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Dollar Tree Warns of Tariff Stress

By Connor Hart

Dollar Tree remains optimistic about its long-term prospects, but tariffs will pressure the discount-retail chain in the near term.

"We expect our second-quarter profits to be meaningfully lower than last year in light of higher tariffs and other costs," Chief Financial Officer Stewart Glendinning said Wednesday on a call with analysts.

The company incurred about $70 million in additional costs during the period in which the Trump administration placed a 145% tariff on Chinese goods. These costs will run through the business during the current quarter, Glendinning said, adding that mitigation efforts will materialize in the business later in the year.

As a result, Dollar Tree guided for adjusted per-share earnings from continuing operations to fall by up to 50% year over year in its fiscal second quarter, before accelerating in the back half of the year.

The stock fell 8.4%, to $88.62, on Wednesday. Through Wednesday's close, shares have lost about 26% of their value in the past year, despite having gained 33% in the past three months.

Dollar Tree is managing cost inflation in part by negotiating with suppliers and moving the country of origin for certain products. With these actions, the company offset about 90% of the first round of tariffs, Chief Executive Mike Creedon said. It is currently working through addressing the latest round.

The company notched higher profit and revenue in the recent quarter, as new customers and increasing trip frequency drove market share gains. It continues to attract customers from other retail channels, particularly higher-income shoppers, Creedon said.

The company notched higher profit and revenue in the latest quarter.

"Dollar Tree is resonating with its customers in the current environment," he said.

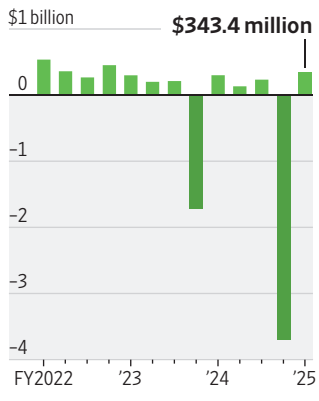
For its three months ended May 3, Dollar Tree posted a profit of $343.4 million, or $1.61 a share, up from $300.1 million, or $1.38 a share, a year earlier.

Adjusted per-share earnings came in at $1.26, topping the $1.21 that analysts polled by FactSet expected.

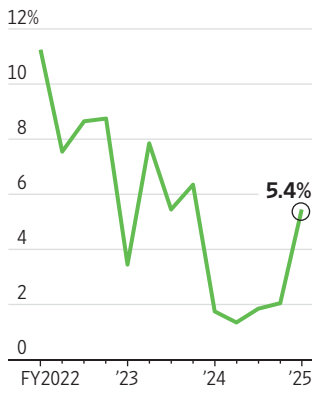
Revenue increased 11% to $4.64 billion. Analysts modeled sales of $4.54 billion.

Same-store sales, which account for store openings and closings, increased 5.4%. Wall Street expected comparable sales growth of 4%.

Dollar Tree quarterly net profit/loss



Comparable-store sales, change from a year earlier



Note: Latest fiscal quarter ended May 3
Source: S&P Capital IQ

For its fiscal 2025, Dollar Tree now expects adjusted per-share earnings from continuing operations of $5.15 to $5.65, compared with a prior outlook of $5 to $5.50. The change reflects recent share repurchases, the company said.

Dollar Tree backed its sales outlook of $18.5 billion to $19.1 billion, based on comparable store net sales growth of 3% to 5%. Wall Street expects adjusted earnings of $5.28 on sales of $19.58 billion, as well as same-store sales growth of 3.9%.

Trade War Clouds Outlook for Maker Of Rémy Martin

By Adam Whittaker

Rémy Cointreau withdrew its targets for fiscal 2030 as it warned that tariff and macroeconomic uncertainty cloud its outlook.

The maker of Rémy Martin cognac and Cointreau orange liqueur said Wednesday that it seeks to return to mid-single-digit sales growth on an organic basis in fiscal 2026, after two years of double-digit declines, but that further increases in custom duties in the U.S. and China would threaten this.

The company is targeting a return to growth after a challenging few years for the sector. Demand has waned after a boom in alcohol consumption during the pandemic, and a weak Chinese economy hit sales. The European drinks industry also has been in the crosshairs from Chinese and U.S. tariffs as part of broader trade disputes.

Over the longer term, the conditions required to maintain Rémy Cointreau's fiscal 2030 targets are no longer in place, it said. It cited a lack of macroeconomic visibility, geopolitical uncertainties surrounding U.S. and China tariff policies, as well as a lack of recovery in the U.S.

Rémy Cointreau said its incoming chief executive officer, Franck Marilly, will establish his own strategic road map. Marilly is expected to start June 25.

Shares of Rémy Cointreau rose 4% in European trading Wednesday.

Under targets set in June 2020, the company had been aiming for a gross margin of



GAO JING/XINHUA/ZUMA PRESS

The company is targeting a return to growth after a challenging few years for the sector.

72% and a current operating margin of 33%. For the fiscal year ended in March, the company reported the metrics at 70.6% and 22%, respectively.

Rémy Cointreau's sales declined 18% on an organic basis while current operating profit tumbled 30.5% to €217 million, equivalent to $246.8 million, for fiscal 2025. This compares with profit of €214.1 million analysts had expected, according to a company-compiled consensus.

Excluding an increase in customs duties in the U.S. and China, the drinks maker expects its current operating profit to grow organically in the high single-digit to low double-digit range over the current fiscal year.

