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Forward-Looking Statements

Certain statements contained in this presentation constitute forward-looking statements that are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements typically use words such as “believe,” “anticipate,” “should,” “intend,” “plan,” “will,” “expect,” “estimate,” “project,” “positioned,” “strategy,” “seek,” “may,” “could” and similar expressions. These are based on assumptions and assessments made by our management in light of experience and perception of historical trends, current conditions, expected future developments and other factors that we believe to be appropriate. These forward-looking statements are subject to a number of risks and uncertainties, including without limitation: product demand; energy prices; weather; competition; credit market conditions; cash flows; access to available and feasible financing; future stock repurchases; the impact of recessionary conditions; consumer debt levels; changes in laws or regulations; war and the prospect of war, including terrorist activity; inflation; the ability to hire, train and retain qualified employees; construction delays; the compromising of confidentiality, availability or integrity of information, including cyber-attacks; historic growth rate sustainability; downgrade of our credit ratings; damages to our reputation; challenges in international markets; failure or interruption of our information technology systems; origin and raw material costs of suppliers; impact of tariffs; anticipated impact of new accounting standards; and business interruptions. Certain of these risks are discussed in more detail in the “Risk Factors” section contained in Item 1A under Part 1 of this Annual Report on Form 10-K for the year ended August 25, 2018, and these Risk Factors should be read carefully. Forward-looking statements are not guarantees of future performance and actual results, developments and business decisions may differ from those contemplated by such forward-looking statements, and events described above and in the “Risk Factors” could materially and adversely affect our business. Forward-looking statements speak only as of the date made. Except as required by applicable law, we undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Actual results may materially differ from anticipated results.



Fourth Quarter Fiscal 2019 Conference Call

September 24, 2019

AutoZone Pledge

AutoZoners always put customers first!

We know our parts and products.

Our stores look great!

We've got the best merchandise at the right price.

Fourth Quarter FY 2019 P&L - GAAP

<i>in millions (excluding EPS and percentages)</i>	17 Weeks Ended 8/31/2019	16 Weeks Ended 8/25/2018	B/(W)
Net Sales	\$ 3,988	\$ 3,559	12.1%
Gross Margin	53.4%	53.6%	(20 bps)
Operating Expense Ratio	33.8%	37.0%	316 bps
Operating Profit (EBIT)	\$ 781	\$ 591	32.1%
Operating (EBIT) Margin	19.6%	16.6%	300 bps
Interest	\$ 61.2	\$ 54.3	(12.6%)
Tax Rate	21.5%	25.4%	
Net Income	\$ 565	\$ 400	41.2%
Diluted Shares	25.0	26.6	6.1%
Diluted EPS	\$ 22.59	\$ 15.02	50.4%

Fourth Quarter FY 2019 P&L - Adjusted

<i>in millions (excluding EPS and percentages)</i>	16 Weeks Ended 8/24/2019 ⁽¹⁾	16 Weeks Ended 8/25/2018 ⁽²⁾	B/(W)
Net Sales	\$ 3,750	\$ 3,559	5.4%
Gross Margin	53.4%	53.6%	(20 bps)
Operating Expense Ratio	34.1%	33.3%	(80 bps)
Operating Profit (EBIT)	\$ 725	\$ 722	0.5%
Operating (EBIT) Margin	19.3%	20.3%	(100 bps)
Interest	\$ 57.6	\$ 54.3	(6.0%)
Net Income	\$ 524	\$ 494	6.1%
Diluted Shares	25.0	26.6	6.1%
Diluted EPS	\$ 20.95	\$ 18.54	13.0%

⁽¹⁾The Company adjusted Q4 Fiscal 2019 to exclude the impact of the 17th week of operations

⁽²⁾The Company adjusted Q4 Fiscal 2018 to exclude the pension termination charges of \$93.7M, net of tax benefit of \$36.6M

FY 2019 P&L - GAAP

<i>in millions (excluding EPS and percentages)</i>	53 Weeks Ended 8/31/2019	52 Weeks Ended 8/25/2018	B/(W)
Net Sales	\$ 11,864	\$ 11,221	5.7%
Gross Margin	53.7%	53.2%	41 bps
Operating Expense Ratio	35.0%	37.1%	213 bps
Operating Profit (EBIT)	\$ 2,216	\$ 1,811	22.4%
Operating (EBIT) Margin	18.7%	16.1%	254 bps
Interest	\$ 184.8	\$ 174.5	(5.9%)
Tax Rate	20.4%	18.3%	
Net Income	\$ 1,617	\$ 1,338	20.9%
Diluted Shares	25.5	27.4	7.0%
Diluted EPS	\$ 63.43	\$ 48.77	30.1%

