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 November 3, 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	**61-0502302**
(State or other jurisdiction of incorporation or organization)	(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 ☒	Accelerated filer ☐
Non-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 219,497,254 shares of common stock outstanding on November 30, 2023.

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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

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

	November 3, 2023	February 3, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 365,447	$ 381,576
Merchandise inventories	7,356,065	6,760,733
Income taxes receivable	197,555	135,775
Prepaid expenses and other current assets	352,011	302,925
Total current assets	8,271,078	7,581,009
Net property and equipment	5,848,385	5,236,309
Operating lease assets	10,904,323	10,670,014
Goodwill	4,338,589	4,338,589
Other intangible assets, net	1,199,700	1,199,700
Other assets, net	62,551	57,746
Total assets	$ 30,624,626	$ 29,083,367
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term obligations	$ 750,000	$ —
Current portion of operating lease liabilities	1,355,316	1,288,939
Accounts payable	3,651,778	3,552,991
Accrued expenses and other	1,020,759	1,036,919
Income taxes payable	9,237	8,919
Total current liabilities	6,787,090	5,887,768
Long-term obligations	6,440,845	7,009,399
Long-term operating lease liabilities	9,540,573	9,362,761
Deferred income taxes	1,152,125	1,060,906
Other liabilities	252,109	220,761
Commitments and contingencies		
Shareholders' equity:		
Preferred stock	—	—
Common stock	192,053	191,718
Additional paid-in capital	3,732,376	3,693,871
Retained earnings	2,527,201	1,656,140
Accumulated other comprehensive loss	254	43
Total shareholders' equity	6,451,884	5,541,772
Total liabilities and shareholders' equity	$ 30,624,626	$ 29,083,367

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		For the 39 weeks ended	
	November 3, 2023	October 28, 2022	November 3, 2023	October 28, 2022
Net sales	$ 9,694,082	$ 9,464,891	$ 28,833,095	$ 27,641,956
Cost of goods sold	6,881,554	6,579,696	20,020,407	18,970,175
Gross profit	2,812,528	2,885,195	8,812,688	8,671,781
Selling, general and administrative expenses	2,379,054	2,149,650	6,946,042	6,276,653
Operating profit	433,474	735,545	1,866,646	2,395,128
Interest expense	82,289	53,681	249,664	136,455
Other (income) expense	—	415	—	415
Income before income taxes	351,185	681,449	1,616,982	2,258,258
Income tax expense	74,939	155,282	357,521	501,404
Net income	$ 276,246	$ 526,167	$ 1,259,461	$ 1,756,854
Earnings per share:				
Basic	$ 1.26	$ 2.34	$ 5.74	$ 7.76
Diluted	$ 1.26	$ 2.33	$ 5.73	$ 7.72
Weighted average shares outstanding:				
Basic	219,480	224,527	219,359	226,434
Diluted	219,799	225,697	219,953	227,587
Dividends per share	$ 0.59	$ 0.55	$ 1.77	$ 1.65

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		For the 39 weeks ended	
	November 3, 2023	October 28, 2022	November 3, 2023	October 28, 2022
Net income	$ 276,246	$ 526,167	$ 1,259,461	$ 1,756,854
Unrealized net gain (loss) on hedged transactions and currency translation, net of related income tax expense (benefit) of $0, $87, $61, and $260, respectively	(761)	243	211	469
Comprehensive income	$ 275,485	$ 526,410	$ 1,259,672	$ 1,757,323

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, August 4, 2023	219,470	$ 192,039	$ 3,724,200	$ 2,380,451	$ 1,015	$ 6,297,705
Net income	—	—	—	276,246	—	276,246
Dividends paid, $0.59 per common share	—	—	—	(129,496)	—	(129,496)
Unrealized net gain (loss) on hedged transactions and currency translation	—	—	—	—	(761)	(761)
Share-based compensation expense	—	—	6,811	—	—	6,811
Other equity and related transactions	20	14	1,365	—	—	1,379
Balances, November 3, 2023	219,490	$ 192,053	$ 3,732,376	$ 2,527,201	$ 254	$ 6,451,884
Balances, July 29, 2022	225,567	$ 197,372	$ 3,627,987	$ 2,364,098	$ (966)	$ 6,188,491
Net income	—	—	—	526,167	—	526,167
Dividends paid, $0.55 per common share	—	—	—	(122,960)	—	(122,960)
Unrealized net gain (loss) on hedged transactions and currency translation	—	—	—	—	243	243
Share-based compensation expense	—	—	15,469	—	—	15,469
Repurchases of common stock	(2,256)	(1,973)	—	(544,482)	—	(546,455)
Other equity and related transactions	264	230	32,621	—	—	32,851
Balances, October 28, 2022	223,575	$ 195,629	$ 3,676,077	$ 2,222,823	$ (723)	$ 6,093,806
Balances, February 3, 2023	219,105	$ 191,718	$ 3,693,871	$ 1,656,140	$ 43	$ 5,541,772
Net income	—	—	—	1,259,461	—	1,259,461
Dividends paid, $1.77 per common share	—	—	—	(388,400)	—	(388,400)
Unrealized net gain (loss) on hedged transactions and currency translation	—	—	—	—	211	211
Share-based compensation expense	—	—	40,704	—	—	40,704
Other equity and related transactions	385	335	(2,199)	—	—	(1,864)
Balances, November 3, 2023	219,490	$ 192,053	$ 3,732,376	$ 2,527,201	$ 254	$ 6,451,884
Balances, January 28, 2022	230,016	$ 201,265	$ 3,587,914	$ 2,473,999	$ (1,192)	$ 6,261,986
Net income	—	—	—	1,756,854	—	1,756,854
Dividends paid, $1.65 per common share	—	—	—	(372,428)	—	(372,428)
Unrealized net gain (loss) on hedged transactions and currency translation	—	—	—	—	469	469
Share-based compensation expense	—	—	57,562	—	—	57,562
Repurchases of common stock	(7,142)	(6,249)	—	(1,635,602)	—	(1,641,851)
Other equity and related transactions	701	613	30,601	—	—	31,214
Balances, October 28, 2022	223,575	$ 195,629	$ 3,676,077	$ 2,222,823	$ (723)	$ 6,093,806

See notes to condensed consolidated financial statements.

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

	For the 39 weeks ended	
	November 3, 2023	October 28, 2022
Cash flows from operating activities:		
Net income	$ 1,259,461	$ 1,756,854
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	625,817	532,514
Deferred income taxes	91,158	166,965
Noncash share-based compensation	40,704	57,562
Other noncash (gains) and losses	79,001	365,500
Change in operating assets and liabilities:		
Merchandise inventories	(661,611)	(1,885,434)
Prepaid expenses and other current assets	(50,846)	(81,836)
Accounts payable	108,757	377,478
Accrued expenses and other liabilities	3,802	54,134
Income taxes	(61,462)	(90,737)
Other	7,238	(4,813)
Net cash provided by (used in) operating activities	1,442,019	1,248,187
Cash flows from investing activities:		
Purchases of property and equipment	(1,240,507)	(1,078,208)
Proceeds from sales of property and equipment	4,963	2,388
Net cash provided by (used in) investing activities	(1,235,544)	(1,075,820)
Cash flows from financing activities:		
Issuance of long-term obligations	1,498,260	2,296,053
Repayments of long-term obligations	(14,362)	(907,731)
Net increase (decrease) in commercial paper outstanding	(1,303,800)	456,800
Borrowings under revolving credit facilities	500,000	—
Repayments of borrowings under revolving credit facilities	(500,000)	—
Costs associated with issuance of debt	(12,438)	(16,521)
Repurchases of common stock	—	(1,641,851)
Payments of cash dividends	(388,381)	(372,423)
Other equity and related transactions	(1,883)	31,208
Net cash provided by (used in) financing activities	(222,604)	(154,465)
Net increase (decrease) in cash and cash equivalents	(16,129)	17,902
Cash and cash equivalents, beginning of period	381,576	344,829
Cash and cash equivalents, end of period	$ 365,447	$ 362,731
Supplemental noncash investing and financing activities:		
Right of use assets obtained in exchange for new operating lease liabilities	$ 1,248,662	$ 1,314,045
Purchases of property and equipment awaiting processing for payment, included in Accounts payable	$ 140,724	$ 152,579

See notes to condensed consolidated financial statements.

