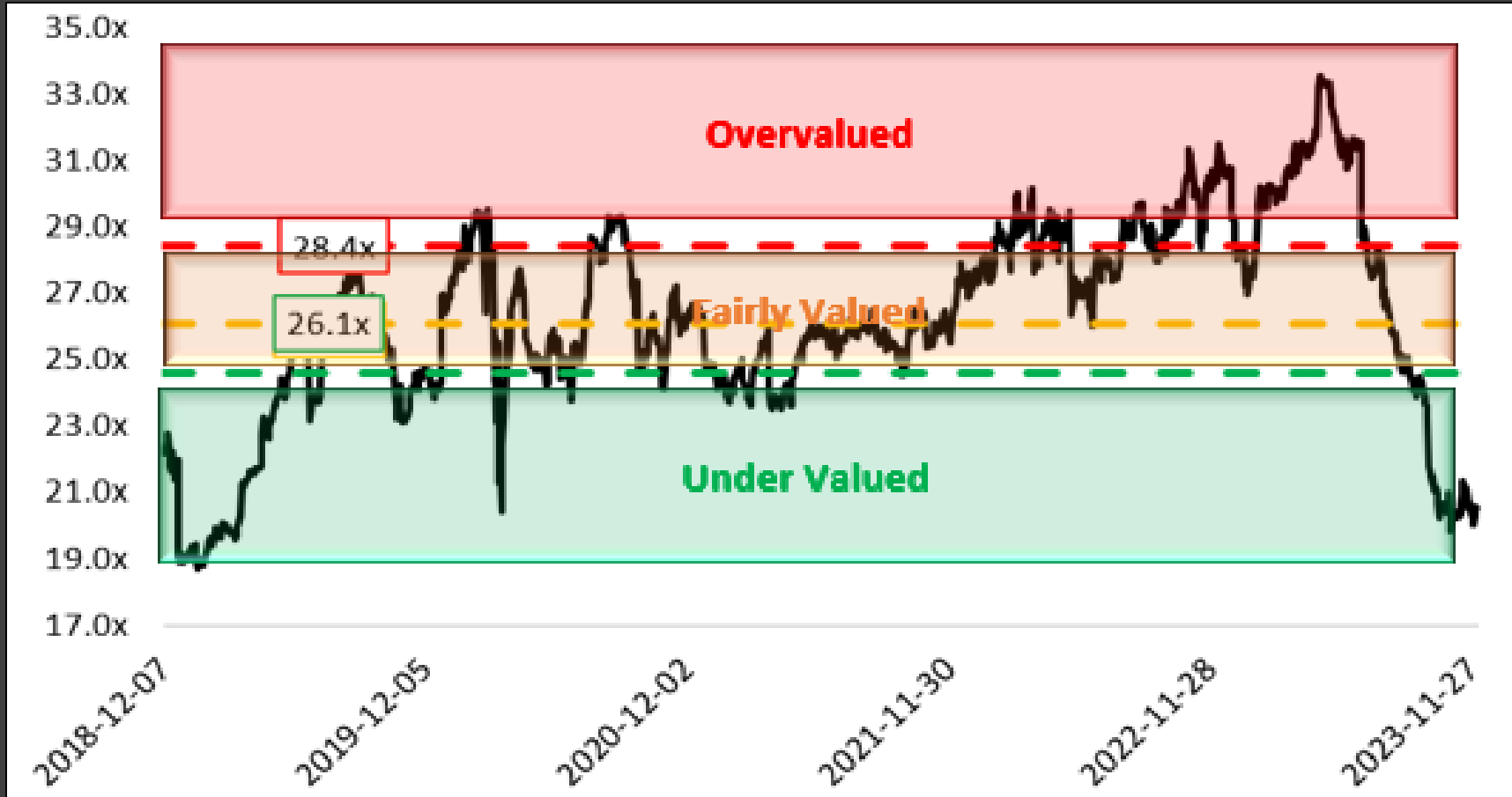
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**Value Bands**

