



***STRONG***



# 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 the Company’s management in light of experience and perception of historical trends, current conditions, expected future developments and other factors that the Company believes 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; risks associated with self-insurance; war and the prospect of war, including terrorist activity; the impact of public health issues, such as the ongoing global pandemic of a novel strain of the coronavirus (“COVID-19”); 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 the Company’s credit ratings; damage to the Company’s reputation; challenges in international markets; failure or interruption of the Company’s information technology systems; origin and raw material costs of suppliers; disruption in the Company’s 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 described in more detail in the “Risk Factors” section contained in Item 1A under Part 1 of the Company’s Annual Report on Form 10-K for the fiscal year ended August 29, 2020 and in our other SEC filings. These Risk Factors should be read carefully. However, it should be understood that it is not possible to identify or predict all such risks and other factors that could affect these forward-looking statements. 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 the Company’s business. However, it should be understood that it is not possible to identify or predict all such risks and other factors that could affect these forward-looking statements. Forward-looking statements speak only as of the date made. Except as required by applicable law, the Company undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.



# First Quarter Fiscal 2021 Conference Call

*December 8, 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.

# First Quarter FY 2021 P&L

in millions (excluding EPS and percentages)	<u>12 Weeks Ended 11/21/2020</u>	<u>12 Weeks Ended 11/23/2019</u>	<u>B/(W)</u>
<b>Net Sales</b>	\$ 3,154	\$ 2,793	12.9%
<b>Gross Margin</b>	53.1%	53.7%	(62 bps)
<b>Operating Expense Ratio</b>	33.6%	35.8%	222 bps
<b>Operating Profit (EBIT)</b>	\$ 615	\$ 500	23.0%
<b>Operating (EBIT) Margin</b>	19.5%	17.9%	160 bps
<b>Interest</b>	\$ 46.1	\$ 43.7	(5.6%)
<b>Tax Rate</b>	22.2%	23.2%	
<b>Net Income</b>	\$ 442	\$ 350	26.3%
<b>Diluted Shares</b>	23.8	24.5	2.9%
<b>Diluted EPS</b>	\$ 18.61	\$ 14.30	30.1%

# Growth Priorities

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

# New Store Highlights

	<u>12 Weeks Ended November 21, 2020</u>	<u>12 Weeks Ended November 23, 2019</u>
<b>Domestic:</b>		
Beginning stores	5,885	5,772
Stores opened	39	18
Ending domestic stores	<u>5,924</u>	<u>5,790</u>
Relocated stores	4	-
Stores with commercial programs	5,043	4,917
Square footage (in thousands)	38,823	37,910
<b>Mexico:</b>		
Beginning stores	621	604
Stores opened	-	2
Ending Mexico stores	<u>621</u>	<u>606</u>
<b>Brazil:</b>		
Beginning stores	43	35
Stores opened	2	2
Ending Brazil stores	<u>45</u>	<u>37</u>
<b>Total</b>	<u><u>6,590</u></u>	<u><u>6,433</u></u>
Square footage (in thousands)	43,781	42,695
Square footage per store	6,644	6,637

# Growth Priorities

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



# First Quarter Commercial Highlights

	<b># of Commercial Programs</b>		
<b>Total Domestic Commercial Programs</b>	<b>5,043</b>		
<b>% increase in programs vs. LY</b>	<b>2.6%</b>		
<b>Domestic Stores with Commercial Programs</b>	<b>85%</b>		
	<b>1st Quarter</b>	<b>Trailing 4 Qtrs*</b>	
<b>Domestic Commercial Sales: (\$ millions)</b>	<b>\$695.3</b>	<b>\$2,801.6</b>	
<b>% increase in sales</b>	<b>11.9%</b>	<b>6.2%</b>	
	<b>1st Quarter</b>	<b>Trailing 4 Qtrs*</b>	
<b>Domestic Avg Wkly \$/Program (\$ thousands)</b>	<b>\$11.5</b>	<b>\$10.8</b>	
<b>% increase**</b>	<b>9.2%</b>	<b>5.3%</b>	
<b>* Fiscal 2019 results include an additional week of sales</b>			
<b>** Two Point Average for Programs Open</b>			

# Balance Sheet Highlights

(\$ in Millions, except per store amounts are in thousands)	As of 11/21/2020	As of 11/23/2019	H/(L)
Inventory	\$ 4,628	\$ 4,463	3.7%
Inventory/store	\$ 702	\$ 694	1.2%
Inventory, net of payables	\$ (654)	\$ (459)	42.5%
Inv., net of payables/store	\$ (99)	\$ (71)	39.1%
Inventory turns	1.3x	1.3x	-
Working capital	\$ 332	\$ (711)	147%
Property and equipment, net	\$ 4,586	\$ 4,451	3.0%
Debt	\$ 5,514	\$ 5,287	4.3%
Stockholders' Deficit	\$ (1,027)	\$ (1,776)	42.2%

# 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
  - Invest in technology to improve customer service and create a seamless experience
  - Focused on profitable growth
- Prudently paced International growth
- Relentless focus on managing costs

\*Based on Auto Care Association 2021 Factbook Commercial Industry estimated 2021 size of \$75.1B



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