



Dollar General Corp.

Nathan Schomberg & Ryan David

**DOLLAR
GENERAL®**

Senior Analyst: Kenzie Meyer, James Luessman, Jake Bresser

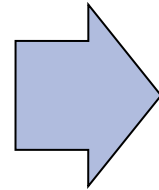


Company Overview

History



Turners



Dollar General

Business Model



fashion for the family
at great looking prices!



Business Model





Price Performance

History



5-YEAR BETA = 0.70

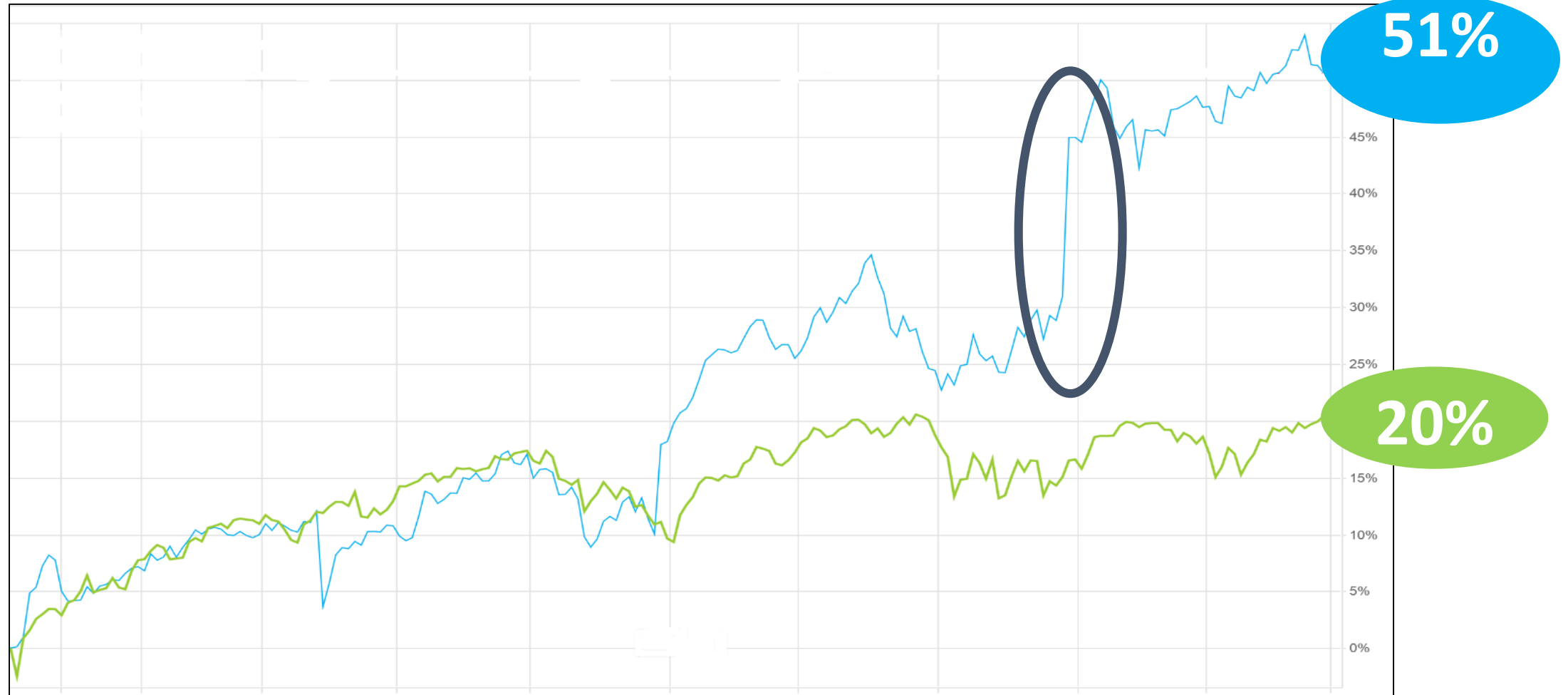


PUBLICLY TRADED
2009



605% VS 176%

Price Performance





Investment Thesis

Recession

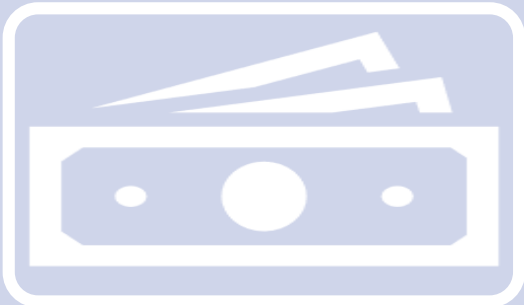


Category	2007	2008	2009
<u>Revenue</u>	9170	9495	10458
<u>Net Income</u>	138	-13	108
<u>Interest Expense</u>	35	263	392
<u>Unusual Expense</u>	2	106	36
<u>Stores</u>	8229	8194	8362
<u>Free Cash Flow</u>	143.8	301.8	369.6

Recession Proof?



