

---

---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

**For the quarterly period ended May 5, 2023**

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

Commission File Number: **001-11421**

**DOLLAR GENERAL CORPORATION**

(Exact name of Registrant as specified in its charter)

**TENNESSEE**  
(State or other jurisdiction of incorporation or organization)

**61-0502302**  
(I.R.S. Employer Identification No.)

**100 MISSION RIDGE  
GOODLETTSVILLE, TN 37072**  
(Address of principal executive offices, zip code)

Registrant's telephone number, including area code: **(615) 855-4000**

Former name, former address and former fiscal year, if changed since last report: **Not Applicable**

**Securities registered pursuant to Section 12(b) of the Act:**

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.875 per share	DG	New York Stock Exchange

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes  No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer   
Non-accelerated filer

Accelerated filer   
Smaller reporting company   
Emerging growth company

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The Registrant had 219,341,145 shares of common stock outstanding on May 26, 2023.

---

---

## TABLE OF CONTENTS

<a href="#">Part I</a>	<a href="#">Financial Information</a>	
	<a href="#">Item 1. Financial Statements</a>	2
	<a href="#">Condensed Consolidated Balance Sheets</a>	2
	<a href="#">Condensed Consolidated Statements of Income</a>	3
	<a href="#">Condensed Consolidated Statements of Comprehensive Income</a>	4
	<a href="#">Condensed Consolidated Statements of Shareholders' Equity</a>	5
	<a href="#">Condensed Consolidated Statement of Cash Flows</a>	6
	<a href="#">Notes to Condensed Consolidated Financial Statements</a>	7
	<a href="#">Report of Independent Registered Public Accounting Firm</a>	13
	<a href="#">Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	14
	<a href="#">Item 3. Quantitative and Qualitative Disclosures About Market Risk</a>	23
	<a href="#">Item 4. Controls and Procedures</a>	23
<a href="#">Part II</a>	<a href="#">Other Information</a>	
	<a href="#">Item 1. Legal Proceedings</a>	24
	<a href="#">Item 1A. Risk Factors</a>	24
	<a href="#">Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</a>	24
	<a href="#">Item 5. Other Information</a>	24
	<a href="#">Item 6. Exhibits</a>	24
	<a href="#">Cautionary Disclosure Regarding Forward-Looking Statements</a>	25
	<a href="#">Exhibit Index</a>	28
	<a href="#">Signature</a>	29

**PART I—FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS.**

**DOLLAR GENERAL CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
*(In thousands)*

	May 5, 2023	February 3, 2023
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 313,064	\$ 381,576
Merchandise inventories	7,335,845	6,760,733
Income taxes receivable	50,863	135,775
Prepaid expenses and other current assets	355,688	302,925
Total current assets	<u>8,055,460</u>	<u>7,581,009</u>
Net property and equipment	5,420,134	5,236,309
Operating lease assets	10,726,523	10,670,014
Goodwill	4,338,589	4,338,589
Other intangible assets, net	1,199,700	1,199,700
Other assets, net	63,527	57,746
Total assets	<u>\$ 29,803,933</u>	<u>\$ 29,083,367</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Short-term borrowings	\$ 250,000	\$ —
Current portion of operating lease liabilities	1,311,753	1,288,939
Accounts payable	3,679,170	3,552,991
Accrued expenses and other	848,757	1,036,919
Income taxes payable	10,999	8,919
Total current liabilities	<u>6,100,679</u>	<u>5,887,768</u>
Long-term obligations	7,028,767	7,009,399
Long-term operating lease liabilities	9,399,833	9,362,761
Deferred income taxes	1,111,434	1,060,906
Other liabilities	227,969	220,761
Commitments and contingencies		
Shareholders' equity:		
Preferred stock	—	—
Common stock	191,921	191,718
Additional paid-in capital	3,701,564	3,693,871
Retained earnings	2,041,118	1,656,140
Accumulated other comprehensive loss	648	43
Total shareholders' equity	<u>5,935,251</u>	<u>5,541,772</u>
Total liabilities and shareholders' equity	<u>\$ 29,803,933</u>	<u>\$ 29,083,367</u>

*See notes to condensed consolidated financial statements.*

**DOLLAR GENERAL CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

(Unaudited)

*(In thousands, except per share amounts)*

	For the 13 weeks ended	
	May 5, 2023	April 29, 2022
Net sales	\$ 9,342,832	\$ 8,751,352
Cost of goods sold	6,387,358	6,012,989
Gross profit	2,955,474	2,738,363
Selling, general and administrative expenses	2,214,616	1,992,206
Operating profit	740,858	746,157
Interest expense	83,038	39,676
Income before income taxes	657,820	706,481
Income tax expense	143,440	153,824
Net income	<u>\$ 514,380</u>	<u>\$ 552,657</u>
Earnings per share:		
Basic	\$ 2.35	\$ 2.42
Diluted	\$ 2.34	\$ 2.41
Weighted average shares outstanding:		
Basic	219,193	228,477
Diluted	220,107	229,609
Dividends per share	\$ 0.59	\$ 0.55

*See notes to condensed consolidated financial statements.*

**DOLLAR GENERAL CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Unaudited)  
(In thousands)

	For the 13 weeks ended	
	May 5, 2023	April 29, 2022
Net income	\$ 514,380	\$ 552,657
Unrealized net gain (loss) on hedged transactions and currency translation, net of related income tax expense (benefit) of \$86 and \$87, respectively	605	190
Comprehensive income	\$ 514,985	\$ 552,847

*See notes to condensed consolidated financial statements.*

**DOLLAR GENERAL CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**  
(Unaudited)  
*(In thousands, except per share amounts)*

	Common Stock Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balances, February 3, 2023	219,105	\$ 191,718	\$ 3,693,871	\$ 1,656,140	\$ 43	\$ 5,541,772
Net income	—	—	—	514,380	—	514,380
Dividends paid, \$0.59 per common share	—	—	—	(129,402)	—	(129,402)
Unrealized net gain (loss) on hedged transactions and currency translation	—	—	—	—	605	605
Share-based compensation expense	—	—	25,083	—	—	25,083
Other equity and related transactions	231	203	(17,390)	—	—	(17,187)
Balances, May 5, 2023	<u>219,336</u>	<u>\$ 191,921</u>	<u>\$ 3,701,564</u>	<u>\$ 2,041,118</u>	<u>\$ 648</u>	<u>\$ 5,935,251</u>
Balances, January 28, 2022	230,016	\$ 201,265	\$ 3,587,914	\$ 2,473,999	\$ (1,192)	\$ 6,261,986
Net income	—	—	—	552,657	—	552,657
Dividends paid, \$0.55 per common share	—	—	—	(125,262)	—	(125,262)
Unrealized net gain (loss) on hedged transactions and currency translation	—	—	—	—	190	190
Share-based compensation expense	—	—	26,945	—	—	26,945
Repurchases of common stock	(3,392)	(2,968)	—	(743,805)	—	(746,773)
Other equity and related transactions	373	326	(8,445)	—	—	(8,119)
Balances, April 29, 2022	<u>226,997</u>	<u>\$ 198,623</u>	<u>\$ 3,606,414</u>	<u>\$ 2,157,589</u>	<u>\$ (1,002)</u>	<u>\$ 5,961,624</u>

See notes to condensed consolidated financial statements.

**DOLLAR GENERAL CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)  
(In thousands)

	For the 13 weeks ended	
	May 5, 2023	April 29, 2022
<i>Cash flows from operating activities:</i>		
Net income	\$ 514,380	\$ 552,657
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	201,907	172,563
Deferred income taxes	50,442	81,679
Noncash share-based compensation	25,083	26,945
Other noncash (gains) and losses	28,630	68,585
Change in operating assets and liabilities:		
Merchandise inventories	(601,138)	(538,921)
Prepaid expenses and other current assets	(56,866)	(34,482)
Accounts payable	116,363	172,110
Accrued expenses and other liabilities	(176,804)	(116,384)
Income taxes	86,992	64,814
Other	2,126	(50)
Net cash provided by (used in) operating activities	<u>191,115</u>	<u>449,516</u>
<i>Cash flows from investing activities:</i>		
Purchases of property and equipment	(363,141)	(281,580)
Proceeds from sales of property and equipment	1,539	736
Net cash provided by (used in) investing activities	<u>(361,602)</u>	<u>(280,844)</u>
<i>Cash flows from financing activities:</i>		
Repayments of long-term obligations	(4,505)	(3,034)
Net increase (decrease) in commercial paper outstanding	3,068	705,300
Borrowings under revolving credit facilities	500,000	—
Repayments of borrowings under revolving credit facilities	(250,000)	—
Repurchases of common stock	—	(746,773)
Payments of cash dividends	(129,401)	(125,262)
Other equity and related transactions	(17,187)	(8,119)
Net cash provided by (used in) financing activities	<u>101,975</u>	<u>(177,888)</u>
Net increase (decrease) in cash and cash equivalents	(68,512)	(9,216)
Cash and cash equivalents, beginning of period	381,576	344,829
Cash and cash equivalents, end of period	<u>\$ 313,064</u>	<u>\$ 335,613</u>
<i>Supplemental noncash investing and financing activities:</i>		
Right of use assets obtained in exchange for new operating lease liabilities	\$ 386,055	\$ 396,628
Purchases of property and equipment awaiting processing for payment, included in Accounts payable	\$ 160,510	\$ 141,202

See notes to condensed consolidated financial statements.

**DOLLAR GENERAL CORPORATION AND SUBSIDIARIES**  
**Notes to Condensed Consolidated Financial Statements**  
**(Unaudited)**

**1. Basis of presentation**

The accompanying unaudited condensed consolidated financial statements of Dollar General Corporation (which individually or together with its subsidiaries, as the context requires, is referred to as the “Company”) have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information and are presented in accordance with the requirements of Form 10-Q and Rule 10-01 of Regulation S-X. Such financial statements consequently do not include all of the disclosures normally required by U.S. GAAP for annual financial statements or those normally made in the Company’s Annual Report on Form 10-K, including the condensed consolidated balance sheet as of February 3, 2023 which was derived from the audited consolidated financial statements at that date. Accordingly, readers of this Quarterly Report on Form 10-Q should refer to the Company’s Annual Report on Form 10-K for the fiscal year ended February 3, 2023 for additional information.

The Company’s fiscal year ends on the Friday closest to January 31. Unless the context requires otherwise, references to years contained herein pertain to the Company’s fiscal year. The Company’s 2023 fiscal year is scheduled to be a 52-week accounting period ending on February 2, 2024, and the 2022 fiscal year was a 53-week accounting period that ended on February 3, 2023.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the Company’s customary accounting practices. In management’s opinion, all adjustments (which are of a normal recurring nature) necessary for a fair presentation of the consolidated financial position as of May 5, 2023 and results of operations for the 13-week accounting periods ended May 5, 2023 and April 29, 2022 have been made.

The preparation of financial statements and related disclosures in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Because the Company’s business is moderately seasonal, the results for interim periods are not necessarily indicative of the results to be expected for the entire year.

The Company uses the last-in, first-out (“LIFO”) method of valuing inventory. An actual valuation of inventory under the LIFO method is made at the end of each year based on the inventory levels and costs at that time. Accordingly, interim LIFO calculations are based on management’s estimates of expected year-end inventory levels, sales for the year and the expected rate of inflation or deflation for the year. The interim LIFO calculations are subject to adjustment in the final year-end LIFO inventory valuation. The Company recorded a LIFO provision of \$28.1 million and \$61.4 million in the respective 13-week periods ended May 5, 2023 and April 29, 2022. In addition, ongoing estimates of inventory shrinkage and initial markups and markdowns are included in the interim cost of goods sold calculation.

We utilize supply chain finance programs whereby qualifying suppliers may elect at their sole discretion to sell our payment obligations to designated third party financial institutions. While the terms of these agreements are between the supplier and the financial institution, the supply chain finance financial institutions allow the participating suppliers to utilize our creditworthiness in establishing credit spreads and associated costs. The Company’s obligations to its suppliers in accounts payable, including amounts due and scheduled payment dates, are not impacted by suppliers’ decisions to finance amounts under these arrangements. As of May 5, 2023 and February 3, 2023, the obligations outstanding at the end of the reporting period were \$269.9 million and \$343.6 million, respectively.

In September 2022, the FASB issued new required disclosures for supplier finance programs. This is intended to enhance the transparency about the use of supplier finance programs for investors. The amendments are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, with the exception of the disclosure of rollforward information, which is effective for fiscal years beginning after December 15, 2023. The Company adopted the required disclosures for this accounting standard update in fiscal 2023, except for the disclosure of rollforward activity, which will be adopted for fiscal year 2024.

In March 2020 and January 2021, the Financial Accounting Standards Board (“FASB”) issued accounting standards updates pertaining to reference rate reform. This collective guidance is in response to accounting concerns regarding contract modifications and hedge accounting because of impending rate reform associated with structural risks of interbank offered rates (IBORs), and, particularly, the risk of cessation of LIBOR, related to regulators in several jurisdictions around the world having undertaken reference rate reform initiatives to identify alternative reference rates. The guidance provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The adoption of this guidance is effective for all entities as of March 12, 2020 through December 31, 2024. The Company completed its transition from LIBOR to Term SOFR in its credit agreements governing the Facilities in fiscal year 2022 with no material impact to the financial statements.

## 2. Earnings per share

Earnings per share is computed as follows (in thousands, except per share data):

	13 Weeks Ended May 5, 2023			13 Weeks Ended April 29, 2022		
	Net Income	Weighted Average Shares	Per Share Amount	Net Income	Weighted Average Shares	Per Share Amount
Basic earnings per share	\$ 514,380	219,193	\$ 2.35	\$ 552,657	228,477	\$ 2.42
Effect of dilutive share-based awards		914			1,132	
Diluted earnings per share	\$ 514,380	220,107	\$ 2.34	\$ 552,657	229,609	\$ 2.41

Basic earnings per share is computed by dividing net income by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share is determined based on the dilutive effect of share-based awards using the treasury stock method.

Share-based awards that were outstanding at the end of the respective periods but were not included in the computation of diluted earnings per share because the effect of exercising such awards would be antidilutive, were approximately 0.1 million in each of the respective 13-week periods ended May 5, 2023 and April 29, 2022.

## 3. Income taxes

Under the accounting standards for income taxes, the asset and liability method is used for computing the future income tax consequences of events that have been recognized in the Company’s consolidated financial statements or income tax returns.

Income tax reserves are determined using the methodology established by accounting standards for income taxes which require companies to assess each income tax position taken using the following two-step approach. A determination is first made as to whether it is more likely than not that the position will be sustained, based upon the technical merits, upon examination by the taxing authorities. If the tax position is expected to meet the more likely than not criteria, the benefit recorded for the tax position equals the largest amount that is greater than 50% likely to be realized upon ultimate settlement of the respective tax position.

The Company’s 2018 and earlier tax years are not open for further examination by the Internal Revenue Service (“IRS”). The IRS, at its discretion, may choose to examine the Company’s 2019 through 2021 fiscal year income tax filings. The Company has various state income tax examinations that are currently in progress. Generally, with few exceptions, the Company’s 2019 and later tax years remain open for examination by the various state taxing authorities.

As of May 5, 2023, the total reserves for uncertain tax benefits, interest expense related to income taxes and potential income tax penalties were \$8.0 million, \$0.5 million and \$0.0 million, respectively, for a total of \$8.5 million. This total amount is reflected in noncurrent other liabilities in the condensed consolidated balance sheet.