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 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 November 3, 2023 and results of operations for the 13-week and 39-week accounting periods ended November 3, 2023 and October 28, 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 $11.3 million and $147.8 million in the respective 13-week periods, and $59.7 million and $353.6 million in the respective 39-week periods, ended November 3, 2023 and October 28, 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 November 3, 2023 and February 3, 2023, the obligations outstanding at the end of the reporting period were $299.9 million and $343.6 million, respectively.

In November 2023, the FASB issued an update to the required disclosures for segment reporting. The update is intended to improve reportable segment disclosures, primarily through enhanced disclosures about significant segment expenses. The update is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The Company does not expect the adoption of this update to have a material impact on its consolidated results of operations, financial position, or cash flows.

In September 2022, the FASB issued new required disclosures for supplier finance programs. These disclosures are 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 November 3, 2023			13 Weeks Ended October 28, 2022		
	Net Income	Weighted Average Shares	Per Share Amount	Net Income	Weighted Average Shares	Per Share Amount
Basic earnings per share	$ 276,246	219,480	$ 1.26	$ 526,167	224,527	$ 2.34
Effect of dilutive share-based awards		319			1,170	
Diluted earnings per share	$ 276,246	219,799	$ 1.26	$ 526,167	225,697	$ 2.33

	39 Weeks Ended November 3, 2023			39 Weeks Ended October 28, 2022		
	Net Income	Weighted Average Shares	Per Share Amount	Net Income	Weighted Average Shares	Per Share Amount
Basic earnings per share	$ 1,259,461	219,359	$ 5.74	$ 1,756,854	226,434	$ 7.76
Effect of dilutive share-based awards		594			1,153	
Diluted earnings per share	$ 1,259,461	219,953	$ 5.73	$ 1,756,854	227,587	$ 7.72

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 and 39-week periods ended November 3, 2023 and October 28, 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 2019 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 2020 through 2022 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 2020 and later tax years remain open for examination by the various state taxing authorities.

As of November 3, 2023, the total reserves for uncertain tax benefits, interest expense related to income taxes and potential income tax penalties were $14.8 million, $1.0 million and $0.0 million, respectively, for a total of $15.8 million. The uncertain tax liability 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 $1.9 million in the coming twelve months as a result of expiring statutes of limitations or settlements. As of November 3, 2023, approximately $12.6 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 and 39-week periods ended November 3, 2023 were 21.3% and 22.1% respectively, compared to rates of 22.8% and 22.2% for the 13-week and 39-week periods ended October 28, 2022. The effective income tax rate was lower for the 13-week period in 2023 than the comparable 13-week period in 2022 primarily due to increased benefits from federal employment tax credits and an increased benefit to the effective tax rate from rate-impacting items caused by lower earnings before taxes in the 13-week period in 2023 offset by a higher state effective tax rate. The effective income tax rate was lower for the 39-week period in 2023 than the comparable 39-week period in 2022 primarily due to a reduced benefit from stock-based compensation and a higher state effective income tax rate offset by an increased benefit to the effective tax rate from rate-impacting items caused by lower earnings before taxes in the 39-week period in 2023.

4. Leases

As of November 3, 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 November 3, 2023, the weighted-average remaining lease term for the Company's operating leases was 9.3 years, and the weighted average discount rate for such leases was 4.1%. Operating lease costs are reflected as selling, general and administrative costs in the condensed consolidated statements of income. For the 39-week periods ended November 3, 2023 and October 28, 2022, such costs were $1.30 billion and $1.19 billion, respectively. Cash paid for amounts included in the measurement of operating lease liabilities of $1.30 billion and $1.20 billion, respectively, were reflected in cash flows from operating activities in the condensed consolidated statements of cash flows for the 39-week periods ended November 3, 2023 and October 28, 2022.

5. Current and long-term obligations

Current and long-term obligations consist of the following:

(In thousands)	November 3, 2023	February 3, 2023
Revolving Facility	$ —	$ —
364-Day Revolving Facility	—	—
4.250% Senior Notes due September 20, 2024 (net of discount of $315 and $563)	749,685	749,437
4.150% Senior Notes due November 1, 2025 (net of discount of $184 and $249)	499,816	499,751
3.875% Senior Notes due April 15, 2027 (net of discount of $172 and $207)	599,828	599,793
4.625% Senior Notes due November 1, 2027 (net of discount of $424 and $495)	549,576	549,505
4.125% Senior Notes due May 1, 2028 (net of discount of $250 and $287)	499,750	499,713
5.200% Senior Notes due July 5, 2028 (net of discount of $130 and $0)	499,870	—
3.500% Senior Notes due April 3, 2030 (net of discount of $457 and $504)	940,823	952,440
5.000% Senior Notes due November 1, 2032 (net of discount of $2,204 and $2,346)	697,796	697,654
5.450% Senior Notes due July 5, 2033 (net of discount of $1,551 and $0)	998,449	—
4.125% Senior Notes due April 3, 2050 (net of discount of $4,695 and $4,766)	495,305	495,234
5.500% Senior Notes due November 1, 2052 (net of discount of $289 and $292)	299,711	299,708
Unsecured commercial paper notes	198,100	1,501,900
Other	205,619	200,695
Debt issuance costs, net	(43,483)	(36,431)
	$ 7,190,845	$ 7,009,399
Less: current portion	(750,000)	—
Long-term obligations	$ 6,440,845	$ 7,009,399

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

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 November 3, 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 November 3, 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 November 3, 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 November 3, 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 November 3, 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 $1.6 billion. As of November 3, 2023, under the 364-Day Revolving Facility, the Company had no outstanding borrowings and borrowing availability of $750.0 million. As of November 3, 2023, the Company had combined availability under the Facilities of $2.4 billion. In addition, as of November 3, 2023, the Company had outstanding letters of credit of $43.2 million which were issued pursuant to separate agreements.

As of November 3, 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 November 3, 2023, the Company's condensed consolidated balance sheet reflected outstanding unsecured CP Notes of $198.1 million, which had a weighted average borrowing rate of 5.4%. CP Notes totaling $197.7 million and $230.8 million at November 3, 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.

On June 7, 2023, the Company issued $500.0 million aggregate principal amount of 5.20% senior notes due 2028 (the "July 2028 Senior Notes"), net of discount of $0.1 million, and $1.0 billion aggregate principal amount of 5.45% senior notes due 2033 (the "2033 Senior Notes"), net of discount of $1.6 million. The July 2028 Senior Notes are scheduled to mature on July 5, 2028, and the 2033 Senior Notes are scheduled to mature on July 5, 2033. Interest on the July 2028 Senior Notes and the 2033 Senior Notes is payable in cash on January 5 and July 5 of each year, commencing on January 5, 2024. The Company incurred $12.4 million of debt issuance costs associated with the issuance of the July 2028 Senior Notes and the 2033 Senior Notes.

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 November 3, 2023.

The following table presents the Company's liabilities required to be measured at fair value as of November 3, 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 November 3, 2023
Liabilities:				
Current and long-term obligations (a)	$ 6,318,958	$ 403,719	$ —	$ 6,722,677
Deferred compensation (b)	46,115	—	—	46,115

(a) Included in the condensed consolidated balance sheet at book value as current portion of long-term obligations of $750,000 and long-term obligations of $6,440,845.

(b) Reflected at fair value in the condensed consolidated balance sheet as accrued expenses and other current liabilities of $10,164 and noncurrent other liabilities of $35,951.

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 then former CEO, Mr. Vasos, unjust enrichment. On February 13, 2023, the plaintiff amended the complaint to add breach of fiduciary duty allegations against certain then 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 October 12, 2023, the court granted in its entirety the motion to dismiss filed by the Company and the Individual Defendants.

On November 27, 2023, and November 30, 2023, respectively, the following putative shareholder class action lawsuits were filed in the United States District Court for the Middle District of Tennessee in which the plaintiffs allege that during the putative class periods noted below, the Company and certain of its current and former officers violated the federal securities laws by misrepresenting the impact of alleged store labor, inventory, pricing and other practices on the Company's financial results and prospects: Washtenaw County Employees' Retirement System v. Dollar General Corporation, et al. (Case No. 3:23-cv-01250) (putative class period of May 28, 2020 to August 30, 2023); Robert J. Edmonds v. Dollar General Corporation, et al. (Case No. 3:23-cv-01259) (putative class period of February 23, 2023 to August 31, 2023) (collectively, the "Shareholder Securities Litigation"). The plaintiffs seek compensatory damages, equitable/injunctive relief, pre- and post-judgment interest and attorneys' fees and costs. The deadline to seek appointment by the Court to serve as the lead plaintiff in the Shareholder Securities Litigation is January 26, 2024.

