

# Dollar General: Consumers continue to spend despite inflation

DIGITAL ENGAGEMENT TEAM

23 NOVEMBER 2022

## TRADING MATTERS SERIES: STOCK HIGHLIGHT

Features a single stock and zooms in on its performance in the market

KEY METRICS	
Current Price	257.46
Latest Dividend	0.55
Dividend Ex-Date	3/10/2022
Indicated Dividend Yield	0.85%
14 Day RSI	59.00
Analysts 12M Target Price	270.05

REFINITIV STOCKREPORTS+ AVERAGE SCORE
<b>6/10</b> As of 22 Nov 2022

Refer to page 3 for indicator components

### Dollar General Corp (DG US) Price Chart



Any red lines drawn on the price charts are trendlines, which are visual representations of support & resistance levels. They are drawn by connecting a series of prices together to help indicate the data's best fit or the presence of any trend over a time frame, and are for illustration purposes only.

As of 22 Nov 2022 closing

### KEY MARKET EVENTS

- 30 Nov**  
China PMI Release (Nov)
- 02 Dec**  
US Unemployment Rate (Nov)
- 05 Dec**  
US Trade Balance (Oct)
- 09 Dec**  
US Producer Price Index (Nov)
- 15 Dec**  
US Fed Interest Rate Decision