The Company’s reserve for uncertain tax positions is expected to be reduced by \$2.4 million in the coming twelve months as a result of expiring statutes of limitations or settlements. As of May 5, 2023, approximately \$8.0

million of the reserve for uncertain tax positions would impact the Company's effective income tax rate if the Company were to recognize the tax benefit for these positions.

The effective income tax rates for the 13-week periods ended May 5, 2023 and April 29, 2022 were 21.8%. The effective income tax rate remained constant as a result of offsetting changes driven by a lower state effective tax rate and less benefit from stock-based compensation in the 13-week period in 2023 than the comparable 13-week period in 2022.

#### 4. Leases

As of May 5, 2023, the Company's primary leasing activities were real estate leases for most of its retail store locations and certain of its distribution facilities. Substantially all of the Company's leases are classified as operating leases and the associated assets and liabilities are presented as separate captions in the condensed consolidated balance sheets. Finance lease assets are included in net property and equipment, and finance lease liabilities are included in long-term obligations, in the condensed consolidated balance sheets. At May 5, 2023, the weighted-average remaining lease term for the Company's operating leases was 9.5 years, and the weighted average discount rate for such leases was 4.0%. Operating lease costs are reflected as selling, general and administrative costs in the condensed consolidated statements of income. For the 13-week periods ended May 5, 2023 and April 29, 2022, such costs were \$424.6 million and \$389.7 million, respectively. Cash paid for amounts included in the measurement of operating lease liabilities of \$426.3 million and \$396.6 million, respectively, were reflected in cash flows from operating activities in the condensed consolidated statements of cash flows for the 13-week periods ended May 5, 2023 and April 29, 2022.

#### 5. Current and long-term obligations

Current and long-term obligations consist of the following:

(In thousands)	May 5, 2023	February 3, 2023
Revolving Facility	\$ —	\$ —
364-Day Revolving Facility	250,000	—
4.250% Senior Notes due September 20, 2024 (net of discount of \$481 and \$563)	749,519	749,437
4.150% Senior Notes due November 1, 2025 (net of discount of \$227 and \$249)	499,773	499,751
3.875% Senior Notes due April 15, 2027 (net of discount of \$195 and \$207)	599,805	599,793
4.625% Senior Notes due November 1, 2027 (net of discount of \$472 and \$495)	549,528	549,505
4.125% Senior Notes due May 1, 2028 (net of discount of \$275 and \$287)	499,725	499,713
3.500% Senior Notes due April 3, 2030 (net of discount of \$489 and \$504)	956,634	952,440
5.000% Senior Notes due November 1, 2032 (net of discount of \$2,299 and \$2,346)	697,701	697,654
4.125% Senior Notes due April 3, 2050 (net of discount of \$4,742 and \$4,766)	495,258	495,234
5.500% Senior Notes due November 1, 2052 (net of discount of \$291 and \$292)	299,709	299,708
Unsecured commercial paper notes	1,504,968	1,501,900
Other	210,998	200,695
Debt issuance costs, net	(34,851)	(36,431)
	<u>\$ 7,278,767</u>	<u>\$ 7,009,399</u>
Less: current portion	(250,000)	—
Long-term obligations	<u>\$ 7,028,767</u>	<u>\$ 7,009,399</u>

The Company has a \$2.0 billion senior unsecured revolving credit facility (the "Revolving Facility") of which up to \$100.0 million is available for letters of credit and is scheduled to mature on December 2, 2026.

Borrowings under the Revolving Facility bear interest at a rate equal to an applicable interest rate margin plus, at the Company's option, either (a) Adjusted Term SOFR (which is Term SOFR, as published by CME Group Benchmark Administration Limited, plus a credit spread adjustment of 0.10%) or (b) a base rate (which is usually equal to the prime rate). The applicable interest rate margin for borrowings as of May 5, 2023 was 1.015% for Adjusted Term SOFR borrowings and 0.015% for base-rate borrowings. The Company is also required to pay a facility fee, payable on any used and unused commitment amounts of the Revolving Facility, and customary fees on letters of credit issued under the Revolving Facility. As of May 5, 2023, the facility fee rate was 0.11%. The applicable interest rate margins for borrowings, the facility fees and the letter of credit fees under the Revolving Facility are subject to adjustment from time to time based on the Company's long-term senior unsecured debt ratings.

The Company has a 364-day \$750 million unsecured revolving credit facility (the “364-Day Revolving Facility”) which will expire on January 30, 2024.

Borrowings under the 364-Day Revolving Facility bear interest at a rate equal to an applicable interest rate margin plus, at the Company’s option, either (a) Adjusted Term SOFR (which is Term SOFR, as published by CME Group Benchmark Administration Limited, plus a credit spread adjustment of 0.10%) or (b) a base rate (which is usually equal to the prime rate). The Company is also required to pay a facility fee to the lenders under the 364-Day Revolving Facility for any used and unused commitments. As of May 5, 2023, the applicable interest rate margin for Adjusted Term SOFR loans was 1.035% and the facility fee rate was 0.09%. The applicable interest rate margins for borrowings and the facility fees under the 364-Day Revolving Facility are subject to adjustment from time to time based on the Company’s long-term senior unsecured debt ratings.

The credit agreements governing the Revolving Facility and the 364-Day Revolving Facility (together, the “Facilities”) contain a number of customary affirmative and negative covenants that, among other things, restrict, subject to certain exceptions, the Company’s ability to: incur additional liens; sell all or substantially all of the Company’s assets; consummate certain fundamental changes or change in the Company’s lines of business; and incur additional subsidiary indebtedness. The credit agreements governing the Facilities also contain financial covenants which require the maintenance of a minimum fixed charge coverage ratio and a maximum leverage ratio. As of May 5, 2023, the Company was in compliance with all such covenants. The credit agreements governing each of the Facilities also contain customary events of default.

As of May 5, 2023, the Company had no outstanding borrowings, no outstanding letters of credit, and approximately \$2.0 billion of borrowing availability under the Revolving Facility that, due to the Company’s intention to maintain borrowing availability related to the commercial paper program described below, could contribute incremental liquidity of \$0.3 billion. As of May 5, 2023, under the 364-Day Revolving Facility, the Company had outstanding borrowings of \$250.0 million and borrowing availability of \$500.0 million. As of May 5, 2023, the Company had combined availability under the Facilities of \$791.0 million. In addition, as of May 5, 2023, the Company had outstanding letters of credit of \$43.6 million which were issued pursuant to separate agreements.

As of May 5, 2023, the Company had a commercial paper program under which the Company may issue unsecured commercial paper notes (the “CP Notes”) from time to time in an aggregate amount not to exceed \$2.0 billion outstanding at any time. The CP Notes may have maturities of up to 364 days from the date of issue and rank equal in right of payment with all of the Company’s other unsecured and unsubordinated indebtedness. The Company intends to maintain available commitments under the Revolving Facility in an amount at least equal to the amount of CP Notes outstanding at any time. As of May 5, 2023, the Company’s condensed consolidated balance sheet reflected outstanding unsecured CP Notes of \$1.5 billion, which had a weighted average borrowing rate of 5.3%. CP Notes totaling \$204.3 million and \$230.8 million at May 5, 2023 and February 3, 2023, respectively, were held by a wholly-owned subsidiary of the Company and are therefore not reflected in the condensed consolidated balance sheets.

## **6. Assets and liabilities measured at fair value**

Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, fair value accounting standards establish a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity’s own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy). The Company does not have any fair value measurements categorized within Level 3 as of May 5, 2023.

The following table presents the Company's liabilities required to be measured at fair value as of May 5, 2023, aggregated by the level in the fair value hierarchy within which those measurements are classified.

(In thousands)	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value at May 5, 2023
<b>Liabilities:</b>				
Current and long-term obligations (a)	\$ 5,186,906	\$ 1,965,966	\$ —	\$ 7,152,872
Deferred compensation (b)	47,815	—	—	47,815

(a) Included in the condensed consolidated balance sheet at book value as short-term borrowings of \$250,000 and long-term obligations of \$7,028,767.

(b) Reflected at fair value in the condensed consolidated balance sheet as accrued expenses and other current liabilities of \$7,066 and noncurrent other liabilities of \$40,749.

## 7. Commitments and contingencies

### Legal proceedings

From time to time, the Company is a party to various legal matters in the ordinary course of its business, including actions by employees, consumers, suppliers, government agencies, or others. The Company has recorded accruals with respect to these matters, where appropriate, which are reflected in the Company's condensed consolidated financial statements. For some matters, a liability is not probable or the amount cannot be reasonably estimated and therefore an accrual has not been made.

On January 20, 2023, a lawsuit entitled *Brent Conforti, et al. v. Jeffrey C. Owen, et al.* was filed in the United States District Court for the Middle District of Tennessee (Case No. 3:23-CV-00059) ("*Conforti*") in which the plaintiff shareholder, purportedly on behalf and for the benefit of the Company, alleges that each of the Company's directors violated their fiduciary duties by failing to implement and maintain a system of controls regarding the Company's workplace safety practices. The plaintiff also alleges corporate waste and, as to the Company's former CEO, Mr. Vasos, unjust enrichment. On February 13, 2023, the plaintiff amended the complaint to add breach of fiduciary duty allegations against certain officers of the Company, including Messrs. Owen, Vasos, Garratt, Sunderland and Wenkoff and Mss. R. Taylor and Elliott, and to expand the unjust enrichment claim to include all individual director and officer defendants (the "Individual Defendants"). The plaintiff seeks both non-monetary and monetary relief for the benefit of the Company. On April 1, 2023, the Company and the Individual Defendants moved to dismiss the *Conforti* action, and that motion remains pending.

Based on information currently available, the Company believes that its pending legal matters, both individually and in the aggregate, will be resolved without a material adverse effect on the Company's consolidated financial statements as a whole. However, litigation and other legal matters involve an element of uncertainty. Adverse decisions and settlements, including any required changes to the Company's business, or other developments in such matters could affect the consolidated operating results in future periods or result in liability or other amounts material to the Company's annual consolidated financial statements.

## 8. Segment reporting

The Company manages its business on the basis of one reportable operating segment. As of May 5, 2023, the Company's retail store operations were primarily located within the United States, with one retail store in Mexico. Certain product sourcing and other operations are located outside the United States, which collectively are not material with regard to assets, results of operations or otherwise to the consolidated financial statements. The following net sales data is presented in accordance with accounting standards related to disclosures about segments of an enterprise.

(in thousands)	13 Weeks Ended	
	May 5, 2023	April 29, 2022
Classes of similar products:		
Consumables	\$ 7,582,882	\$ 6,960,501
Seasonal	962,681	961,378
Home products	531,189	539,822
Apparel	266,080	289,651
Net sales	<u>\$ 9,342,832</u>	<u>\$ 8,751,352</u>

## 9. Common stock transactions

On August 29, 2012, the Company's Board of Directors (the "Board") authorized a common stock repurchase program, which the Board has since increased on several occasions. On August 24, 2022, the Board authorized a \$2.0 billion increase to the existing common stock repurchase program, bringing the cumulative total to \$16.0 billion authorized under the program since its inception in 2012. The repurchase authorization has no expiration date and allows repurchases from time to time in open market transactions, including pursuant to trading plans adopted in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934, as amended, or in privately negotiated transactions. The timing, manner and number of shares repurchased will depend on a variety of factors, including price, market conditions, compliance with the covenants and restrictions under the Company's debt agreements, cash requirements, excess debt capacity, results of operations, financial condition and other factors. Repurchases under the program may be funded from available cash or borrowings, including under the Facilities and issuance of CP Notes discussed in further detail in Note 5, or otherwise.

Pursuant to its common stock repurchase program, during the 13-week periods ended May 5, 2023 and April 29, 2022, respectively, the Company repurchased in the open market no shares of its common stock and approximately 3.4 million shares of its common stock at a total cost of \$746.8 million.

The Company paid a cash dividend of \$0.59 per share during the first quarter of 2023. In May 2023, the Board declared a quarterly cash dividend of \$0.59 per share, which is payable on or before July 25, 2023 to shareholders of record on July 11, 2023. The amount and declaration of future cash dividends is subject to the sole discretion of the Board and will depend upon, among other things, the Company's results of operations, cash requirements, financial condition, contractual restrictions, excess debt capacity, and other factors that the Board may deem relevant in its sole discretion.

## **Report of Independent Registered Public Accounting Firm**

To the Shareholders and Board of Directors of Dollar General Corporation

### **Results of Review of Interim Financial Statements**

We have reviewed the accompanying condensed consolidated balance sheet of Dollar General Corporation and subsidiaries (the Company) as of May 5, 2023, the related condensed consolidated statements of income, comprehensive income, and shareholders' equity for the thirteen-week periods ended May 5, 2023 and April 29, 2022, the condensed consolidated statements of cash flows for the thirteen-week periods ended May 5, 2023 and April 29, 2022, and the related notes (collectively referred to as the "condensed consolidated interim financial statements"). Based on our reviews, we are not aware of any material modifications that should be made to the condensed consolidated interim financial statements for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of February 3, 2023, the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows for the year then ended, and the related notes (not presented herein); and in our report dated March 24, 2023, we expressed an unqualified audit opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of February 3, 2023, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

### **Basis for Review Results**

These financial statements are the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the SEC and the PCAOB. We conducted our review in accordance with the standards of the PCAOB. A review of interim financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Ernst & Young LLP

Nashville, Tennessee  
June 1, 2023

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

### General

This discussion and analysis is based on, should be read with, and is qualified in its entirety by, the accompanying unaudited condensed consolidated financial statements and related notes, as well as our consolidated financial statements and the related Management's Discussion and Analysis of Financial Condition and Results of Operations as contained in our Annual Report on Form 10-K for the fiscal year ended February 3, 2023. It also should be read in conjunction with the disclosure under "Cautionary Disclosure Regarding Forward-Looking Statements" in this report.

### Executive Overview

We are the largest discount retailer in the United States by number of stores, with 19,294 stores located in 47 U.S. states and Mexico as of May 5, 2023, with the greatest concentration of stores in the southern, southwestern, midwestern and eastern United States. Our first store in Mexico opened in February 2023. We offer a broad selection of merchandise, including consumable products such as food, paper and cleaning products, health and beauty products and pet supplies, and non-consumable products such as seasonal merchandise, home decor and domestics, and basic apparel. Our merchandise includes national brands from leading manufacturers, as well as our own private brand selections with prices at substantial discounts to national brands. We offer our customers these national brand and private brand products at everyday low prices (typically \$10 or less) in our convenient small-box locations.

We believe our convenient store formats, locations, and broad selection of high-quality products at compelling values have driven our substantial growth and financial success over the years and through a variety of economic cycles. We are mindful that the majority of our customers are value-conscious, and many have low and/or fixed incomes. As a result, we are intensely focused on helping our customers make the most of their spending dollars. Our core customers are often among the first to be affected by negative or uncertain economic conditions and among the last to feel the effects of improving economic conditions, particularly when trends are inconsistent and of an uncertain duration. The primary macroeconomic factors that affect our core customers include unemployment and underemployment rates, wage growth, changes in U.S. and global trade policy, impacts resulting from changes in U.S. government policy, and changes to certain government assistance programs (including cost of living adjustments), such as the Supplemental Nutrition Assistance Program ("SNAP"), unemployment benefits, and economic stimulus programs. In particular, our customers were impacted in the first quarter of 2023 by the elimination of the emergency allotment of SNAP benefits and lower tax refunds resulting from the elimination of COVID-related stimulus programs, and they continued to be pressured by the overall macroeconomic environment. Additionally, our customers are impacted by increases in those expenses that generally comprise a large portion of their household budgets, such as rent, healthcare, energy and fuel prices, as well as cost inflation in frequently purchased household products (including food), such as that which we have continued to experience as further discussed below. Finally, significant unseasonable or unusual weather patterns or extreme weather can impact customer shopping behaviors.