At this time, it is not possible to estimate the value of the claims asserted in the Shareholder Securities Litigation or the potential range of loss in this matter, and no assurances can be given that the Company will be successful in its defense on the merits or otherwise. However, if the Company is not successful in its defense efforts, the resolution of the Shareholder Securities Litigation could have a material adverse effect on the Company's consolidated financial statements as a whole.

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 November 3, 2023, the Company's retail store operations were primarily located within the United States, with two retail stores 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.

	13 Weeks Ended		39 Weeks Ended	
(in thousands)	November 3, 2023	October 28, 2022	November 3, 2023	October 28, 2022
Classes of similar products:				
Consumables	$ 7,940,527	$ 7,664,806	$ 23,445,031	$ 22,101,146
Seasonal	940,632	942,831	2,979,474	2,991,113
Home products	534,471	574,425	1,582,305	1,674,013
Apparel	278,452	282,829	826,285	875,684
Net sales	$ 9,694,082	$ 9,464,891	$ 28,833,095	$ 27,641,956

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 39-week periods ended November 3, 2023 and October 28, 2022, respectively, the Company repurchased in the open market no shares of its common stock and 7.1 million shares of its common stock at a total cost of $1.6 billion.

The Company paid a cash dividend of $0.59 per share during each of the first three quarters of 2023. In December 2023, the Board declared a quarterly cash dividend of $0.59 per share, which is payable on or before January 23, 2023, to shareholders of record on January 9, 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 November 3, 2023, the related condensed consolidated statements of income, comprehensive income, and shareholders’ equity for the thirteen and thirty-nine week periods ended November 3, 2023 and October 28, 2022, the condensed consolidated statements of cash flows for the thirty-nine week periods ended November 3, 2023 and October 28, 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
December 7, 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 19,726 stores located in 48 U.S. states and Mexico as of November 3, 2023, with the greatest concentration of stores in the southern, southwestern, midwestern and eastern United States. Our first two stores in Mexico opened in 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 customers continue to feel constrained in the current macroeconomic environment, and accordingly we expect their spending to continue to be pressured, particularly in our non-consumables categories. 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, and changes in U.S. government policy and assistance programs (including cost of living adjustments), such as the Supplemental Nutrition Assistance Program ("SNAP"), unemployment benefits, and economic stimulus programs. Our customers have continued to be impacted by the elimination of the emergency allotment of SNAP benefits and lower tax refunds resulting from the elimination of COVID-related stimulus programs, each of which occurred in the first quarter of 2023, and by the overall macroeconomic environment. Additionally, our customers continue to experience higher 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). In addition, the Department of Education's COVID-19 pandemic student loan forbearance program ended in September 2023, and payment obligations generally resumed in October 2023. The impact of this program's conclusion on our customer and our business has not been material, although we can make no assurance that it will not be material in the future. Finally, significant unseasonable or unusual weather patterns or extreme weather can impact customer shopping behaviors, although we did not identify any such impact to any significant degree in the third quarter.

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. In the third quarter of 2023, while the average transaction amount decreased, our customer traffic was positive for the first time in four quarters. 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 continues to shift toward consumables, which is currently at historic highs.

Certain of our initiatives are intended to address this sales mix trend; however, there can be no assurances that these efforts will be successful.

As we work to provide everyday low prices and meet our customers' affordability needs, we remain focused on enhancing our margins through inventory shrink and damage reduction initiatives, as well as pricing and markdown optimization, effective category management, distribution and transportation efficiencies, private brands penetration and global sourcing. 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 damages in the first half of 2023, as well as higher shrink in the first three quarters of 2023, and we anticipate shrink will continue to pressure our results.

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, as noted below, 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 third quarter of 2023, we operated 205 standalone pOpshelf locations, and now plan to operate approximately 215 pOpshelf locations by the end of the fiscal year. In addition, we plan to open approximately 30 pOpshelf stores in fiscal 2024. Although we continue to move at a measured pace with this concept in the softer discretionary sales environment, we believe this concept presents a significant long-term growth opportunity.

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 and gross margin performance since we completed the initial rollout in 2021. 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, particularly in rural communities. The focus of this initiative is a significantly expanded health product assortment in certain stores, primarily those in our larger formats.

We also remain focused on capturing growth opportunities. In the third quarter of 2023, we opened a total of 263 new stores, remodeled 545 stores, and relocated 44 stores. We plan to open approximately 990 new stores in the United States (including both Dollar General and pOpshelf stores), remodel approximately 2,000 stores, and relocate approximately 120 stores, for a total of 3,110 real estate projects in 2023. We opened our first two stores in Mexico in 2023 and have reduced our 2023 Mexico store opening goal, now aiming to operate up to 5 stores in Mexico by the end of 2023, all of which are incremental to our planned 990 new store openings. In 2024, we plan to open approximately 800 new stores (including approximately 30 pOpshelf stores and approximately 15 stores in Mexico), remodel approximately 1,500 stores, and relocate approximately 85 stores, for a total of 2,385 real estate projects.

We expect store format innovation to allow us to capture additional growth opportunities within our existing markets as we continue to utilize the most productive of our various Dollar General store formats based on the specific market opportunity. 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 in 2023 and 2024, 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 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. From time to time, our strategic initiatives, including without limitation those discussed above, have required and may 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 further expanded our private fleet in 2023 from 1,600 tractors at the end of fiscal 2022 to more than 2,000 tractors at the end of the third quarter 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 or changes to salary levels required for certain overtime-exempt positions, such as those currently proposed by the Department of Labor, could have a material negative impact on our operating expenses, although the magnitude and timing of such impact is uncertain. Furthermore, we have invested approximately $100 million through the first three quarters of fiscal 2023 of our planned full year $150 million investment in retail labor, primarily through labor hours, to further enhance our store standards, including on-shelf availability, and compliance efforts as well as the customer and associate experience in our stores.

In addition to our planned labor investment in 2023, we are taking additional actions to support our customers, stores and distribution centers. Most significantly, we are accelerating the pace of our inventory reduction efforts, including additional promotional markdowns, in an effort to return to more optimal inventory levels sooner than we believe the current pace would deliver. We expect these investments in retail labor, markdowns, and other areas to negatively impact operating profit by up to $270 million in 2023.

While we believe the growth rate of inflation is moderating, we expect some continued inflationary pressures will continue to affect our operating results and our vendors and customers. Moreover, increases in market interest rates have had, and will likely continue to have, a negative impact on our interest expense, both with respect to issuances of commercial paper notes and other indebtedness. Further, both inflation and higher interest rates have significantly increased new store opening costs and occupancy costs, which have negatively impacted our projected new store returns and influenced our 2024 new store growth plans.

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. We are taking actions designed to reduce our store manager turnover, which was higher than targeted as of the end of the third quarter, including making efforts to simplify in-store activities and reduce excess inventory, and optimally allocating the aforementioned labor hours in our stores.

To further enhance shareholder returns, we have continued to pay quarterly cash dividends. The declaration and amount of future dividends are subject to Board discretion and approval, although we currently expect to continue paying quarterly cash dividends. As planned, to preserve our investment grade credit rating and maintain financial flexibility, we did not repurchase any shares during the first three quarters of 2023 under our share repurchase program and do not plan to repurchase shares during the fourth quarter of 2023. The repurchase authorization has no expiration date, and future repurchases will depend on a variety of factors, including price, market conditions, compliance with the covenants and restrictions under our debt agreements, cash requirements, excess debt capacity, results of operations, financial condition and other factors.

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 third quarter results of operations, compared to the 2022 third quarter, and our financial condition at November 3, 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 2.4% to $9.69 billion driven by new stores, partially offset by sales in same-stores which decreased 1.3%. Average sales per square foot for all stores over the 53-week period ended November 3, 2023 were $270.

- Gross profit, as a percentage of net sales, was 29.0% in the 2023 period and 30.5% in the 2022 period, a decrease of 147 basis points, primarily reflecting increased shrink, lower inventory markups, and increased markdowns.

- SG&A expense, as a percentage of net sales, was 24.5% in the 2023 period compared to 22.7% in the 2022 period, an increase of 183 basis points, primarily due to higher retail labor, depreciation and amortization, and repairs and maintenance as a percentage of net sales.