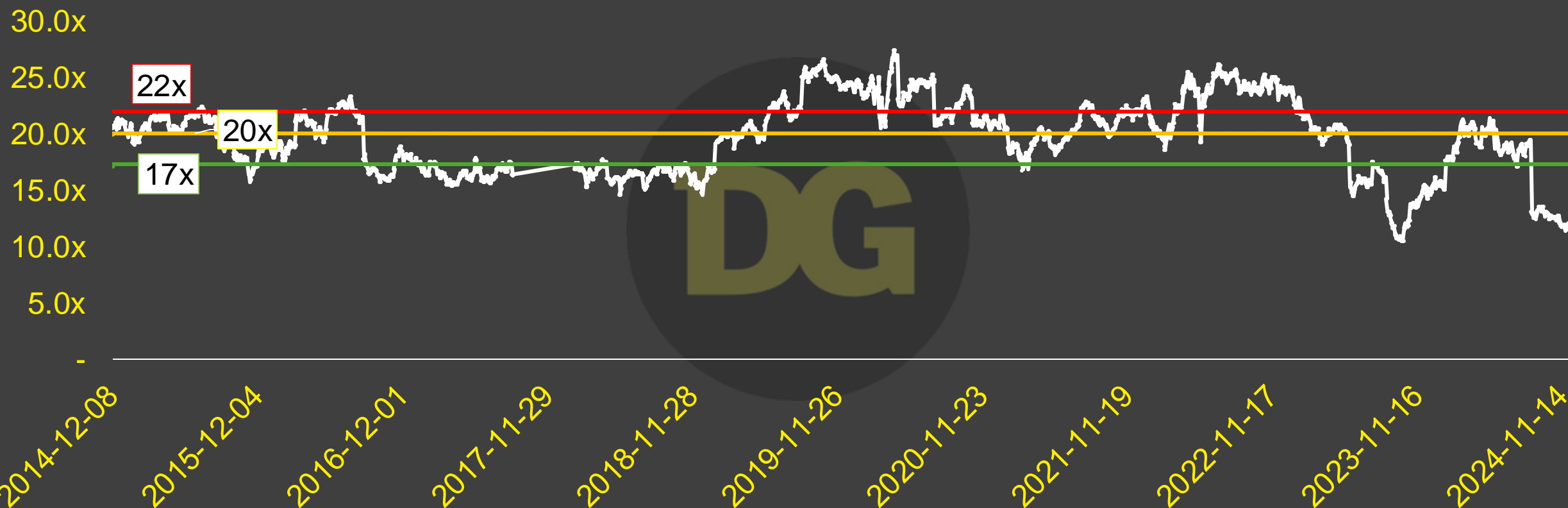
**Mark Dziadul**



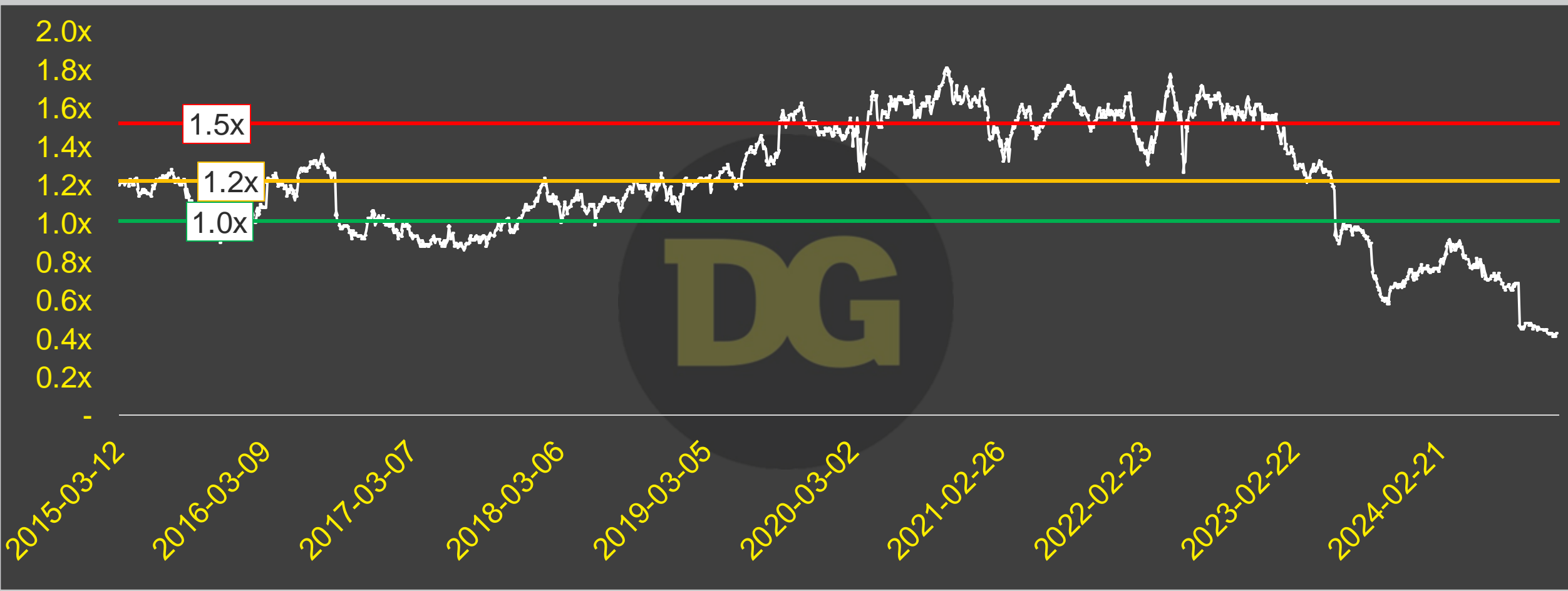
# Example



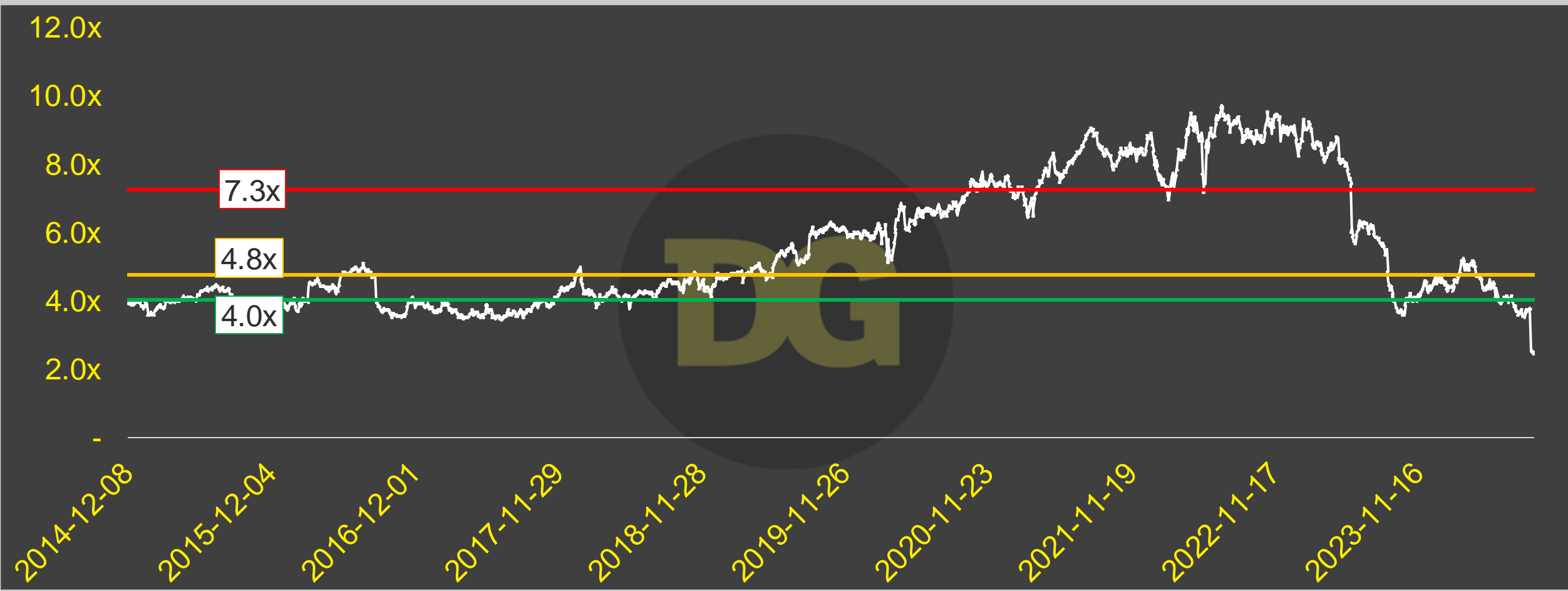
# Price To Earnings



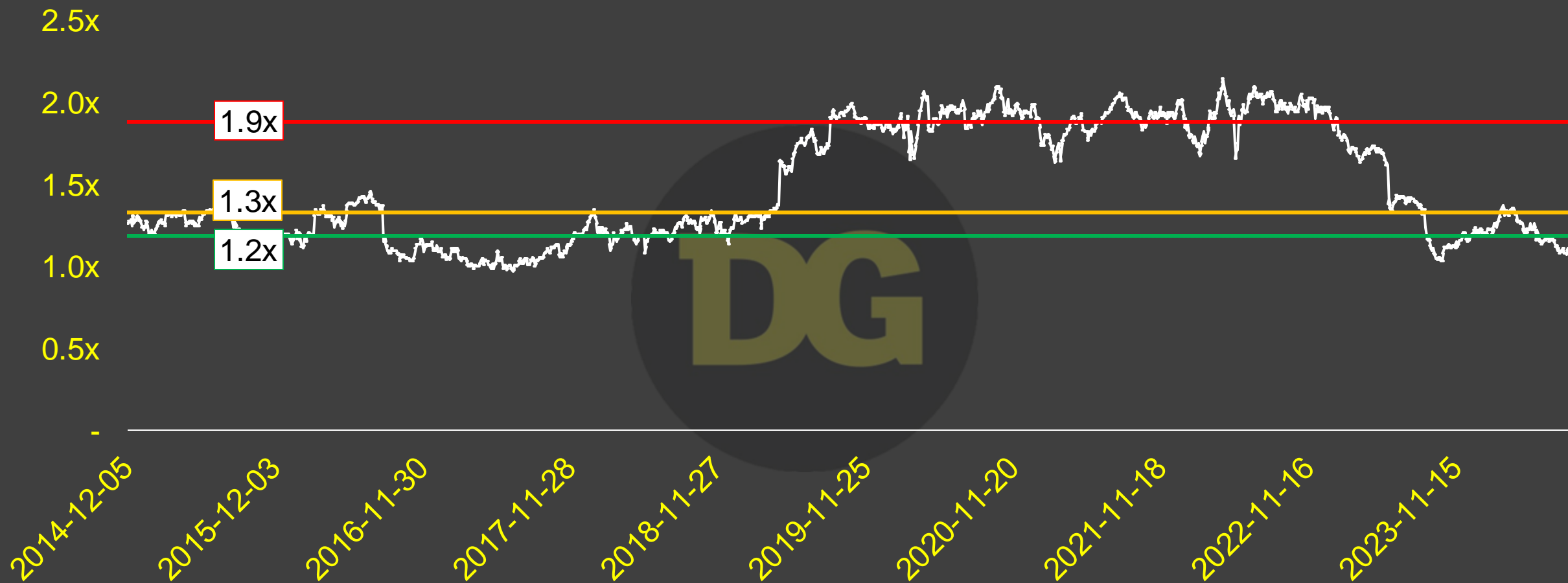
# Price To Sales



# Price To Book Value



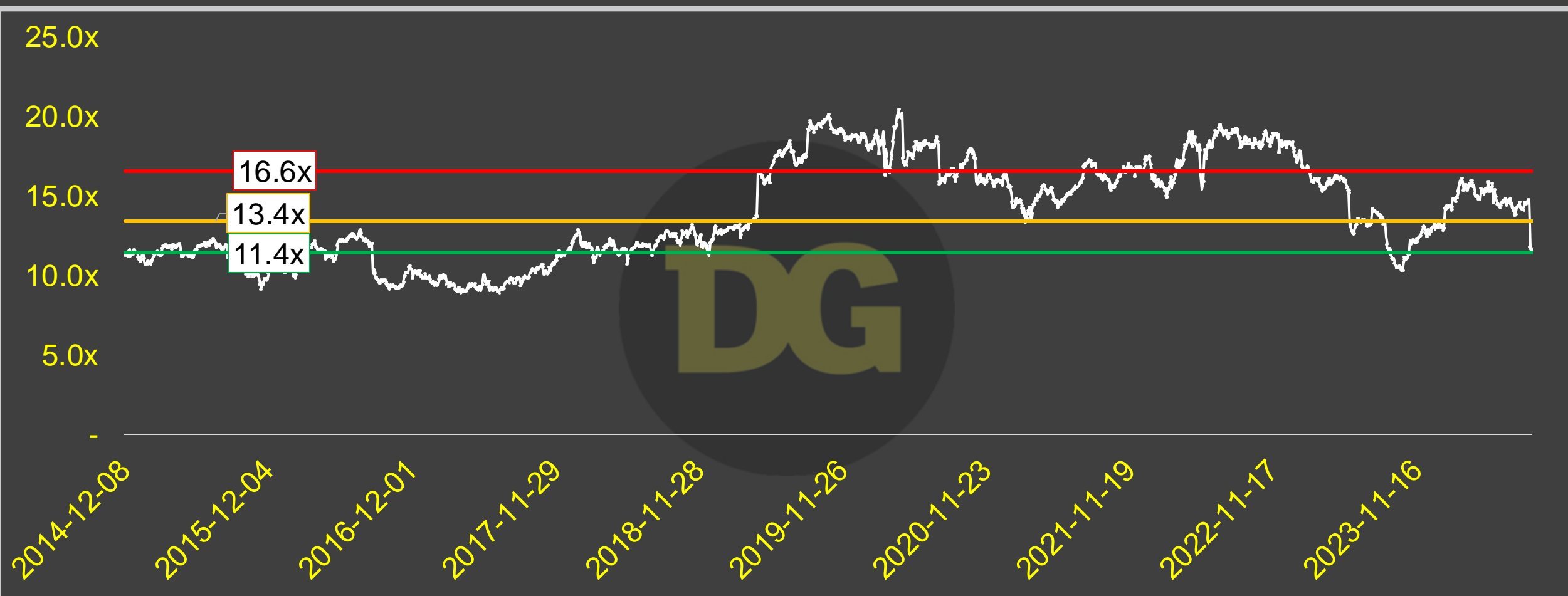
# Enterprise Value To Revenue



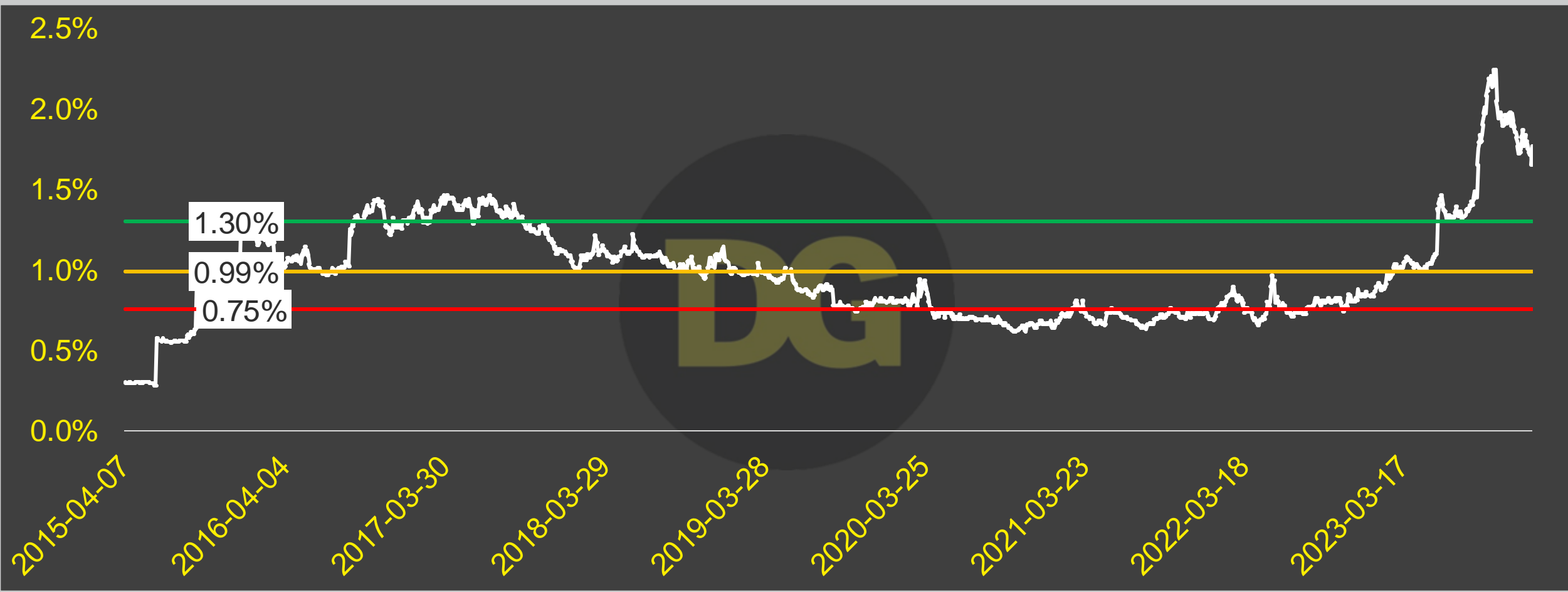
# Enterprise Value To EBIT



# Enterprise Value to EBITDA

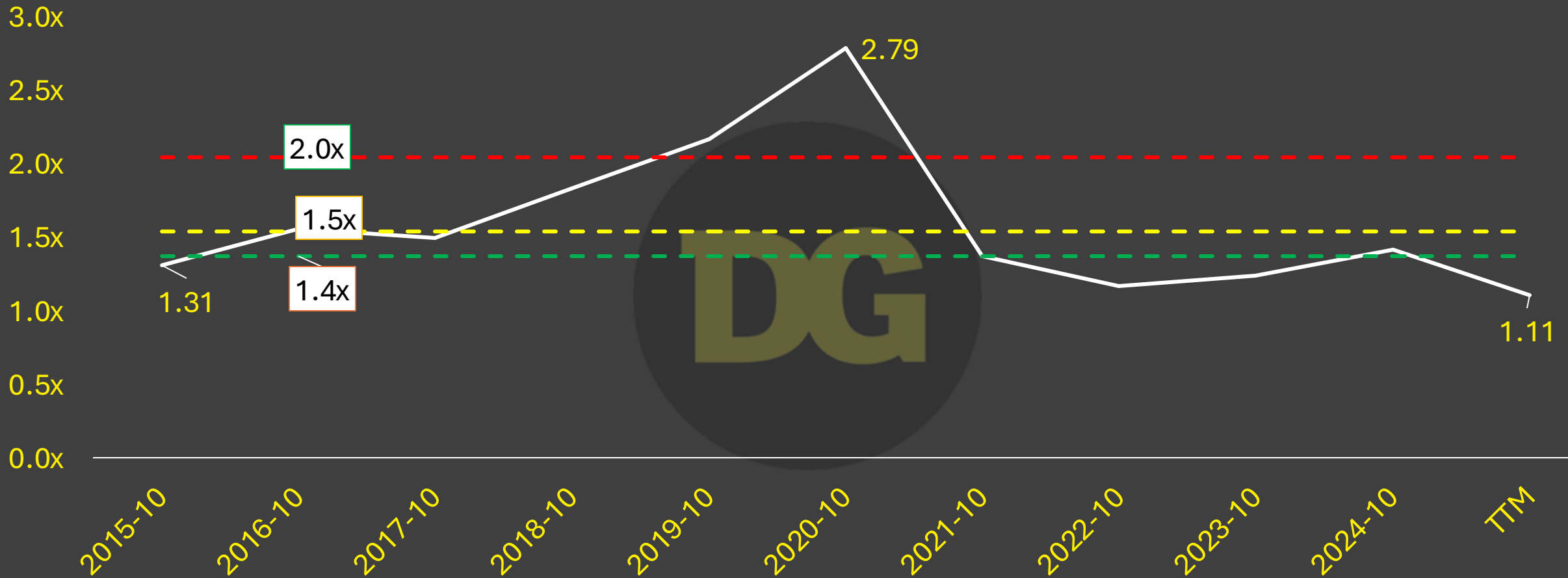


# Dividend Yield





# PEG





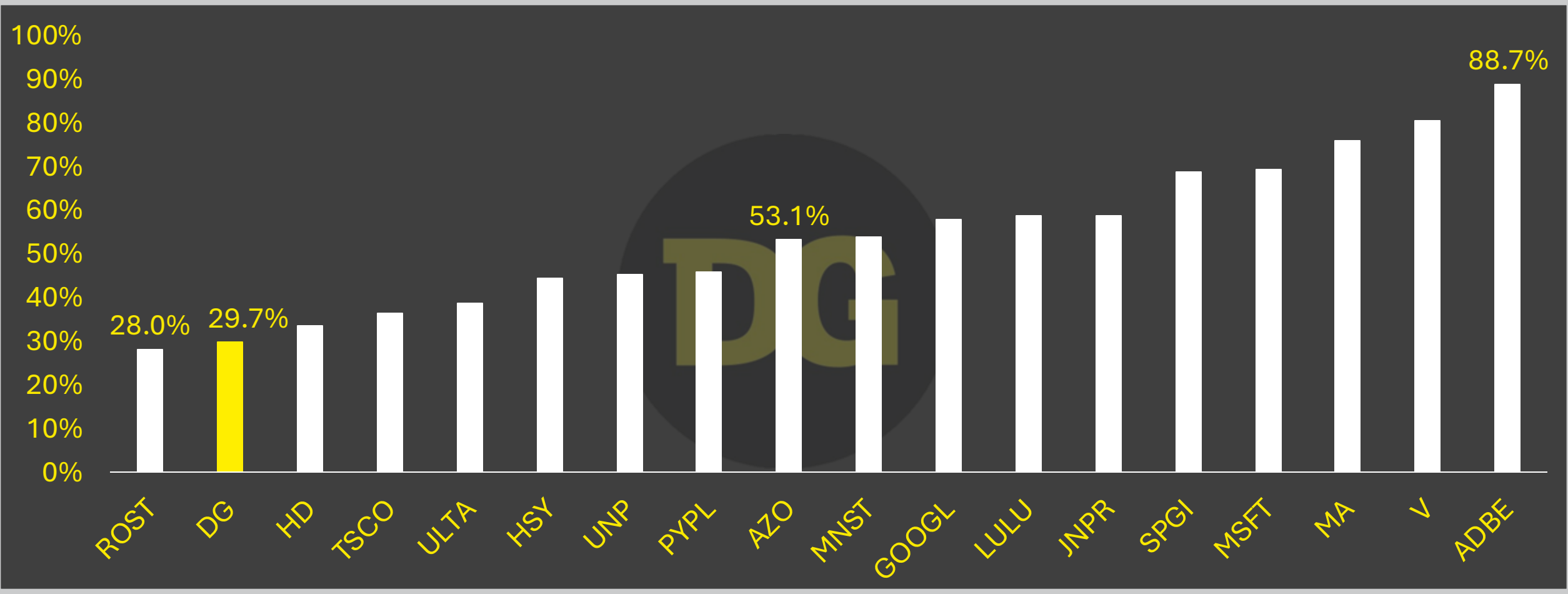
# **DOLLAR GENERAL**

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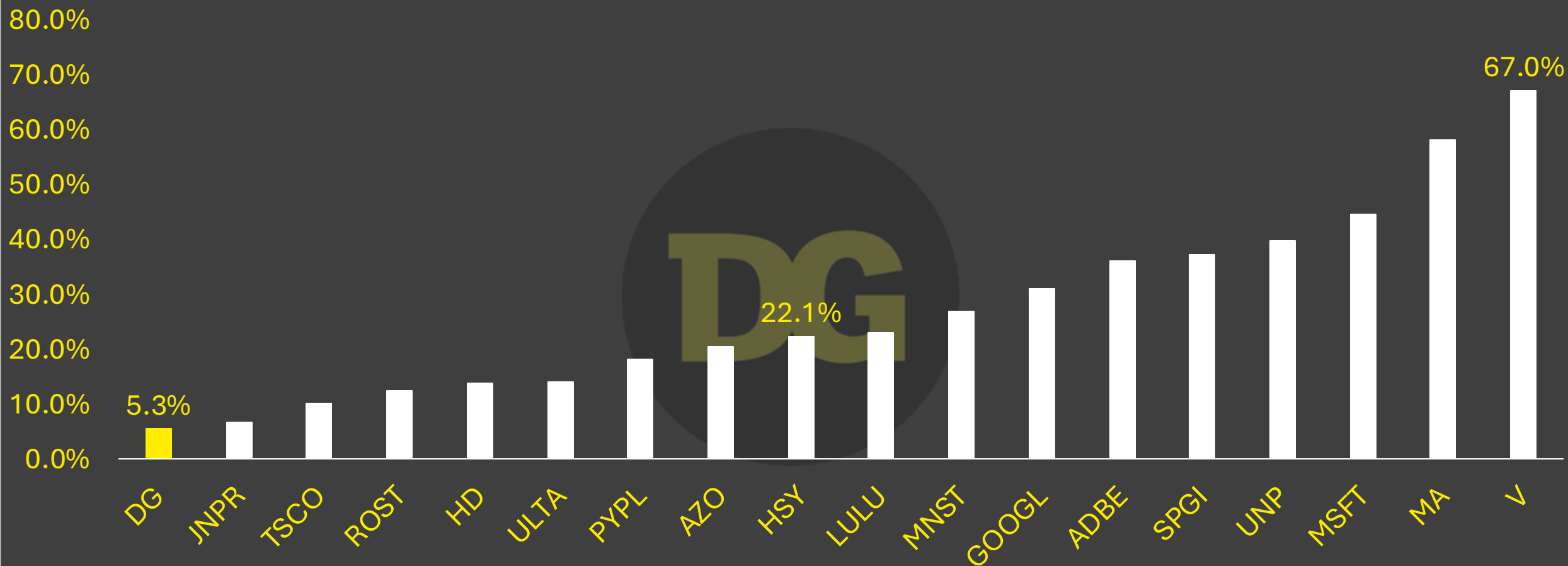
## **Intraportfolio Analysis**