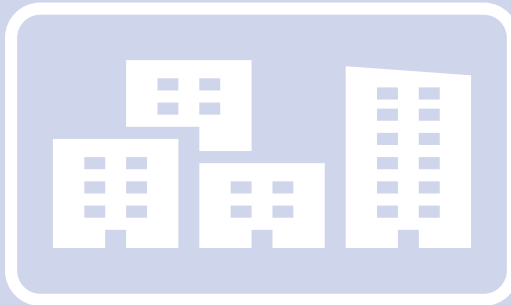
Financials



Revenue

Dividend

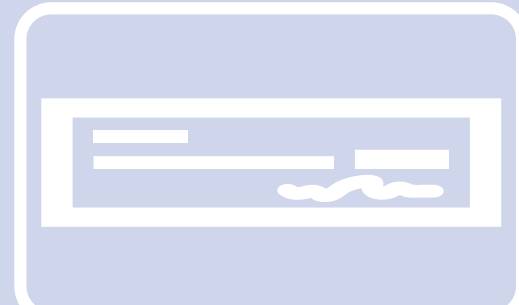
Walmart



Profited

Advantages

Expenses



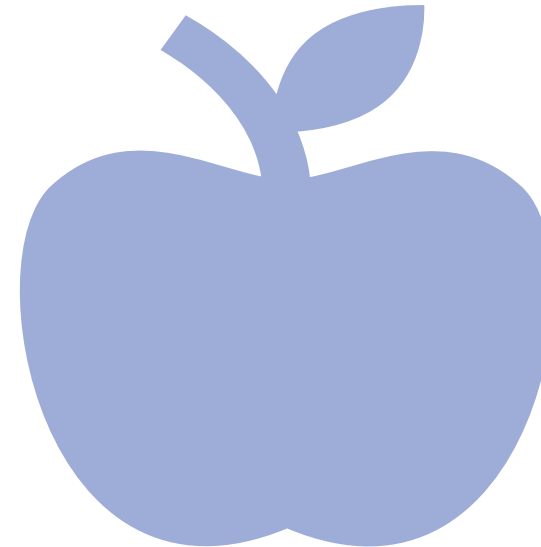
Low Cost

Tariffs