- Operating profit decreased 41.1% to $433.5 million in the 2023 period compared to $735.5 million in the 2022 period.

- Interest expense increased by $28.6 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 was 21.3% compared to a rate of 22.8% for the 2022 period primarily due to an increased benefit from rate-impacting items caused by lower earnings before taxes.

- Net income was $276.2 million, or $1.26 per diluted share, in the 2023 period compared to net income of $526.2 million, or $2.33 per diluted share, in the 2022 period.

Highlights of the year-to-date period of 2023 include:

- Cash generated from operating activities was $1.4 billion for the 2023 period, an increase of $193.8 million, or 15.5%, from the comparable 2022 period.

- Total cash dividends of $388.4 million, or $1.77 per share, were paid during the 2023 period, compared to $372.4 million, or $1.65 per share, in the comparable 2022 period.

- Inventory turnover was 3.7 times on a rolling four-quarter basis. On a per store basis, inventories at November 3, 2023 decreased by 1.8% compared to the balances at October 28, 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 November 3, 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 third quarter accounting periods for 2023 and 2022 contained herein refer to the 13-week accounting periods ended November 3, 2023 and October 28, 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 third 13-week periods and the 39-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 November 3, 2023	13 Weeks Ended October 28, 2022	2023 vs. 2022 Amount Change	2023 vs. 2022 % Change	39 Weeks Ended November 3, 2023	39 Weeks Ended October 28, 2022	2023 vs. 2022 Amount Change	2023 vs. 2022 % Change
Net sales by category:								
Consumables	$ 7,940.5	$ 7,664.8	$ *275.7*	*3.6* %	$ 23,445.0	$ 22,101.1	$ *1,343.9*	*6.1* %
% of net sales	*81.92* %	*80.98* %			*81.31* %	*79.96* %		
Seasonal	940.6	942.8	*(2.2)*	*(0.2)*	2,979.5	2,991.1	*(11.6)*	*(0.4)*
% of net sales	*9.70* %	*9.96* %			*10.33* %	*10.82* %		
Home products	534.5	574.4	*(40.0)*	*(7.0)*	1,582.3	1,674.0	*(91.7)*	*(5.5)*
% of net sales	*5.51* %	*6.07* %			*5.49* %	*6.06* %		
Apparel	278.5	282.8	*(4.4)*	*(1.5)*	826.3	875.7	*(49.4)*	*(5.6)*
% of net sales	*2.87* %	*2.99* %			*2.87* %	*3.17* %		
Net sales	$ 9,694.1	$ 9,464.9	$ *229.2*	*2.4* %	$ 28,833.1	$ 27,642.0	$ *1,191.1*	*4.3* %
Cost of goods sold	6,881.6	6,579.7	*301.9*	*4.6*	20,020.4	18,970.2	*1,050.2*	*5.5*
% of net sales	*70.99* %	*69.52* %			*69.44* %	*68.63* %		
Gross profit	2,812.5	2,885.2	*(72.7)*	*(2.5)*	8,812.7	8,671.8	*140.9*	*1.6*
% of net sales	*29.01* %	*30.48* %			*30.56* %	*31.37* %		
Selling, general and administrative expenses	2,379.1	2,149.7	*229.4*	*10.7*	6,946.0	6,276.7	*669.4*	*10.7*
% of net sales	*24.54* %	*22.71* %			*24.09* %	*22.71* %		
Operating profit	433.5	735.5	*(302.1)*	*(41.1)*	1,866.6	2,395.1	*(528.5)*	*(22.1)*
% of net sales	*4.47* %	*7.77* %			*6.47* %	*8.66* %		
Interest expense	82.3	53.7	*28.6*	*53.3*	249.7	136.5	*113.2*	*83.0*
% of net sales	*0.85* %	*0.57* %			*0.87* %	*0.49* %		
Other (income) expense	—	0.4	*(0.4)*	*(100.0)*	—	0.4	*(0.4)*	*(100.0)*
% of net sales	*0.00* %	*0.00* %			*0.00* %	*0.00* %		
Income before income taxes	351.2	681.4	*(330.3)*	*(48.5)*	1,617.0	2,258.3	*(641.3)*	*(28.4)*
% of net sales	*3.62* %	*7.20* %			*5.61* %	*8.17* %		
Income tax expense	74.9	155.3	*(80.3)*	*(51.7)*	357.5	501.4	*(143.9)*	*(28.7)*
% of net sales	*0.77* %	*1.64* %			*1.24* %	*1.81* %		
Net income	$ 276.2	$ 526.2	$ *(249.9)*	*(47.5)*%	$ 1,259.5	$ 1,756.9	$ *(497.4)*	*(28.3)*%
% of net sales	*2.85* %	*5.56* %			*4.37* %	*6.36* %		
Diluted earnings per share	$ 1.26	$ 2.33	$ *(1.07)*	*(45.9)*%	$ 5.73	$ 7.72	$ *(1.99)*	*(25.8)*%

13 WEEKS ENDED NOVEMBER 3, 2023 AND OCTOBER 28, 2022

Net Sales. The net sales increase in the 2023 period was primarily due to sales from new stores partially offset by a same-store sales decrease of 1.3% compared to the 2022 period and the impact of store closures. The decrease in same-store sales primarily reflects a decrease in average transaction amount partially offset by an increase in customer traffic. The decrease in average transaction amount was driven by a decline in items per transaction partially offset by higher average item retail prices. Same-store sales decreased in the consumables, apparel, home products and seasonal categories. For the 2023 period, there were 18,537 same-stores, which accounted for sales of $9.3 billion.

Gross Profit. For the 2023 period, gross profit decreased by 2.5%, and as a percentage of net sales decreased by 147 basis points to 29.0%, compared to the 2022 period, driven primarily by increased shrink, lower inventory markups, and increased markdowns. Partially offsetting the factors which decreased our overall gross profit rate were a lower LIFO provision and decreased transportation costs.

Selling, General & Administrative Expenses ("SG&A"). SG&A was 24.5% as a percentage of net sales in the 2023 period compared to 22.7% in the comparable 2022 period, an increase of 183 basis points. The primary expenses that were a higher percentage of net sales in the current year period were retail labor, depreciation and amortization, repairs and maintenance, rent, professional fees, and other services purchased, including debt and credit card transaction fees, which were partially offset by a decrease in incentive compensation.

Interest Expense. Interest expense increased by $28.6 million to $82.3 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 period was 21.3% compared to a rate of 22.8% for the 2022 period, which represents a net decrease of 1.5 percentage points. The tax rate for the 2023 period was lower than the comparable 2022 period primarily due to increased benefits from federal employment tax credits and an increased benefit to the effective tax rate from rate-impacting items caused by lower earnings before taxes in the 2023 period offset by a higher state effective tax rate.

39 WEEKS ENDED NOVEMBER 3, 2023 AND OCTOBER 28, 2022

Net Sales. The net sales increase in the 2023 period was primarily due to sales from new stores, as well as flat same-store sales compared to the 2022 period, partially offset by the impact of store closures. Same-store sales primarily reflects an increase in average transaction amount offset by a decrease in customer traffic. The increase in average transaction amount was driven by an increase in higher average item retail prices partially offset by a decrease in items per transaction. Same-store sales increased in the consumables category, and declined in the apparel, seasonal and home products categories. For the 2023 period, there were 18,537 same-stores which accounted for sales of $27.5 billion.

Gross Profit. For the 2023 period, gross profit increased by 1.6%, and as a percentage of net sales decreased by 81 basis points to 30.6%, compared to the 2022 period, driven primarily by increased shrink and markdowns, lower inventory markups, and increased inventory damages. In addition, consumables sales increased while non-consumables sales decreased in the current year, which also contributed to the decrease in the gross profit rate. Partially offsetting the factors which decreased our overall gross profit rate were a lower LIFO provision and decreased transportation costs.

Selling, General & Administrative Expenses. SG&A was 24.1% as a percentage of net sales in the 2023 period compared to 22.7% in the comparable 2022 period, an increase of 138 basis points. The primary expenses that were a higher percentage of net sales in the current year period were retail labor, depreciation and amortization, repairs and maintenance, rent, other services purchased, including debt and credit card transaction fees, professional fees, and utilities, partially offset by a decrease in incentive compensation.