**Mark Dziadul**

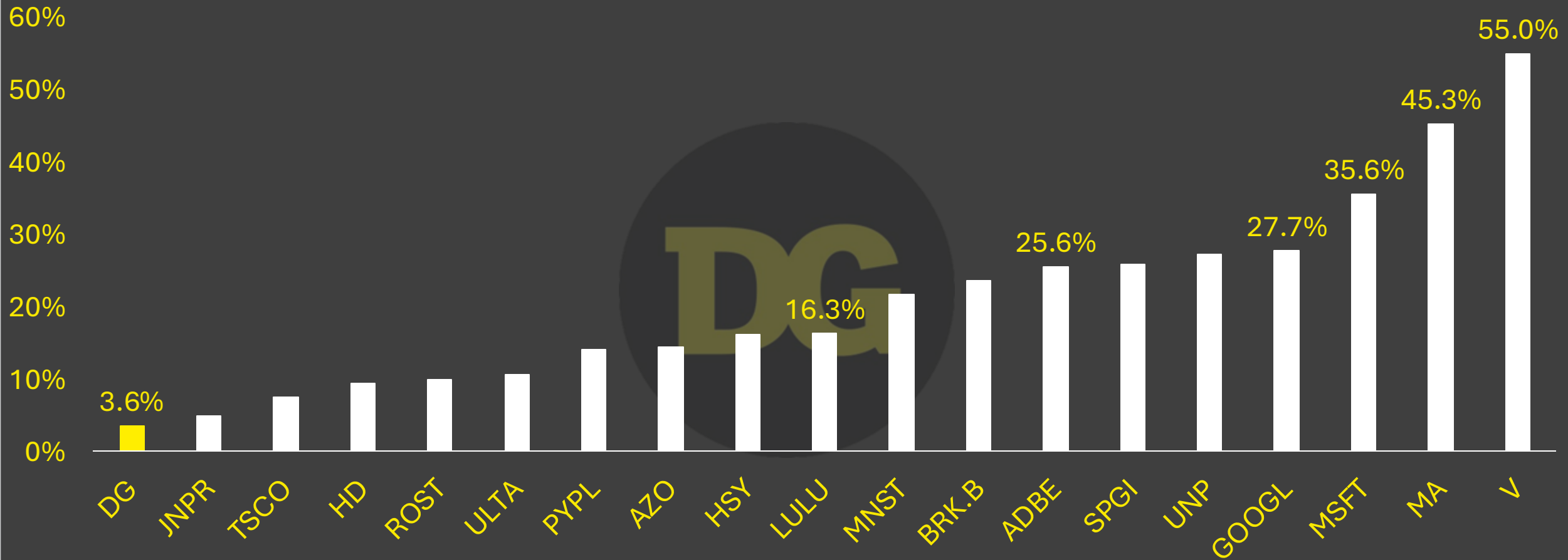
# Gross Margin %



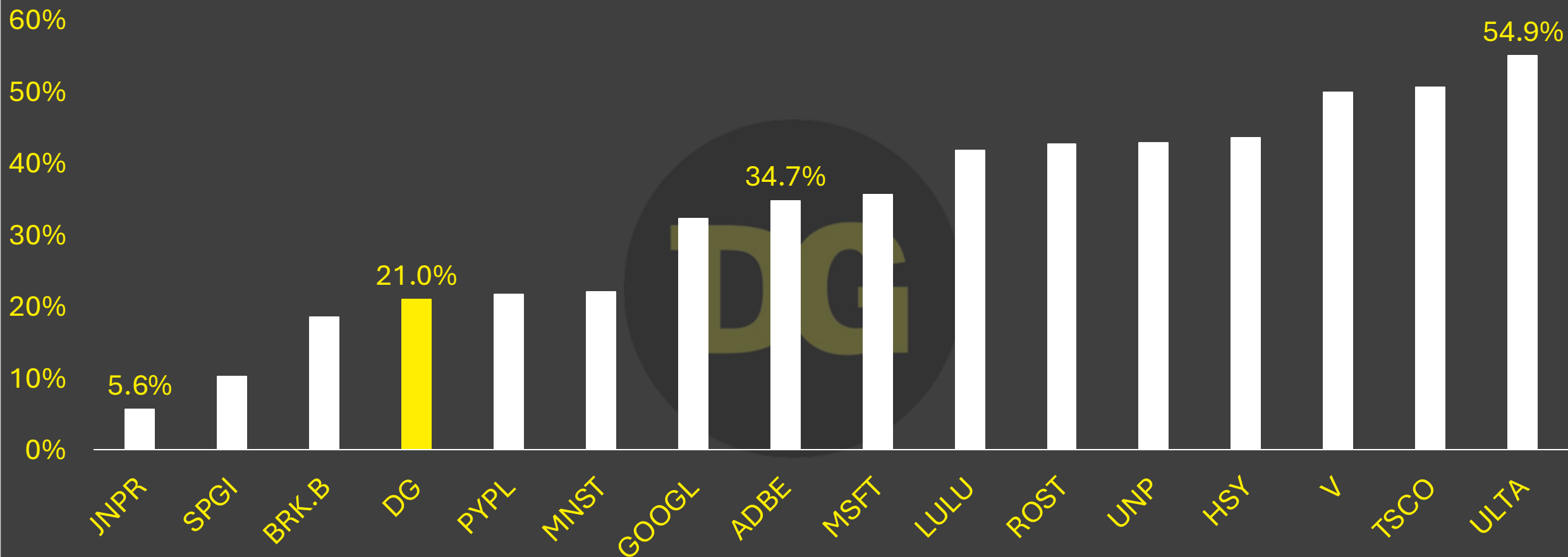
# Operating Margin %



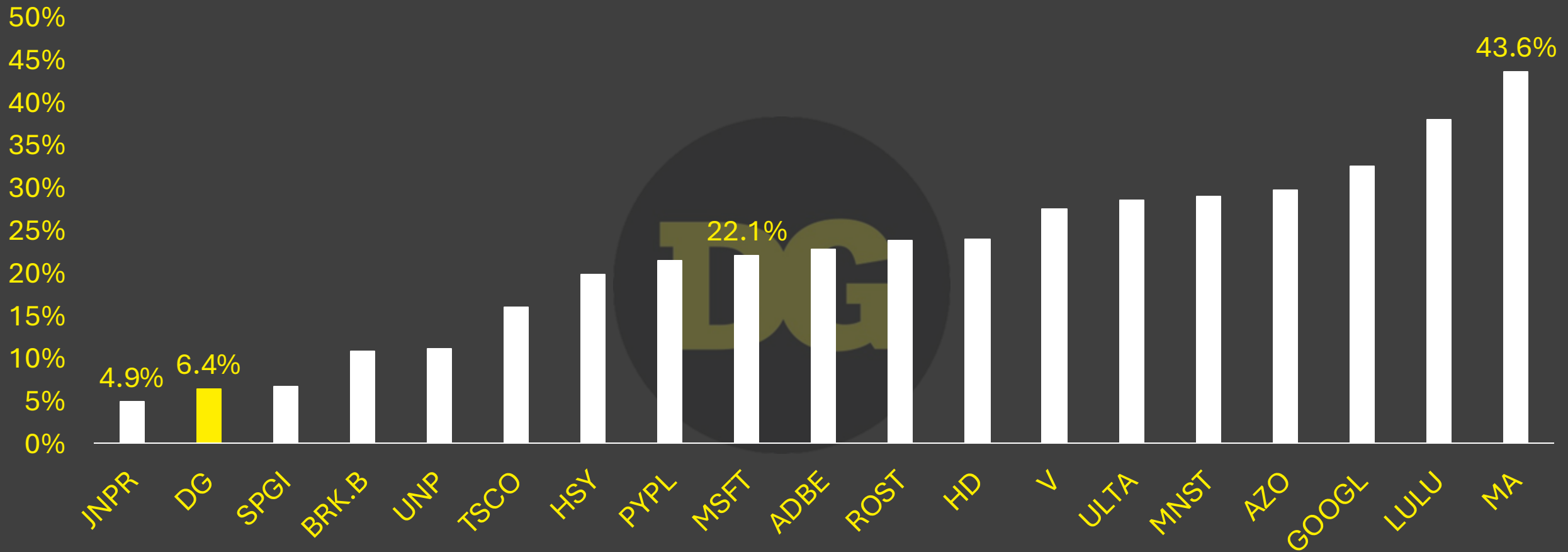
# Net Margin %



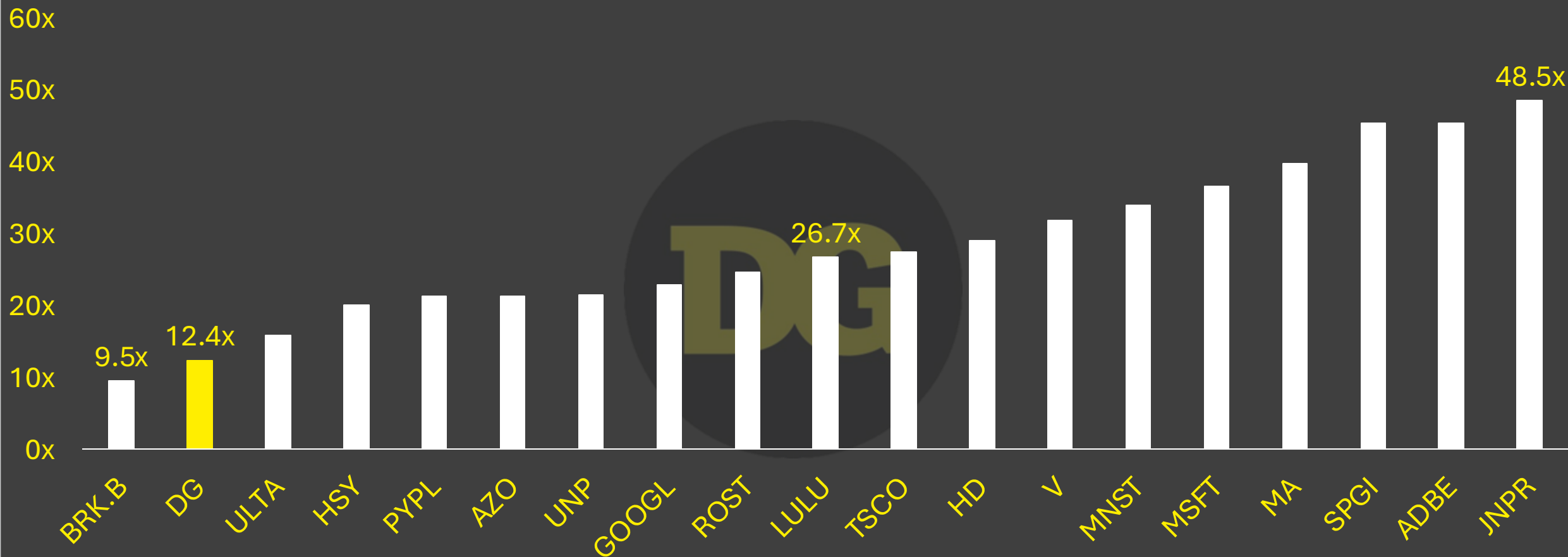
# Return on Equity



# Return on Capital

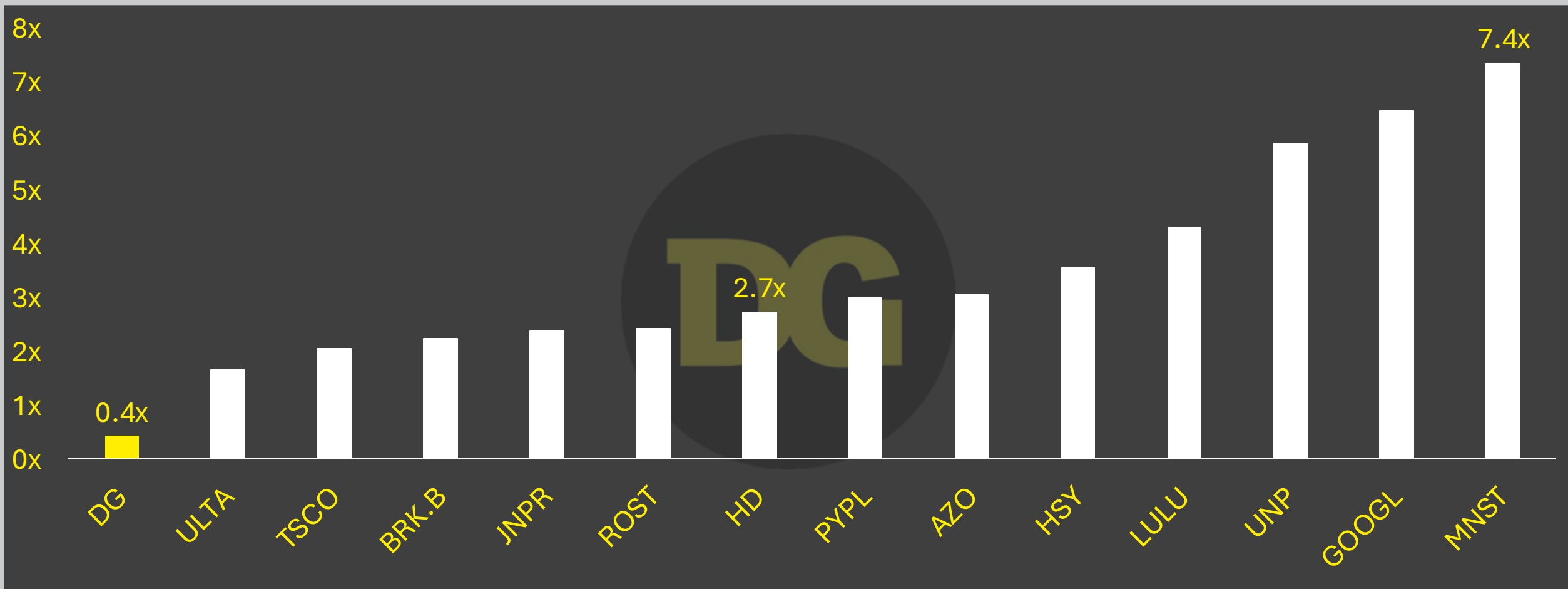


# Price To Earnings

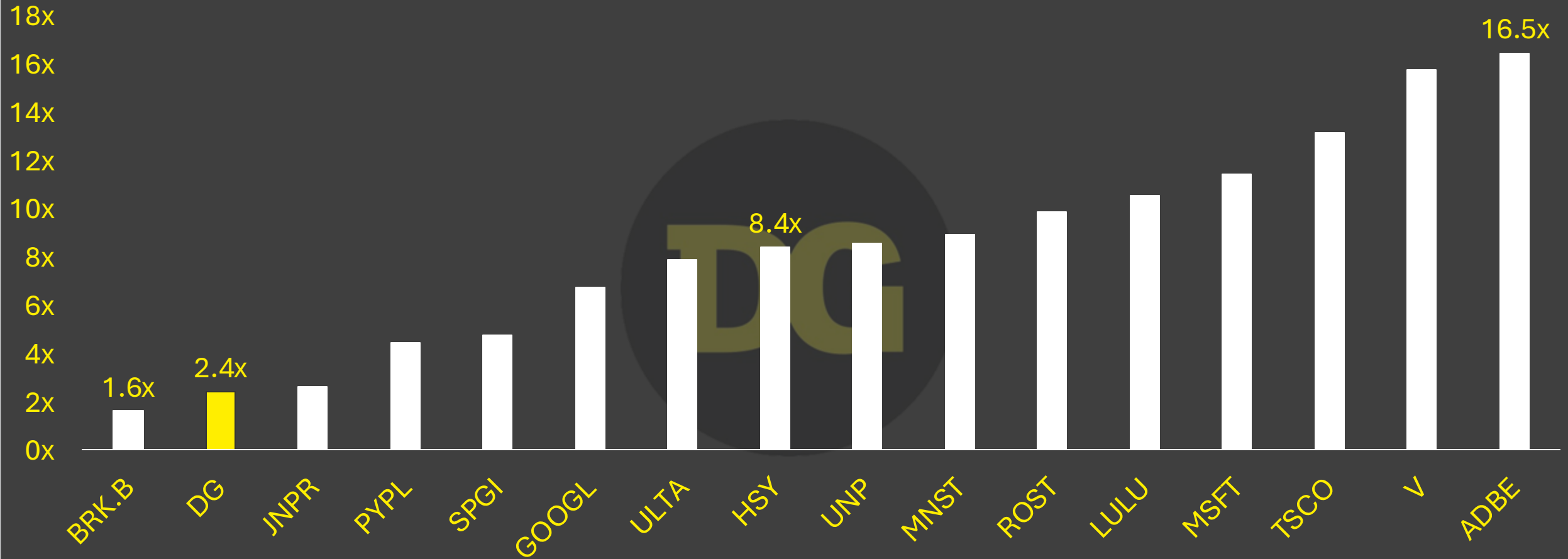




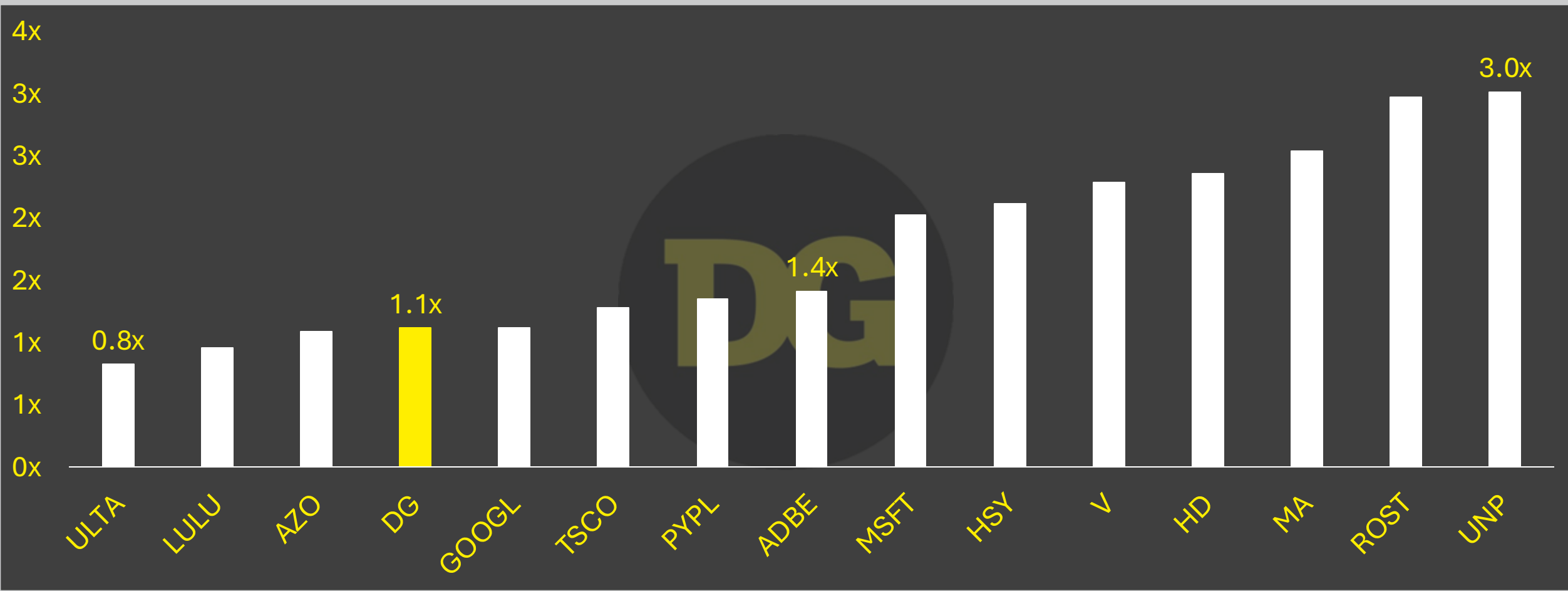
# Price To Sales



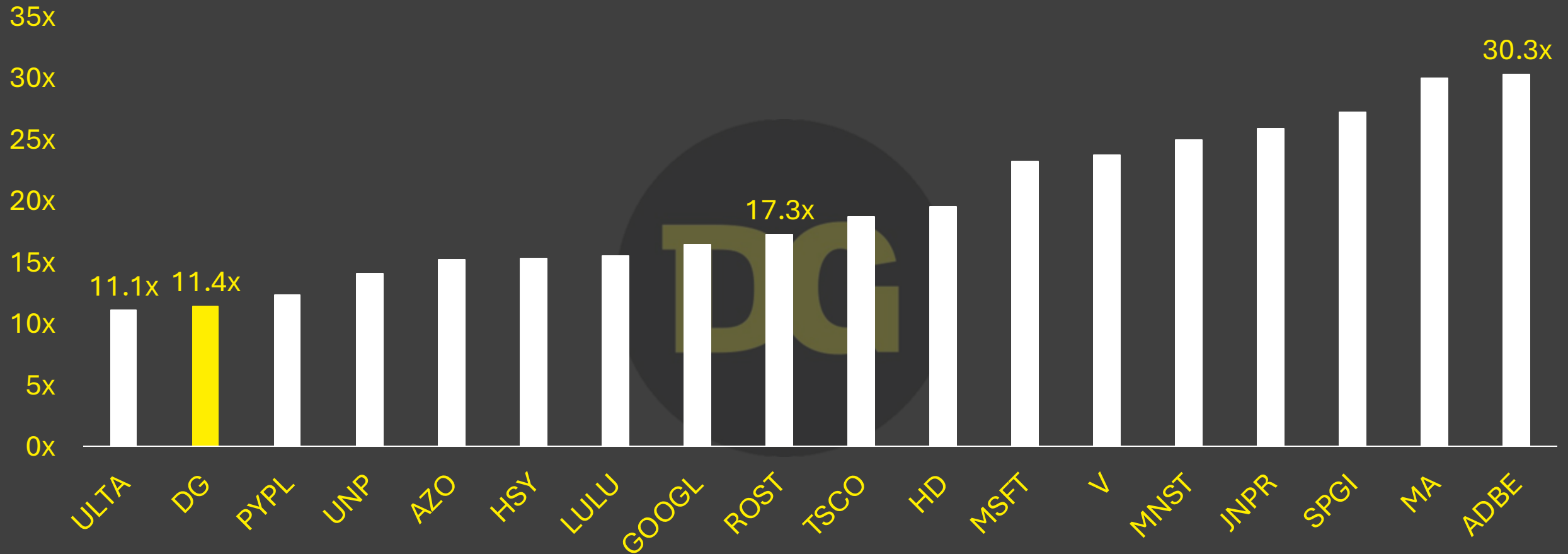
# Price To Book Value



# PEG



# Enterprise value To EBITDA



# Bull Team





# **DOLLAR GENERAL**

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**Economic Moat**

**Pablo Samanez**

# DG Castle



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Intangible Assets

Cost Advantages



# Cost Advantages





# Operating Efficiency



**Smaller Store Footprints**

**Efficient Supply Chain  
Management**

# Targeted Customers



**Targets customers with annual income of \$40,000 or less**

**Leveraging time and travel distance**

**Breaks down packages into smaller units**





# Intangible Assets



**Strategic Store  
Locations**

**Sticky  
Customers**

# Strategic Store Locations

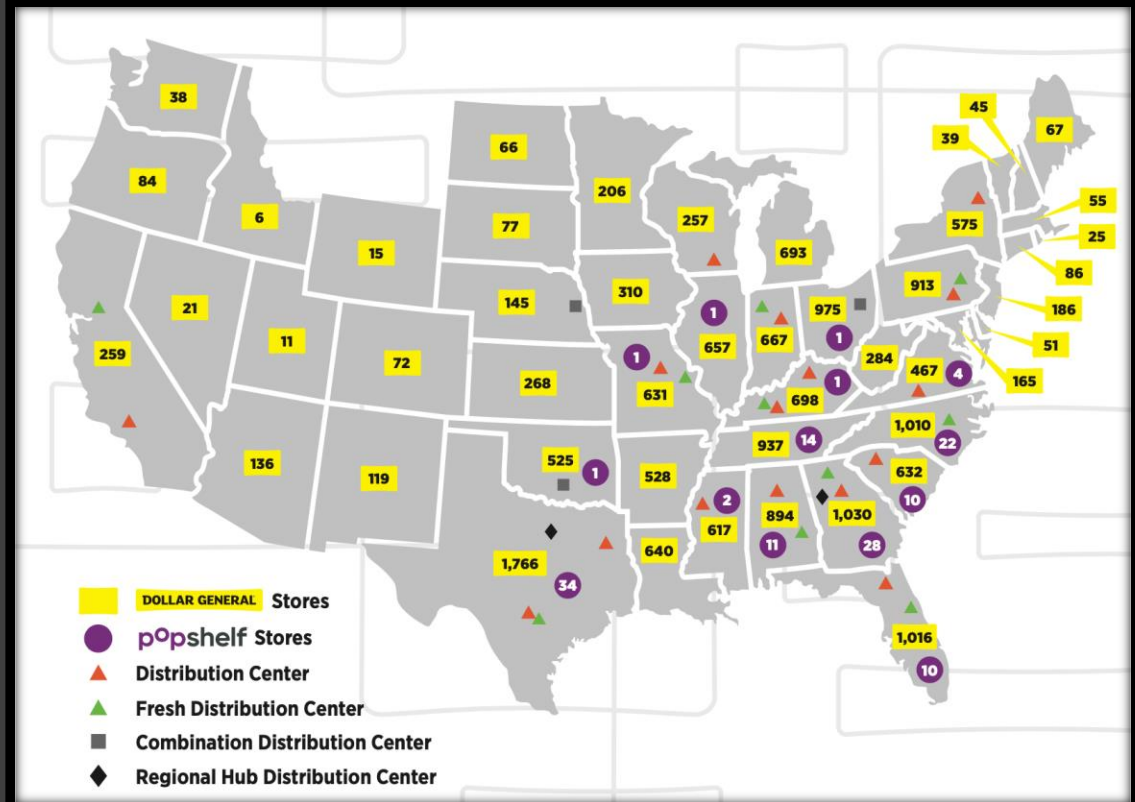


Rural Areas (5 mile radius)