We remain committed to our long-term operating priorities as we consistently strive to improve our performance while retaining our customer-centric focus. These priorities include: 1) driving profitable sales growth, 2) capturing growth opportunities, 3) enhancing our position as a low-cost operator, and 4) investing in our diverse teams through development, empowerment and inclusion.

We seek to drive profitable sales growth through initiatives aimed at increasing customer traffic and average transaction amount. As we work to provide everyday low prices and meet our customers' affordability needs, we remain focused on enhancing our margins through pricing and markdown optimization, effective category management, distribution and transportation efficiencies, private brands penetration, global sourcing, and inventory shrink and damage reduction initiatives. Several of our strategic and other sales-driving initiatives are also designed to capture growth opportunities and are discussed in more detail below.

During the second half of 2022, we experienced higher inventory damages and shrink than we anticipated, which we believe was due primarily to the challenging macroeconomic environment, materially higher inventory levels, and, as to damages, Winter Storm Elliott in December. In addition, we believe some portion of the increase in damages was a residual impact of the warehouse capacity constraints and associated store and supply chain inefficiencies we

faced during that time period. We continued to experience higher shrink and inventory damages in the first quarter of 2023. We anticipate damages may continue to pressure our results through at least the first half of 2023, and shrink through the duration of 2023.

Historically, sales in our consumables category, which tend to have lower gross margins, have been the key drivers of net sales and customer traffic, while sales in our non-consumables categories, which tend to have higher gross margins, have contributed to more profitable sales growth and an increase in average transaction amount. Our sales mix has continued to shift toward consumables in recent quarters. While we expect some sales mix challenges to persist, certain of our initiatives are intended to address them; however, there can be no assurances that these efforts will be successful.

We continue to implement and invest in certain strategic initiatives that we believe will help drive profitable sales growth with both new and existing customers and capture long-term growth opportunities. Such opportunities include providing our customers with additional shopping access points and even greater value and convenience by leveraging and developing digital tools and technology, such as our Dollar General app, which contains a variety of tools to enhance the in-store shopping experience. Additionally, our partnership with a third-party delivery service is available in the majority of our stores, and we continue to grow our DG Media Network, which is our platform for connecting brand partners with our customers to drive even greater value for each.

Further, we are continuing to grow the footprint of pOpshelf, a unique retail concept focused on categories such as seasonal and home décor, health and beauty, home cleaning supplies, and party and entertainment goods. At the end of the first quarter of 2023, we operated 164 standalone pOpshelf locations. Recognizing the impact of the ongoing macroeconomic pressures on the pOpshelf customer and shopping occasion, we have reduced our planned pOpshelf openings in 2023 and plan to operate approximately 230 pOpshelf locations by the end of the fiscal year. We are also re-evaluating our targeted number of pOpshelf stores by the end of 2025. We continue to believe this concept represents a significant growth opportunity over the long term.

Our “DG Fresh” initiative, a self-distribution model for frozen and refrigerated products that is designed to reduce product costs, enhance item assortment, improve our in-stock position, and enhance sales, has positively contributed to our sales performance since we completed the initial rollout in 2021, driven by higher in-stock levels and the introduction of new products in select stores over that timeframe. DG Fresh wholly or partially serves essentially all stores across the chain and has significantly benefitted gross profit. Moving forward, we plan to focus on additional optimization of the distribution footprint and product assortment within DG Fresh with the goal to further drive profitable sales growth.

We also have a health initiative, branded as “DG Well Being”, with the goal of increasing access to basic healthcare products, and ultimately services over time, particularly in rural communities. The initial focus of this initiative is a significantly expanded health product assortment in certain stores, primarily those in our larger formats.

To support our other operating priorities, we remain focused on capturing growth opportunities. In the first quarter of 2023, we opened a total of 212 new stores, remodeled 582 stores, and relocated 22 stores. Reflecting the reduction in planned pOpshelf stores in fiscal 2023, we plan to open approximately 990 new stores in the United States (including any pOpshelf stores), remodel approximately 2,000 stores, and relocate approximately 120 stores, for a total of 3,110 real estate projects. We opened our first store in Mexico in the first quarter of fiscal 2023. Our goal is to operate up to 20 stores in Mexico by the end of fiscal 2023, all of which would be incremental to our planned 990 new store openings.

We continue to innovate within our channel and utilize the most productive of our various Dollar General store formats based on the specific market opportunity. We expect store format innovation to allow us to capture additional growth opportunities within our existing markets. We are using two larger format stores (approximately 8,500 square feet and 9,500 square feet, respectively), and expect the 8,500 square foot format, along with our existing Dollar General Plus format of a similar size, to continue as our base prototypes for the majority of new stores, replacing our traditional 7,300 square foot format and higher-cooler count Dollar General Traditional Plus format. The larger formats allow for expanded high-capacity-cooler counts, an extended queue line, and a broader product assortment, including an enhanced non-consumable offering, a larger health and beauty section, and produce in select stores. We continue to incorporate lessons learned from our various store formats and layouts into our existing store base. These lessons contribute to

innovation in developing new formats, with a goal of driving increased customer traffic, average transaction amount, same-store sales and overall store productivity.

We have established a position as a low-cost operator, always seeking ways to reduce or control costs that do not affect our customers' shopping experiences. We plan to continue enhancing this position over time while employing ongoing cost discipline to reduce certain expenses as a percentage of sales. Nonetheless, we seek to maintain flexibility to invest in the business as necessary to enhance our long-term competitiveness and profitability.

We are continuing to deploy "Fast Track," an initiative aimed at further enhancing our convenience proposition and in-stock position as well as creating labor efficiencies within our stores. The completed portion of the first phase of Fast Track involved sorting process optimization within our non-refrigerated distribution centers, as well as increased shelf-ready packaging, to allow for greater store-level stocking efficiencies, while the current focus involves adding a self-checkout option, which we now have in the majority of our stores. These and the other strategic initiatives discussed above have required and will continue to require us to incur upfront expenses for which there may not be an immediate return in terms of sales or enhanced profitability.

To further optimize our cost structure and facilitate greater operational control within our supply chain, we plan to continue expanding the size of our private tractor fleet in 2023. We had more than 1,700 tractors in our fleet at the end of the first quarter of 2023, and our goal is to have more than 2,000 tractors in the fleet by the end of 2023.

Certain of our operating expenses, such as wage rates and occupancy costs, have continued to increase in recent years, due primarily to market forces, including labor availability, increases in minimum wage rates and increases in property rents. Further federal, state and/or local minimum wage increases could have a material negative impact on our operating expenses, although the magnitude and timing of such impact is uncertain. In fiscal 2023, we plan to make an investment of approximately \$100 million, a portion of which was invested in the first quarter, to further enhance our store standards and compliance efforts as well as the customer and associate experience in our stores, primarily through incremental labor hours. We believe these investments will also elevate consistency of experience in our stores, and amplify the potential of our strategic initiatives, while driving greater on-shelf availability and market share gains.

In addition, while we believe the growth rate of inflation is moderating, we expect continued inflationary pressures in the near term, which will continue to affect us as well as our vendors and customers and may result in continued pressure to our operating results. To the extent that these inflationary pressures result in a recessionary environment, we may experience adverse effects on our business, results of operations and cash flows. Certain of our initiatives and plans are intended to help offset these inflation-driven challenges; however, they are somewhat dependent on the scale and timing of any increased costs, among other factors. There can be no assurance that our mitigation efforts will be successful. Moreover, recent increases in market interest rates have had, and will continue to have, a negative impact on our interest expense, both with respect to issuances of commercial paper notes and other indebtedness. In addition, the failure to raise the United States' debt ceiling could cause the United States government to default on its payment obligations or result in delayed payments on such obligations. Such a default or payment delay, and continued uncertainty regarding the United States' debt ceiling, could have a wide range of significant adverse impacts to the economy, as well as debt and equity markets and market participants, potentially impacting us and/or our customer. There can be no assurance that the effects of such a failure, or of such a default or payment delay, will not have a material adverse impact on our results of operations or financial condition.

Our diverse teams are a competitive advantage, and we proactively seek ways to continue investing in their development. Our goal is to create an environment that attracts, develops, and retains talented personnel, particularly at the store manager level, because employees who are promoted from within our company generally have longer tenures and are greater contributors to improvements in our financial performance.

To further enhance shareholder returns, we paid a quarterly cash dividend in the first quarter of 2023. As planned, we did not repurchase any shares during the first quarter of 2023. To preserve our investment grade credit rating and maintain financial flexibility, we do not plan to repurchase shares during fiscal 2023. However, our overall capital allocation priorities remain unchanged, and we expect to continue paying quarterly cash dividends. The declaration and amount of future dividends are subject to Board discretion and approval.

We utilize key performance indicators ("KPIs") in the management of our business. Our KPIs include same-store sales, average sales per square foot, and inventory turnover. Same-store sales are calculated based upon our stores

that were open at least 13 full fiscal months and remain open at the end of the reporting period. We include stores that have been remodeled, expanded or relocated in our same-store sales calculation. Changes in same-store sales are calculated based on the comparable 52 calendar weeks in the current and prior years. The method of calculating same-store sales varies across the retail industry. As a result, our calculation of same-store sales is not necessarily comparable to similarly titled measures reported by other companies. Average sales per square foot is calculated based on total sales for the preceding 12 months as of the ending date of the reporting period divided by the average selling square footage during the period, including the end of the fiscal year, the beginning of the fiscal year, and the end of each of our three interim fiscal quarters. Inventory turnover is calculated based on total cost of goods sold for the preceding four quarters divided by the average inventory balance as of the ending date of the reporting period, including the end of the fiscal year, the beginning of the fiscal year, and the end of each of our three interim fiscal quarters. Each of these measures is commonly used by investors in retail companies to measure the health of the business. We use these measures to maximize profitability and for decisions about the allocation of resources.

Highlights of our 2023 first quarter results of operations, compared to the 2022 first quarter, and our financial condition at May 5, 2023, are set forth below. Basis points amounts referred to below are equal to 0.01% as a percentage of net sales.

- Net sales increased 6.8% to \$9.34 billion driven by new stores and sales in same-stores which increased 1.6%. Average sales per square foot for all stores over the 53-week period ended May 5, 2023 were \$273.
- Gross profit, as a percentage of net sales, was 31.6% in the 2023 period and 31.3% in the 2022 period, an increase of 34 basis points, primarily reflecting higher inventory markups.
- SG&A expense, as a percentage of net sales, was 23.7% in the 2023 period compared to 22.8% in the 2022 period, an increase of 94 basis points, primarily due to higher retail labor and repairs and maintenance as a percentage of net sales.
- Operating profit decreased 0.7% to \$740.9 million in the 2023 period compared to \$746.2 million in the 2022 period.
- Interest expense increased by \$43.4 million in the 2023 period compared to the 2022 period driven by higher average borrowings and higher interest rates.
- The effective income tax rate for the 2023 period remained flat at 21.8% compared to the 2022 period.
- Net income was \$514.4 million, or \$2.34 per diluted share, in the 2023 period compared to net income of \$552.7 million, or \$2.41 per diluted share, in the 2022 period.
- Cash generated from operating activities was \$191.1 million for the 2023 period, a decrease of \$258.4 million, or 57.5%, from the comparable 2022 period due primarily to increased inventory purchases.
- Total cash dividends of \$129.4 million, or \$0.59 per share, were paid during the 2023 period, compared to \$125.3 million, or \$0.55 per share, in the comparable 2022 period.
- Inventory turnover was 3.9 times on a rolling four-quarter basis. On a per store basis, inventories at May 5, 2023 increased by 14.7% compared to the balances at April 29, 2022.

The above discussion is a summary only. Readers should refer to the detailed discussion of our results of operations below in the current year period as compared with the prior year period as well as our financial condition at May 5, 2023.

## Results of Operations

*Accounting Periods.* We utilize a 52-53 week fiscal year convention that ends on the Friday nearest to January 31. The following text contains references to years 2023 and 2022, which represent the 52-week fiscal year ending February 2, 2024 and the 53-week fiscal year ended February 3, 2023, respectively. References to the first

quarter accounting periods for 2023 and 2022 contained herein refer to the 13-week accounting periods ended May 5, 2023 and April 29, 2022, respectively.

*Seasonality.* The nature of our business is somewhat seasonal. Primarily because of Christmas-related merchandise sales, operating profit in our fourth quarter (November, December and January) has historically been higher than operating profit achieved in each of the first three quarters of the fiscal year. Expenses, and to a greater extent operating profit, vary by quarter. Results of a period shorter than a full year may not be indicative of results expected for the entire year. Furthermore, the seasonal nature of our business may affect comparisons between periods.

The following table contains results of operations data for the 13-week periods of 2023 and 2022, and the dollar and percentage variances among those periods:

(amounts in millions, except per share amounts)	13 Weeks Ended		2023 vs. 2022	
	May 5, 2023	April 29, 2022	Amount Change	% Change
<b>Net sales by category:</b>				
Consumables	\$ 7,582.9	\$ 6,960.5	\$ 622.4	8.9 %
% of net sales	81.16 %	79.54 %		
Seasonal	962.7	961.4	1.3	0.1
% of net sales	10.30 %	10.99 %		
Home products	531.2	539.8	(8.6)	(1.6)
% of net sales	5.69 %	6.17 %		
Apparel	266.1	289.7	(23.6)	(8.1)
% of net sales	2.85 %	3.31 %		
Net sales	\$ 9,342.8	\$ 8,751.4	\$ 591.5	6.8 %
Cost of goods sold	6,387.4	6,013.0	374.4	6.2
% of net sales	68.37 %	68.71 %		
Gross profit	2,955.5	2,738.4	217.1	7.9
% of net sales	31.63 %	31.29 %		
Selling, general and administrative expenses	2,214.6	1,992.2	222.4	11.2
% of net sales	23.70 %	22.76 %		
Operating profit	740.9	746.2	(5.3)	(0.7)
% of net sales	7.93 %	8.53 %		
Interest expense	83.0	39.7	43.4	109.3
% of net sales	0.89 %	0.45 %		
Income before income taxes	657.8	706.5	(48.7)	(6.9)
% of net sales	7.04 %	8.07 %		
Income tax expense	143.4	153.8	(10.4)	(6.8)
% of net sales	1.54 %	1.76 %		
Net income	\$ 514.4	\$ 552.7	\$ (38.3)	(6.9)%
% of net sales	5.51 %	6.32 %		
Diluted earnings per share	\$ 2.34	\$ 2.41	\$ (0.07)	(2.9)%

### 13 WEEKS ENDED MAY 5, 2023 AND APRIL 29, 2022

*Net Sales.* The net sales increase in the 2023 period was due to sales from new stores and a same-store sales increase of 1.6% compared to the 2022 period, partially offset by the impact of store closures. For the 2023 period, there were 18,109 same-stores, which accounted for sales of \$8.9 billion. The increase in same-store sales primarily reflects an increase in average transaction amount driven by higher average item retail prices, which was partially offset by a decline in items per transaction as well as a decrease in customer traffic. Same-store sales increased in the consumables category, and declined in the apparel, seasonal and home products categories.