Interest Expense. Interest expense increased by $113.2 million to $249.7 million in the 2023 period primarily due to higher outstanding debt balances and higher interest rates.

Income Taxes. The effective income tax rate for the 2023 period was 22.1% compared to a rate of 22.2% for the 2022 period which represents a net decrease of 0.1 percentage points. The tax rate for the 2023 period was lower than the comparable 2022 period primarily due to a reduced benefit from stock-based compensation and a higher state effective income tax rate offset by an increased benefit to the effective tax rate from rate-impacting items caused by lower earnings before taxes in the 2023 period.

Liquidity and Capital Resources

At November 3, 2023, we had a $2.0 billion senior unsecured revolving credit facility (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"), $6.9 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 November 3, 2023, we had total consolidated outstanding long-term obligations of $6.4 billion and current borrowings of $750 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 $750.0 million outstanding at any one time.

Revolving Credit Facility

Our Revolving Facility consists of a $2.0 billion senior unsecured revolving credit facility scheduled to mature on December 2, 2026, up to $100.0 million of which is available for the issuance of letters of credit. 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 November 3, 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 November 3, 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 is scheduled to 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 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 November 3, 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 November 3, 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 November 3, 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 $1.6 billion at November 3, 2023. As of November 3, 2023, under the 364-Day Revolving Facility, we had no outstanding borrowings and borrowing availability of $750.0 million. At November 3, 2023, we had combined availability under the Facilities of $2.4 billion. In addition, as of November 3, 2023, we had outstanding letters of credit of $43.2 million which were issued pursuant to separate agreements.

On June 7, 2023, the Company issued $500.0 million aggregate principal amount of 5.20% senior notes due 2028 (the “July 2028 Senior Notes”), net of discount of $0.1 million, and $1 billion aggregate principal amount of 5.45% senior notes due 2033 (the “2033 Senior Notes”), net of discount of $1.6 million. The July 2028 Senior Notes are scheduled to mature on July 5, 2028, and the 2033 Senior Notes are scheduled to mature on July 5, 2033. Interest on the July 2028 Senior Notes and the 2033 Senior Notes is payable in cash on January 5 and July 5 of each year, commencing on January 5, 2024. The Company incurred $12.4 million of debt issuance costs associated with the issuance of the July 2028 Senior Notes and the 2033 Senior Notes.

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 November 3, 2023, our condensed consolidated balance sheet reflected outstanding unsecured CP Notes of $198.1 million, which had a weighted average borrowing rate of 5.4%. CP Notes totaling $197.7 million were held by a wholly-owned subsidiary and are therefore not reflected on the condensed consolidated balance sheet at November 3, 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. In June 2023, we issued $500.0 million aggregate principal amount of 5.20% senior notes due 2028 (the “July 2028 Senior Notes”), net of discount of $0.1 million, which are scheduled to mature on July 5, 2028, and $1.0 billion aggregate principal amount of 5.45% senior notes due 2033 (the “2033 Senior Notes”), net of discount of $1.6 million, which are scheduled to mature on July 5, 2033.

Collectively, the 2024 Senior Notes, 2025 Senior Notes, April 2027 Senior Notes, November 2027 Senior Notes, 2028 Senior Notes, July 2028 Senior Notes, 2030 Senior Notes, 2032 Senior Notes, 2033 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. Interest on the July 2028 Senior Notes and 2033 Senior Notes is payable in cash on January 5 and July 5 of each year, commencing on January 5, 2024.

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 52% of our total assets exclusive of operating lease assets, goodwill and other intangible assets as of November 3, 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 39-week periods ended November 3, 2023 and October 28, 2022, respectively.

Cash flows from operating activities. Cash flows from operating activities were $1.4 billion in the 2023 period, which represents a $193.8 million increase compared to the 2022 period. Changes in merchandise inventories resulted in a $661.6 million decrease in the 2023 period as compared to a decrease of $1.9 billion in the 2022 period, representing a significant use of cash from operating activities in both periods as further discussed below. Changes in other noncash losses resulted in a $79.0 million increase as compared to a $365.5 million increase in the 2022 period, primarily due to a smaller increase in the LIFO provision in the 2023 period. Changes in accounts payable resulted in a $108.8 million increase in the 2023 period compared to a $377.5 million increase in the 2022 period, due primarily to the timing of inventory purchases, receipts and payments. Net income decreased $497.4 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 timing and amount of income tax 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 27% in the 2022 period. The reduction in growth rate in the 2023 period primarily reflects our supply chain recovery efforts, the impact of product cost inflation and focused inventory reduction management. Changes in our four inventory categories for the 2023 period compared to the 2022 period were as follows: consumables increased by 23% compared to a 16% increase; seasonal decreased 7% compared to a 49% increase; home products decreased by 17% compared to a 58% increase; and apparel increased by 6% compared to 2% increase.

Cash flows from investing activities. Significant components of property and equipment purchases in the 2023 period included the following approximate amounts: $462 million for improvements, upgrades, remodels and relocations of existing stores; $390 million for distribution and transportation-related capital expenditures; $334 million related to store facilities, primarily for leasehold improvements, fixtures and equipment in new stores; and $39 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 690 new stores and remodeled or relocated 1,827 stores.

Significant components of property and equipment purchases in the 2022 period included the following approximate amounts: $463 million for improvements, upgrades, remodels and relocations of existing stores; $279 million for distribution and transportation-related capital expenditures; $254 million related to store facilities, primarily for leasehold improvements, fixtures and equipment in new stores; and $49 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 2022 period, we opened 734 new stores and remodeled or relocated 1,657 stores.

Capital expenditures for 2023 are currently projected to be approximately $1.6 billion to $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 proceeds from the issuance of long-term debt of $1.5 billion. Net commercial paper borrowings decreased by $1.3 billion in 2023 and increased by $0.5 billion in 2022. Also during the 2023 and 2022 periods, we paid cash dividends of $388.4 million and $372.4 million, respectively. During the 2022 period, we repurchased 7.1 million shares of our common stock at a total cost of $1.6 billion.

Share Repurchase Program

As of November 3, 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. To preserve our investment grade credit rating and maintain financial flexibility, we did not repurchase any shares under this program in the first three quarters of 2023 and do not plan to repurchase shares during the fourth quarter of 2023. The repurchase authorization has no expiration date, and future repurchases will depend on a variety of factors, including price, market conditions, compliance with the covenants and restrictions under our debt agreements, cash requirements, excess debt capacity, results of operations, financial condition and other factors. The repurchase program 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.

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 November 3, 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 5. OTHER INFORMATION.

Insider Trading Arrangements. During our fiscal quarter ended November 3, 2023, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" (as such terms are defined in Item 408 of Regulation S-K).

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,” “designed to,” “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 $150 million investment in retail labor, planned acceleration of inventory reduction efforts, 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, and pOpshelf) and our merchandising, margin enhancing, distribution/transportation efficiency (including but not limited to self-distribution and our private fleet), on-shelf availability improvement, store manager turnover reduction and other initiatives;
- expectations regarding sales and mix of consumable and non-consumable products, customer traffic, basket size, shrink and inventory levels;
- expectations regarding inflationary and labor pressures, fuel prices, and other supply chain challenges;
- expectations regarding 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, economic stimulus payments, and the student loan forbearance program, 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 and student loan repayment forgiveness; 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); 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, including the effects of potential regulatory changes related to the overtime exemption under the Fair Labor Standards Act if implemented) 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		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
10.2		Employment Agreement between Dollar General Corporation and Todd J. Vasos, effective October 12, 2023 (incorporated by reference to Exhibit 99.1 to Dollar General Corporation's Current Report on Form 8-K dated October 12, 2023, filed with the SEC on October 12, 2023 (file no. 001-11421))
10.3		Stock Option Award Agreement between Dollar General Corporation and Todd J. Vasos dated October 17, 2023
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 November 3, 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 November 3, 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: December 7, 2023

By: /s/ Kelly M. Dilts
Kelly M. Dilts
Executive Vice President & Chief Financial Officer

Exhibit 10.1

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 (this "Schedule")

This Schedule amends the Schedule of Executive Officers who have executed an employment agreement in the form of COO/Executive Vice President Employment Agreement filed by Dollar General Corporation as Exhibit 99 to its Current Report on Form 8-K dated April 5, 2021, filed with the SEC on April 8, 2021. This Schedule is included pursuant to Instruction 2 of Item 601(a) of Regulation S-K for the purposes of setting forth the material details in which the specific employment agreements executed in the form of COO/Executive Vice President Employment Agreement differ from the form as of December 7, 2023.