20,000 Stores

Vast Store Network

Local Grocery and Convenience  
Stores



# Sticky Customers



**Sticky customers are customers who continue to return to products due to convenience or value**



# **DOLLAR GENERAL**

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**Growth Opportunities**

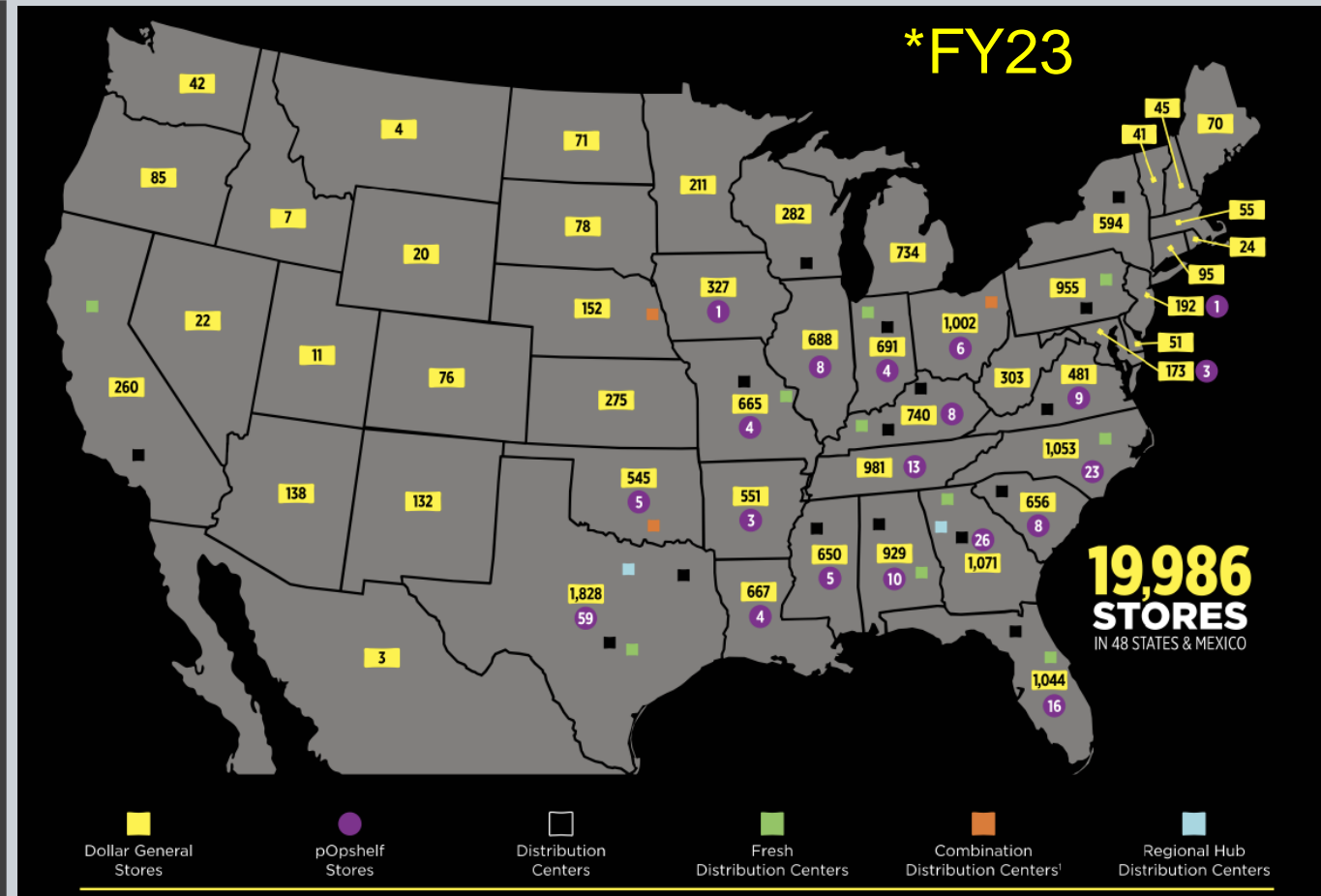
**Enrique Alvarado**



# Store Expansion



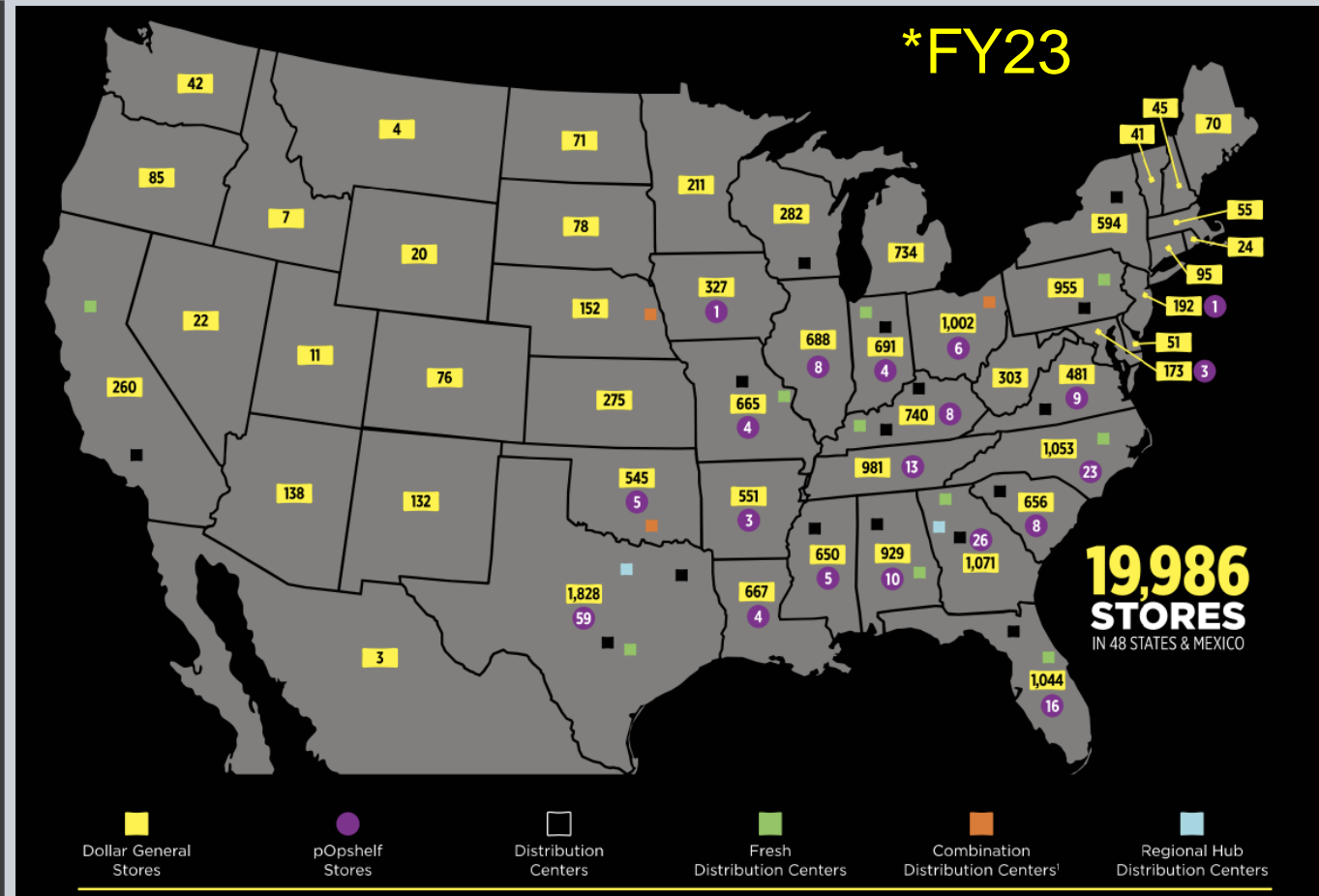
- Historically opened more than 500 stores annually with 20,325 stores currently
- Opened 410 stores in Q1 & Q2
- Plan to open 730 new stores in FY 2024
- Room for expansion in Mexico, and Northwest U.S.
- Drives inorganic growth, which turns to organic growth after a year open



# Store Expansion - pOpshelf



- 231 locations as of November 2024
- 30 new stores opened in FY24
- Opened Stores concentrated in the Southeast
- Potential westward expansion
- Due to the current soft discretionary sales environment, DG is approaching growth with less emphasis

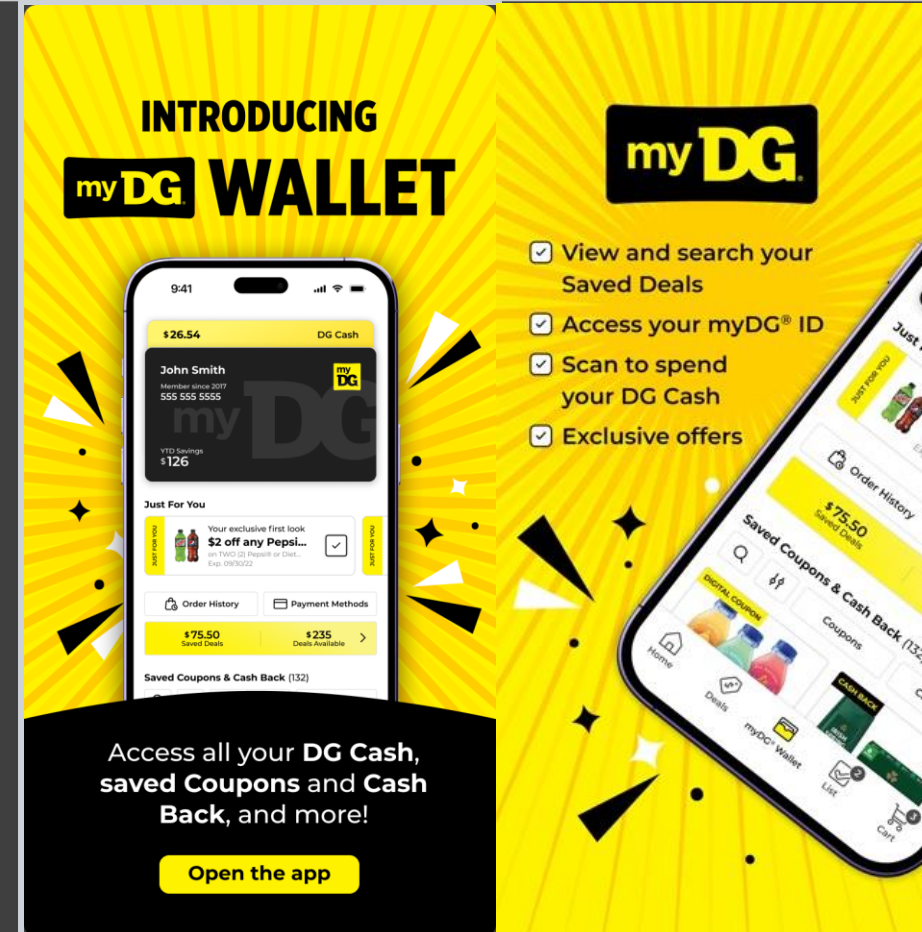




# Dollar General App



- Offers rewards, discounts, coupons & special offers
- Budgeting tools for customers
- Personalized shopping & ads
- Self checkout & delivery options
- Earn & redeem “DG cash” through purchases
- Over 4 million active monthly users



# Larger Store Formats



- Previous average of 7500 square feet per store
- New transition to 8500 square feet & 9500 square feet formats
- Allows for more high-capacity coolers, extended queue line & broader product assortment
- Larger health & beauty, & produce sections
- More DG Fresh emphasis



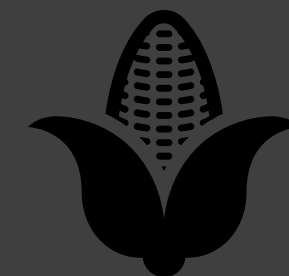
# Artificial Intelligence



- Partnership with Shelf Engine
- Generates orders & optimizes in-stock produce levels for DG Fresh initiative
- Improved efficiency & decreased waste
- Active in over 3000 stores currently & planned to grow alongside DG Fresh

SHELF  ENGINE

+



# In-Store Audio Network



- Launched in September
- In-Store audio advertising network
- Connects brands with “hard to reach” customers
- 80% of stores serve markets of 20,000 people or less
- Open to a select group of advertising partners as DG continues to maximize this opportunity
- Unique advertising revenue opportunity for DG





# **DOLLAR GENERAL**

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**Valuation & Conclusion**

**Enrique Alvarado**



# 5 Year EPS Model



	Revenue	Net Margin	Share Repurchases	EPS Growth Rate
Bear	4%	NM + 0% Earnings +(0%)	0%	4%
Base	4.5%	NM + 0.5% Earnings(+13.8%)	2%	20.3%
Bull	6.5%	NM + .5% Earnings (+13.8%)	4%	24.3%

**DOLLAR GENERAL**

# 5-Year EPS Model



Ticker: DG

Price: \$81.99

Discount rate:

11%

## 5 Year Discounted Cash Flow

								P/E	Total Return Price	PV	5 YR Return	Annual Return
Bear	EPS	<u>Current</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	12.0x	\$104.50	\$62.02	27.5%	5.0%
		\$6.44	\$6.70	\$6.97	\$7.31	\$7.68	\$8.71	14.0x	\$121.92	\$72.35	48.7%	8.3%
			4%	4%	5%	5%	13%	16.0x	\$139.34	\$82.69	69.9%	11.2%
Base	EPS	<u>Current</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	12.0x	\$160.20	\$95.07	95.4%	14.3%
		\$6.44	\$6.76	\$7.67	\$9.22	\$11.10	\$13.35	14.0x	\$186.90	\$110.92	128.0%	17.9%
			5%	13%	20%	20%	20%	16.0x	\$213.60	\$126.76	160.5%	21.1%
Bull	EPS	<u>Current</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	12.0x	\$176.72	\$104.87	115.5%	16.6%
		\$6.44	\$6.76	\$7.67	\$9.53	\$11.85	\$14.73	14.0x	\$206.17	\$122.35	151.5%	20.3%
			5%	13%	24%	24%	24%	16.0x	\$235.63	\$139.83	187.4%	23.5%

# Expected Rate of Return



	Bear	Base	Bull
Present Value	\$72.35	\$110.92	\$122.35
Margin of safety	16%	35%	55%



# RoR Sensitivity



Total RoR Sensitivity				
P / E		Est. EPS growth rate		
		6%	16%	18%
	12.0x	5.0%	14.3%	16.6%
	14.0x	8.3%	17.9%	20.3%
	16.0x	11.2%	21.1%	23.5%

# Recommendation



- Company in rough patch
- Return of Vasos is positive for management & outlook
- Increased debt
- Earnings growth relying heavily on margin increase that could possibly not come in the near future
- HOLD



# Bear Team





# **DOLLAR GENERAL**

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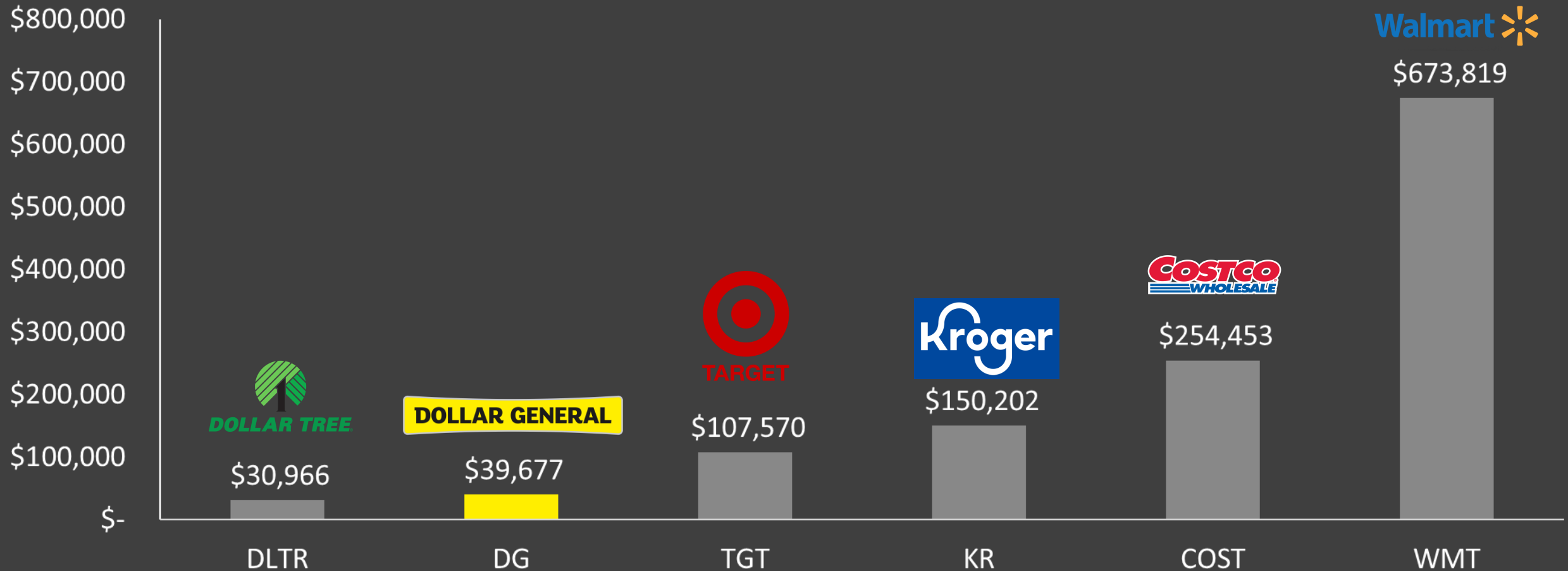
## **Competitor Analysis**