*Gross Profit.* For the 2023 period, gross profit increased by 7.9%, and as a percentage of net sales increased by 34 basis points to 31.6%, compared to the 2022 period, driven primarily by higher inventory markups, decreased transportation costs, and a decreased LIFO provision. Partially offsetting the factors which increased our overall gross profit rate were increased shrink, markdowns, and inventory damages. Additionally, our consumables category generally has a lower gross profit rate than our other product categories and in the current period, consumables sales increased at a greater rate than non-consumables sales, which also partially offsets the increase in the gross profit rate.

*Selling, General & Administrative Expenses (“SG&A”).* SG&A was 23.7% as a percentage of net sales in the 2023 period compared to 22.8% in the comparable 2022 period, an increase of 94 basis points. The primary expenses that were a higher percentage of net sales in the current year period were retail labor, repairs and maintenance, and depreciation and amortization, which were partially offset by a decrease in incentive compensation.

*Interest Expense.* Interest expense increased by \$43.4 million to \$83.0 million in the 2023 period primarily due to higher outstanding borrowings and higher interest rates.

*Income Taxes.* The effective income tax rate for the 2023 and 2022 periods was 21.8%. The effective income tax rate remained constant as a result of offsetting changes driven by a lower state effective tax rate and less benefit from stock-based compensation in the 13-week period in 2023 than the comparable 13-week period in 2022.

## **Liquidity and Capital Resources**

At May 5, 2023, we had a \$2.0 billion senior unsecured revolving credit agreement (the “Revolving Facility”), a \$750.0 million 364-day unsecured revolving credit facility (the “364-Day Revolving Facility” and, together with the Revolving Facility, the “Facilities”), \$5.4 billion aggregate principal amount of outstanding senior notes, and a commercial paper program that may provide borrowing availability in the form of commercial paper notes (“CP Notes”) of up to \$2.0 billion. At May 5, 2023, we had total consolidated outstanding long-term obligations of \$7.0 billion and short-term borrowings of \$0.3 million. All of our material borrowing arrangements are described in greater detail below. Our borrowing availability under the Revolving Facility may be effectively limited by our CP Notes as further described below.

We believe our cash flow from operations and existing cash balances, combined with availability under the Facilities, the CP Notes and access to the debt markets, will provide sufficient liquidity to fund our current obligations, projected working capital requirements, capital spending, anticipated dividend payments, and, if applicable, share repurchases for a period that includes the next twelve months as well as the next several years. However, our ability to maintain sufficient liquidity may be affected by numerous factors, many of which are outside of our control. Depending on our liquidity levels, conditions in the capital markets and other factors, we may from time to time consider the issuance of debt, equity or other securities, the proceeds of which could provide additional liquidity for our operations.

For the remainder of fiscal 2023, we anticipate potential combined borrowings under the Facilities and our CP Notes to be a maximum of approximately \$2.2 billion outstanding at any one time.

### *Revolving Credit Facility*

Our Revolving Facility consists of a \$2.0 billion senior unsecured revolving credit facility of which up to \$100.0 million is available for the issuance of letters of credit and which is scheduled to mature on December 2, 2026.

Borrowings under the Revolving Facility bear interest at a rate equal to an applicable interest rate margin plus, at our option, either (a) Adjusted Term SOFR (which is Term SOFR, as published by CME Group Benchmark Administration Limited, plus a credit spread adjustment of 0.10%) or (b) a base rate (which is usually equal to the prime rate). The applicable interest rate margin for borrowings as of May 5, 2023 was 1.015% for Adjusted Term SOFR borrowings and 0.015% for base-rate borrowings. We must also pay a facility fee, payable on any used and unused commitment amounts of the Revolving Facility, and customary fees on letters of credit issued under the Revolving Facility. As of May 5, 2023, the facility fee rate was 0.11%. The applicable interest rate margins for borrowings, the facility fees and the letter of credit fees under the Revolving Facility are subject to adjustment from time to time based on our long-term senior unsecured debt ratings.

We entered into the 364-Day Revolving Facility on January 31, 2023, which will expire on January 30, 2024. At May 5, 2023, outstanding borrowings under the 364-Day Revolving Facility totaled \$250.0 million.

Borrowings under the 364-Day Revolving Facility bear interest at a rate equal to an applicable interest rate margin plus, at our option, either (a) Adjusted Term SOFR (which is Term SOFR, as published by CME Group Benchmark Administration Limited, plus a credit spread adjustment of 0.10%) or (b) a base rate (which is usually equal to the prime rate). We are also required to pay a facility fee to the lenders under the 364-Day Revolving Facility for any used and unused commitments. As of May 5, 2023, the applicable interest rate margin for Adjusted Term SOFR loans

was 1.035% and the facility fee rate was 0.09% per annum. The applicable interest rate margins for borrowings and the facility fees under the 364-Day Revolving Facility are subject to adjustment from time to time based on our long-term senior unsecured debt ratings.

The credit agreements governing the Facilities contain a number of customary affirmative and negative covenants that, among other things, restrict, subject to certain exceptions, our (including our subsidiaries') ability to: incur additional liens; sell all or substantially all of our assets; consummate certain fundamental changes or change in our lines of business; and incur additional subsidiary indebtedness. The credit agreements governing the Facilities also contain financial covenants that require the maintenance of a minimum fixed charge coverage ratio and a maximum leverage ratio. As of May 5, 2023, we were in compliance with all such covenants. The credit agreements governing each of the Facilities also contain customary events of default.

As of May 5, 2023, we had no outstanding borrowings, no outstanding letters of credit, and borrowing availability of \$2.0 billion under the Revolving Facility that, due to our intention to maintain borrowing availability related to the commercial paper program described below, could contribute incremental liquidity of \$0.3 billion at May 5, 2023. As of May 5, 2023, under the 364-Day Revolving Facility, we had outstanding borrowings of \$250.0 million and borrowing availability of \$500.0 million. At May 5, 2023 we had combined availability under the Facilities of \$791.0 million. In addition, as of May 5, 2023 we had outstanding letters of credit of \$43.6 million which were issued pursuant to separate agreements.

#### *Commercial Paper*

We may issue the CP Notes from time to time in an aggregate amount not to exceed \$2.0 billion outstanding at any time. The CP Notes may have maturities of up to 364 days from the date of issue and rank equal in right of payment with all of our other unsecured and unsubordinated indebtedness. We intend to maintain available commitments under the Revolving Facility in an amount at least equal to the amount of CP Notes outstanding at any time. As of May 5, 2023, our condensed consolidated balance sheet reflected outstanding unsecured CP Notes of \$1.5 billion, which had a weighted average borrowing rate of 5.3%. CP Notes totaling \$204.3 million were held by a wholly-owned subsidiary and are therefore not reflected on the condensed consolidated balance sheet at May 5, 2023.

#### *Senior Notes*

In October 2015 we issued \$500.0 million aggregate principal amount of 4.150% senior notes due 2025 (the "2025 Senior Notes") at a discount of \$0.8 million, which are scheduled to mature on November 1, 2025. In April 2017 we issued \$600.0 million aggregate principal amount of 3.875% senior notes due 2027 (the "April 2027 Senior Notes") at a discount of \$0.4 million, which are scheduled to mature on April 15, 2027. In April 2018 we issued \$500.0 million aggregate principal amount of 4.125% senior notes due 2028 (the "2028 Senior Notes") at a discount of \$0.5 million, which are scheduled to mature on May 1, 2028. In April 2020 we issued \$1.0 billion aggregate principal amount of 3.5% senior notes due 2030 (the "2030 Senior Notes") at a discount of \$0.7 million, which are scheduled to mature on April 3, 2030, and \$500.0 million aggregate principal amount of 4.125% senior notes due 2050 (the "2050 Senior Notes") at a discount of \$5.0 million, which are scheduled to mature on April 3, 2050. In September 2022, we issued \$750.0 million aggregate principal amount of 4.25% senior notes due 2024 (the "2024 Senior Notes"), net of discount of \$0.7 million, which are scheduled to mature on September 20, 2024, \$550.0 million aggregate principal amount of 4.625% senior notes due 2027 (the "November 2027 Senior Notes"), net of discount of \$0.5 million, which are scheduled to mature on November 1, 2027, \$700.0 million aggregate principal amount of 5.0% senior notes due 2032 (the "2032 Senior Notes"), net of discount of \$2.4 million which are scheduled to mature on November 1, 2032, and \$300.0 million aggregate principal amount of 5.50% senior notes due 2052 (the "2052 Senior Notes"), net of discount of \$0.3 million, which are scheduled to mature on November 1, 2052.

Collectively, the 2024 Senior Notes, 2025 Senior Notes, April 2027 Senior Notes, November 2027 Senior Notes, 2028 Senior Notes, 2030 Senior Notes, 2032 Senior Notes, 2050 Senior Notes, and 2052 Senior Notes comprise the "Senior Notes", each of which were issued pursuant to an indenture as supplemented and amended by supplemental indentures relating to each series of Senior Notes (as so supplemented and amended, the "Senior Indenture"). Interest on the April 2027 Senior Notes is payable in cash on April 15 and October 15 of each year. Interest on the 2025 Senior Notes and the 2028 Senior Notes is payable in cash on May 1 and November 1 of each year. Interest on the 2030 Senior Notes and the 2050 Senior Notes is payable in cash on April 3 and October 3 of each year. Interest on the 2024 Senior Notes is payable in cash on March 20 and September 20 of each year and commenced on March 20, 2023. Interest on the

November 2027 Senior Notes, the 2032 Senior Notes and the 2052 Senior Notes is payable in cash on May 1 and November 1 of each year and commenced on May 1, 2023.

We may redeem some or all of the Senior Notes at any time at redemption prices set forth in the Senior Indenture. Upon the occurrence of a change of control triggering event, which is defined in the Senior Indenture, each holder of our Senior Notes has the right to require us to repurchase some or all of such holder's Senior Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the repurchase date.

The Senior Indenture contains covenants limiting, among other things, our ability (subject to certain exceptions) to consolidate, merge, or sell or otherwise dispose of all or substantially all of our assets; and our ability and the ability of our subsidiaries to incur or guarantee indebtedness secured by liens on any shares of voting stock of significant subsidiaries.

The Senior Indenture also provides for events of default which, if any of them occurs, would permit or require the principal of and accrued interest on our Senior Notes to become or to be declared due and payable, as applicable.

#### *Current Financial Condition / Recent Developments*

Our inventory balance represented approximately 54% of our total assets exclusive of operating lease assets, goodwill and other intangible assets as of May 5, 2023. Our ability to effectively manage our inventory balances can have a significant impact on our cash flows from operations during a given fiscal year. Inventory purchases are often somewhat seasonal in nature, such as the purchase of warm-weather or Christmas-related merchandise. Efficient management of our inventory has been and continues to be an area of focus for us.

From time to time, we are involved in various legal matters as discussed in Note 7 to the unaudited condensed consolidated financial statements, some of which could potentially result in material cash payments. Adverse developments in these matters could materially and adversely affect our liquidity.

Our senior unsecured debt is rated "Baa2," by Moody's with a stable outlook and "BBB" by Standard & Poor's with a stable outlook, and our commercial paper program is rated "P-2" by Moody's and "A-2" by Standard and Poor's. Our current credit ratings, as well as future rating agency actions, could (i) impact our ability to finance our operations on satisfactory terms; (ii) affect our financing costs; and (iii) affect our insurance premiums and collateral requirements necessary for our self-insured programs. There can be no assurance that we will maintain or improve our current credit ratings.

Unless otherwise noted, all references to the 2023 and 2022 periods in the discussion of cash flows from operating, investing and financing activities below refer to the 13-week periods ended May 5, 2023 and April 29, 2022, respectively.

*Cash flows from operating activities.* Cash flows from operating activities were \$191.1 million in the 2023 period, which represents a \$258.4 million decrease compared to the 2022 period. Changes in merchandise inventories resulted in a \$601.1 million decrease in the 2023 period as compared to a decrease of \$538.9 million in the 2022 period, representing a significant use of cash from operating activities in both periods as further discussed below. Changes in accounts payable resulted in a \$116.4 million increase in the 2023 period compared to a \$172.1 million increase in the 2022 period, due primarily to the timing of inventory purchases, receipts and payments. Changes in accrued expenses and other liabilities resulted in a \$176.8 million decrease in the 2023 period compared to a \$116.4 million decrease in the 2022 period. Net income decreased \$38.3 million in the 2023 period compared to the 2022 period. Changes in income taxes in the 2023 period compared to the 2022 period are primarily due to the income taxes due and the timing of the payments.

On an ongoing basis, we closely monitor and manage our inventory balances, and they may fluctuate from period to period based on new store openings, the timing of purchases, and other factors. Total merchandise inventories increased by 9% in the 2023 period compared to an increase of 8% in the 2022 period. The increase in the 2023 period primarily reflects our supply chain recovery efforts and the impact of product cost inflation. Changes in our four inventory categories were as follows: consumables increased by 17% compared to a 5% increase; seasonal increased 1%

compared to a 13% increase; home products decreased by 6% compared to a 23% increase; and apparel decreased by 1% compared to a 0% change.

*Cash flows from investing activities.* Significant components of property and equipment purchases in the 2023 period included the following approximate amounts: \$153 million for improvements, upgrades, remodels and relocations of existing stores; \$101 million for distribution and transportation-related capital expenditures; \$90 million related to store facilities, primarily for leasehold improvements, fixtures and equipment in new stores; and \$8 million for information systems upgrades and technology-related projects. The timing of new, remodeled and relocated store openings along with other factors may affect the relationship between such openings and the related property and equipment purchases in any given period. During the 2023 period, we opened 212 new stores and remodeled or relocated 604 stores.

Significant components of property and equipment purchases in the 2022 period included the following approximate amounts: \$112 million for improvements, upgrades, remodels and relocations of existing stores; \$107 million related to store facilities, primarily for leasehold improvements, fixtures and equipment in new stores; \$47 million for distribution and transportation-related capital expenditures; and \$9 million for information systems upgrades and technology-related projects. During the 2022 period, we opened 239 new stores and remodeled or relocated 564 stores.

Capital expenditures for 2023 are currently projected to be approximately \$1.6 - \$1.7 billion. We anticipate funding 2023 capital requirements with a combination of some or all of the following: existing cash balances, cash flows from operations, availability under the Facilities, any issuance of additional CP Notes and access to the debt markets. We plan to continue to invest in store growth through the development of new stores and the remodel or relocation of existing stores. Capital expenditures in 2023 are anticipated to support our store growth as well as our remodel and relocation initiatives, including capital outlays for leasehold improvements, fixtures and equipment; the construction of new stores; costs to support and enhance our supply chain initiatives including new and existing distribution center facilities and our private fleet; technology and other strategic initiatives; as well as routine and ongoing capital requirements.

*Cash flows from financing activities.* During the 2023 period, we had net borrowings under the Facilities of \$250.0 million. Also during the 2023 and 2022 periods, we paid cash dividends of \$129.4 million and \$125.3 million, respectively. During the 2022 period, we repurchased 3.4 million shares of our common stock at a total cost of \$746.8 million.