Name of Executive Officer	Title	Base Salary	Effective Date
John W. Garratt	President and Chief Financial Officer(1)	$900,000	April 1, 2021 Amended September 1, 2022(2)
Kelly M. Dilts	Executive Vice President and Chief Financial Officer	$750,000	May 1, 2023
Steven R. Deckard	Executive Vice President, Growth & Emerging Markets	$600,000	June 1, 2023
Kathleen A. Reardon	Executive Vice President and Chief People Officer	$515,691	April 1, 2021
Steven G. Sunderland	Executive Vice President, Store Operations	$602,803	April 1, 2021
Emily C. Taylor	Executive Vice President and Chief Merchandising Officer	$620,921	April 1, 2021
Rhonda M. Taylor	Executive Vice President and General Counsel	$629,642	April 1, 2021
Carman R. Wenkoff	Executive Vice President and Chief Information Officer	$625,000	April 1, 2021
Roderick J. West	Executive Vice President, Global Supply Chain	$575,000	September 1, 2023
Antonio Zuazo(3)	Executive Vice President, Global Supply Chain	$450,000	April 16, 2021

(1) On April 19, 2023, Mr. Garratt agreed to relinquish his position and title of Chief Financial Officer effective May 1, 2023. He retired from employment with Dollar General Corporation effective June 2, 2023.

(2) In addition, Mr. Garratt's employment agreement amendment includes arbitration and non-competition (a revised definition of "Territory") provisions that vary from those included in the form of COO/Executive Vice President Employment Agreement. See Exhibit 99.3 to the Current Report on Form 8-K filed with the SEC by Dollar General Corporation on August 25, 2022.

(3) Mr. Zuazo departed from his position with Dollar General Corporation effective May 15, 2023.

Exhibit 10.3

Grant Details

Participant Name:	Todd J. Vasos
Employee Number:	[*]
Grant Type:	Options (NQ)
Grant Date:	October 17, 2023
Expiration Date:	October 17, 2033
Exercise Price:	$117.33
Total Awarded:	250,000

Vest Schedule – Options (NQ):

Vest Date	Vest Quantity
October 12, 2027	100%

DOLLAR GENERAL CORPORATION
STOCK OPTION 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 "Optionee"). 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 and Human Capital Management 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 nonqualified Option provided for herein to the Optionee, and has advised the Company thereof and instructed the undersigned officer to issue said Option.

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. Business Protection Provisions

"Business Protection Provisions" shall mean the provisions in the Optionee's employment agreement with the Company dated October 12, 2023, as may be amended from time to time (or any successor agreement agreed upon by the Optionee and the Company as replacing such employment agreement) addressing business protections (as of the date of this Agreement, such provisions are set forth in Sections 17 through 21 of such employment agreement), to the extent such provisions are applicable on the relevant date.

Section 1.2. Cause

"Cause" shall mean (a) "Cause" as such term may be defined in any employment agreement between the Optionee 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 Optionee 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 Optionee: (i) any act of the

Optionee involving fraud or dishonesty, or any willful failure to perform reasonable duties assigned to the Optionee; (ii) any material breach by the Optionee 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 Optionee of any activity, or the Optionee 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 Optionee at work in a state of intoxication or the Optionee otherwise being found in possession at the Optionee’s place of work or on any Company property 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 Optionee; or (vii) conviction of or a plea of guilty or nolo contendre to (A) any felony whatsoever or (B) any misdemeanor that would preclude employment by the Company or any Subsidiary that employs the Optionee under the Company’s or any such Subsidiary’s hiring policy.

Section 1.3. **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 1.4. **Disability Termination**

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

Section 1.5. **Good Reason**

“Good Reason” shall mean (a) “Good Reason” as such term may be defined in any employment agreement between the Optionee 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 Optionee 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 Optionee: (i) without the Optionee’s written consent, a material diminution in the Optionee’s base salary; or (ii) without the Optionee’s written consent, a material diminution in the Optionee’s authority, duties or responsibilities unless such diminution is the result of the appointment of a Successor CEO. To qualify as a termination due to Good Reason under this Agreement, the Optionee must have provided written notice to the Company in accordance with Section 5.3 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 Optionee 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 1.6. <u>Grant Details Page</u>

"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 Optionee, the Exercise Price and the aggregate number of Shares for which the Option is exercisable, all of which information is hereby incorporated by reference and made a part of this Agreement.

Section 1.7. <u>Option</u>

"Option" shall mean the right and option to purchase, on the terms and conditions set forth herein, all or any part of an aggregate of the number of Shares indicated on the Grant Details page.

Section 1.8. <u>Qualifying Termination</u>

"Qualifying Termination" shall mean, except as provided otherwise in this Section 1.8, the Optionee's employment with the Company and all Subsidiaries is involuntarily terminated by the Company or any Subsidiary that employs the Optionee other than with Cause or terminated by the Optionee for Good Reason other than when Cause to terminate exists, in each case within two (2) years following a Change in Control. In no event shall a Qualifying Termination include the death, Disability Termination or any other termination of the Optionee not specifically covered by the preceding sentence.

Section 1.9. <u>Successor Appointment Termination</u>

"Successor Appointment Termination" shall mean (a) the Optionee's employment with the Company and all Subsidiaries is terminated by the Company on or any time following the appointment of a Successor CEO, provided such termination is without Cause and other than a Qualifying Termination or (b) the voluntary termination of the Optionee's employment with the Company and all Subsidiaries on or at any time following the appointment of a Successor CEO, provided that there is no basis for the Company to terminate the Optionee with Cause at the time of the Optionee's voluntary termination and other than a Qualifying Termination.

Section 1.10. <u>Successor Appointment Termination Date</u>

"Successor Appointment Termination Date" shall mean the date on which the Optionee's employment terminates due to a Successor Appointment Termination.

Section 1.11. <u>Successor CEO</u>

"Successor CEO" shall mean the successor to the Optionee as Chief Executive Officer of the Company, whether on an interim basis or otherwise.

ARTICLE II
GRANT OF OPTION

Section 2.1. Grant of Option

For good and valuable consideration, on and as of the Grant Date the Company irrevocably grants to the Optionee the Option on the terms and conditions set forth in this Agreement.

Section 2.2. Exercise Price

Subject to Section 2.4, the exercise price of the Shares covered by the Option (the "Exercise Price") shall be as indicated on the Grant Details page, which shall be the Fair Market Value on the Grant Date.

Section 2.3. No Guarantee of Employment

Nothing in this Agreement or in the Plan shall confer upon the Optionee 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 Optionee at any time and for any reason whatsoever, with or without Cause, subject to the applicable provisions of, if any, the Optionee's employment agreement with the Company or any Subsidiary that employs the Optionee or offer letter provided by the Company or any Subsidiary that employs the Optionee to the Optionee.

Section 2.4. Adjustments to Option

The Option shall be subject to the adjustment provisions of Sections 8 and 9 of the Plan, provided, however, that in the event of the payment of an extraordinary dividend by the Company to its shareholders: the Exercise Price of the Option shall be reduced by the amount of the dividend paid, but only to the extent the Committee determines it is permitted under applicable tax laws and it does not have adverse tax consequences to the Optionee under Section 409A of the Code; and, if such reduction cannot be fully effected due to such tax laws and it will not have adverse tax consequences to the Optionee, then the Company shall pay to the Optionee a cash payment, on a per Share basis, equal to the balance of the amount of the dividend not permitted to be applied to reduce the Exercise Price of the applicable Option as follows: (a) for each Share subject to a vested Option, immediately upon the date of such dividend payment; and (b) for each Share subject to an unvested Option, on the date on which such Option becomes vested and exercisable with respect to such Share.

ARTICLE III
PERIOD OF EXERCISABILITY

Section 3.1. Commencement of Exercisability

(a) Except as otherwise provided in Section 3.1(b), (c) or (d) below, so long as the Optionee continues to be employed by the Company or a Subsidiary, the Option shall become vested and exercisable with respect to one hundred percent (100%) of the Shares subject to the Option on October 12, 2027 (the "Vesting Date").

(b) Notwithstanding Section 3.1(a) above, upon the earliest occurrence of (i) the Optionee's death, or (ii) the Optionee's Disability Termination, the Option shall become immediately vested and exercisable with respect to one hundred percent (100%) of the Shares subject to the unvested Option immediately prior to such event (but only to the extent the Option has not otherwise terminated, been forfeited or become exercisable).