**Pablo Samanez**

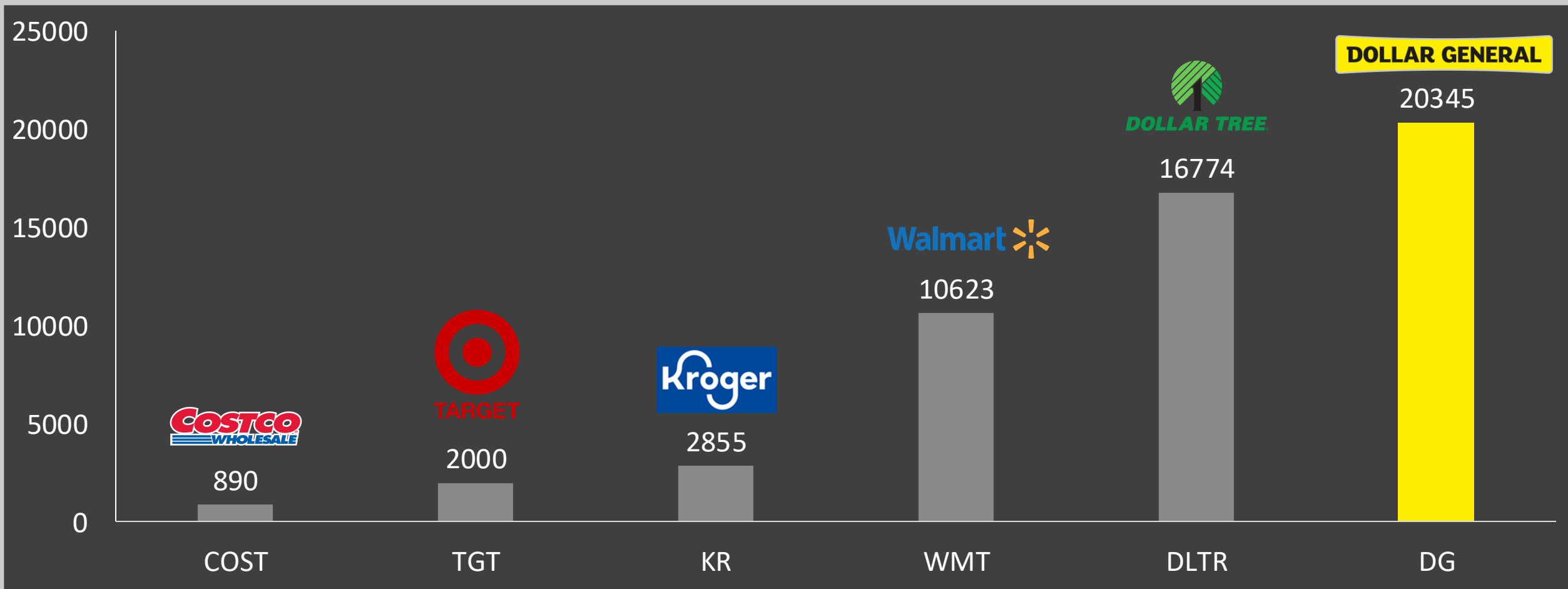
# Competitors



# Revenue TTM (In Millions)

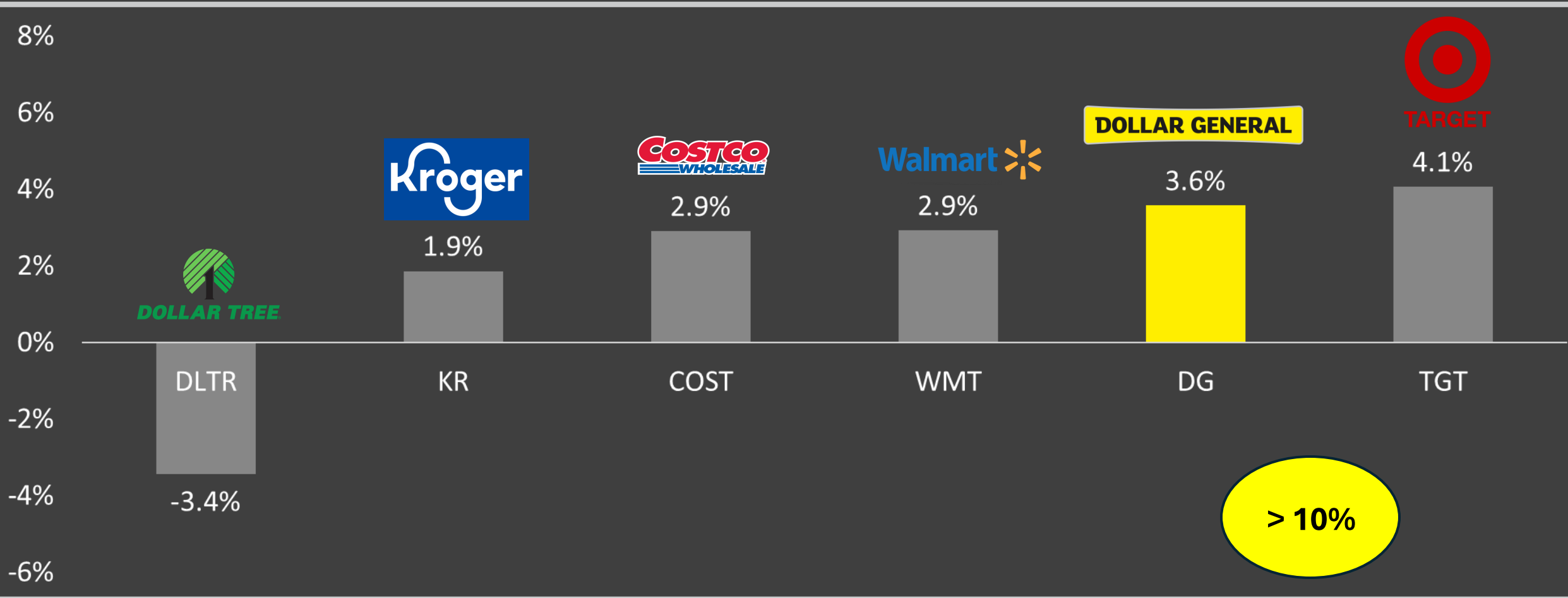


# Stores



# Net Margin%

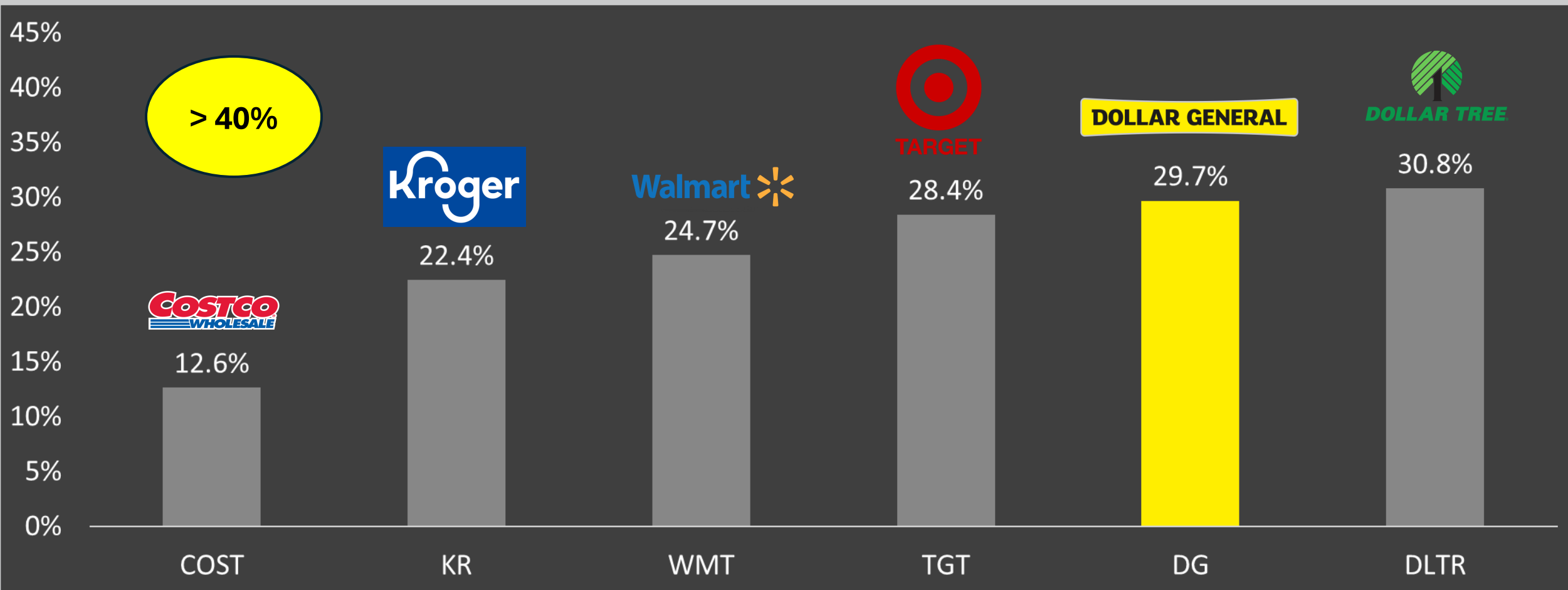
$\text{Net Margin\%} = \text{Net Income} / \text{Revenue}$





