Dollar Tree Is Closing 1,000 Family Dollar Stores

Discount store Dollar Tree, the parent company of Family Dollar, announced that it would be closing nearly 1,000 stores across the country.

“We plan on closing approximately 600 Family Dollar stores in the first half of fiscal 2024,” Dollar Tree said in a Q4 2023 earnings report. “Additionally, approximately 370 Family Dollar and 30 Dollar Tree stores will close over the next several years at the end of each store’s current lease term.”

The chain did not disclose which stores would be shuttering but noted that the company made its decision after evaluating its portfolio for underperforming locations.

Related: Dollar Tree Adopts Plans to Combat Store Theft, Profit Dips

Family Dollar was acquired by Dollar Tree in 2015 in an estimated $8.5 billion deal.

The news comes after controversy for Family Dollar, which paid out $41.6 million in a plea agreement with the FDA last month after it was found that the chain had been storing cosmetics, drugs, and medical-related devices for years in an unsafe manner.

The company also settled for $1.35 million last summer after a class-action lawsuit of complaints from workers about hazardous working conditions in stores.

In a Q4 2023 earnings report, the company reported that its Dollar Tree branded chains saw a 6.3% increase in same-store

net sales, while Family Dollar stores saw a 1.2% decrease in the same area.

“We finished the year strong, with fourth-quarter results reflecting positive traffic trends, market share gains, and adjusted margin improvement across both segments,” said Rick Dreiling, chairman and CEO of Dollar Tree, in a release. “While we are still in the early stages of our transformation journey, I am proud of what our team accomplished in 2023 and see a long runway of growth ahead of us.”

Dollar Tree was down just under 11% year over year as of Thursday afternoon.

https://www.entrepreneur.com/business-news/dollar-tree-to-shutter-1000-family-dollar-locations/471196