(c) Notwithstanding Section 3.1(a) above, in the event the Optionee experiences a Qualifying Termination, the Option shall become immediately vested and exercisable on the date of such Qualifying Termination with respect to one hundred percent (100%) of the Shares subject to the unvested Option (but only to the extent the Option has not otherwise terminated, been forfeited or become exercisable).

(d) Notwithstanding Section 3.1(a) above, in the event of the Optionee's Successor Appointment Termination, the Option shall remain outstanding following the Successor Appointment Termination Date and shall become immediately vested and exercisable on the first anniversary of the Successor Appointment Termination Date with respect to one hundred percent (100%) of the Shares subject to the unvested Option (but only to the extent the Option has not otherwise terminated, been forfeited or become exercisable); provided, however, that (i) if the Company requests that the Optionee enter into a written agreement with the Company to provide reasonable consulting services to the Board and the Successor CEO for up to a period of time following the Successor Appointment Termination Date that does not extend beyond October 12, 2027 and the Optionee fails to enter into such written agreement within thirty (30) days following the date the Company provides the Optionee with the written agreement, then the unvested Option shall immediately terminate and be forfeited on the thirtieth (30th) day following the date the Company provides the Optionee with such written agreement; (ii) if the Optionee dies following the Successor Appointment Termination Date, then the unvested Option shall instead become immediately vested and exercisable (but only to the extent the Option has not otherwise terminated, been forfeited or become exercisable) upon such death; or (iii) if a Change in Control occurs following the Successor Appointment Termination Date, then the unvested Option shall instead become immediately vested and exercisable (but only to the extent the Option has not otherwise terminated, been forfeited or become exercisable) upon such Change in Control. To the extent the above vesting results in the vesting of a fractional Share, the fractional Share will be added to the last vesting date.

(e) No Option shall become vested or exercisable as to any additional Shares following the Optionee's termination of employment for any reason, and any portion of the Option which is unexercisable as of the Optionee's termination of employment shall immediately terminate and be forfeited without payment therefor, in each case except as otherwise provided in Section 3.1(b), (c) or (d) above.

Section 3.2. Expiration of Option

The Optionee may not exercise the Option to any extent after the first to occur of the following events:

(a) The tenth anniversary of the Grant Date;

(b) The fifth anniversary of the Optionee's Successor Appointment Termination Date or of the date of the Optionee's voluntary termination of employment with the Company and all Subsidiaries that is not a Qualifying Termination;

(c) The first anniversary of the date of the Optionee's termination of employment with the Company and all Subsidiaries by reason of death or due to a Disability Termination;

(d) The third anniversary of the date of the Optionee's Qualifying Termination;

(e) Ninety (90) days after the date of the Optionee's involuntary termination of employment by the Company and all Subsidiaries without Cause prior to a Successor Appointment Termination that is not a Disability Termination or a Qualifying Termination;

(f) Immediately upon the date of the Optionee's termination of employment by the Company and all Subsidiaries with Cause; or

(g) At the discretion of the Company, if the Committee so determines pursuant to Section 9 of the Plan.

Section 3.3. <u>Cancellation and Clawback of the Option upon Violation of the Business Protection Provisions following Appointment of Successor CEO</u>

Notwithstanding any other provisions of this Agreement, on the date the Company becomes aware of the Optionee's violation of any of the Business Protection Provisions that occurred following appointment of the Successor CEO, any Option that vested pursuant to Section 3.1(d) shall immediately be cancelled and no longer exercisable and, to the extent previously exercised, shall be subject to recoupment as provided in this Section 3.3, and any unvested Option shall immediately terminate and be forfeited without payment therefor. In the event the Optionee no longer owns the Shares issued upon exercise of the Option at the time of required recoupment, the Optionee agrees to the recoupment of cash equal to the Fair Market Value of the Shares on the date the Shares were sold. To the extent allowed by state and federal law, the Optionee agrees that such recoupment may, in the discretion of the Committee, be accomplished by withholding of future compensation, including but not limited to future base salary, to be paid to the Optionee by the Company.

ARTICLE IV
<u>EXERCISE OF OPTION</u>

Section 4.1. <u>Person Eligible to Exercise</u>

Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised prior to the time when the Option or portion thereof becomes unexercisable under Section 3.2: (a) during the lifetime of the Optionee, only by the Optionee (or his or her duly authorized legal representative or guardian appointed for or by the Optionee) and (b) after the death of the Optionee, only by the Optionee's legatees, personal representatives or distributees.

Section 4.2. <u>Exercise</u>

Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable under Section 3.2; provided, however, that any partial exercise shall be for whole Shares only.

Section 4.3. <u>Manner of Exercise</u>

Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised from time to time solely by delivering through the electronic or telephonic system maintained by the third party designated by the Committee (or its Delegee) to administer the Plan (the "Stock Plan Award Administrator") (or such other method approved by the Committee (or its Delegee)) all of the following prior to the time when the Option or such portion becomes unexercisable under Section 3.2:

(a) Written notice from the Optionee or the other person then entitled to exercise the Option or portion thereof, stating the number of Shares with respect to which the Option is being exercised, in such form as the Committee (or its Delegee) shall establish;

(b) Full payment of the Exercise Price for the number of Shares with respect to which the Option is being exercised (i) in cash, (ii) by surrendering Shares (valued at Fair Market Value on the date of exercise) owned by the Optionee, (iii) by withholding Shares (valued at Fair Market Value on the date of exercise) otherwise issuable upon the exercise of the Option, (iv) by broker-assisted exercise (in accordance with rules established by the Committee or its Delegee), or (v) a combination of any of the above methods, in each case unless determined otherwise by the Committee (or its Delegee), in accordance with applicable law and the requirements established by the Committee (or its Delegee) from time to time;

(c) Full payment to satisfy the minimum withholding tax obligation with respect to which such Option or portion thereof is exercised, unless otherwise determined by the Committee (or its Delegee), in similar methods as provided in Section 4.3(b) and in accordance with applicable law and the requirements established by the Committee (or its Delegee) from time to time;

(d) A bona fide written representation and agreement, in a form satisfactory to the Committee (or its Delegee), signed or acknowledged by the Optionee or other person then entitled to exercise such Option or portion thereof, stating that the Shares are being acquired for his or her own account, for investment and without any present intention of distributing or reselling said Shares or any of them except as may be permitted under the Securities Act of 1933, as amended (the "<u>Act</u>"), and then applicable rules and regulations thereunder, and that the Optionee or other person then entitled to exercise such Option or portion thereof 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 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; and

(e) In the event the Option or portion thereof shall be exercised pursuant to Section 4.1 by any person or persons other than the Optionee, appropriate proof of the right of such person or persons to exercise the Option.

Without limiting the generality of the foregoing, the Committee (or its Delegee) may require an opinion of counsel acceptable to it to the effect that any subsequent transfer of Shares acquired on exercise of the Option does not violate the Act, and may issue stop-transfer orders covering such Shares. The Committee (or its Delegee) may cause a legend or legends to be placed on any Share certificates evidencing Shares issued on exercise of the Option, or if such Shares are issued in book-entry or electronic form, otherwise denote such Shares, to make appropriate reference to the provisions of subsection (d) above and the agreements herein. The written representation and agreement referred to in subsection (d) above shall, however, not be required if the Shares to be issued pursuant to such exercise have been registered under the Act, and such registration is then effective in respect of such Shares.

For purposes of this Section 4.3, a written notice includes notice submitted through the electronic or telephonic system maintained by the Stock Plan Award Administrator or through other means pursuant to procedures approved by the Committee (or its Delegee), and a representation or agreement is considered acknowledged if it is signed or submitted electronically or telephonically in accordance with approved procedures and such electronic or telephonic acknowledgement will have the same force and effect as a manual signature.

Notwithstanding the above, the Committee (or its Delegee) may approve alternative procedures for exercise and for payment of the related exercise price and withholding amounts provided such alternative procedures are established in writing prior to the date of exercise.