#### *Share Repurchase Program*

As of May 5, 2023 our common stock repurchase program had a total remaining authorization of approximately \$1.38 billion. The authorization allows repurchases from time to time in open market transactions, including pursuant to trading plans adopted in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934, as amended, or in privately negotiated transactions. The timing, manner and number of shares repurchased will depend on a variety of factors, including price, market conditions, compliance with the covenants and restrictions under the Company's debt agreements, cash requirements, excess debt capacity, results of operations, financial condition and other factors. The repurchase program has no expiration date and may be modified or terminated from time to time at the discretion of our Board of Directors. For more about our share repurchase program, see Note 9 to the unaudited condensed consolidated financial statements contained in Part I, Item 1 of this report and Part II, Item 2 of this report.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

There have been no material changes to the disclosures relating to this item from those set forth in our Annual Report on Form 10-K for the fiscal year ended February 3, 2023.

**ITEM 4. CONTROLS AND PROCEDURES.**

(a) *Disclosure Controls and Procedures.* Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) or Rule 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as of the end of the period covered by this report. Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

(b) *Changes in Internal Control Over Financial Reporting.* There have been no changes in our internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) or Rule 15d-15(f)) during the quarter ended May 5, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II—OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS.

The information contained in Note 7 to the unaudited condensed consolidated financial statements under the heading “Legal proceedings” contained in Part I, Item 1 of this report is incorporated herein by this reference.

### ITEM 1A. RISK FACTORS.

There have been no material changes to the disclosures relating to this item from those set forth in our Annual Report on Form 10-K for the fiscal year ended February 3, 2023, other than as set forth in the discussion of certain items that have impacted or could impact our business or results of operations during 2023 or in the future as disclosed in the “Executive Overview” section within “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations” of this Form 10-Q.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

### ITEM 5. OTHER INFORMATION.

*Engagement Letter with Mr. Garratt.* As previously announced, our President and former Chief Financial Officer, John Garratt, will retire from employment with the Company effective June 2, 2023. On May 30, 2023, the Company entered into an Engagement Letter with Mr. Garratt (the “Engagement Letter”) pursuant to which Mr. Garratt, at his discretion and on an independent contractor basis, may provide advice and consultation on various matters to the Company from time to time on an as-needed basis and at an hourly rate of \$1,500.00/hour during an engagement period to begin immediately following his retirement date and ending on April 1, 2024. Under the Engagement Letter, the Company will also reimburse Mr. Garratt for any reasonable, documented expenses incurred in providing the services under the Engagement Letter, and Mr. Garratt is bound by certain confidentiality provisions.

The foregoing description of the Engagement Letter is a summary only, does not purport to be complete, and is qualified in its entirety by reference to Exhibit 10.3 filed herewith and incorporated by reference as to the Engagement Letter terms as if fully set forth herein.

### ITEM 6. EXHIBITS.

See the Exhibit Index to this report immediately before the signature page hereto, which Exhibit Index is incorporated by reference as if fully set forth herein.

## CAUTIONARY DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

We include “forward-looking statements” within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act, throughout this report, particularly under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in Part I, Item 2, and “Note 7. Commitments and Contingencies” included in Part I, Item 1, among others. You can identify these statements because they are not limited to historical fact or they use words such as “accelerate,” “aim,” “anticipate,” “believe,” “can,” “confident,” “continue,” “committed,” “could,” “ensure,” “estimate,” “expect,” “focused on,” “forecast,” “future,” “goal,” “going forward,” “intend,” “likely,” “long-term,” “looking ahead,” “look to,” “may,” “moving forward,” “objective,” “ongoing,” “on track,” “opportunity,” “outlook,” “over time,” “plan,” “position,” “potential,” “predict,” “project,” “prospect,” “scheduled,” “seek,” “should,” “strive,” “subject to,” “uncertain,” “will” or “would” and similar expressions that concern our strategies, plans, initiatives, intentions, outlook or beliefs about future occurrences or results. For example, all statements relating to, among others, the following are forward-looking statements:

- our projections and expectations regarding expenditures, costs, cash flows, results of operations, financial condition and liquidity;
- our expectations regarding economic and competitive market conditions;
- our plans, objectives, and expectations regarding future operations, growth, investments and initiatives, including but not limited to our real estate, store growth and international expansion plans, store formats or concepts, shrink and damages reduction actions, planned approximately \$100 million investment in our stores, and anticipated progress and impact of our strategic initiatives (including but not limited to our non-consumables and digital initiatives, DG Media Network, DG Well Being, DG Fresh, Fast Track, and pOpshelf) and our merchandising, margin enhancing, distribution/transportation efficiency (including but not limited to self-distribution and our private fleet) and other initiatives;
- expectations regarding sales and mix of consumable and non-consumable products, customer traffic, basket size and inventory levels;
- expectations regarding inflationary and labor pressures, fuel prices, and other supply chain challenges;
- anticipated stock repurchases and cash dividends;
- anticipated borrowing under our credit agreements and our commercial paper program;
- potential impact of legal or regulatory changes or governmental assistance or stimulus programs and our responses thereto, including without limitation the potential increase of federal, state and/or local minimum wage rates/salary levels, as well as changes to certain government assistance programs, such as SNAP benefits, unemployment benefits, and economic stimulus payments, or potential changes to the corporate tax rate; and
- expected outcome or effect of pending or threatened legal disputes, litigation or audits.

Forward-looking statements are subject to risks, uncertainties and other factors that may change at any time and may cause our actual results to differ materially from those that we expected. We derive many of these statements from our operating budgets and forecasts as of the date of this document, which are based on many detailed assumptions that we believe are reasonable. However, it is very difficult to predict the effect of known factors on future results, and we cannot anticipate all factors that could affect future results that may be important to you. Important factors that could cause actual results to differ materially from the expectations expressed in or implied by our forward-looking statements include, but are not limited to:

- economic factors, including but not limited to employment levels; inflation (and our ability to adjust prices sufficiently to offset the effect of inflation); pandemics (such as the COVID-19 pandemic); higher fuel, energy, healthcare and housing costs; higher interest rates, consumer debt levels, and tax rates; lack of available credit; tax law changes that negatively affect credits and refunds; decreases in, or elimination of,

government stimulus programs or subsidies such as unemployment and food/nutrition assistance programs; commodity rates; transportation, lease and insurance costs; wage rates (including the heightened possibility of increased federal, state and/or local minimum wage rates); foreign exchange rate fluctuations; measures or events that create barriers to or increase the costs of international trade (including increased import duties or tariffs); impacts of failure of the U.S. government to raise the U.S. debt ceiling; and changes in laws and regulations and their effect on, as applicable, customer spending and disposable income, our ability to execute our strategies and initiatives, our cost of goods sold, our SG&A expenses (including real estate costs), and our sales and profitability;

- failure to achieve or sustain our strategies, initiatives and investments, including those relating to merchandising (including non-consumable initiatives), real estate and new store development, international expansion, store formats and concepts, digital, marketing, health services, shrink, damages, sourcing, private brand, inventory management, supply chain, private fleet, store operations, expense reduction, technology, pOpshelf, Fast Track and DG Media Network;
- competitive pressures and changes in the competitive environment and the geographic and product markets where we operate, including, but not limited to, pricing, promotional activity, expanded availability of mobile, web-based and other digital technologies, and alliances or other business combinations;
- failure to timely and cost-effectively execute our real estate projects or to anticipate or successfully address the challenges imposed by our expansion, including into new countries or domestic markets, states, or urban or suburban areas;
- levels of inventory shrinkage and damages;
- failure to successfully manage inventory balances, issues related to supply chain disruptions, seasonal buying pattern disruptions, and distribution network capacity;
- failure to maintain the security of our business, customer, employee or vendor information or to comply with privacy laws, or our or one of our vendors falling victim to a cyberattack (which risk is heightened as a result of political uncertainty involving China and the current conflict between Russia and Ukraine) that prevents us from operating all or a portion of our business;
- damage or interruption to our information systems as a result of external factors, staffing shortages or challenges in maintaining or updating our existing technology or developing or implementing new technology;
- a significant disruption to our distribution network, the capacity of our distribution centers or the timely receipt of inventory, or delays in constructing, opening or staffing new distribution centers (including temperature-controlled distribution centers);
- risks and challenges associated with sourcing merchandise from suppliers, including, but not limited to, those related to international trade (for example, political uncertainty involving China and disruptive political events such as the current conflict between Russia and Ukraine);
- natural disasters, unusual weather conditions (whether or not caused by climate change), pandemic outbreaks or other health crises (for example, the COVID-19 pandemic), political or civil unrest, acts of war, violence or terrorism, and disruptive global political events (for example, political uncertainty involving China and the current conflict between Russia and Ukraine);
- product liability, product recall or other product safety or labeling claims;
- incurrence of material uninsured losses, excessive insurance costs or accident costs;
- failure to attract, develop and retain qualified employees while controlling labor costs (including the heightened possibility of increased federal, state and/or local minimum wage rates/salary levels) and other labor issues, including employee safety issues and employee expectations and productivity;

- loss of key personnel or inability to hire additional qualified personnel or inability to enforce non-compete agreements that we have in place with management personnel;
- risks associated with our private brands, including, but not limited to, our level of success in improving their gross profit rate at expected levels;
- seasonality of our business;
- failure to protect our reputation;
- the impact of changes in or noncompliance with governmental regulations and requirements, including, but not limited to, those dealing with the sale of products, including without limitation, product and food safety, marketing, labeling or pricing; information security and privacy; labor and employment; employee wages and benefits (including the heightened possibility of increased federal, state and/or local minimum wage rates/salary levels); health and safety; imports and customs; bribery; climate change; and environmental compliance, as well as tax laws (including those related to the federal, state or foreign corporate tax rate), the interpretation of existing tax laws, or our failure to sustain our reporting positions negatively affecting our tax rate, and developments in or outcomes of private actions, class actions, derivative actions, multi-district litigation, arbitrations, administrative proceedings, regulatory actions or other litigation or of inquiries from federal, state and local agencies, regulatory authorities, attorneys general, committees, subcommittees and members of the U.S. Congress, and other local, state, federal and international governmental authorities;
- new accounting guidance or changes in the interpretation or application of existing guidance;
- deterioration in market conditions, including market disruptions, adverse conditions in the financial markets including financial institution failures, limited liquidity and interest rate increases, changes in our credit profile, compliance with covenants and restrictions under our debt agreements, and the amount of our available excess capital;
- factors disclosed under “Risk Factors” in Part I, Item 1A of our Form 10-K for the fiscal year ended February 3, 2023; and
- factors disclosed elsewhere in this document (including, without limitation, in conjunction with the forward-looking statements themselves) and other factors.

All forward-looking statements are qualified in their entirety by these and other cautionary statements that we make from time to time in our other Securities and Exchange Commission filings and public communications. You should evaluate forward-looking statements in the context of these risks and uncertainties and are cautioned to not place undue reliance on such forward-looking statements. We caution you that the important factors referenced above may not contain all of the factors that are important to you. We cannot assure you that we will realize the results, performance or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our operations in the way we expect. The forward-looking statements in this report are made only as of the date hereof. We undertake no obligation, and specifically disclaim any duty, to update or revise any forward-looking statement as a result of new information, future events or circumstances, or otherwise, except as otherwise required by law.

You should also be aware that while we do, from time to time, communicate with securities analysts and others, it is against our policy to disclose to them any material, nonpublic information or other confidential commercial information. Accordingly, shareholders should not assume that we agree with any statement or report issued by any securities analyst regardless of the content of the statement or report. Furthermore, we have a policy against confirming projections, forecasts or opinions issued by others. Thus, to the extent that reports issued by securities analysts contain any projections, forecasts or opinions, such reports are not our responsibility.

## EXHIBIT INDEX

- 3.1 [Amended and Restated Charter of Dollar General Corporation \(effective May 28, 2021\) \(incorporated by reference to Exhibit 3.1 to Dollar General Corporation's Current Report on Form 8-K dated May 26, 2021, filed with the Securities and Exchange Commission \(the "SEC"\) on June 1, 2021 \(file no. 001-11421\)\)](#)
- 3.2 [Amended and Restated Bylaws of Dollar General Corporation \(effective March 23, 2023\) \(incorporated by reference to Exhibit 3.2 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended February 3, 2023, filed with the SEC on March 24, 2023 \(file no. 001-11421\)\)](#)
- 10.1 [Form of Performance Share Unit Award Agreement \(approved March 28, 2023\) for awards beginning March 2023 to certain employees of Dollar General Corporation pursuant to the Dollar General Corporation 2021 Stock Incentive Plan](#)
- 10.2 [Consent and Waiver of John W. Garratt \(effective May 1, 2023\)](#)
- 10.3 [Engagement Letter by and between Dollar General Corporation and John W. Garratt \(effective June 2, 2023\)](#)
- 10.4 [Form of Dollar General Corporation Teamshare Incentive Program for Named Executive Officers for use beginning fiscal year 2023 \(incorporated by reference to Exhibit 10.41 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended February 3, 2023, filed with the SEC on March 24, 2023 \(file no. 001-11421\)\)](#)
- 10.5 [Consulting Agreement by and between Dollar General Corporation and Todd J. Vasos, effective April 2, 2023 \(incorporated by reference to Exhibit 10.49 to Dollar General Corporation's Annual Report on Form 10-K for the fiscal year ended February 3, 2023, filed with the SEC on March 24, 2023 \(file no. 001-11421\)\)](#)
- 10.6 [Amended Schedule of Executive Officers who have executed an employment agreement in the form of COO/Executive Vice President Employment Agreement filed as Exhibit 99 to Dollar General Corporation's Current Report on Form 8-K dated April 5, 2021, filed with the SEC on April 8, 2021 \(incorporated by reference to Exhibit 99.2 to Dollar General Corporation's Current Report on Form 8-K dated April 19, 2023, filed with the SEC on April 20, 2023 \(file no. 001-11421\)\)](#)
- 15 [Letter re unaudited interim financial information](#)
- 31 [Certifications of CEO and CFO under Exchange Act Rule 13a-14\(a\)](#)
- 32 [Certifications of CEO and CFO under 18 U.S.C. 1350](#)
- 101 Interactive data files for Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended May 5, 2023, formatted in Inline XBRL: (i) the Condensed Consolidated Balance Sheets; (ii) the Condensed Consolidated Statements of Income (unaudited); (iii) the Condensed Consolidated Statements of Comprehensive Income (unaudited); (iv) the Condensed Consolidated Statements of Shareholders' Equity (unaudited); (v) the Condensed Consolidated Statements of Cash Flows (unaudited); and (vi) the Notes to Condensed Consolidated Financial Statements (unaudited)
- 104 The cover page from Dollar General Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended May 5, 2023 (formatted in Inline XBRL and contained in Exhibit 101)

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized, both on behalf of the Registrant and in her capacity as principal financial officer of the Registrant.