Enhancing Our Position

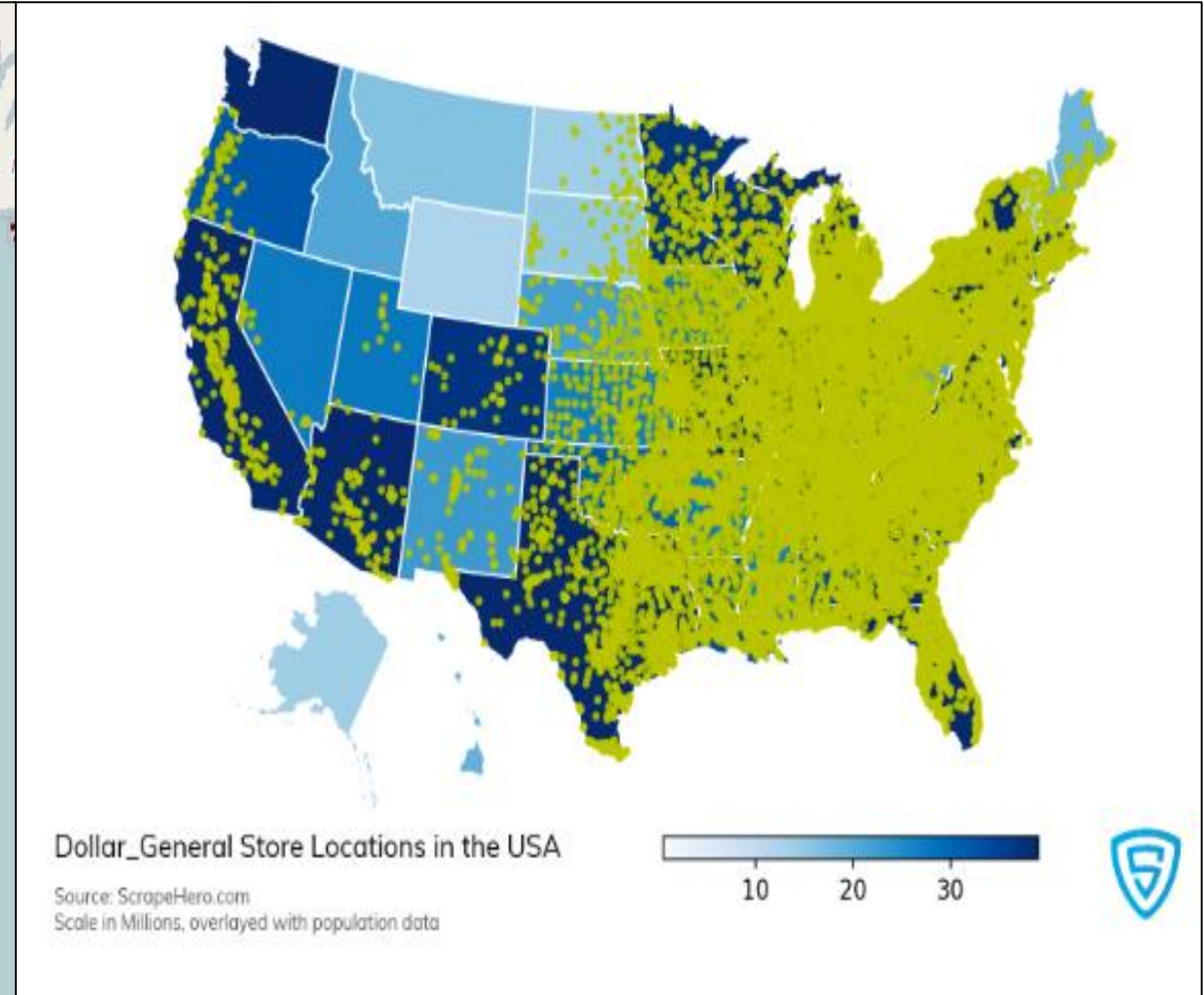
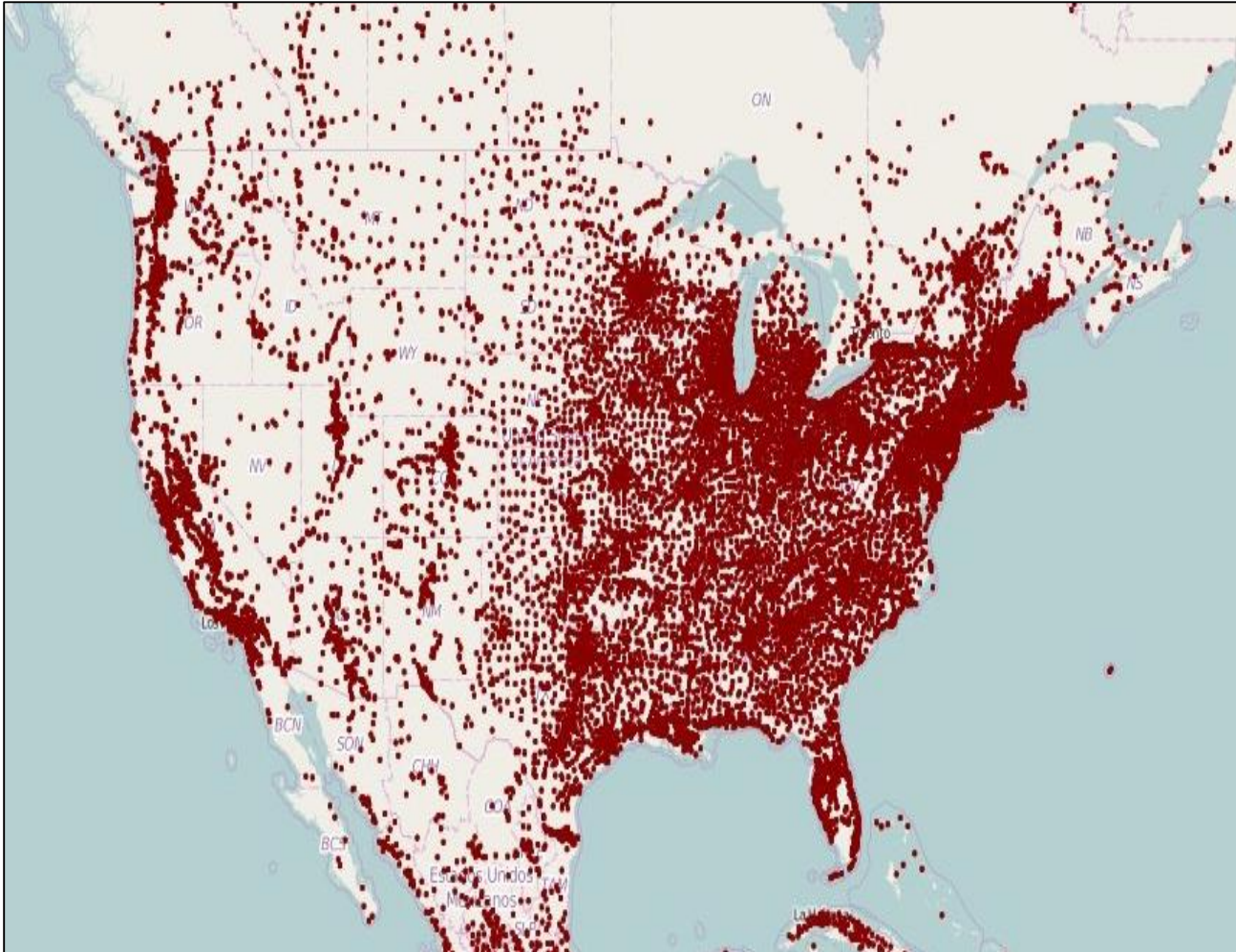