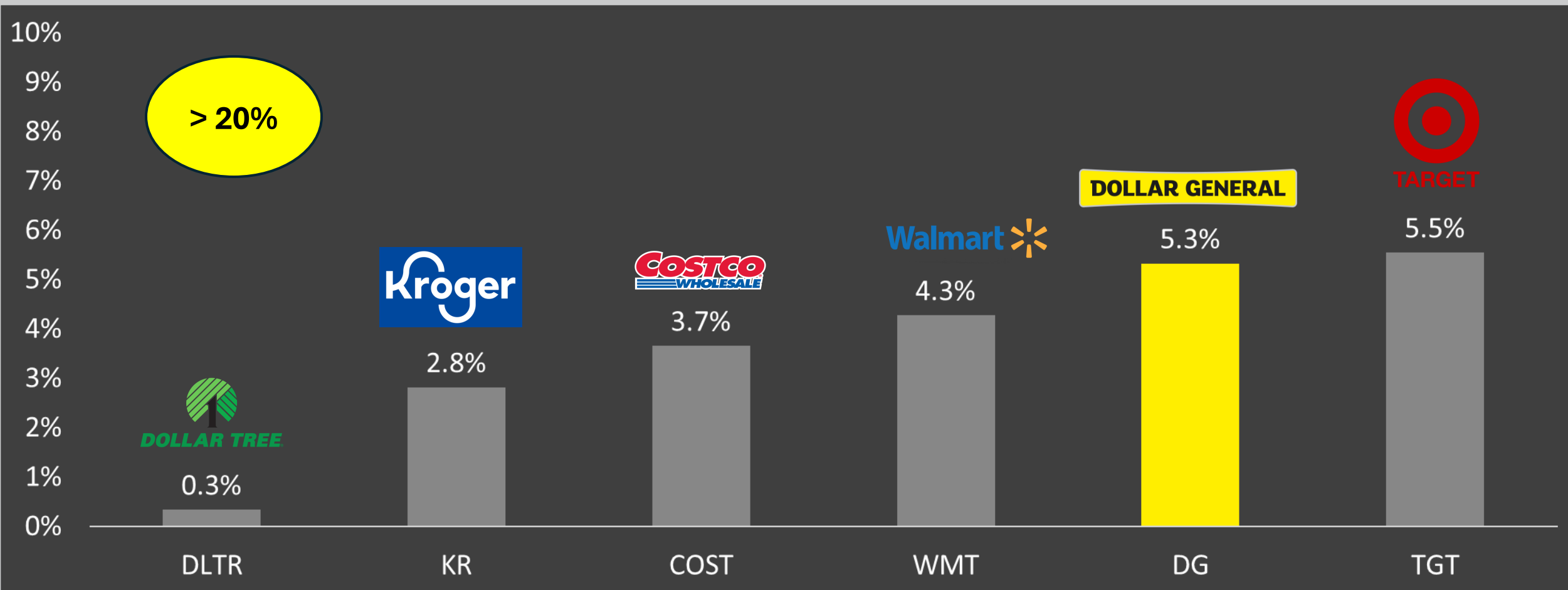
# Gross Margin%

Gross Margin% = Revenue - COGS / Revenue



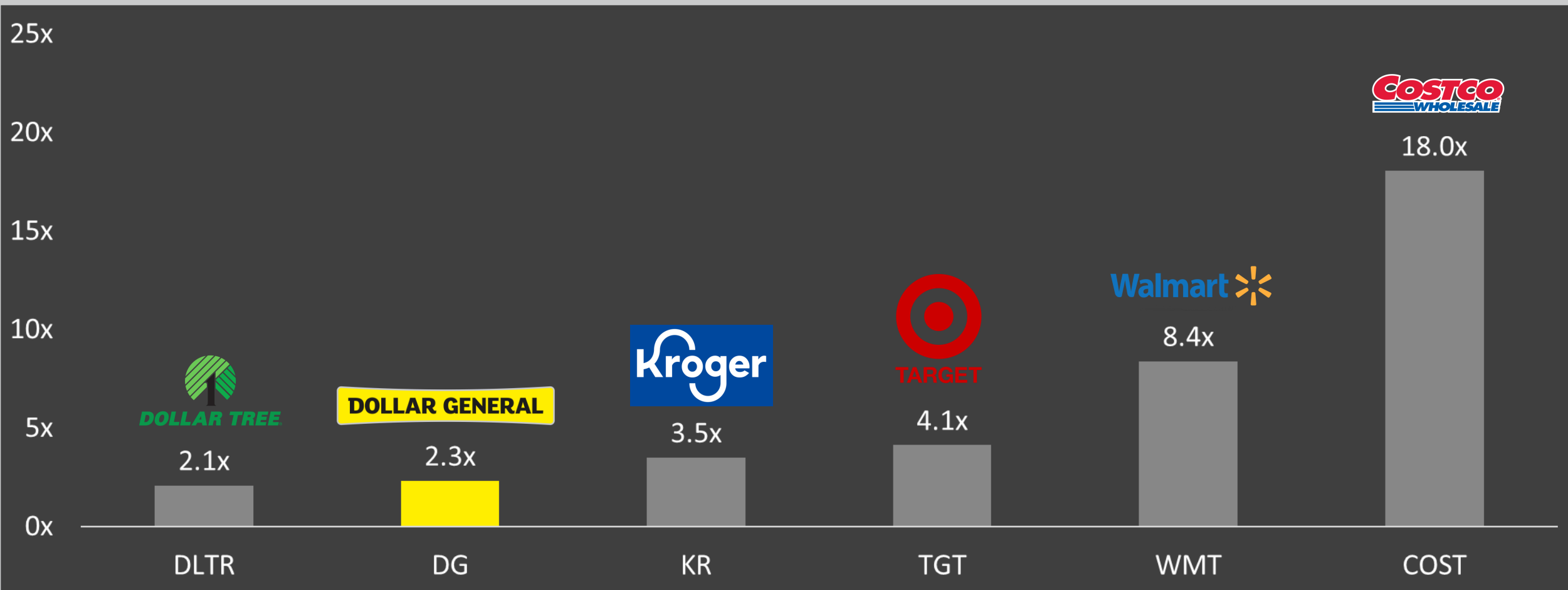
# Operating Margin%

Operating Margin% = Operating Income/ Revenue



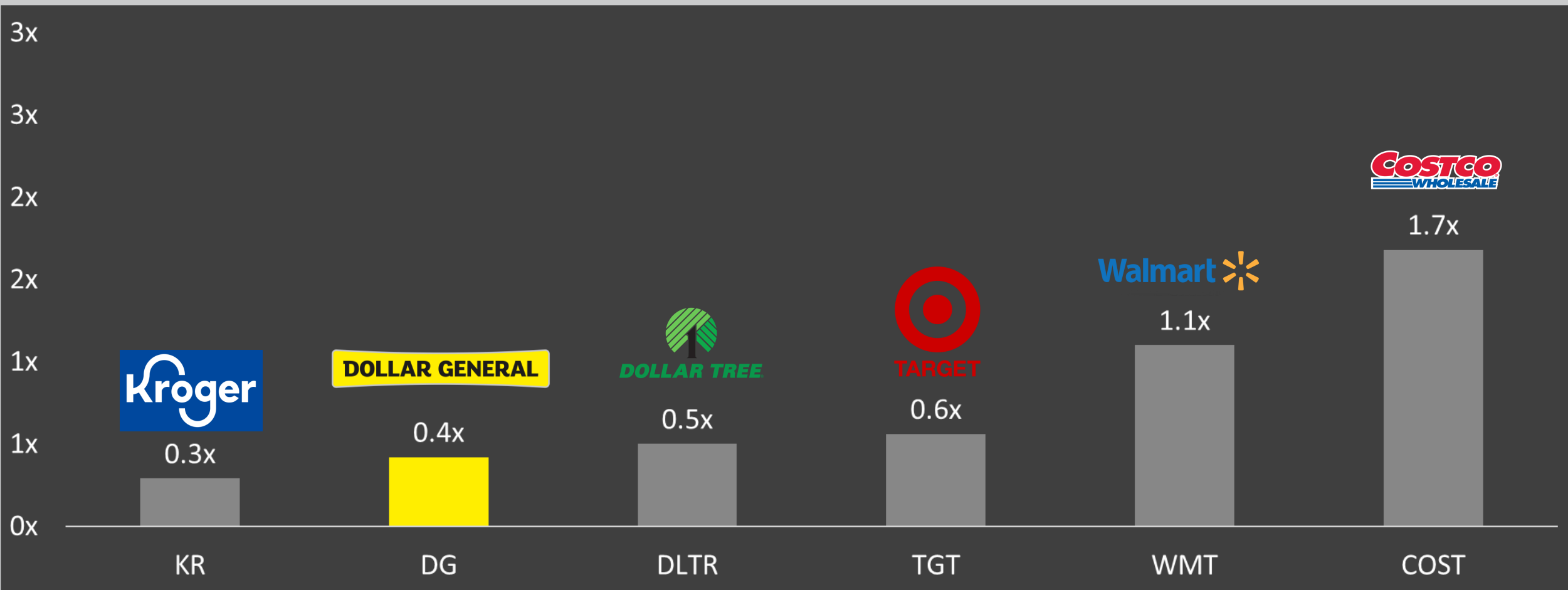
# Price to Book

$P/B = \text{Market Price per Share} / \text{Book Value per Share}$

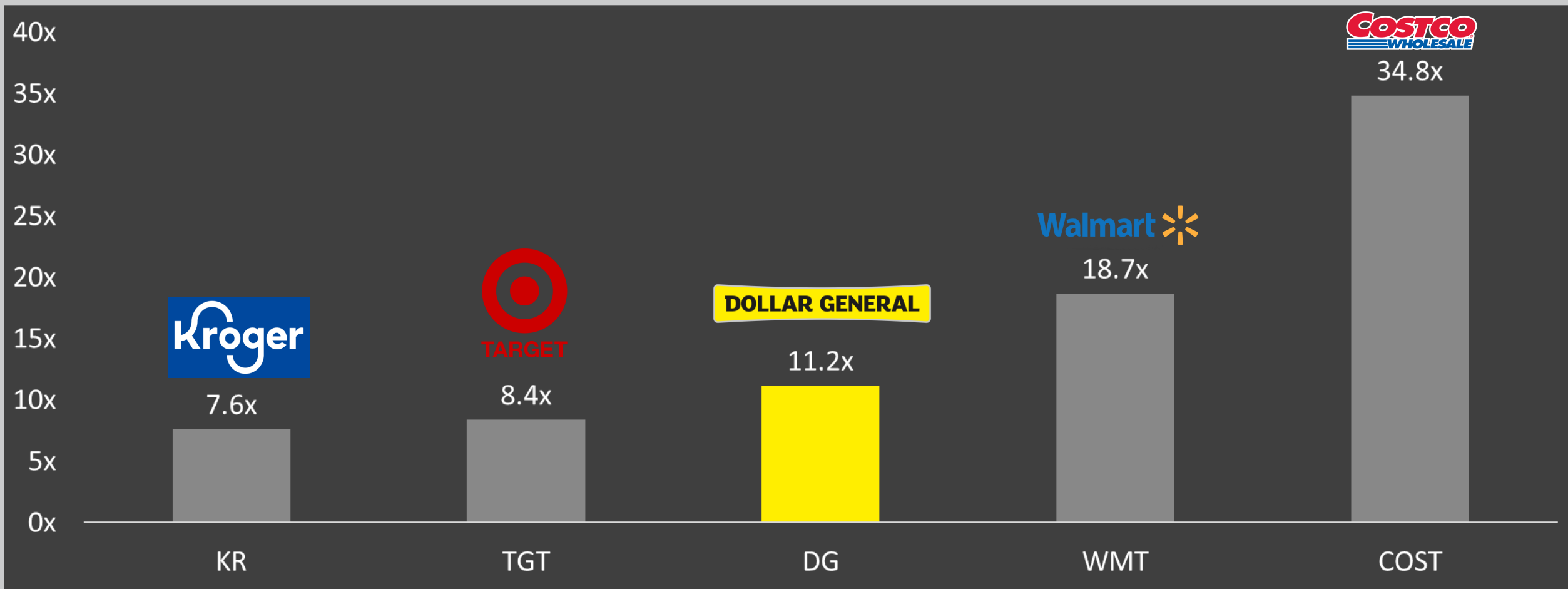


# Price to Sales

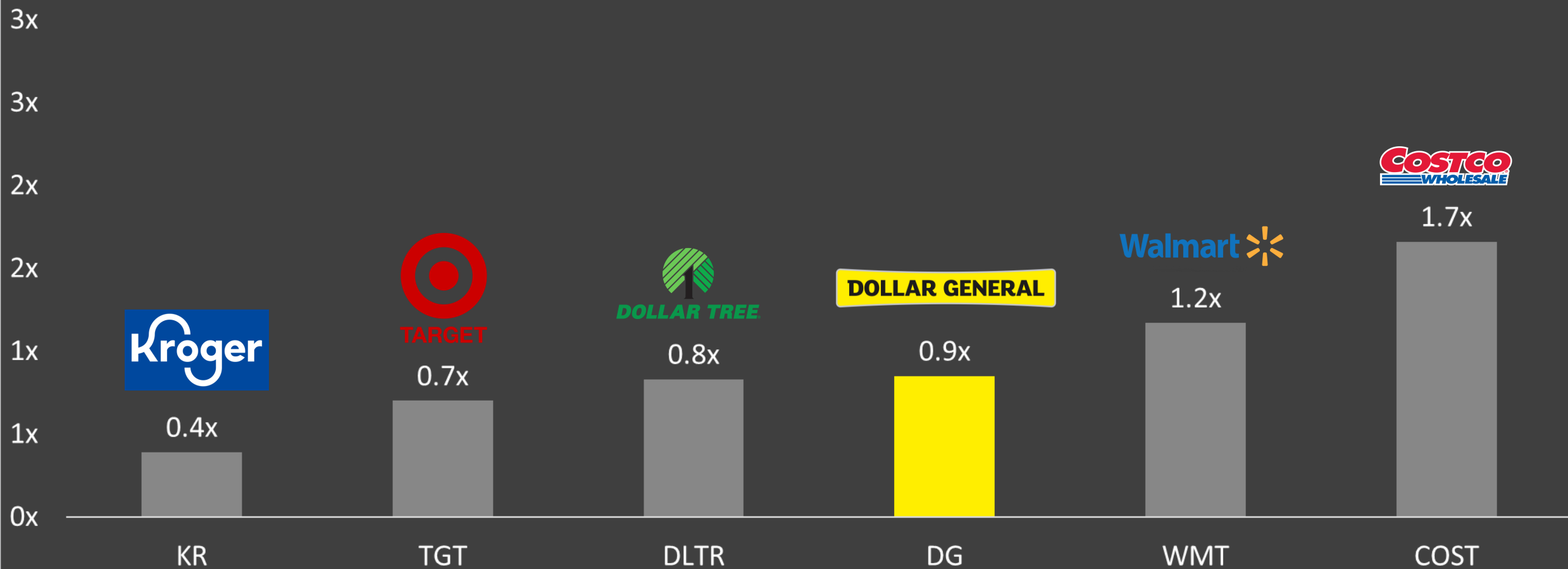
$P/S = \text{Market Capitalization} \div \text{Total Sales}$



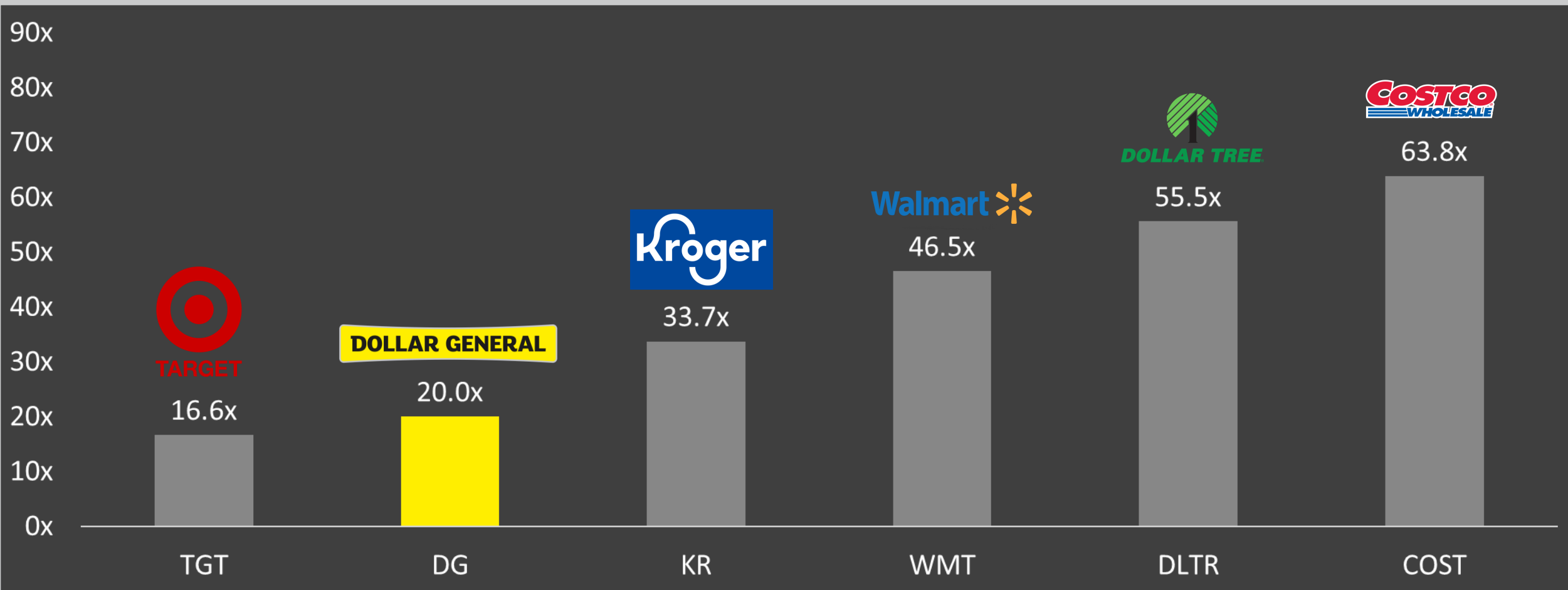
# EV-to-EBITDA



# EV-to-Revenue

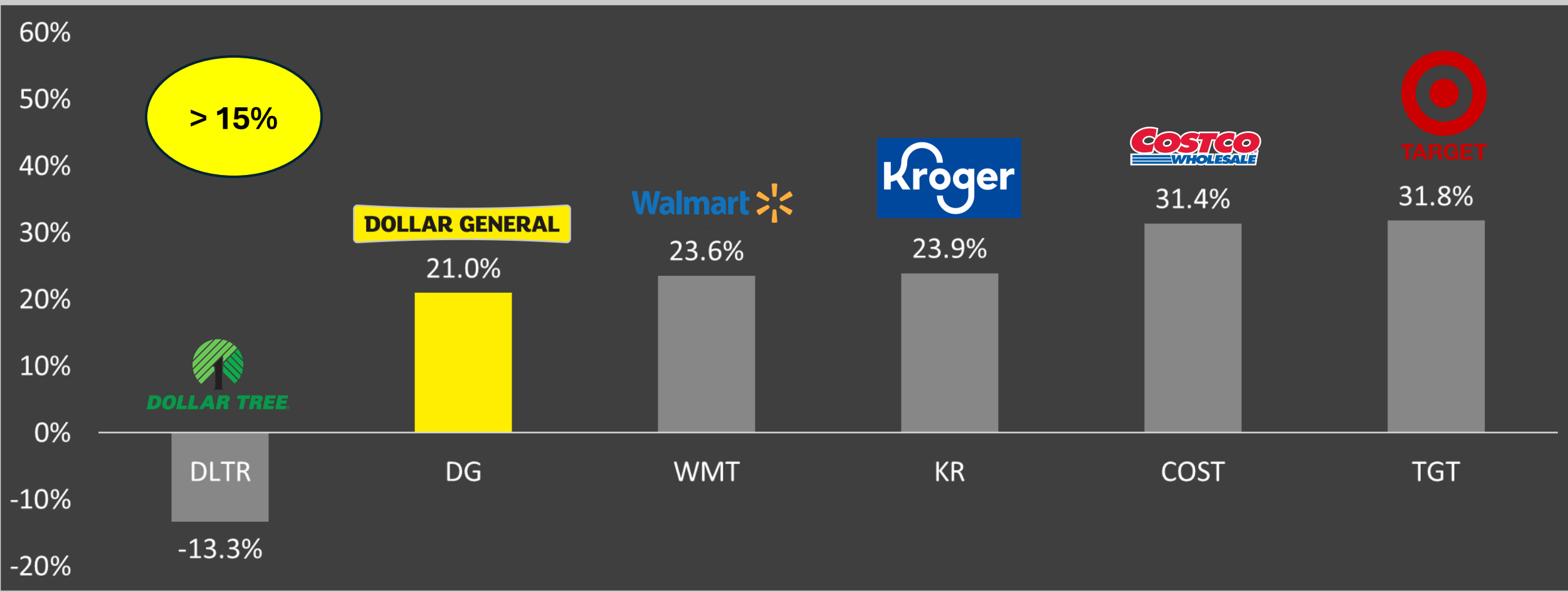


# EV-to-Free Cash Flow



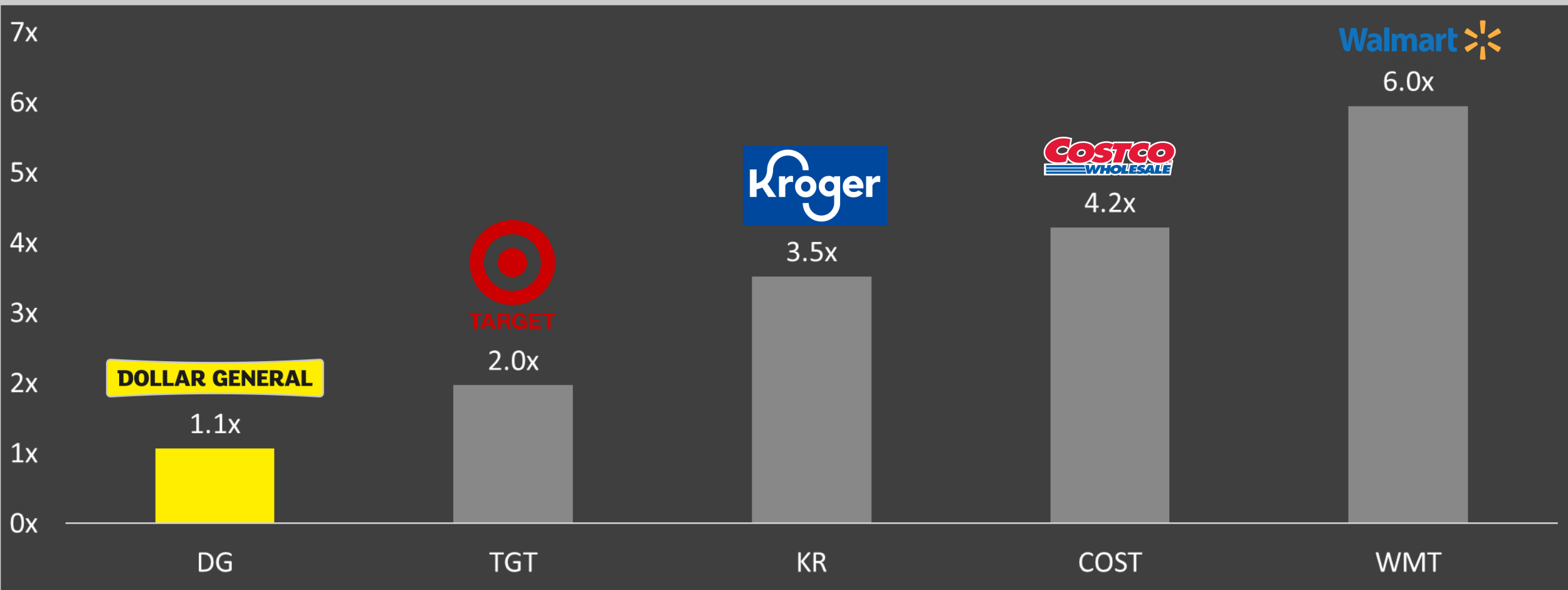
# Return on Equity

Return On Equity = Net Income/Shareholders Equity



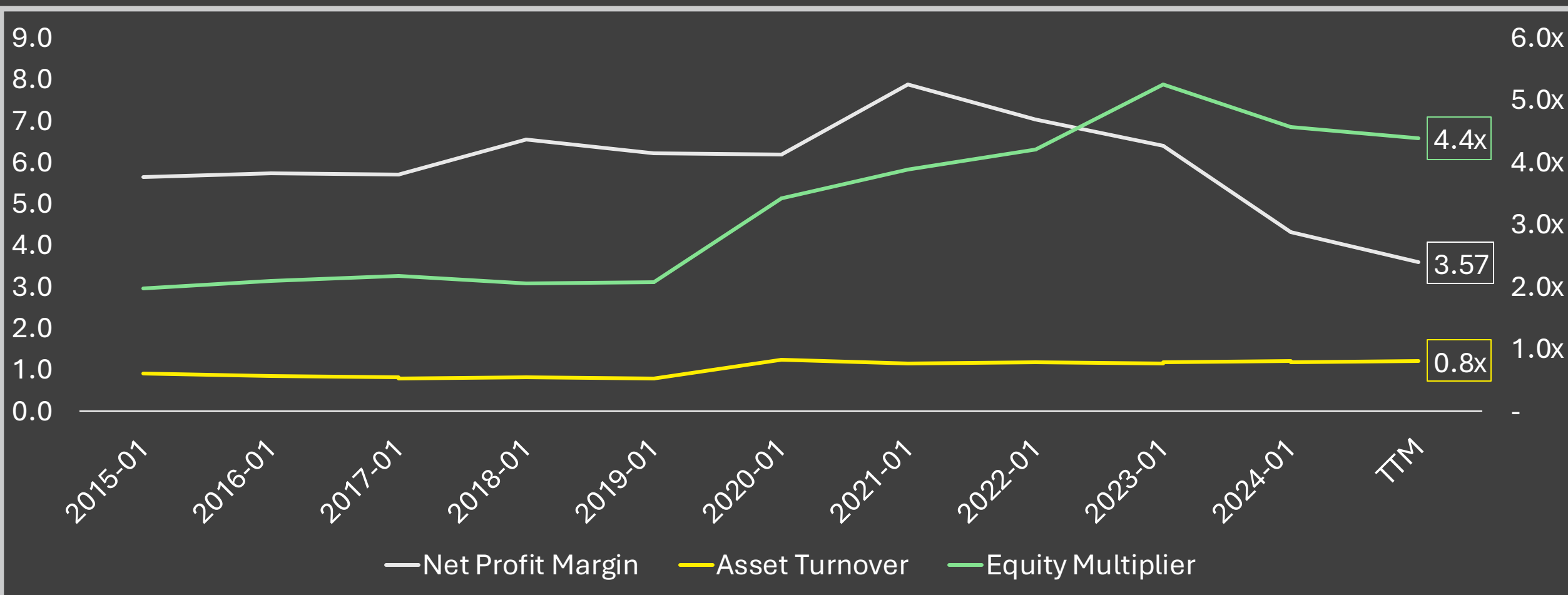


# PEG Ratio



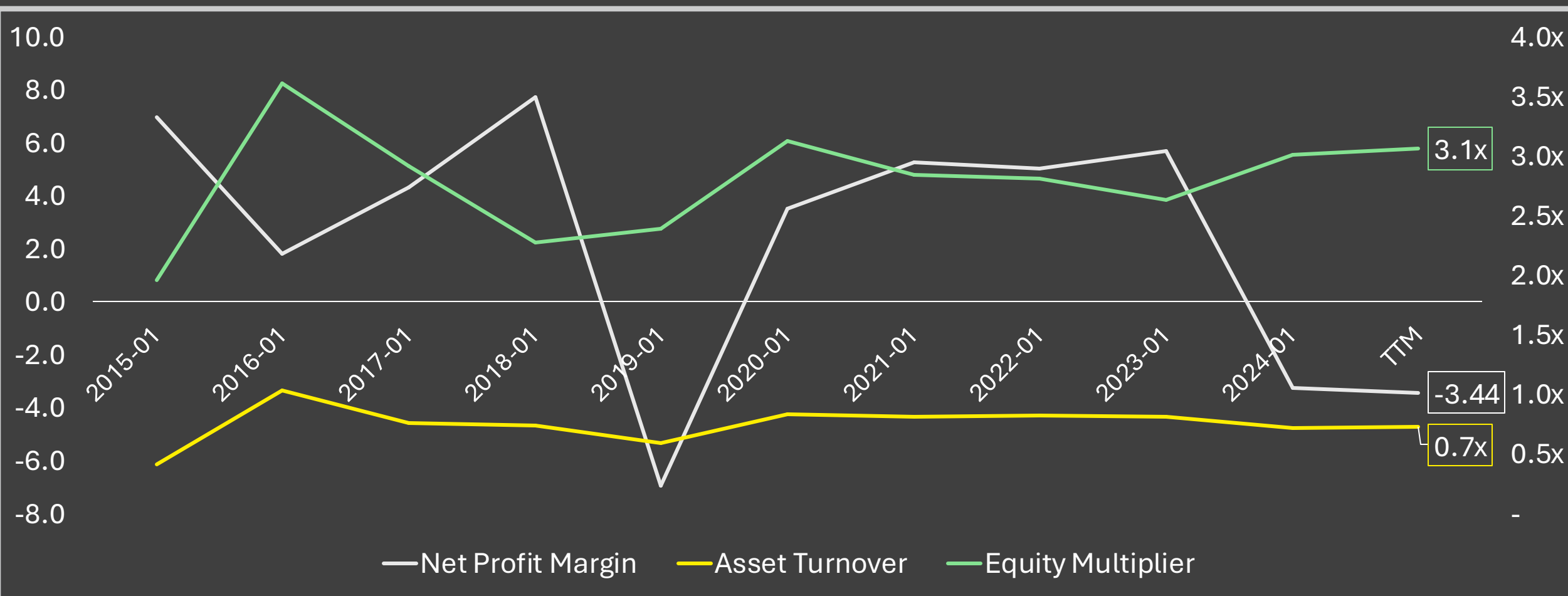
# DuPont Analysis (Dollar General)

$$\text{ROE} = (\text{Net Income/Sales}) \times (\text{Assets/Equity}) \times (\text{Sales/Assets})$$