DOLLAR GENERAL CORPORATION

Date: June 1, 2023

By: /s/ Kelly M. Dilts

Kelly M. Dilts

Executive Vice President & Chief Financial Officer

[Form of PSU Award Agreement for use beginning March 2023]

**Grant Details**

Participant Name: [ ]  
 Employee Number: [ ]  
 Grant Type: Performance Share Units  
 Grant Date: [ ]  
 Target Number of Performance Share Units Awarded: [ ]  
 Performance Period: *For One-Year Goal:* Begins on [1<sup>st</sup> day of fiscal year that includes the Grant Date] and ends on [last day of same fiscal year]  
*For Three-Year Goal:* Begins on [1<sup>st</sup> day of fiscal year that includes the Grant Date] and ends on [last day of fiscal year [Grant Date fiscal year + 2]]

Threshold, Target and Maximum Calculation Chart: See attached **Exhibit 1**

**Vest Schedule:**

<u>Vest Date</u>	<u>PSUs Subject to One-Year Goal/Percentage Vested</u>	<u>PSUs Subject to Three-Year Goal/Percentage Vested</u>
April 1, [Grant Date year +1 year]	33 1/3%	N/A
April 1, [Grant Date year +2 years]	33 1/3%	N/A
April 1, [Grant Date year +3 years]	33 1/3%	100%

**DOLLAR GENERAL CORPORATION  
PERFORMANCE SHARE UNIT AWARD AGREEMENT**

THIS AGREEMENT (this "Agreement"), dated as of the date indicated (the "Grant Date") on the Grant Details page (as defined below) above, is made by and between Dollar General Corporation, a Tennessee corporation (hereinafter referred to as the "Company"), and the individual whose name is indicated on the Grant Details page, who is an employee of the Company or a Subsidiary of the Company who the Committee (as defined below) has determined to be a Key Employee (hereinafter referred to as the "Grantee"). Any capitalized terms used but not otherwise defined in this Agreement shall have the meaning set forth in the Dollar General Corporation 2021 Stock Incentive Plan, as such Plan may be amended from time to time (the "Plan").

WHEREAS, the Company wishes to carry out the Plan, the terms of which are hereby incorporated by reference and made a part of this Agreement; and

WHEREAS, the Compensation Committee (or a duly authorized subcommittee thereof) of the Board of the Company appointed to administer the Plan (the "Committee") or the Board of the Company has determined that it would be to the advantage and in the best interests of the Company and its shareholders to grant the Performance Share Units provided for herein to the Grantee, and has advised the Company thereof and instructed the undersigned officer to issue said Performance Share Units.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

**ARTICLE I**  
**DEFINITIONS**

Whenever the following terms are used in this Agreement, they shall have the meaning specified below unless the context clearly indicates to the contrary.

**Section 1.1. Adjusted EBITDA**

["Adjusted EBITDA" shall be computed as income (loss) from continuing operations before cumulative effect of change in accounting principles plus interest and other financing costs, net, provision for income taxes, and depreciation and amortization, but shall exclude the impact of (a) any costs, fees and expenses directly related to the consideration, negotiation, preparation, or consummation of any asset sale, merger or other transaction that results in a Change in Control (within the meaning of the Plan) of the Company or any offering of Company common stock or other security; (b) disaster-related charges; (c) any LIFO provision, which exclusion shall be limited to 3% of fiscal year-end consolidated inventory balance, or LIFO benefit, which exclusion shall be limited to 3% of fiscal year-end consolidated inventory balance; and (d) unless the Committee disallows any such item, (i) any unusual unplanned item or event which individually exceeds \$30 million; (ii) any unbudgeted loss which individually exceeds \$1 million as a result of the resolution of a legal matter; (iii) any unplanned loss or gain which individually exceeds \$1 million related to the implementation of accounting or tax legislative changes or changes in federal, state or local wage or benefit mandates; and (iv) any unplanned loss or gain of a non-recurring nature which individually exceeds \$1 million, provided that the combined amount of (d)(ii), (iii) and (iv) equals or exceeds loss(es) or gains(s) of \$10 million.]

## **Section 1.2. Adjusted ROIC**

["Adjusted ROIC" shall mean during each fiscal year within the Performance Period applicable to the Three-Year Goal (a) the result of (x) the sum of (i) the Company's operating income, plus (ii) depreciation and amortization, plus (iii) single lease cost, minus (y) taxes, divided by (b) the result of (x) the sum of the averages of the five most recently completed fiscal quarters of: (i) total assets, plus (ii) accumulated depreciation and amortization, minus (y) the difference of the averages of the five most recently completed fiscal quarters of: (i) cash, minus (ii) goodwill, minus (iii) accounts payable, minus (iv) other payables, minus (v) accrued liabilities, but shall exclude the impact of (a) any costs, fees and expenses directly related to the consideration, negotiation, preparation, or consummation of any asset sale, merger or other transaction that results in a Change in Control (within the meaning of the Plan) of the Company or any offering of Company common stock or other security; (b) disaster-related charges; (c) any LIFO provision, which exclusion shall be limited to 3% of fiscal year-end consolidated inventory balance, or LIFO benefit, which exclusion shall be limited to 3% of fiscal year-end consolidated inventory balance; and (d) unless the Committee disallows any such item, (i) any unusual unplanned item or event which individually exceeds \$30 million; (ii) any unbudgeted loss which individually exceeds \$1 million as a result of the resolution of a legal matter; (iii) any unplanned loss or gain which individually exceeds \$1 million related to the implementation of accounting or tax legislative changes or changes in federal, state or local wage or benefit mandates; and (iv) any unplanned loss or gain of a non-recurring nature which individually exceeds \$1 million, provided that the combined amount of (d)(ii), (iii) and (iv) equals or exceeds loss(es) or gain(s) of \$10 million.]

## **Section 1.3. Average Adjusted ROIC**

"Average Adjusted ROIC" shall mean the average of the Adjusted ROIC for the three fiscal years during the Performance Period applicable to the Three-Year Goal.

## **Section 1.4. Cause**

"Cause" shall mean (a) "Cause" as such term may be defined in any employment agreement between the Grantee and the Company or any of its Subsidiaries that is in effect at the time of termination of employment; or (b) if there is no such employment agreement in effect, "Cause" as such term may be defined in any change-in-control agreement between the Grantee and the Company or any of its Subsidiaries that is in effect at the time of termination of employment; or (c) if there is no such employment or change-in-control agreement, with respect to the Grantee: (i) any act of the Grantee involving fraud or dishonesty, or any willful failure to perform reasonable duties assigned to the Grantee; (ii) any material breach by the Grantee of any securities or other law or regulation or any Company policy governing trading or dealing with stock, securities, public debt instruments, bonds, investments or the like or with inappropriate disclosure or "tipping" relating to any stock, securities, public debt instruments, bonds, investments or the like; (iii) any material or substantive violation of the Company's Code of Business Conduct and Ethics (or the equivalent code in place at the time) or any violation of the Company's policies and procedures related to asset protection controls and other protocols; (iv) other than as required by law, the carrying out by the Grantee of any activity, or the Grantee making any public statement, which prejudices or reduces the good name and standing of the Company or any of its subsidiaries or affiliates or would bring any one of these into public contempt or ridicule; (v) attendance by the Grantee at work in a state of intoxication or the Grantee otherwise being found in possession at the Grantee's place of work of any prohibited drug or substance, possession of which would amount to a criminal offense, or any other violation of the Company's drug and alcohol policy; (vi) any assault or other act of violence by the Grantee; or (vii) the Grantee being indicted for any crime constituting (A) any felony whatsoever or (B) any misdemeanor that would

preclude employment by the Company or any Subsidiary that employs the Grantee under the Company's or any such Subsidiary's hiring policy.

**Section 1.5. Delegee**

"Delegee" shall mean any Committee member or members, officer of the Company or any other person or persons to whom the Committee or an officer has delegated any of its authority or duties under the Plan; provided, however, that no such delegation shall give non-Committee members authority with respect to non-ministerial actions under the Plan that affect individuals who are subject to the reporting and other provisions of Section 16 of the Exchange Act or any successor provision.

**Section 1.6. Disability Termination**

"Disability Termination" shall mean the Grantee's employment with the Company and all Subsidiaries is involuntarily terminated by the Company or any Subsidiary that employs the Grantee other than with Cause at a time when the Grantee is eligible for and receiving benefits under the Company's long-term disability plan.

**Section 1.7. Good Reason**

"Good Reason" shall mean (a) "Good Reason" as such term may be defined in any employment agreement between the Grantee and the Company or any of its Subsidiaries that is in effect at the time of termination of employment; or (b) if there is no such employment agreement in effect, "Good Reason" as such term may be defined in any change-in-control agreement between the Grantee and the Company or any of its Subsidiaries that is in effect at the time of the termination of employment; or (c) if there is no such employment or change-in-control agreement, with respect to the Grantee: (i) a material diminution in the Grantee's base salary unless such action is in connection with across-the-board base salary reductions affecting 100 percent of employees of the Company or its Subsidiaries at the same grade level; or (ii) a material diminution in the Grantee's authority, duties or responsibilities. To qualify as a termination due to Good Reason under this Agreement, the Grantee must have provided written notice to the Company in accordance with Section 4.6 of this Agreement of the existence of the circumstances providing grounds for termination for Good Reason within thirty (30) days of the initial existence of such grounds and must have given the Company or any Subsidiary that employs the Grantee at least thirty (30) days from receipt of such notice to cure the condition constituting Good Reason. Such termination of employment must have become effective no later than one year after the initial existence of the condition constituting Good Reason.

**Section 1.8. Grant Details Page**

"Grant Details page" shall mean the Grant Details page attached to the front of this Agreement that indicates, among other things, the Grant Date, the name of the Grantee, and the target number of Performance Share Units awarded, all of which information is hereby incorporated by reference and made a part of this Agreement.

**Section 1.9. Performance Share Units**

"Performance Share Units" shall mean the performance share units awarded to the Grantee under this Agreement which the Grantee will have an opportunity to earn and vest in over Performance Periods (as defined below) of one year or three years if certain performance goal measures are met in

accordance with Section 2.4 and if additional service and payment requirements are met in accordance with Sections 3.1, 3.2 and 3.3. Each Performance Share Unit represents the right to receive one Share upon satisfaction of the vesting and other conditions set forth in this Agreement.

**Section 1.10. Pro-Rata Portion**

“Pro-Rata Portion” shall mean a fraction (not to exceed one), the numerator of which is the number of months in the applicable Performance Period (as defined below) during which the Grantee was continuously in the employment of the Company or a Subsidiary and the denominator of which is the number of months in the applicable Performance Period. The Grantee will be deemed to be employed for a month if the Grantee’s Retirement, Disability Termination or death occurs after the fifteenth (15<sup>th</sup>) day of a month.

**Section 1.11. Qualifying Termination**

“Qualifying Termination” shall mean, except as provided otherwise in this Section 1.11, the Grantee’s employment with the Company and all Subsidiaries is involuntarily terminated by the Company or any Subsidiary that employs the Grantee (including due to a Disability Termination) other than with Cause or is terminated voluntarily by the Grantee, other than when Cause to terminate exists, for Good Reason or due to Retirement; in each case provided the termination of employment (a) occurs within two (2) years following a Change in Control and (b) also constitutes a Separation from Service. For purposes of this Agreement, a permanent reduction in (but not full cessation of) the Grantee’s level of services performed for the Company or a Subsidiary shall be deemed a “Qualifying Termination” if the reduction (i) occurs within two (2) years following a Change in Control; (ii) meets the definition of a Separation from Service; and (iii) would meet the definition of a Qualifying Termination if the Grantee’s employment had actually terminated on such date (for example, the Grantee meets the age and service requirements for a Retirement on the date of the permanent reduction). In no event shall a Qualifying Termination include the death or any other termination or Separation from Service of the Grantee not specifically covered by the preceding sentences.

**Section 1.12. Retirement**

“Retirement” shall mean the voluntary termination of the Grantee’s employment with the Company and all Subsidiaries on or after (a) reaching the minimum age of fifty-five (55) and (b) achieving five (5) consecutive years of service; provided, however, that the sum of the Grantee’s age plus years of service (counting whole years only) must equal at least sixty-five (65) and provided further that there is no basis for the Company or any Subsidiary that employs the Grantee to terminate the Grantee with Cause at the time of the Grantee’s voluntary termination.

**Section 1.13. Separation from Service**

“Separation from Service” shall mean a “separation from service” under Treas. Reg. Section 1.409A-1(h). This generally means the date the Grantee and the Company or the applicable Subsidiary reasonably anticipate that (a) the Grantee will perform no further services or (b) the level of bona fide services the Grantee will perform (whether as an employee or as an independent contractor) will permanently decrease to no more than twenty percent (20%) of the average level of bona fide services performed (whether as an employee or an independent contractor) over the immediately preceding thirty-six (36) month period (or the full period of services if the Grantee has been providing services to the Company or Subsidiary less than thirty-six (36) months). If the Grantee is on a leave of absence,

a Separation from Service shall only occur upon the termination of such leave by the Company or by the Subsidiary that employs the Grantee and subsequent termination of the Grantee's employment or, if earlier, at the time required under Treas. Reg. Section 1.409A-1(h)(1) (including the extended disability leave provisions). Under Treas. Reg. Section 1.409A-1(h)(1), unless the Grantee retains a right to reemployment under an applicable statute or by contract, the Separation from Service is deemed to occur on the first date immediately following six (6) months or, for certain disabilities, twenty-nine (29) months.

**ARTICLE II**  
**GRANT OF PERFORMANCE SHARE UNITS**

**Section 2.1. Grant of Performance Share Units**

For good and valuable consideration, on and as of the Grant Date the Company irrevocably grants to the Grantee the Performance Share Units on the terms and conditions set forth in this Agreement. For the avoidance of doubt, no Performance Share Units shall be earned unless all applicable performance and service requirements are met.

**Section 2.2. Target Number of Performance Share Units**

The target number of Performance Share Units awarded is set forth on the Grant Details page. At the end of the applicable Performance Period, and subject to additional service and payment requirements in Sections 3.1, 3.2 and 3.3, the Grantee can earn up to [300%] of the target number of Performance Share Units or as little as [no] Performance Share Units, depending upon actual performance compared to the performance goal measures established by the Committee.

**Section 2.3. Performance Period**

There are two periods during which the performance goal measures apply (each a "Performance Period"): a one-year performance period applies to the Adjusted EBITDA goal (the "One-Year Goal") and a three-year performance period applies to the Average Adjusted ROIC goal (the "Three-Year Goal"). The Performance Periods begin and end as set forth on the Grant Details page.

**Section 2.4. Performance Goal Measures**

The performance goal measures and the levels of performance for each of the performance goal measures that are required to earn Performance Share Units were established by the Committee on the Grant Date. In determining performance, [fifty percent (50%)] of the target number of Performance Share Units are subject to the One-Year Goal which is based on Adjusted EBITDA and the other [fifty percent (50%)] of the target number of Performance Share Units are subject to the Three-Year Goal which is based on Average Adjusted ROIC, each as defined below and as established by the Committee, for the applicable Performance Period, with the method for determining the number of Performance Share Units that can be earned (including the threshold, target and maximum number of Performance Share Units) set forth on **Exhibit 1** hereto, subject to the additional service and payment requirements in Sections 3.1, 3.2 and 3.3. In allocating the Performance Share Units between the One-Year Goal and the Three-Year Goal, any remaining fractional Share underlying the target number of Performance Share Units shall be allocated to the One-Year Goal. If the performance level for a performance goal measure is below the established threshold, no Performance Share Units shall be

earned for the applicable Performance Period with respect to such performance goal measure. If the performance level for a performance goal measure is above the established maximum, no additional Performance Share Units shall be earned above the associated maximum payout level for the applicable Performance Period with respect to such performance goal measure. Within sixty (60) days following the end of the applicable Performance Period, the Committee will determine the extent to which the applicable performance goal measure has been met and the number of Performance Share Units earned (subject to the additional service and payment requirements in Sections 3.1, 3.2 and 3.3). If performance for the applicable performance goal measure is between the threshold and the target or between the target and the maximum, the performance level achieved will be determined by applying linear interpolation to the performance interval and then rounding to the nearest whole Performance Share Unit. The Committee must certify the performance results for each of the performance goal measures following the end of the applicable Performance Period. Except as provided in Section 3.3 in the event of a Change in Control during the applicable Performance Period, any Performance Share Units that are not, based on the Committee's determination, earned by performance during the applicable Performance Period, including Performance Share Units that had been potentially earnable by performance in excess of the actual performance levels achieved, shall be cancelled and forfeited as of the last day of the applicable Performance Period.