### S&P 500 Index Price Chart



As of 22 Nov 2022 closing

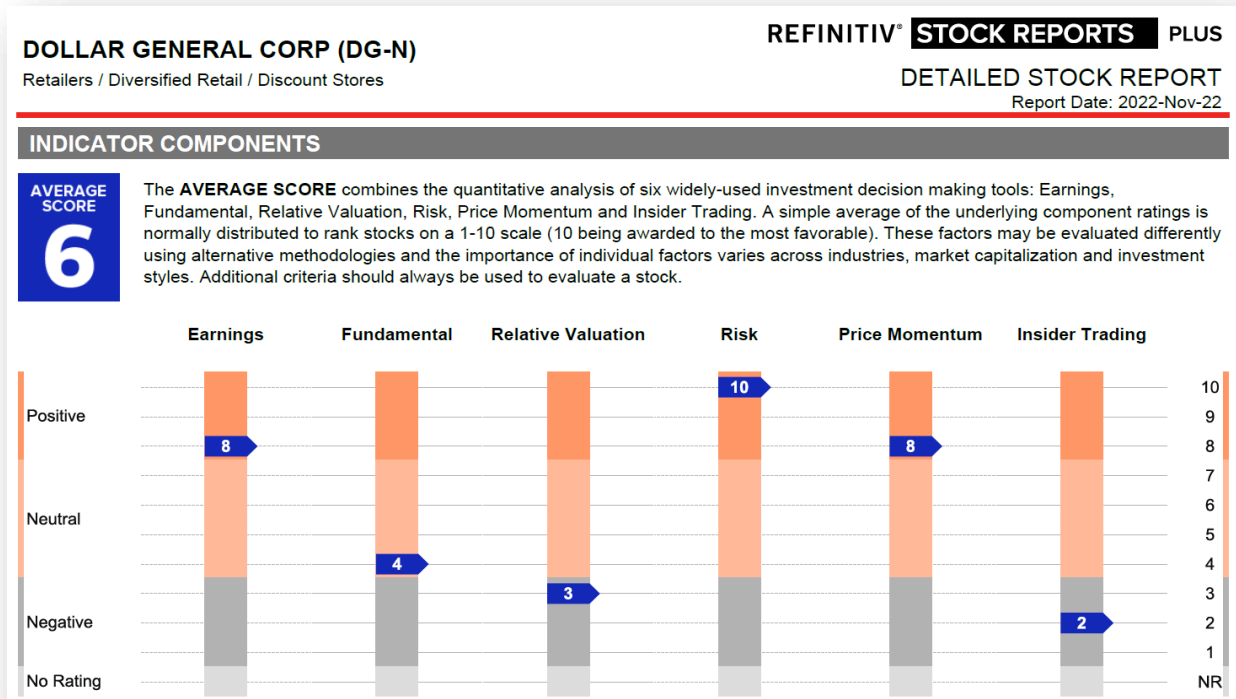
## Headline News & Information

- Dollar General Corporation operates a chain of discount retail stores. The Company offer a broad selection of merchandise, including consumable products such as food, paper and cleaning products, health, beauty, pet supplies, and non-consumables such as seasonal merchandise. Dollar General serves customers in the United States (Bloomberg)
- Next earning announcement on 01 Dec 2022 (Bloomberg)
- Retail sales surged by 1.3% in October 2022 as consumers continue to spend despite inflation (16 Nov 2022, CNN Business)
  - Despite stubbornly high inflation and recessionary fears, spending by consumers may not slow down as we approach the busy holiday shopping season
  - Consumer spending increased on items such as gas, groceries, furniture and cars, but shoppers pulled back on spending at electronics and appliance stores, sports goods retailers and department stores
- Deep discounts and fun value propel Dollar General under new CEO (16 Nov 2022, Forbes)
  - Dollar General celebrated yet another milestone as part of an aggressive store opening program
  - The company said that it's on track to operate approximately 150 standalone stores and 40 combination formats by the end of the 2022 fiscal year, as it targets approximately 1,000 total stores by its 2025 fiscal year end
  - With most items priced under US\$5, plus "extreme value items" priced above US\$5, the retailer says that Popshelf makes it easy to stay within their budget while treating themselves and offers a "fun, on-trend and rotating selection" of seasonal items

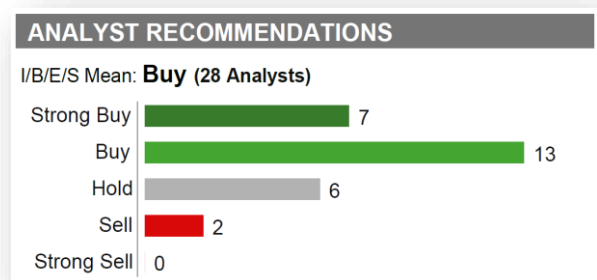
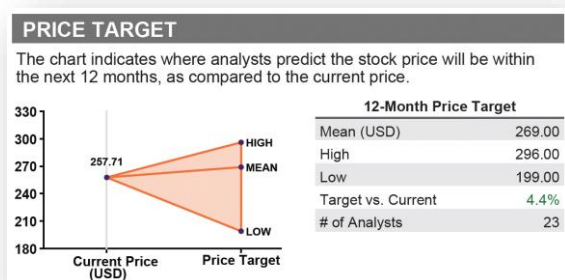
TRADING FLOWS	RESISTANCE LEVELS	SUPPORT LEVELS
• Shares rose 0.1% in the past 5 days and are up 7.6% in the past 30 days	• 260.00 (Apr 2022) • 270.05 (Analysts' Consensus 12M Target Price)	• 246.95 (100 Day MA) • 235.95 (200 Day MA) • 220.00 (Jun 2022)