Under a worse scenario, an increase in duties could deliver a hit of €100 million, Rémy Cointreau said. While it could mitigate around €35 million of this, it would still expect an organic decline in current operating profit in the midteen to high-teen range, it said.

Rémy Cointreau also warned that adverse currency effects could hit sales by up to €35 million and drag on its current operating profit by up to €15 million.

Carrefour Sells Part Of Stake In Partner

By Maitane Sardon

Carrefour said it sold a 7% shareholding in shopping-center owner **Carmila** for around $194.5 million as part of a strategic review of its portfolio.

The French grocer said Wednesday that it completed the sale of 9.9 million shares in Carmila via an accelerated book-build process.

Carrefour said it plans to remain Carmila's main shareholder and the divestment won't result in any change to the existing partnerships between the two companies. Carrefour stock fell 2.5%.

During the share placement, Carmila bought back around 1 million euros, the equivalent of $1.1 million, of its shares to complete its share-buyback program, Carrefour added.

Ship With Thousands of Vehicles Catches Fire in the Pacific Ocean

By Gareth Vipers And Costas Paris

A large cargo ship transporting thousands of vehicles is adrift in the Pacific Ocean after a deck carrying EVs caught fire, forcing crew to abandon the vessel.

The 600-foot-long Morning Midas was on fire Wednesday roughly 300 miles southwest of Alaska's Adak Island, according to the U.S. Coast Guard.

London-based Zodiac Maritime, the ship's operator, said the vessel was carrying 3,000 cars, including around 800 electric vehicles.

"Smoke was initially seen emanating from a deck carrying electric vehicles," a spokesman from the company said.

All 22 crew members safely clambered onto a lifeboat after struggling to control the flames, the spokesman said. They were taken to a nearby merchant vessel. Maritime data show two containerships standing nearby—the COSCO Hellas and Matson's Manukai.

The fire is the latest incident for the international shipping industry. Several big cargo ships have been crippled by fires while at sea in recent years, leaving a number of seafarers killed and costing companies and their customers hundreds of millions of dollars in damages.

Most of the vehicles on the Morning Midas, including the EVs, were manufactured in China and bound for Mexico, a person familiar with the ship's cargo said.

The lithium batteries used in many electric vehicles are highly flammable and there have been cases of spontaneous combustion, but no ship fires so far have been directly blamed on EVs.

The crew abandoned the ship after struggling to control the fire.

Known causes of cars igniting on ships usually involve used vehicles with gas leaks or forgotten flammable items left inside that can ignite by friction as the ship moves.

Zodiac Maritime said the fire broke out Tuesday at around midnight when the vessel was sailing from Yantai in China to Lazaro Cardenas in Mexico. U.S. Coast Guard aircrews and a cutter have been dispatched to tackle the blaze.

The investigation on the cause of the fire will take weeks or months, according to salvage experts.

Shipowners usually hire private salvagers to conduct the probe along with the ship's insurers and the flag state, which is Liberia. Ship accident cases in international waters are usually settled privately.

In 2022, a 60,000-ton cargo ship carrying thousands of luxury cars sank in the Atlantic Ocean after a fire burned for nearly a week. Experts contracted to salvage the ship—the Panama-flagged Felicity Ace—said the presence of a large number of lithium-ion batteries likely caused the fire to spread and complicated efforts to extinguish it.

A year later, investigators investigating a fire on a Japanese car carrier that left one sailor dead, probed whether it was started by electric vehicles on board. A coast guard official at the time said that while it wasn't confirmed that the fire had started from the EVs, crew members said the blaze started in the area where they were parked.

Insurer Allianz warned of the dangers of shipping vehicles containing lithium-ion batteries in a report last month, citing several fires and near misses within the maritime and logistics industry linked to the batteries.

"The latest car carriers are able to transport as many as 10,000 electric vehicles, said Rahul Khanna, Allianz's head of marine risk consulting. "Should something go wrong, that's a lot of value, and risk to the environment and to the safety of seafarers."

Watch a Video: Inside the $135 Million Mission to Get Your Flight to Leave on Time



GEORGE DOWNS/WSJ

British Airways has invested some $135 million into AI and high-tech operations centers to try to improve the punctuality of its flights. Scan this code for a video on the logistics behind the aircraft turnaround.

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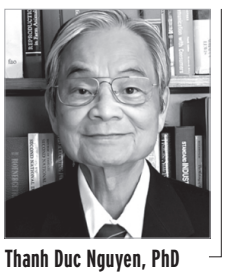
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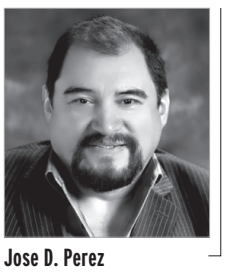
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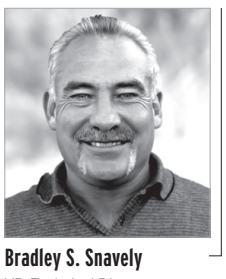
Chief Executive Officer
Federico's Drive-In Shoe Svc.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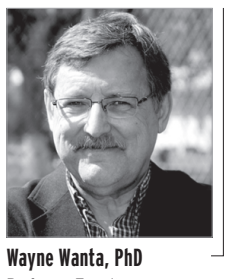
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