**Section 2.5. No Guarantee of Employment**

Nothing in this Agreement or in the Plan shall confer upon the Grantee any right to continue in the employ of the Company or any Subsidiary or shall interfere with or restrict in any way the rights of the Company and its Subsidiaries, which are hereby expressly reserved, to terminate the employment of the Grantee at any time and for any reason whatsoever, with or without Cause, subject to the applicable provisions of, if any, the Grantee's employment agreement with the Company or any Subsidiary that employs the Grantee or offer letter provided by the Company or any Subsidiary that employs the Grantee to the Grantee.

**Section 2.6. Adjustments to the Performance Share Units**

The Performance Share Units shall be subject to the adjustment provisions of Sections 8 and 9 of the Plan.

**ARTICLE III  
VESTING AND PAYMENT**

**Section 3.1. Vesting**

(a) Vesting Dates and Forfeiture. Except as provided otherwise in Sections 3.1(b), 3.1(c) and 3.3 below and subject to the attainment of the applicable performance goal measures and the required certification as provided in Section 2.4, the Performance Share Units shall become vested and nonforfeitable in accordance with the vesting table set forth on the Grant Details page on the dates listed in the first column of such table (each such date, a "Vesting Date"), so long as the Grantee continues to be employed by the Company or a Subsidiary through each such Vesting Date. Once vested, the Performance Share Units shall be paid as provided in Section 3.2 or 3.3, subject to the forfeiture provisions of Section 3.1(c) below. To the extent this vesting schedule results in the vesting of fractional Shares, the fractional Shares shall be combined into one Share and vest on the earliest Vesting Date. If the Grantee's employment with the Company or the applicable Subsidiary terminates prior to a Vesting Date and neither Section 3.1(b) nor Section 3.3 applies or has applied, or to the extent

Section 3.1(b) cannot apply, then any portion of the Performance Share Units that have not vested at the date of such termination of employment shall be automatically forfeited to the Company and cancelled.

(b) Accelerated Vesting Events.

(i) Performance Share Units Subject to One-Year Goal: Notwithstanding Section 3.1(a) above, to the extent the Performance Share Units subject to the One-Year Goal have not previously terminated, been forfeited or become vested and nonforfeitable, and except as otherwise provided in Section 3.3:

(A) in the event the Grantee's employment is terminated before the last day of the Performance Period due to the Grantee's Retirement, Disability Termination or death, in each case before the last day of the Performance Period, then a Pro-Rata Portion (as defined below) of such Performance Share Units (rounded to the nearest whole Share) that would have become vested and nonforfeitable on the first Vesting Date if the Grantee had remained employed with the Company or a Subsidiary shall become vested and nonforfeitable as of the end of the Performance Period (to the extent earned based upon all applicable performance requirements, and subject to all certification requirements, in Section 2.4) and all remaining Performance Share Units subject to the One-Year Goal shall be automatically forfeited to the Company and cancelled;

(B) in the event the Grantee's employment is terminated on or after the last day of the Performance Period but before a subsequent Vesting Date due to the Grantee's Retirement, then that one-third (33 1/3%) of the Performance Share Units that would have become vested and nonforfeitable on the next Vesting Date immediately following the Grantee's Retirement date if the Grantee had remained employed with the Company or a Subsidiary shall become vested and nonforfeitable on such Retirement date (to the extent earned based on all applicable performance requirements, and subject to all certification requirements, in Section 2.4) and all remaining Performance Share Units subject to the One-Year Goal shall be automatically forfeited to the Company and cancelled, provided, however, that, if the Grantee terminates due to Retirement on a Vesting Date, no accelerated vesting shall occur but rather the Grantee shall be entitled only to the portion of the Performance Share Units that were scheduled to vest on such Vesting Date and all remaining Performance Share Units subject to the One-Year Goal shall be automatically forfeited to the Company and cancelled; and

(C) in the event the Grantee's employment is terminated due to the Grantee's Disability Termination or death, in each case on or after the last day of the Performance Period but before a subsequent Vesting Date, then all remaining unvested Performance Share Units that would have become vested and nonforfeitable if the Grantee had remained employed with the Company or a Subsidiary through all future Vesting Dates shall become vested and nonforfeitable as of such Disability Termination or death (to the extent earned based upon all applicable performance requirements, and subject to all certification requirements, in Section 2.4).

(ii) Performance Share Units Subject to Three-Year Goal: Notwithstanding Section 3.1(a) above, to the extent the Performance Share Units subject to the Three-Year Goal have not previously terminated, been forfeited or become vested and nonforfeitable, and except as otherwise provided in Section 3.3:

(A) in the event the Grantee's employment is terminated before the last day of the Performance Period due to the Grantee's Retirement, Disability Termination or death, in each case before the last day of the Performance Period, then a Pro-Rata Portion of such Performance Share Units (rounded to the nearest whole Share) that would have become vested and nonforfeitable on the Vesting Date if the Grantee had remained employed with the Company or a Subsidiary shall become vested and nonforfeitable as of the end of the Performance Period (to the extent earned based upon all applicable performance requirements, and subject to all certification requirements, in Section 2.4) and all remaining Performance Share Units subject to the Three-Year Goal shall be automatically forfeited to the Company and cancelled; and

(B) in the event the Grantee's employment is terminated on or after the last day of the Performance Period but before the Vesting Date due to the Grantee's Retirement, Disability Termination or death, in each case on or after the last day of the Performance Period but before the Vesting Date, then such Performance Share Units that would have become vested and nonforfeitable if the Grantee had remained employed with the Company or a Subsidiary on the Vesting Date shall become vested and nonforfeitable as of such Retirement, Disability Termination or death (to the extent earned based upon all applicable performance requirements, and subject to all certification requirements, in Section 2.4).

(iii) Effect on Payment Date: Accelerated vesting under Section 3.1(b)(i) or (ii) shall not accelerate the time of payment of the Performance Share Units and payment shall be made on the applicable Payment Date as provided in Section 3.2.

(c) Termination With Cause. Notwithstanding any other provision of this Agreement, in the event the Grantee's employment is terminated by the Company with Cause prior to the satisfaction of all applicable performance, service and payment requirements, all Performance Share Units shall be forfeited and cancelled on the date of such termination of employment and the Grantee shall have no rights under this Agreement.

(d) Transfers and Reemployment. For purposes of this Agreement, transfer of the Grantee's employment without an intervening period of separation among the Company and any Subsidiary shall not be deemed a termination of employment. Upon reemployment of the Grantee by the Company or any Subsidiary following a termination of the Grantee's employment with the Company and any Subsidiary for any reason, the Grantee shall have no rights to any Performance Share Units previously forfeited and cancelled under this Agreement.

### **Section 3.2. Payment of Performance Share Units**

(a) Timing of Payment. Except as provided otherwise in Section 3.3 (related to a Change in Control), once earned and vested in accordance with Section 2.4 and Section 3.1(a) or (b), as applicable, the Performance Share Units shall be paid on the Vesting Dates set forth on the Grant Details page (applying the same provisions as are in Section 3.1(a) related to fractional Shares). The Vesting Dates set forth on the Grant Details page are fixed dates of payment and do not change regardless of when the actual vesting occurs under Section 3.1(b) or 3.3, except to the extent a special earlier accelerated payment date due to a Qualifying Termination applies under Section 3.3. Such payment dates (including the special earlier accelerated payment date due to a Qualifying Termination as provided in Section 3.3), are each referred to individually as a "Payment Date".

(b) Delivery of Shares. Shares corresponding to the number of Performance Share Units that have been earned and become vested and nonforfeitable (“Performance Shares”) shall be paid to the Grantee, or, if deceased, the Grantee’s estate, either through delivery of a Share certificate or registration of the issuance of such Performance Shares on the Company’s books and records, and such Performance Shares shall be registered in the name of the Grantee or, if deceased, the Grantee’s estate. The Performance Shares shall be paid on the Payment Dates provided in Sections 3.2(a) and 3.3. Payment may be delayed by the Company only in accordance with the requirements of Section 409A of the Code although no interest shall be payable in the event there is a delay for any reason. In determining the number of Performance Shares to be withheld for taxes as provided in Section 4.3, the value of the Performance Shares shall be based upon the Fair Market Value of the Shares on the date of payment. If a Payment Date falls on a weekend, holiday or other non-trading day, the value of any Performance Shares payable on such Payment Date shall be determined based on the Fair Market Value of the Shares on the most recent prior trading date.

(c) Authorized Shares. The Performance Shares may be either previously authorized but unissued Shares or issued Shares, which have then been reacquired by the Company. Such Shares shall be fully paid and nonassessable.

**Section 3.3. Vesting and Payment in Connection with a Change in Control**

Notwithstanding any other provision of this Article III, in the event of a Change in Control, vesting and payment of the Performance Share Units that have not previously become vested and nonforfeitable and paid, or have not previously been forfeited, under Section 2.4, 3.1(a), 3.1(b), 3.1(c) or 3.2 shall be determined under this Section 3.3 as follows:

(a) Change in Control On or Before End of Applicable Performance Period. In the event a Change in Control occurs on or before the end of the applicable Performance Period and provided the Grantee is continuously employed by the Company or a Subsidiary until the Change in Control, the target number of the applicable Performance Share Units shall be deemed earned but otherwise continue to be subject to the service and payment provisions, including applicable proration requirements, that apply under Sections 3.1(a), 3.1(b), 3.1(c) and 3.2 unless the Grantee experiences a Qualifying Termination. If the Grantee experiences a Qualifying Termination, all of the applicable Performance Share Units deemed earned per the preceding sentence and not previously vested and paid or previously forfeited, shall become immediately vested and nonforfeitable and shall be paid (but only if such accelerated payment timing results in payment before payment on the applicable Vesting Date) on the date of such Qualifying Termination, subject to a six-month delay, if applicable, as provided under Section 10(c) of the Plan.

(b) Change in Control Following End of Applicable Performance Period. In the event a Change in Control occurs following the end of the applicable Performance Period and provided the Grantee is continuously employed by the Company or a Subsidiary until the Change in Control, all of the applicable Performance Share Units previously earned based on the Committee’s determination of performance in accordance with Section 2.4 shall continue to be subject to the service and payment requirements that apply under Sections 3.1(a), 3.1(b), 3.1(c) and 3.2 unless the Grantee experiences a Qualifying Termination. If the Grantee experiences a Qualifying Termination, all of the applicable Performance Share Units previously earned based on the Committee’s determination of performance in accordance with Section 2.4 and not previously vested and paid or previously forfeited, shall become immediately vested and nonforfeitable and shall be paid (but only if such accelerated payment timing

results in payment before payment on the applicable Vesting Date) on the date of such Qualifying Termination, subject to a six-month delay, if applicable, as provided under Section 10(c) of the Plan.

**Section 3.4. No Dividend Equivalents**

The Grantee shall have no right to dividend equivalents or dividends on the Performance Share Units.

**Section 3.5. Rights as Shareholder**

The Grantee shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of any Performance Shares issuable upon the payment of the Performance Share Units or any portion thereof unless and until certificates representing such Performance Shares shall have been issued by the Company to the Grantee (or book entry representing such Performance Shares has been made with the appropriate registered book-entry custodian).

**ARTICLE IV  
MISCELLANEOUS**

**Section 4.1. Administration**

The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan, this Agreement and the Performance Share Units as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Grantee, the Company and all other interested persons. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith with respect to the Plan, this Agreement or the Performance Share Units. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Agreement.

**Section 4.2. Transferability**

None of (a) the Performance Share Units prior to becoming earned and vested pursuant to Sections 2.4, 3.1 and 3.3, (b) the Performance Shares prior to delivery pursuant to Section 3.2, or (c) any interest or right therein or part thereof (i) shall be liable for the debts, contracts or engagements of the Grantee or his or her successors in interest or (ii) shall be subject in any manner to disposition by transfer, alienation, anticipation, sale, pledge, encumbrance, hypothecation, assignment, charge or any other means whether any such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that this Section 4.2 shall not prevent transfers by will or by the applicable laws of descent and distribution or other transfers authorized in limited circumstances by the Committee (or its Delegee).

**Section 4.3. Taxes**

Unless otherwise determined by the Committee (in compliance with Section 409A of the Code), on the applicable Payment Date, the Company shall withhold from any Performance Shares

deliverable in payment of the Performance Share Units the number of Performance Shares having a value equal to the minimum amount of federal, state or local income or other taxes required to be withheld under applicable laws and regulations, and pay the amount of such withholding taxes in cash to the appropriate taxing authorities. Unless otherwise determined by the Committee (in compliance with Section 409A of the Code), if vesting occurs prior to payment and applicable law requires the payment of employment taxes at such time, then the Company shall withhold from the Performance Share Units at vesting the number of Performance Shares having a value equal to the minimum amount of federal, state or local income and employment or other taxes required to be withheld under applicable law and regulations, in a manner that complies with Section 409A of the Code, and pay the amount of such withholding taxes in cash to the appropriate taxing authorities. With regard to withholding on the Payment Date (but not at the time of vesting), any fractional Shares resulting from the payment of the withholding amounts shall be liquidated and paid in cash to the U.S. Treasury as additional federal income tax withholding for the Grantee. With regard to withholding at the time of vesting, only full Shares (determined by rounding down to the next full Share) shall be liquidated and paid in cash to the U.S. Treasury and any additional amounts due for tax withholding shall be paid by the Grantee. The Grantee shall be responsible for any withholding taxes not satisfied by means of such mandatory withholding and for all taxes in excess of such withholding taxes that may be due upon vesting of the Performance Share Units.

**Section 4.4. Limitation on Obligations**

The Performance Share Units shall not be secured by any specific assets of the Company or any of its Subsidiaries, nor shall any assets of the Company or any of its Subsidiaries be designated as attributable or allocated to the satisfaction of the Company's obligations under this Agreement. In addition, the Company shall not be liable to the Grantee for damages relating to any delays in issuing the Share certificates or electronic delivery thereof to him or her (or his or her designated entities), any loss of the certificates, or any mistakes or errors in the issuance or registration of the certificates or in the certificates themselves.