Increase Customer Visits
& Average Spending



DG Fresh

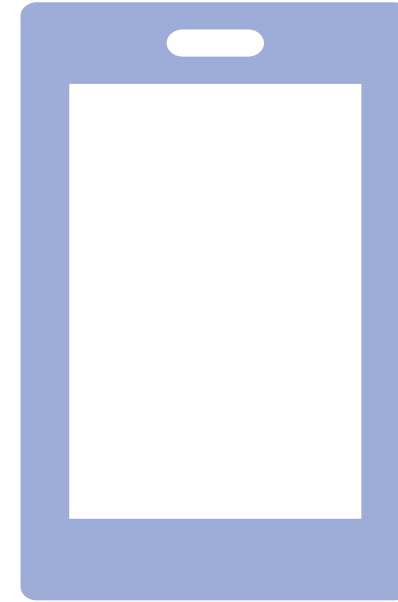
Capturing Growth Opportunities



Investing In Our People



\$0.05 Increments -
Budgeting



App - Coupons Applied
Automatically



Risks

Amazon?



amazon
Prime

**DOLLAR
GENERAL**

Amazon

\$63000

Everywhere
– online

19-44 y/o

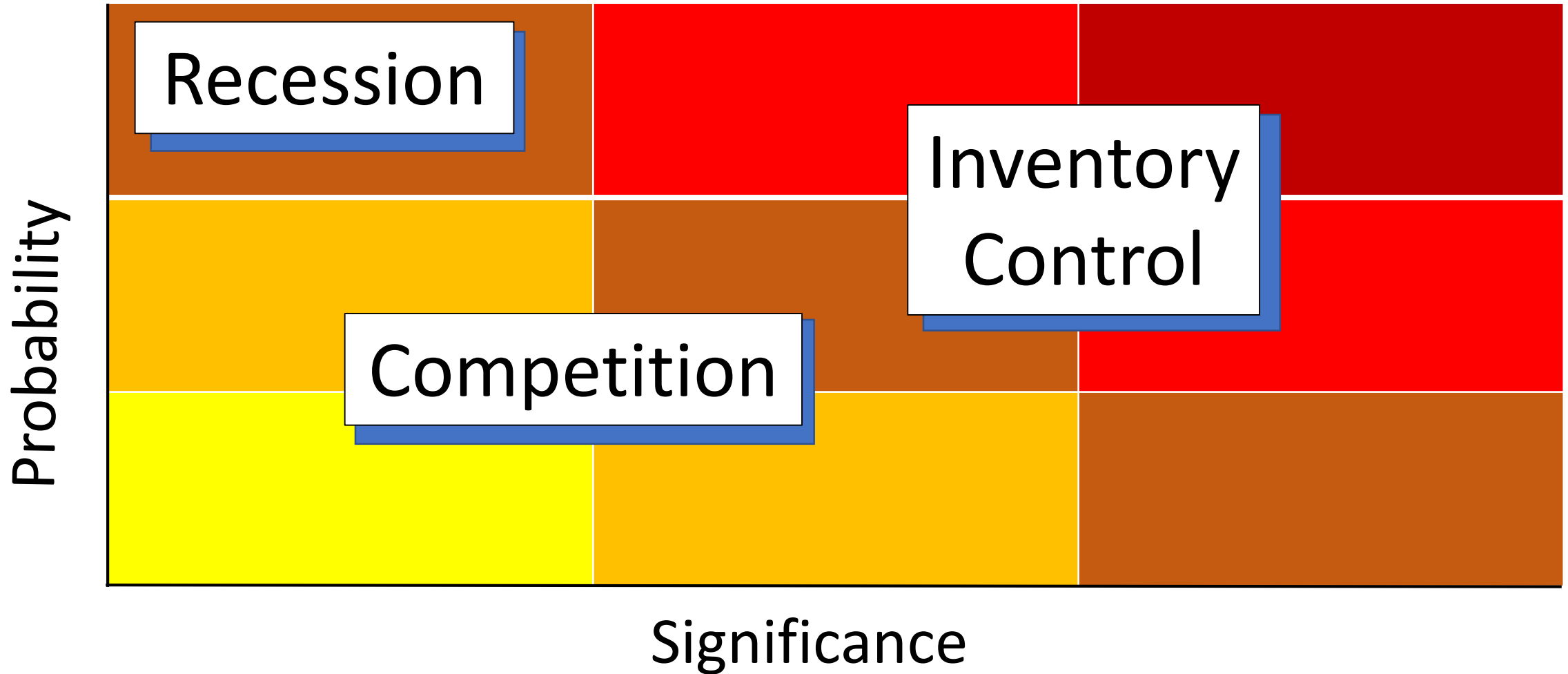
Dollar General

Less than
\$45000

Rural Areas
– Brick and
mortar

35-65 y/o

Risks





Management

Management



Todd Vasos
CEO
Tenure 2008



John W. Garratt
CFO
Originally From Yum!

