



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; disruption in our supply chain, due to public health epidemics or otherwise; impact of tariffs; anticipated impact of new accounting standards; and business interruptions. Certain of these risks and uncertainties are discussed in more detail in the “Risk Factors” section contained in Item 1A under Part 1 of the Annual Report on Form 10-K for the year ended August 31, 2019, 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.



Second Quarter Fiscal 2020 Conference Call

March 3, 2020

PLEDGE & VALUES

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.



ALLDATA

An AutoZoner Always...

PUTS CUSTOMERS FIRST

Exceed your customers' expectations by providing WOW! Customer Service and going the Extra Mile. Understand your customers' needs and solve their problems. Treat each customer as your only customer.

CARES ABOUT PEOPLE

Treat people with dignity and respect. Recognize great work and provide frequent feedback. Demonstrate concern for others and your community. Create a safe environment. Own your development and help develop others.

STRIVES FOR EXCEPTIONAL PERFORMANCE

Be accountable and honor your commitments. Act in a manner of the highest legal and ethical standards. Use resources wisely and promote a culture of thrift. Take strong initiative, act quickly and do the job right the first time.

ENERGIZES OTHERS

Share your passion for the business. Generate enthusiasm, motivate others and promote innovation. Listen and assume positive intent in others.

EMBRACES DIVERSITY

Welcome each individual's heritage, differences and unique qualities. Build teams with diverse thoughts, skills, knowledge and backgrounds. Value the ideas and opinions of others.

HELPS TEAMS SUCCEED

Actively contribute to team goals and seek opportunities to lead. Be a reliable and supportive team member. Strive for accurate and clear communication. Place team goals over personal goals.

Second Quarter FY 2020 P&L

in millions (excluding EPS and percentages)	12 Weeks Ended 2/15/2020	12 Weeks Ended 2/9/2019	B/(W)
Net Sales	\$ 2,514	\$ 2,451	2.6%
Gross Margin	54.3%	54.1%	28 bps
Operating Expense Ratio	38.1%	37.7%	(37 bps)
Operating Profit (EBIT)	\$ 408	\$ 400	2.0%
Operating (EBIT) Margin	16.2%	16.3%	(9 bps)
Interest	\$ 44.3	\$ 41.4	(7.2%)
Tax Rate	17.7%	17.8%	
Net Income	\$ 299	\$ 295	1.6%
Diluted Shares	24.2	25.6	5.8%
Diluted EPS	\$ 12.39	\$ 11.49	7.8%

YTD Second Quarter FY 2020 P&L

in millions (excluding EPS and percentages)	24 Weeks Ended 2/15/2020	24 Weeks Ended 2/9/2019	B/(W)
Net Sales	\$ 5,307	\$ 5,092	4.2%
Gross Margin	54.0%	53.9%	17 bps
Operating Expense Ratio	36.9%	36.4%	(50 bps)
Operating Profit (EBIT)	\$ 908	\$ 888	2.3%
Operating (EBIT) Margin	17.1%	17.4%	(32 bps)
Interest	\$ 88.1	\$ 80.4	(9.6%)
Tax Rate	20.8%	20.0%	
Net Income	\$ 650	\$ 646	0.6%
Diluted Shares	24.3	25.9	6.0%
Diluted EPS	\$ 26.70	\$ 24.97	6.9%

Growth Priorities

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

New Store Highlights

	12 Weeks Ended February 15, 2020	12 Weeks Ended February 9, 2019	24 Weeks Ended February 15, 2020	24 Weeks Ended February 9, 2019
AutoZone Domestic stores:				
Beginning stores	5,790	5,631	5,772	5,618
Stores opened	<u>25</u>	<u>20</u>	<u>43</u>	<u>33</u>
Ending domestic stores	5,815	5,651	5,815	5,651
Relocated stores	-	-	-	1
Stores with commercial programs	4,942	4,788	4,942	4,788
Square footage (in thousands)	38,077	36,970	38,077	36,970
AutoZone Mexico stores:				
Beginning stores	606	567	604	564
Stores opened	<u>2</u>	<u>1</u>	<u>4</u>	<u>4</u>
Total stores in Mexico	608	568	608	568
AutoZone Brazil stores:				
Beginning stores	37	20	35	20
Stores opened	<u>1</u>	<u>2</u>	<u>3</u>	<u>2</u>
Total stores in Brazil	<u>38</u>	<u>22</u>	<u>38</u>	<u>22</u>
Total AutoZone stores	<u><u>6,461</u></u>	<u><u>6,241</u></u>	<u><u>6,461</u></u>	<u><u>6,241</u></u>
Square footage (in thousands)	42,885	41,335	42,885	41,335
Square footage per store	6,638	6,623	6,638	6,623

Growth Priorities

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

Second Quarter Commercial Highlights

	# of Commercial Programs	
Total Commercial Programs	<u>4,942</u>	
% increase in programs vs. LY	3.2%	
	2nd Quarter	Trailing 4 Qtrs
Domestic Commercial Sales:	<u>\$556.9</u>	<u>\$2,679.7</u>
(\$ millions)		
% increase in sales	8.2%	15.1%
	2nd Quarter	Trailing 4 Qtrs
Domestic Avg Wkly \$/Program	<u>\$9.4</u>	<u>\$10.4</u>
(\$ thousands)		
% increase*	4.9%	9.5%

* Two Point Average for Programs Open

Balance Sheet Highlights

(\$ in Millions, except per store amounts are in thousands)	<u>As of 2/15/2020</u>	<u>As of 2/9/2019</u>	<u>H/(L)</u>
Inventory	\$ 4,606	\$ 4,305	7.0%
Inventory/store	\$ 713	\$ 690	3.3%
Inventory, net of payables	\$ (264)	\$ (364)	(27.5%)
Inv., net of payables/store	\$ (41)	\$ (58)	(30.0%)
Inventory turns	1.3x	1.3x	-
Working capital	\$ (479)	\$ (337)	42.0%
Property and equipment, net	\$ 4,476	\$ 4,270	4.8%
Debt	\$ 5,451	\$ 5,111	6.7%
Stockholders' Deficit	\$ (1,711)	\$ (1,594)	7.3%

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, represents only 4% overall market share with significant opportunity for growth
 - 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