**Section 4.5. Securities Laws**

The Company may require the Grantee to make or enter into such written representations, warranties and agreements, in a form satisfactory to the Committee (or its Delegee), as the Committee (or its Delegee) may reasonably request in order to comply with applicable securities laws, including without limitation written representations stating that the Performance Shares are being acquired for the Grantee's own account, for investment and without any present intention of distributing or reselling said Performance Shares or any of them except as may be permitted under the Securities Act of 1933, as amended (the "Act"), and then applicable rules and regulations thereunder, and that the Grantee will indemnify the Company against and hold it free and harmless from any loss, damage, expense or liability resulting to the Company if any sale or distribution of the Performance Shares by such person is contrary to the representation and agreement referred to above; provided, however, that the Committee (or its Delegee) may, in its reasonable discretion, take whatever additional actions it deems reasonably necessary to ensure the observance and performance of such representation and agreement and to effect compliance with the Act and any other federal or state securities laws or regulations. The Performance Share Units and the Performance Shares shall be subject to all applicable laws, rules and regulations and to such approvals of any governmental agencies as may be required.

**Section 4.6. Notices**

Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of its General Counsel or his or her designee, and any notice to be given to the Grantee shall be addressed to the Grantee at the last address of the Grantee known to the Company unless otherwise directed by the Grantee. By a notice given pursuant to this Section 4.6, either party may hereafter designate a different address for the provision of notices under this Agreement. Any notice, which is required to be given to the Grantee, shall, if the Grantee is then deceased, be given to the Grantee's personal representative if such representative has previously informed the Company of his or her status and address by written notice under this Section 4.6. Any notice shall have been deemed duly given when (a) delivered in person; (b) enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service; or (c) enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with fees prepaid) in an office regularly maintained by FedEx, UPS, or comparable non-public mail carrier.

**Section 4.7. Titles; Pronouns**

Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement. The masculine pronoun shall include the feminine and neuter, and the singular the plural, where the context so indicates.

**Section 4.8. Applicability of the Plan**

The Performance Share Units and the Performance Shares issued to the Grantee upon payment of the Performance Share Units shall be subject to all of the terms and provisions of the Plan to the extent applicable to a performance share unit and Shares. In the event of any conflict between this Agreement and the Plan, the terms of the Plan shall control.

**Section 4.9. Amendment**

This Agreement may only be amended pursuant to Section 10 of the Plan.

**Section 4.10. Governing Law**

The laws of the State of Delaware shall govern the interpretation, validity and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws. This Agreement and the Performance Share Units are subject to all present and future applicable provisions of the Code. If any provision of this Agreement conflicts with any such Code provision, the Committee shall modify this Agreement so as to comply, or if for any reason modification cannot be made, that provision of this Agreement shall be void and of no effect. The provisions of Section 10(c) of the Plan are hereby incorporated by reference. Notwithstanding the foregoing, the Company shall not be liable to the Grantee in the event this Agreement or any payment or benefit hereunder fails to be exempt from, or comply with, Section 409A of the Code.

**Section 4.11. Arbitration**

In the event of any controversy among the parties hereto arising out of, or relating to, this Agreement which cannot be settled amicably by the parties, such controversy shall be finally,

exclusively and conclusively settled by mandatory arbitration conducted within a reasonable period by a single arbitrator in an arbitral forum to be selected by the parties and subject to the Federal Rules of Procedure and Evidence. Such arbitration process shall take place within the Nashville, Tennessee metropolitan area, unless otherwise mutually agreed by the parties. The decision of the arbitrator shall be final and binding upon all parties hereto and shall be rendered pursuant to a written decision, which contains a detailed recital of the arbitrator's reasoning. Judgment upon the award rendered may be entered in any court having jurisdiction thereof. Each party shall bear its own legal fees and expenses, unless otherwise determined by the arbitrator, and each party shall bear an equal portion of the arbitrator's and arbitral forum's fees.

**Section 4.12. Clawback**

As a condition of receiving the Performance Share Units, the Grantee acknowledges and agrees that the Grantee's rights, payments, and benefits with respect to the Performance Share Units shall be subject to any reduction, cancellation, forfeiture or recoupment, in whole or in part, upon the occurrence of certain specified events, as may be required by any rule or regulation of the Securities and Exchange Commission or by any applicable national exchange, or by any other applicable law, rule or regulation or as set forth in a separate "clawback" or recoupment policy as may be adopted from time to time by the Board or the Committee. In the event the Grantee no longer owns the Performance Shares at the time of required recoupment, the Grantee agrees to the recoupment of cash equal to the Fair Market Value of the Performance Shares on the date the Performance Shares were sold.

**Section 4.13. Consent to Electronic Delivery**

The Grantee hereby consents to and agrees to electronic delivery of this Agreement, the Performance Shares, Plan documents, proxy materials, annual reports and other related documents. The Committee (or its Delegee) has established procedures for electronic delivery and acceptance of Plan documents (including documents relating to any programs adopted under the Plan and this Agreement). The Grantee hereby consents to such procedures and agrees that his or her electronic acceptance is the same as, and shall have the same force and effect as, his or her manual signature. The Grantee hereby consents and agrees that any such procedures and delivery may be effected by a third party designated by the Committee (or its Delegee) to provide administrative services related to the Plan.

**Section 4.14. Performance Share Units and Agreement Acceptance**

The Grantee must accept the Performance Share Units and this Agreement through the electronic or telephonic system maintained by the third party designated by the Committee (or its Delegee) to administer the Plan by no later than sixty (60) days after the Grant Date (or such later date as the Committee (or its Delegee) may accept). If the Grantee does not timely accept, or if the Grantee declines, the Performance Share Units, the Performance Share Units will be canceled *ab initio* and the Grantee will not be entitled to any benefits from the Performance Share Units nor any compensation or benefits in lieu of the canceled award.

IN WITNESS WHEREOF, this Agreement has been executed and delivered by the Company.

DOLLAR GENERAL CORPORATION

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ADDRESS:

Dollar General Corporation  
100 Mission Ridge  
Goodlettsville, TN 37072

**Exhibit 1 to Performance Share Unit Award Agreement**

**[ ] Performance Share Unit Matrix – Adjusted EBITDA**

<b>EBITDA Based Shares</b>		
<b>Performance Level</b>	<b>EBITDA Result vs. Target</b>	<b>EBITDA Based Shares</b>
<b>Threshold</b>	[ ]	[ ]
<b>Target</b>	[ ]	[ ]
<b>Maximum</b>	[ ]	[ ]

Note: Interpolate between all EBITDA results and award levels

[ ] Performance Share Unit Matrix – Adjusted ROIC

ROIC Based Shares Earned [ ]		
Performance Level	ROIC Result vs. Target	ROIC Based Shares
Threshold	[ ]	[ ]
Target	[ ]	[ ]
Maximum	[ ]	[ ]

Note: Interpolate between all ROIC results and award levels

**CONSENT AND WAIVER**

This Consent and Waiver, effective May 1, 2023, is voluntarily made and entered into by John W. Garratt (“Employee”) as set forth below.

**WITNESSETH:**

**WHEREAS**, Dollar General Corporation (the “Company”) and Employee have previously entered into an Employment Agreement, effective April 1, 2021, as amended effective September 1, 2022 (collectively the Employment Agreement and all amendments shall be referred to as the “Employment Agreement”); and

**WHEREAS**, Employee has given notice and shall retire from his employment by the Company on June 2, 2023 (the “Retirement Date”), with his last day of work being June 1, 2023; and

**WHEREAS**, to aid the Company in its transition to a new Chief Financial Officer prior to the Retirement Date, Employee shall, by this document, consent in writing to the relinquishment of his position and title of Chief Financial Officer (“CFO”) of the Company and any subsidiaries thereof, as applicable.

**NOW, THEREFORE**, Employee consents and waives as follows:

1. Pursuant to Section 11(c)(iv) of the Employment Agreement, Employee hereby voluntarily, and free of all duress or coercion, relinquishes, and consents to the removal by the Company of, his title and position as CFO of the Company (and any subsidiaries thereof as applicable), and all powers, duties, and responsibilities associated therewith, effective May 1, 2023, and continuing through his Retirement Date, including any extensions thereof. Employee further waives all claims, rights, and demands, and all rights to assert any action or causes of action, associated with or derived from his relinquishment of and the removal of the CFO position, including but not limited to any claim, or any action based on such claims, under the Employment Agreement that such relinquishment or removal constitutes “Good Reason” under Section 11(c) of the Employment Agreement. Employee does not relinquish or consent to the removal of his position and title as President of the Company (and any subsidiaries as applicable).

2. Employee represents and agrees that he has reviewed all aspects of this Consent and Waiver, that he has carefully read and fully understands its provisions, and that he is voluntarily signing where indicated below. Employee represents that he has had the opportunity to review this Consent and Waiver with his legal, tax, or other adviser(s) prior to signing below.

3. Employee’s signature may be transmitted by facsimile, electronic mail in .pdf form, or by any other electronic means and that such will have the same effect as physical delivery of the paper document bearing the original signature.

**IN WITNESS WHEREOF**, Employee has executed this Consent and Waiver on the date indicated below.

EMPLOYEE

Dated: 4/19/2023

/s/ John Garratt  
John W. Garratt

---

**DOLLAR GENERAL**

May 30, 2023

John W. Garratt  
[\*]

Dear John,

This letter (this “Engagement Letter”) outlines the terms and conditions of our engagement of you to provide certain services to Dollar General Corporation (the “Company”) as described herein following your retirement from employment with the Company effective June 2, 2023 (the “Retirement Date”) through April 1, 2024 (the “Period of Engagement”).

**1. Scope of Engagement**

From time to time during the Period of Engagement, the Company may request advice and consultation on various matters (the “Services”). It shall be entirely within your discretion to decide whether or not to perform the Services. The Services will be performed on an independent contractor basis and will be at such a level so as not to negate or otherwise override the "separation from service" that has occurred between you and the Company as of the Retirement Date within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended, and the related Treasury Regulation, 26 C.F.R. § 1.409A-1(h) (collectively "Section 409A"). Accordingly, notwithstanding any other provision or term of this Engagement Letter, in no event will the level of Services you perform under this Engagement Letter be more than twenty percent (20%) of the average level of services you performed for the Company over the 36-month period immediately preceding the Retirement Date. You may provide the Services at the Company’s corporate offices or elsewhere at your sole discretion. If you provide the Services at the Company’s corporate offices, the Company will provide you with office space and, as needed, administrative support. You will perform the Services in a professional manner to the best of your ability.

**2. Fees and Expenses**

The Company will pay you an hourly fee of \$1,500/hour for Services that you perform pursuant to this Engagement Letter.

The Company will also reimburse you for any reasonable, documented expenses incurred in providing the Services.

You shall submit an invoice for hours worked and expense reimbursement requests to the Company within thirty (30) days following each month in which the Services are performed or expenses incurred. The Company shall pay each undisputed invoice and reimbursement request within thirty (30) days after timely receipt. Such invoices and expense reimbursement requests shall be sent to the attention of the General Counsel.

---

You will be responsible for the payment of taxes on compensation paid under this Engagement Letter, including income taxes, social security taxes and other or similar taxes required by application of law. The Company shall not withhold any taxes in connection with the compensation paid to you hereunder. Such tax payments shall be your sole responsibility, and you agree to file all required forms and make all required payments appropriate to your tax status when and as they become due.

**3. Confidentiality.**

You agree that, as a condition to the receipt of Confidential Information, you shall: (i) not disclose, directly or indirectly, to any third party (including, without limitation, any of your affiliates, any research company, analyst, any member of the media, any direct or indirect competitor of the Company or any of its subsidiaries or affiliates) any portion of the Confidential Information without the prior written consent of the Company; (ii) not use or exploit the Confidential Information in any way except for purposes of providing Services to the Company in accordance with this Engagement Letter; (iii) not copy the Confidential Information, in whole or in part; (iv) segregate such Confidential Information from your own proprietary information and information received from third parties; (v) promptly return or destroy, at the Company's option, all materials and documentation containing or regarding the Confidential Information upon the end of the Period of Engagement or upon request of the Company; (vi) take all necessary precautions to protect the confidentiality of the Confidential Information received hereunder and exercise at least the same degree of care in safeguarding the Confidential Information as you would with your own confidential information, but in no event less than a diligent standard of care; and, (vii) promptly advise the Company in writing upon learning of any unauthorized use or disclosure of the Confidential Information.

If you are required under a final judicial or governmental order to disclose any Confidential Information, you may disclose the Confidential Information provided that you give the Company sufficient prior notice to contest such order and that you disclose only such portions of the Confidential Information as required by such order.

During the Period of Engagement, you may be privy to material, non-public information of the Company or any of its subsidiaries or affiliates. You hereby acknowledge that you understand and are aware that federal securities laws prohibit any person (including his/her spouse and dependents and anyone living in his/her home) who possesses material, non-public information about a company from purchasing or selling securities of such company while such information remains material and non-public or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities, and you hereby agree to comply with such laws.

For purposes of this Engagement Letter, "Confidential Information" shall mean confidential or other proprietary information, data, documents or materials (whether oral, written, electronic or otherwise) pertaining to the Company or any of its subsidiaries or affiliates that is disclosed or available to you in connection with the performance of the Services including, without limitation, any strategies, research, methodologies, techniques, transportation data, sales data, financial information, designs, drawings, models, prototypes, product specifications and documentation,

business, marketing and product plans and data, inventory management data, current or future initiatives, information related to debt or equity offerings, pricing, vendor lists, customer lists, flow charts, non-public material information, and other confidential business information, whether of tangible or intangible value to the Company or any of its subsidiaries or affiliates. Confidential Information shall also include any information observed by you while at the facilities of the Company or any of its subsidiaries or affiliates or in the course of meetings with personnel of the Company or any of its subsidiaries or affiliates, or the personnel of any of the Company's or any of its subsidiaries' or affiliates' advisors, consultants or representatives. Confidential Information shall not include information that is or becomes public knowledge without any action by, or involvement of, you.

If the terms of this Engagement Letter are acceptable to you, please date and countersign below.

Sincerely,

/s/ Rhonda M. Taylor

Rhonda M. Taylor  
Executive Vice President & General Counsel

Address for Invoices: Attn: General Counsel  
100 Mission Ridge,  
Goodlettsville, TN  
37072

Agreed and Accepted:

Date: 5-30-2023

/s/ John W. Garratt  
John W. Garratt

Address: [\*]  
3

---

June 1, 2023

To the Shareholders and Board of Directors of Dollar General Corporation

We are aware of the incorporation by reference in the Registration Statements (Nos. 333-151047, 333-151049, 333-151655, 333-163200, 333-254501, and 333-256562 on Forms S-8) of Dollar General Corporation of our report dated June 1, 2023, relating to the unaudited condensed consolidated interim financial statements of Dollar General Corporation that are included in its Form 10-Q for the quarter ended May 5, 2023.

/s/ Ernst & Young LLP  
Nashville, Tennessee

---

## CERTIFICATIONS

I, Jeffery C. Owen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dollar General Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 1, 2023

/s/ Jeffery C. Owen  
Jeffery C. Owen  
Chief Executive Officer

---

I, Kelly M. Dilts, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dollar General Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 1, 2023

/s/ Kelly M. Dilts

---

Kelly M. Dilts  
Chief Financial Officer

**CERTIFICATIONS**  
**Pursuant to 18 U.S.C. Section 1350**

Each of the undersigned hereby certifies that to his or her knowledge the Quarterly Report on Form 10-Q for the fiscal quarter ended May 5, 2023 of Dollar General Corporation (the "Company") filed with the Securities and Exchange Commission on the date hereof fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jeffery C. Owen

Name: Jeffery C. Owen

Title: Chief Executive Officer

Date: June 1, 2023

/s/ Kelly M. Dilts

Name: Kelly M. Dilts

Title: Chief Financial Officer

Date: June 1, 2023

---