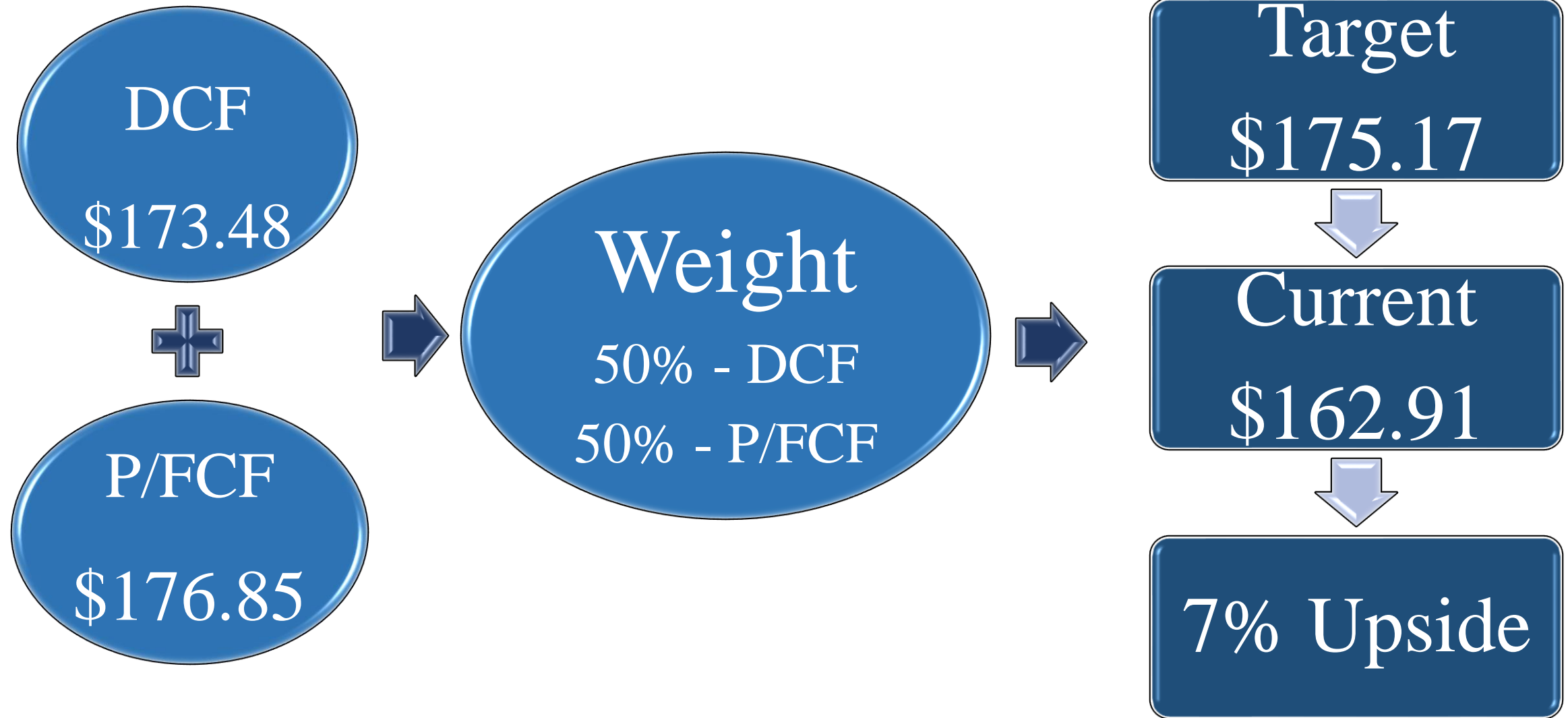


Mike Kindy
Global Supply Chain
Grocery Distribution
Management



Valuation

DCF & P/FCF





Peer Analysis

Industry Financials



Name	Sales Increase %	Net Income Increase %	Stores Increase %	Price/FCF	Inventory Turnover	5 Year Beta	Same Store Sales %
Dollar General	<u>8.5%</u>	<u>3.28%</u>	<u>5.96%</u>	<u>27.76x</u>	4.46x	<u>0.70</u>	<u>3.37%</u>
Average	-6.5%	-59.08%	0.48%	30.14x	5.41x	1.13	1.30%
Dollar Tree	2.4%	-192%	0.36%	29.98x	4.83x	<u>0.70</u>	2.25%
Fred's A	-29.4%	1.50%	N/A	N/A	4.11x	1.50	N/A
Rite Aid	0.1%	-90.81%	-0.36%	N/A	<u>8.88x</u>	1.38	0.60%
Big Lots	1.0%	-17.35%	1.43%	40.06x	3.81x	0.94	1.06%



Recommendation

Buy



RECESSION &
ECONOMIC
BOOM



LOW
COMPETITION



INDUSTRY
LEADING RATIOS



Q&A