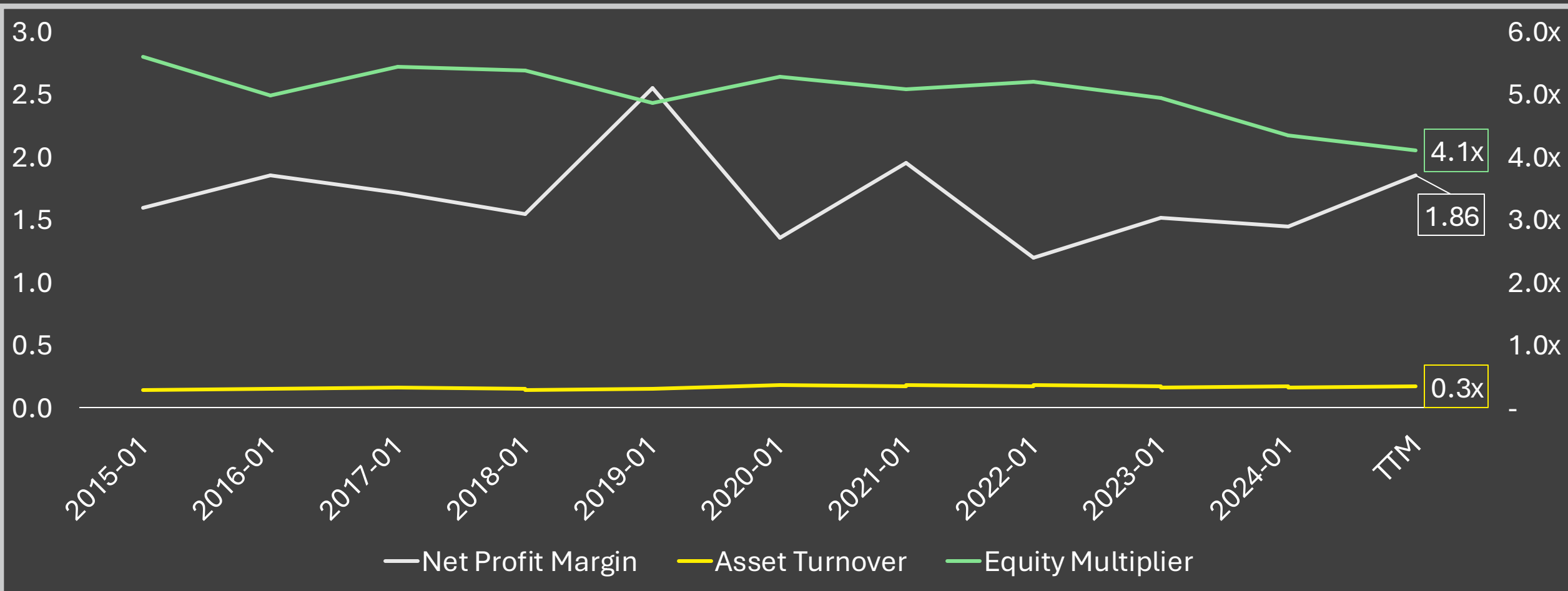
# DuPont Analysis (Dollar Tree)

$$\text{ROE} = (\text{Net Income/Sales}) \times (\text{Assets/Equity}) \times (\text{Sales/Assets})$$



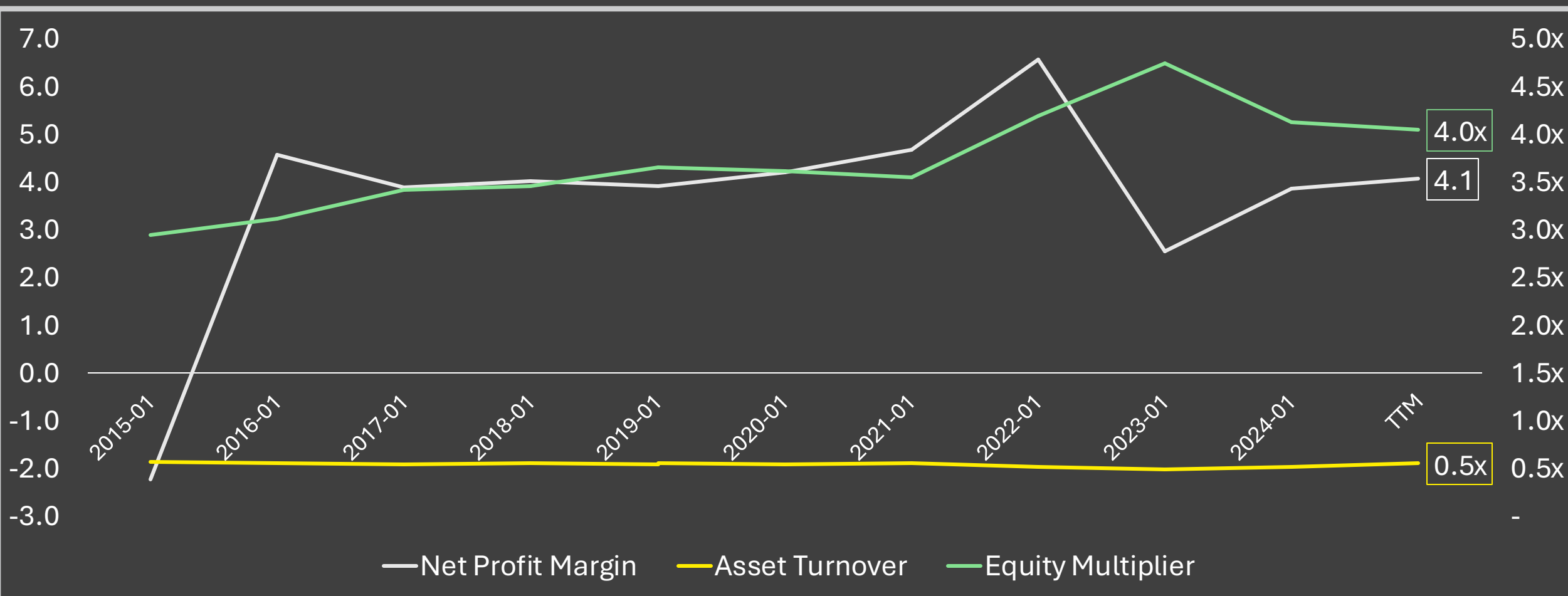
# DuPont Analysis (Kroger)

$$\text{ROE} = (\text{Net Income/Sales}) \times (\text{Assets/Equity}) \times (\text{Sales/Assets})$$



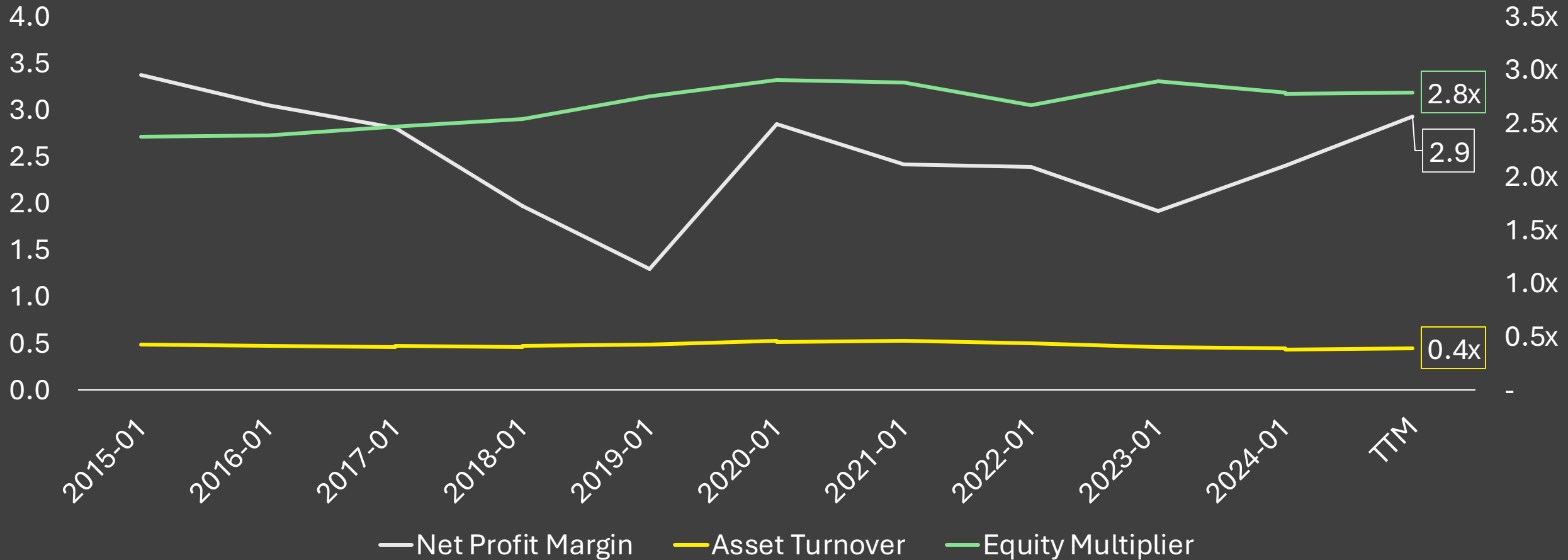
# DuPont Analysis (Target)

$$\text{ROE} = (\text{Net Income/Sales}) \times (\text{Assets/Equity}) \times (\text{Sales/Assets})$$



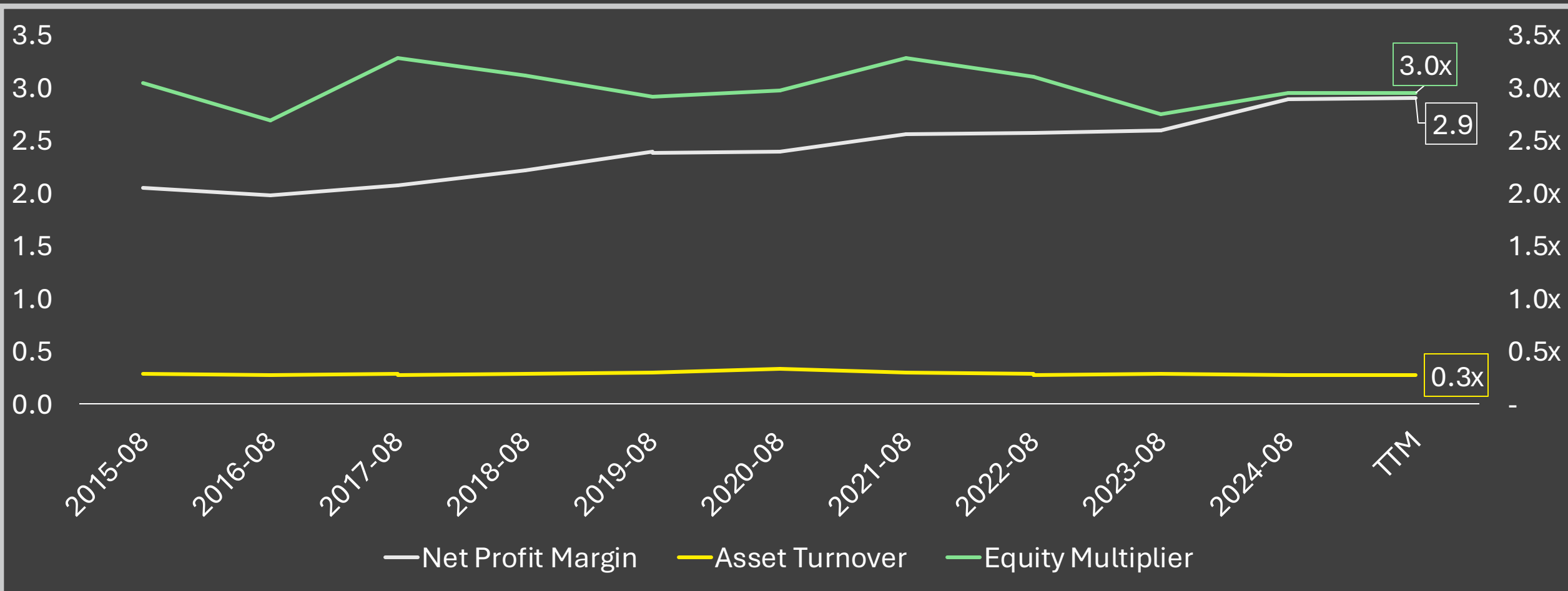
# DuPont Analysis (Walmart)

$$\text{ROE} = (\text{Net Income/Sales}) \times (\text{Assets/Equity}) \times (\text{Sales/Assets})$$








# DuPont Analysis (Costco)

$$\text{ROE} = (\text{Net Income/Sales}) \times (\text{Assets/Equity}) \times (\text{Sales/Assets})$$



# Obligation Ratio



Company	Obligation Ratio
 DOLLAR TREE	18.3x
DOLLAR GENERAL	18x
	7.9x
 TARGET	3.7x
Walmart 	3.3x
	(0.2)x

**DOLLAR GENERAL**





# **DOLLAR GENERAL**

**Risk Factors**

**Jenna Lindemann**

# Intense Competition



- Discount and bigger companies
- Competitors with more online presence
- Competitors with better known delivery service
  - Walmart



# Economic Factors



## Customers

- Customers have low income & limited spending dollars
- Accurately predicting customer trends



## Other

- Capital Funding
- Inventory balance is 49% of total assets
- Seasonal inventory leftover
- New debt

# Stores



- Inflation & higher interest rates
- New stores located where existing stores already are
- Efficiently managing all 20,000 plus stores





# Shrinkage



- Limit self-checkout to 5 items or less
- 2023 shrink & damages materially impacted performance results
- 9000 stores converting to assisted checkout and 300 stores
- Increased security measures & other costs related to security



# Security Risks



- Confidential credit card & debit card information
- Confidential employee and vendor information
- Share info with 3<sup>rd</sup> party service providers, could lead to cyberattacks



# Software Risks



- Information system breach from 3<sup>rd</sup> party
- Licensed software programs supporting by independent software developers
- Constant update of system software
- Technology initiatives may not deliver results or may do so on a delayed schedules





# Suppliers



- Domestic & international suppliers for merchandise
- 2023 two largest were 10% & 8%, and could obtain alternative, but it would cost more
- Imported 4% of purchases
- Supply chain volatility





# International



- Substantial amount of imported goods come from China
- Trade, leadership, economic & market conditions could affect supply
- Russia & Ukraine conflict
- Potential international tariff



# Distribution Network



- Disruption could affect sales
- Transportation costs
- Leasing additional temporary warehouse space to support distribution needs especially for seasonal inventory
- Delay of building and leasing new facilities



# Product Liability



- Product contamination
- Tampered with
- Expired
- Mislabeled
- Recalled
- Safety issue labels
- DG fresh products
- Not all insured





# **DOLLAR GENERAL**

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## **Valuation & Conclusion**

**Jenna Lindemann**

# 5 yr EPS Growth Rates



	Revenue	Net Margin	Share Repurchases	EPS Growth Rate
Bear	3%	0%	0%	3%
Base	5%	.2% Earnings (+6%)	1%	12%
Bull	7%	.4% Earnings (+8%)	2%	17%





Ticker: DG

Price: \$79.60

5 Year Discounted Cash Flow

								Total Return		5 YR	Annual	
								P/E	Price	PV	Return	Return
Bear	EPS	<u>Current</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	14.0x	\$112.88	\$66.99	41.8%	7.2%
		\$6.44	\$6.63	\$6.96	\$7.31	\$7.68	\$8.06	16.0x	\$129.00	\$76.56	62.1%	10.1%
		3%	5%	5%	5%	5%	18.0x	\$145.13	\$86.13	82.3%	12.8%	
Base	EPS	<u>Current</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	14.0x	\$151.80	\$90.09	90.7%	13.8%
		\$6.44	\$6.89	\$7.72	\$8.64	\$9.68	\$10.84	16.0x	\$173.48	\$102.95	117.9%	16.9%
		7%	12%	12%	12%	12%	18.0x	\$195.17	\$115.82	145.2%	19.6%	
Bull	EPS	<u>Current</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	14.0x	\$182.47	\$108.28	129.2%	18.0%
		\$6.44	\$6.96	\$8.14	\$9.52	\$11.14	\$13.03	16.0x	\$208.53	\$123.75	162.0%	21.2%
		8%	17%	17%	17%	17%	18.0x	\$234.60	\$139.22	194.7%	24.1%	

Discount rate:  
11%

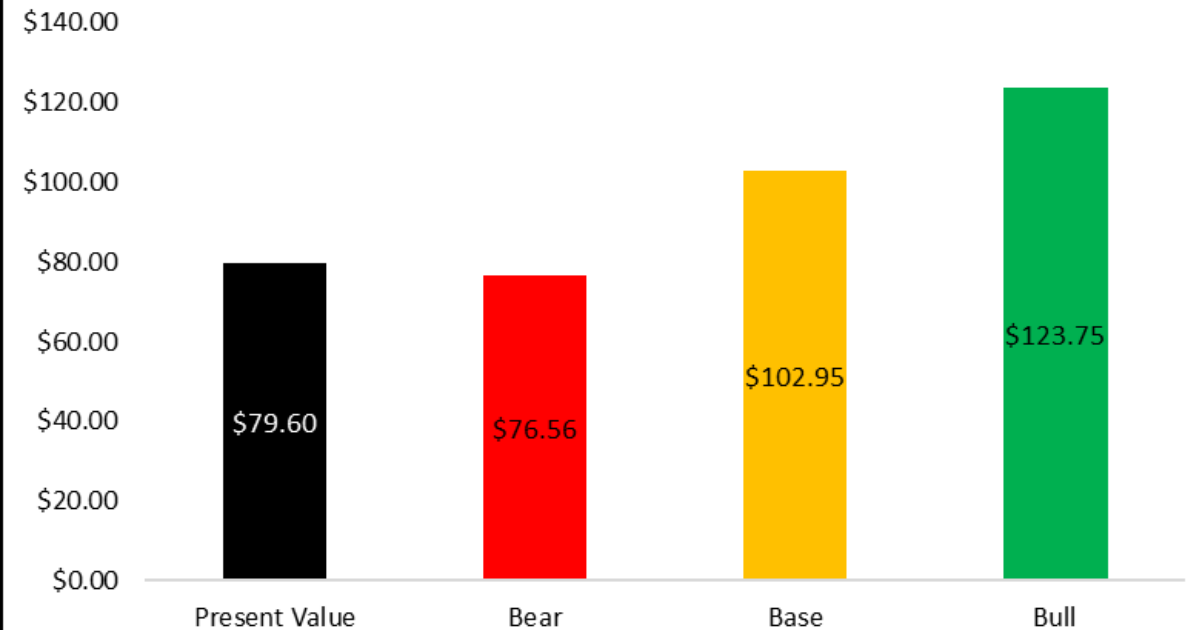
# Valuation



## Total RoR Sensitivity

		Est. EPS growth rate		
		5%	11%	15%
P / E	14.0x	7.2%	13.8%	18.0%
	16.0x	10.1%	16.9%	21.2%
	18.0x	12.8%	19.6%	24.1%

Market Value vs Intrinsic Value



# Conclusion



- Taking on lots of debt
  - Intense Competition
  - Not meeting some of our metrics
  - Opening new stores
- 
- I believe we should **Hold** Dollar General because they are going to have a tough time in the next year.