# Fundamental Viewpoint

## An Extract from STOCKREPORTS+



## Analyst Price Target and Recommendations



Source: REFINITIV STOCKREPORTS+, extracted 22 Nov 2022

# US Peer Analysis (STOCKREPORTS+)

PEER ANALYSIS													Currency in USD	
Average Score	Ticker	PRICE MOMENTUM				VALUATION			FUNDAMENTAL		ANALYSTS			
		Price (2022-11-21)	1-Mo Return	3-Mo Return	1-Yr Return	Market Cap	Trailing PE	Forward PE	Dividend Yield	Net Margin	LTG Forecast	I/B/E/S Mean	# of Analysts	
6	COST	523.37	9.5%	-5.6%	-2.0%	231.8B	39.8	35.8	0.69%	2.6%	11.3%	Buy	34	
6	TJX	79.00	16.8%	19.0%	11.2%	90.7B	27.5	23.2	1.5%	6.8%	11.9%	Buy	25	
3	TGT	158.02	-0.74%	-5.4%	-37.0%	75.0B	21.6	18.0	2.7%	3.9%	-0.44%	Buy	33	
6	DG	257.71	7.7%	1.5%	14.8%	58.1B	25.7	20.8	0.85%	6.5%	11.4%	Buy	27	
10	DLTR	165.24	15.1%	-1.5%	22.4%	36.6B	23.8	23.2	--	5.8%	20.8%	Buy	27	
7	BJ	73.13	2.7%	-0.88%	5.1%	9.8B	20.4	19.7	--	2.7%	--	Buy	21	
3	OLLI	57.54	4.8%	-11.5%	-12.9%	3.5B	38.6	22.9	--	5.4%	--	Buy	14	
6	PSMT	71.40	14.4%	7.7%	-9.6%	2.2B	21.1	19.2	1.2%	2.5%	--	Strong Buy	2	
5	BIG	17.82	11.5%	-25.9%	-61.5%	522M	3.3	--	6.7%	-0.9%	-10.9%	Hold	9	
4	GRPN	8.28	20.7%	-24.6%	-65.6%	251M	2.3	--	--	-22.7%	8.5%	Hold	4	
1	TUEM	0.14	17.7%	-57.7%	-95.1%	25M	--	--	--	-7.9%	--	--	--	
5.2	Average	128.33	10.9%	-9.5%	-20.9%	46.2B	22.4	22.8	2.3%	0.4%	7.5%	Buy	19.6	

PEER COMPANIES			
BIG	Big Lots Inc	OLLI	Ollie's Bargain Outlet
BJ	BJ's Wholesale Club Holdings	PSMT	PriceSmart Inc
COST	Costco Wholesale Corp	TGT	Target Corp
DLTR	Dollar Tree Inc	TJX	TJX Companies Inc
GRPN	Groupon Inc	TUEM	Tuesday Morning Corp

Source: REFINITIV STOCKREPORTS+, extracted 22 Nov 2022

# Global Peer Analysis (Bloomberg)

Ticker	Name	Mkt Cap (USD) (Millions)	Last Px	P/E	P/E 5Yr Avg	P/B	P/B 5Yr Avg	Indicated Yield (%)
<b>Average</b>		<b>56,258</b>	<b>382.30</b>	<b>24.47</b>	<b>24.18</b>	<b>5.81</b>	<b>6.41</b>	<b>2.04</b>
DG US	DOLLAR GENERAL CORP	58,076	257.46	25.64	22.64	9.38	8.55	0.85
DLTR US	DOLLAR TREE INC	33,702	152.37	21.22	22.20	4.07	4.04	N/A
FIVE US	FIVE BELOW	8,868	159.77	37.59	36.08	7.63	8.67	N/A
DOL CN	DOLLARAMA INC	17,146	79.75	32.00	30.01	N/A	N/A	0.28
<b>B&amp;M EUROPEAN</b>								
BME LN	VALUE RETAIL SA	4,773	400.90	10.33	12.18	4.78	6.19	4.12
2782 JP	SERIA CO LTD	1,440	2,684.00	16.12	15.85	2.12	2.46	2.61
<b>BJ'S WHOLESALE</b>								
BJ US	CLUB HOLDINGS	9,965	73.78	18.89	18.61	10.56	12.00	N/A
<b>OLLIE'S BARGAIN</b>								
OLLI US	OUTLET HOLDI	3,714	59.34	40.28	28.42	2.83	3.01	N/A
<b>WALMEX*</b>								
MM	MEXICO SAB DE CV	66,744	74.29	27.31	28.41	5.74	6.84	1.35
<b>AOTHAIM</b>								
AB	OTHAIM MARKETS	2,682	112.00	9.73	27.83	5.33	7.31	3.57
WMT US	WALMART INC	411,723	151.69	30.06	23.77	5.70	5.03	1.48

Source: Bloomberg, extracted 22 Nov 2022 closing

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