Section 4.4. <u>Conditions to Issuance of Stock Certificates</u>

The Shares deliverable upon the exercise of the Option, or any portion thereof, 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. The Company shall not be required to issue or deliver any certificate or certificates for Shares purchased (if certificated), or to register the issuance of such Shares on its books and records (if not certificated), upon the exercise of the Option or portion thereof prior to fulfillment of all of the following conditions:

(a) The obtaining of approval or other clearance from any state or federal governmental agency which the Committee (or its Delegee) shall, in its reasonable and good faith discretion, determine to be necessary or advisable; and

(b) The lapse of such reasonable period of time following the exercise of the Option as the Committee (or its Delegee) may from time to time establish for reasons of administrative convenience or as may otherwise be required by applicable law.

Section 4.5. <u>Rights as Shareholder</u>

Except as otherwise provided in Section 2.4 of this Agreement, the Optionee shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of any Shares purchasable upon the exercise of the Option or any portion thereof unless and until certificates representing such Shares shall have been issued by the Company to the Optionee (or book entry representing such Shares has been made with the appropriate registered book-entry custodian).

Section 4.6. <u>Holding Requirement</u>

Upon the occurrence of an accelerated vesting event as set forth in Section 3.1(d), the Optionee agrees to hold and not sell or otherwise transfer any Shares acquired upon exercise of the Option until October 12, 2027, provided, however, this holding requirement (1) shall not apply to Shares used to pay the Exercise Price or to satisfy tax withholding requirements as set forth in Section 4.3(b) or (c) and (2) shall no longer apply upon the occurrence of any event as set forth in Section 3.1(d)(ii) or (iii).

The Company may cause a restrictive legend to be placed on any certificates (or records of the Company) representing Shares acquired upon exercise of the Option while such holding requirement applies.

ARTICLE V
MISCELLANEOUS

Section 5.1. 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 Option 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 Optionee, 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 Option. 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 5.2. Option Not Transferable

Neither the Option nor any interest or right therein or part thereof (a) shall be liable for the debts, contracts or engagements of the Optionee or his or her successors in interest or (b) 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 5.2 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 5.3. Notices

Except as otherwise provided in Section 4.3, 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 Optionee shall be addressed to the Optionee at the last address of the Optionee known to the Company unless otherwise directed by the Optionee. By a notice given pursuant to this Section 5.3, 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 Optionee, shall, if the Optionee is then deceased, be given to the Optionee’s personal representative if such representative has previously informed the Company of his or her status and address by written notice under this Section 5.3. Except for notice under Section 4.3, 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 5.4. 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 5.5. Applicability of the Plan

The Option and the Shares issued to the Optionee upon exercise of the Option shall be subject to all of the terms and provisions of the Plan to the extent applicable to an Option and Shares; provided, however, that the provisions in Section 10(c) of the Plan applicable to termination of employment, including the provisions related to a "separation from service," shall not apply to this Agreement. In the event of any conflict between this Agreement and the Plan, the terms of the Plan shall control.

Section 5.6. Amendment

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

Section 5.7. 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 Option 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.

Section 5.8. Arbitration

Unless a dispute between the Company and the Optionee (referred to in this Section as the "Parties") under this Agreement is excluded from being determined by arbitration under applicable law (see below), any dispute among the Parties hereto arising out of, or relating to, this Agreement which cannot be settled amicably by the parties, shall be finally, exclusively and conclusively settled by mandatory arbitration and be further subject to the following provisions:

(a) The arbitration will be filed with the American Arbitration Association ("AAA"). The arbitration will be conducted by a single arbitrator and will be subject to the Federal Rules of Procedure and Evidence. AAA's Employment Arbitration Rules and Mediation Procedures will only apply if not inconsistent with the Federal Rules of Procedure and Evidence;

(b) The arbitration will be conducted within the time or limitations period required by the asserted claim(s). In addition, any administrative prerequisites associated with the asserted claim(s) (e.g., notices, filing of administrative charges, or obtaining "right to sue" notices from government agencies) must be satisfied;

(c) The arbitration shall take place in Nashville, Tennessee, unless otherwise mutually agreed by the Parties;

(d) The arbitration will be governed by the Federal Arbitration Act, 9 U.S.C. §1 et seq. (the "FAA");

(e) The Parties waive any and all rights to a judge or jury trial and/or administrative hearing of their disputes and agree to resolve such disputes only through final and binding individual arbitration to the fullest extent permitted by applicable law;

(f) Disputes excluded ("Excluded Disputes") from arbitration under this Section 5.8 include: (1) claims for workers' compensation, state disability insurance, unemployment insurance benefits, or other health or welfare benefits under government-administered programs; (2) claims constituting sexual harassment or sexual assault disputes as defined by the FAA; (3) claims for which this provision would be invalid or prohibited as a matter of federal law, or state or local law that is not preempted by federal law; (4) disputes that may not be subject to a pre-dispute arbitration agreement as provided by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203); (5) claims which are legally prohibited from being adjudicated in arbitration; (6) disputes arising or related to the applicability, interpretation, enforceability, scope and/or severability of this Section 5.8, including whether such provisions are governed by the FAA, which must be decided only by a court of competent jurisdiction in Davidson County, Tennessee, or a district court in the U.S. District for the Middle District of Tennessee; and (7) any disputes as to whether any claims or disputes are Excluded Disputes, which must be decided only by a court of competent jurisdiction in Davidson County, Tennessee, or a district court in the U.S. District for the Middle District of Tennessee;

(g) The Parties agree and stipulate that: (1) all claims that relate to a sexual harassment or sexual assault dispute, as defined in the FAA, shall be filed as (or if not filed as, severed into) a separate case from all other claims; (2) those claims that do not relate to a sexual harassment or sexual assault dispute and are subject to arbitration under this Section 5.8 shall be governed by and proceed with individual arbitration, it being the express intent of the Parties to allow for individual arbitration of claims to the maximum extent possible; and (3) if a Party brings claims subject to arbitration and claims that are not subject to arbitration, the latter shall be stayed until the former are fully arbitrated;

(h) 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 of competent jurisdiction in Davidson County, Tennessee, or a district court in the U.S. District for the Middle District of Tennessee;

(i) 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.

Notwithstanding the foregoing provisions of this Section 5.8, the Optionee acknowledges and agrees that the Company, its subsidiaries and any of their respective affiliates shall be entitled to injunctive or other relief in order to enforce the Business Protection Provisions.

Section 5.9. <u>Clawback</u>

As a condition of receiving the Option, the Optionee acknowledges and agrees that the Optionee's rights, payments, and benefits with respect to the Option 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, including but not limited to the Company's Clawback Policy (as may be amended or replaced from time to time) (collectively, the "Clawback Requirement"), and the Optionee agrees to abide by any such Clawback Requirement. In the event the Optionee no longer owns the Shares issued upon exercise of the Option at the time of required recoupment, the Optionee agrees to the recoupment of cash equal to the Fair Market Value of the Shares on the date the Shares were sold. To the extent allowed by state and federal law and as determined by the Board or the Committee, the Optionee agrees that such recoupment may, in the discretion of the Committee, be accomplished by withholding of future compensation, including but not limited to future base salary, to be paid to the Optionee by the Company.

Section 5.10. Consent to Electronic Delivery

The Optionee hereby consents to and agrees to electronic delivery of this Agreement, the 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 Optionee 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 Optionee 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 5.11. Option and Agreement Acceptance

The Optionee must accept the Option and this Agreement through the electronic or telephonic system maintained by the Stock Plan Award Administrator 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 Optionee does not timely accept, or if the Optionee declines, the Option, the Option will be canceled *ab initio* and the Optionee will not be entitled to any benefits from the Option 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: /s/ Kathy Reardon

Name: Kathy Reardon

Title: EVP, Chief People Officer

ADDRESS:
Dollar General Corporation
100 Mission Ridge
Goodlettsville, TN 37072

Exhibit 15

December 7, 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 and No. 333-272406 on Form S-3) of Dollar General Corporation of our report dated December 7, 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 November 3, 2023.

/s/ Ernst & Young LLP
Nashville, Tennessee

Exhibit 31

CERTIFICATIONS

I, Todd J. Vasos, 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: December 7, 2023

/s/ Todd J. Vasos
Todd J. Vasos
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: December 7, 2023

/s/ Kelly M. Dilts
Kelly M. Dilts
Chief Financial Officer

Exhibit 32

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 November 3, 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/ Todd J. Vasos
Name: Todd J. Vasos
Title: Chief Executive Officer
Date: December 7, 2023

/s/ Kelly M. Dilts
Name: Kelly M. Dilts
Title: Chief Financial Officer
Date: December 7, 2023