# Thank you!



# Thank you Will and Joaquin!!



Willy Wonka



Cuban with Private Jet



# **DOLLAR GENERAL**

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**Question & Answer Session**



# **DOLLAR GENERAL**

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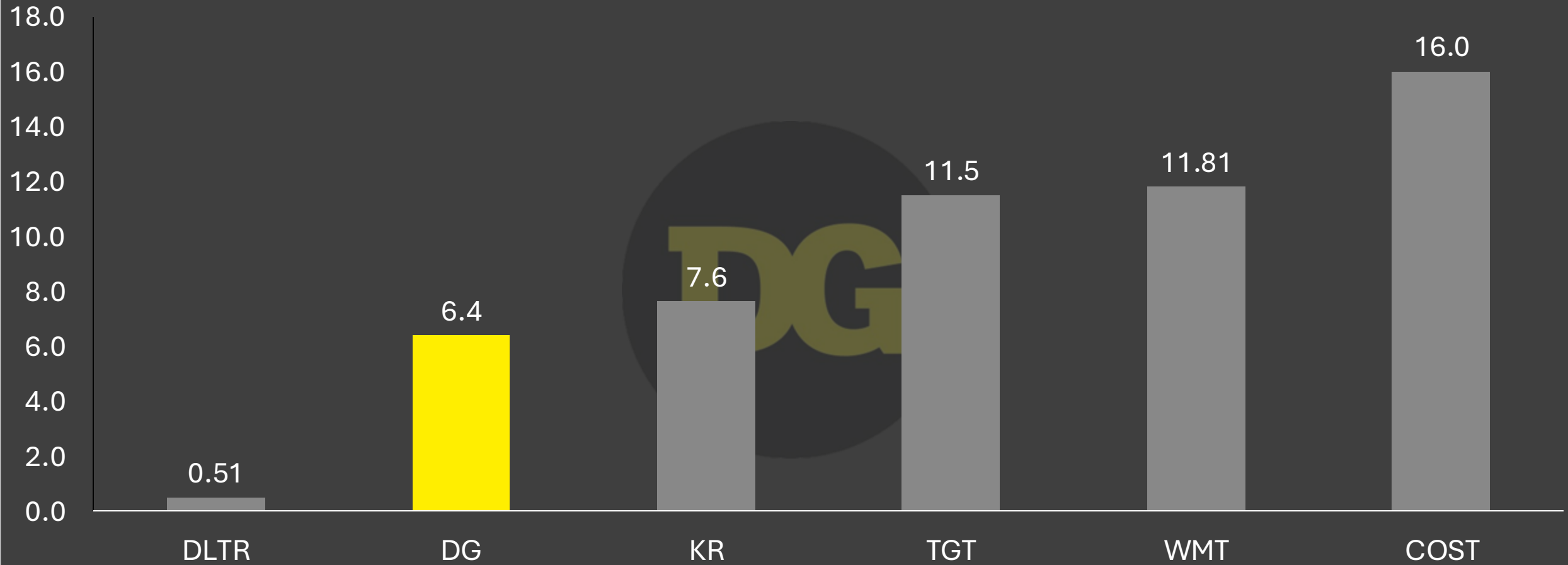
## **Appendix**





**DG**

# Return on Capital



# DG Delivery



- Available through DG app
- Fast convenient way to shop without having to leave home
- Delivered in as little as 1 hour
- Digital coupons accepted & earns cash back
- More value added for customers

## STEP 1 **SELECT**

Select your store, choose Delivery, and provide your address

## STEP 2 **SHOP**

Build your cart, opt in to substitutions, and select your Delivery timeframe

## STEP 3 **PAY**

Provide your contact info and delivery instructions, add payment and select a tip amount, then place your order

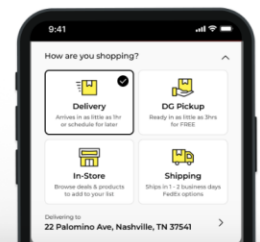
## STEP 4 **RELAX**

Sit back and let us handle the rest! We'll shop your order, communicate with you on substitutions, and deliver everything right to your door!

**DOLLAR GENERAL**



Limited Store availability at this time



# Shelf Engine



- Shelf Engine uses artificial intelligence (AI) and machine learning to analyze a store's historical sales data, combined with external factors like weather, holidays, local events, and news trends, to accurately predict demand for each product, generating optimal orders for every SKU in a store, minimizing food waste by preventing overstocking and understocking while maximizing sales and profit margins.

- Key points about how Shelf Engine works:

**Data ingestion:** It pulls data from a store's point-of-sale (POS) system, including daily sales figures and current inventory levels.

- **Predictive modeling:** Sophisticated algorithms generate probabilistic models for each unique product (SKU) in every store, taking into account external factors like weather, holidays, and local news.
- **Real-time adjustments:** The system continuously updates its forecasts based on new data, allowing for adjustments to orders as needed.
- **Optimized ordering:** Based on the demand predictions, Shelf Engine calculates the ideal order quantity for each product, ensuring enough stock without overstocking and potential waste.
- **Reduced food waste:** By accurately forecasting demand, stores can minimize the amount of perishable food that goes unsold and has to be thrown away.
- **Increased sales:** Keeping shelves well-stocked with the right products can lead to higher customer satisfaction and sales.
- **Improved profitability:** By minimizing waste and optimizing inventory levels, stores can improve their profit margins.



# DG store formats



- <https://newscenter.dollargeneral.com/company-facts/dollar-general-store-formats/>

# In store audio network



- <https://www.emarketer.com/content/dollar-general-s-in-store-audio-network-connects-brands-with-hard-to-reach-customers>

# DG Fresh



- Self-distribution model for frozen & refrigerated products
- 10 temperature-controlled distribution facilities across U.S.
- 5000 stores now offer DG Fresh
- 44 million people are food insecure
- Rural communities bear the heaviest burden



# Back to basics strategy



- <https://simplywall.st/community/narratives/us/consumer-retailing/nyse-dg/dollar-general/back-to-basics-strategy-boosts-revenue-while-challenges-loom-on-profit-margins#:~:text=Key%20Takeaways,on%20essential%20items%20and%20efficiency.>

# DG Media Solutions



## Solutions That Meet Our Customers Wherever They Are

### MANAGED SERVICE OWNED + OPERATED

#### Sponsored Product Ads

Ensure product visibility on-site and on our App

#### Email

Target DG's engaged email audiences with your brand message directly to their inbox

#### Landing Pages

Create audience engagement with landing pages designed to drive conversions

#### On-Site Display

Appear in select placements on high-traffic, relevant pages of the DG website and App

#### Push

Engage DG customers with succinct content that triggers fast response directly on their phone screens

#### DG Stories

Influence customer purchase decisions as they begin their shopping journey on the DG App

### MANAGED SERVICE OFF-SITE

#### Mobile / Standard Display

Reach the DG customer while browsing various websites and using mobile apps

#### In-Store Audio

Engage with a captive audience, influence purchase decisions in real time and enhance your customer's shopping experience at DG

#### Programmatic Audio

Stream music, sports, news and podcasts

#### YouTube

Inspire the DG customer while they're watching YouTube videos

#### Video / CTV

Reach DG customers via streaming video

#### Digital Out-of-Home






Appear on out-of-home screens at public places to engage DG customers at various points of their day

#### Paid Social (Meta)

Connect through video and image ads on Facebook and Instagram

# Store Prices (From Store Website)



Company	Bread Price (Wheat)	Milk Price (1 Gal)	Eggs Price (Dozen)
<b>DOLLAR GENERAL</b>	\$1.95	\$2.75	\$4.15
 <b>DOLLAR TREE</b>	\$1.25	\$1.25	N/A
<b>Walmart</b> 	\$3.64	\$3.86	\$3.97
 <b>COSTCO</b> WHOLESALE			
 <b>TARGET</b>			
 <b>Kroger</b>			

# Apparel



Basic items



Shoes



Socks, underwear,  
disposable diapers



Accessories



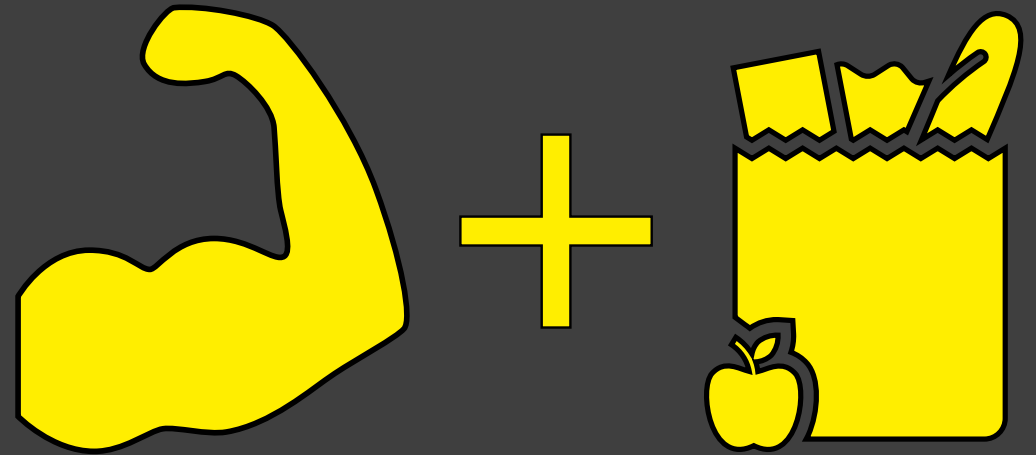
# Competitive Pricing Power



**\$39 Billion (Fiscal 2023)**

**Top 20 Largest Retailer**

**Bulk Purchasing Power**





# Seasonal Segment



Holiday Items



Toys



Electronics



Stationary



Home office Supplies



Hardware & Automotive



Gardening Supplies



# Home Products



Kitchen supplies



Frames



Candles



Cookware



Storage containers



Craft supplies



Small appliances



Light bulbs



Kitchen, Bed and bath soft goods



# pOpshelf App

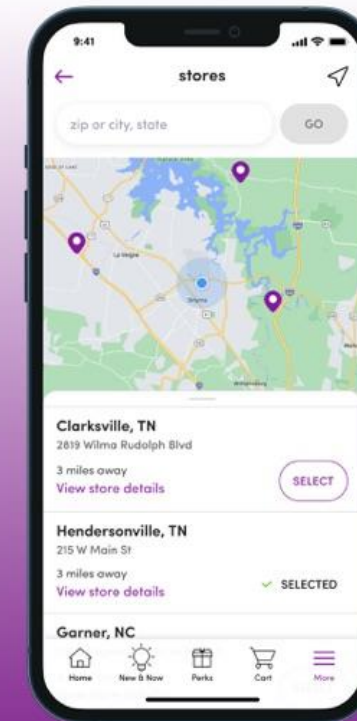


- Available on IOS and Google Play
- Customers can:
  - Online shop
  - Browse décor ideas
  - Find inspiration
  - Discover crafts & more
- Drives customer engagement & strengthens omnichannel

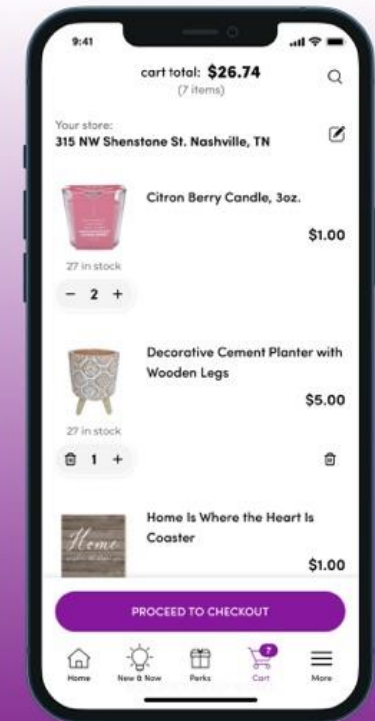
pOpshelf  
fun finds for less



find your new  
favorite store



buy now &  
pick up in store



# pOpshelf Customer Loyalty Program



- Available through the pOpshelf app
- Customers earn points & exclusive rewards
  - 1000 points for downloading the app and completing a profile
  - 10 points per dollar spent
  - \$5 reward for every 1,000 points accumulated
  - Birthday discounts, double point days
- pOpshelf offers more value to customers



# Consumables Segment



Paper & Cleaning  
Products



Health & Beauty



Pet



Snacks



Packaged Food



Perishables

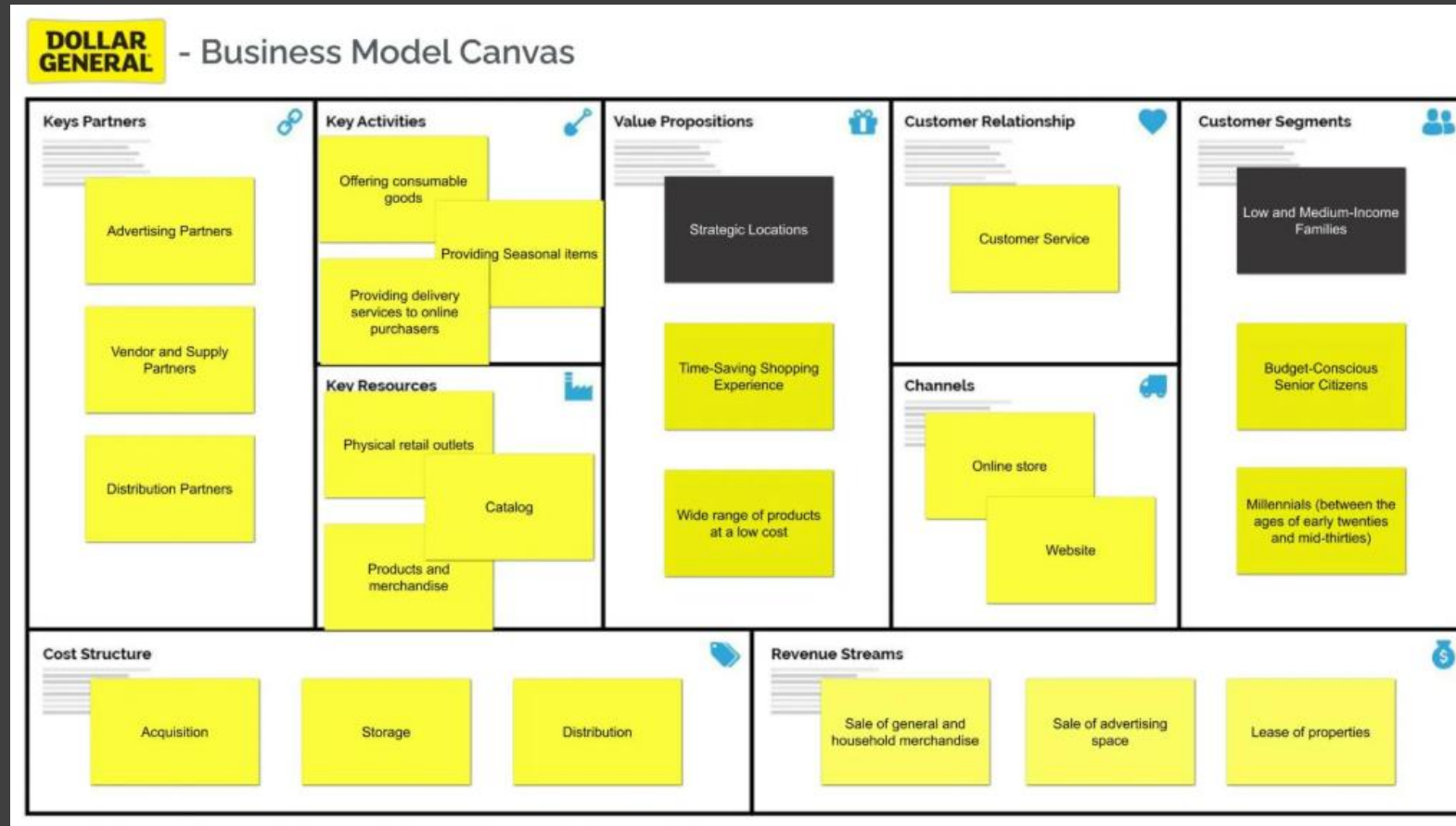


Tobacco Products





# Business Model



# Compensation Structure



## Summary Compensation Table

The following table summarizes compensation paid to or earned by our named executive officers in each of the 2023, 2022 and 2021 fiscal years. We have omitted from this table the columns for "Bonus" and "Change in Pension Value and Nonqualified Deferred Compensation Earnings" because they are inapplicable.

Name and Principal Position <sup>(1)</sup>	Year	Salary \$( <sup>(2)</sup> )	Stock Awards \$( <sup>(3)</sup> )	Option Awards \$( <sup>(4)</sup> )	Non-Equity Incentive Plan Compensation \$( <sup>(5)</sup> )	All Other Compensation \$( <sup>(6)</sup> )	Total (\$)
Todd J. Vasos, Chief Executive Officer	2023	652,461	—	7,952,550	—	375,106	8,980,117
	2022	1,391,720	5,592,354	5,924,983	2,520,000	192,349	15,621,406
	2021	1,350,052	5,179,592	5,239,005	4,544,529	305,695	16,618,873
Jeffery C. Owen, Former Chief Executive Officer	2023	792,439	3,103,843	2,926,934	—	88,981	6,912,197
	2022	962,310	1,579,023	8,050,200	1,344,299	96,852	12,032,684
	2021	845,241	1,072,461	1,084,805	1,904,528	68,659	4,975,694
Kelly M. Dilts, Executive Vice President & Chief Financial Officer	2023	727,261	275,980	898,569	—	63,390	1,965,200
John W. Garratt, Former President & Chief Financial Officer	2023	309,799	—	—	—	66,451	376,250
	2022	852,150	1,052,610	1,438,947	884,766	74,963	4,303,436
	2021	794,061	828,781	838,227	1,344,028	67,261	3,872,358
Emily C. Taylor, Executive Vice President & Chief Merchandising Officer	2023	769,537	919,726	867,222	—	139,007	2,695,492
	2022	680,214	894,708	947,988	622,837	172,923	3,318,670
Rhonda M. Taylor, Executive Vice President & General Counsel	2023	712,704	919,726	867,222	—	134,203	2,633,855
	2022	647,514	894,708	947,988	585,953	173,228	3,249,391
	2021	626,130	780,007	788,937	1,059,788	182,113	3,436,975
Carman R. Wenkoff, Executive Vice President & Chief Information Officer	2023	692,588	781,736	737,157	—	62,749	2,274,230
	2022	666,692	894,708	947,988	607,500	60,679	3,177,567
	2021	608,273	780,007	788,937	1,051,974	52,169	3,281,360
Antonio Zuazo, Executive Vice President, Supply Chain	2023	177,348	689,743	650,430	—	2,071,473	3,588,994

# pOpshelf



- Reliant on accurate customer trend prediction & level of customers disposable income
- Non-consumable products
- Elevated inventory levels in 2023
- Lower in-stock levels on certain items