Growth Priorities

- **U.S. Retail (DIY)**
- Commercial (DIFM)
- International

New Store Highlights

	17 Weeks Ended August 31, 2019	16 Weeks Ended August 25, 2018	53 Weeks Ended August 31, 2019	52 Weeks Ended August 25, 2018
AutoZone Domestic stores:				
Store count:				
Beginning domestic stores	5,686	5,540	5,618	5,465
Stores opened	86	78	154	155
Stores closed	-	-	-	2
Ending domestic stores	<u>5,772</u>	<u>5,618</u>	<u>5,772</u>	<u>5,618</u>
Relocated stores	-	4	2	7
Stores with commercial programs	4,893	4,741	4,893	4,741
Square footage (in thousands)	37,769	36,746	37,769	36,746
AutoZone Mexico stores:				
Beginning Mexico Stores	576	536	564	524
Stores opened	28	28	40	40
Total stores in Mexico	<u>604</u>	<u>564</u>	<u>604</u>	<u>564</u>
AutoZone Brazil stores:				
Beginning Brazil Stores	25	16	20	14
Stores opened	10	4	15	6
Total stores in Brazil	<u>35</u>	<u>20</u>	<u>35</u>	<u>20</u>
Total AutoZone stores	<u><u>6,411</u></u>	<u><u>6,202</u></u>	<u><u>6,411</u></u>	<u><u>6,202</u></u>
Square footage (in thousands)	42,526	41,066	42,526	41,066
Square footage per store	6,633	6,621	6,633	6,621

Growth Priorities

- U.S. Retail (DIY)
- **Commercial (DIFM)**
- International

Fourth Quarter Commercial Highlights

	# of Commercial Programs	
Total Commercial Programs	4,893	
% increase in programs vs. LY	3.2%	
	4th Quarter ⁽¹⁾	Trailing 4 Qtrs ⁽¹⁾
Domestic Commercial Sales: (\$ millions)	\$886.5	\$2,562.8
% increase in sales	21.1%	15.7%
	4th Quarter	Trailing 4 Qtrs
Domestic Avg Wkly \$/Program (\$ thousands)	\$10.7	\$10.0
% increase*	10.5%	10.0%

* Two Point Average for Programs Open

⁽¹⁾ Fiscal 2019 results include an additional week of sales of approximately \$51.3M for Domestic Commercial

Fourth Quarter FY 2019 Total Cash Flow

(\$ Millions)	17 weeks ended 8/31/2019	16 weeks ended 8/25/2018	53 weeks ended 8/31/2019	52 weeks ended 8/25/2018
Net increase/(decrease) in cash and cash equivalents	\$ 2	\$ (1)	\$ (42)	\$ (75)
Less increase/(decrease) in debt	53	50	205	(80)
Add back share repurchases	<u>692</u>	<u>665</u>	<u>2,005</u>	<u>1,592</u>
Cash flow before share repurchases & changes in debt	<u>\$ 641</u>	<u>\$ 614</u>	<u>\$ 1,759</u>	<u>\$ 1,596</u>
Ending debt	\$ 5,206	\$ 5,006	\$ 5,206	\$ 5,006

Balance Sheet Highlights

(\$ Millions)	As of 8/31/2019	As of 8/25/2018	H/(L)
Inventory	\$ 4,319	\$ 3,944	9.5%
Inventory/location	\$ 674	\$ 636	5.9%
Inventory, net of payables	\$ (546)	\$ (466)	
Inv., net of payables/location	\$ (85)	\$ (75)	
Inventory turns	1.3x	1.3x	
Working capital	\$ (483)	\$ (393)	
Net fixed assets	\$ 4,399	\$ 4,218	4.3%
Debt	\$ 5,206	\$ 5,006	4.0%
Stockholders' Deficit	\$ (1,714)	\$ (1,520)	12.7%

Strong Financial Disciplines

- Live the Pledge
- Continued EPS growth
- Grow Retail Sales
 - Make sure we put our customers first in everything we do
 - Customer service will continue to be our key point of differentiation
 - Improved parts coverage
 - Continue deploying inventory more effectively across network
 - Invest in AutoZoner training and retention
 - Make sure our stores look great
- Grow Commercial Sales
 - Currently, small % of Domestic sales & only 3%* overall market share
 - Continue focus on building best-in-class B2B sales organization
 - Increased engagement of store management
 - Focused on profitable growth
- Prudently paced International growth
- Relentless focus on managing costs

*Based on Auto Care Association 2020 Factbook Commercial Industry estimated 2018 size of \$76.1B



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