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Forward-Looking Statements

- Certain statements contained in this presentation are forward-looking statements. Forward-looking statements typically use words such as “believe,” “anticipate,” “should,” “intend,” “plan,” “will,” “expect,” “estimate,” “project,” “positioned,” “strategy” 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; access to available and feasible financing; 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 and retain qualified employees; construction delays; the compromising of the confidentiality, availability, or integrity of information, including cyber security attacks; and raw material costs of our suppliers. Certain of these risks 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 27, 2016, 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.



Third Quarter Fiscal 2017 Conference Call

May 23, 2017



The 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.

Third Quarter FY 2017 P&L

in millions (excluding EPS and percentages)	12 Weeks Ended		12 Weeks Ended		B/(W)	
	<u>5/6/2017</u>		<u>5/7/2016</u>			
Net Sales	\$	2,619	\$	2,594	+	1%
Gross Margin		52.6%		52.8%	-	21 bps
Operating Expense Ratio		32.4%		32.2%	-	25 bps
Operating Profit (EBIT)	\$	530	\$	536	-	1%
Operating (EBIT) Margin		20.2%		20.7%	-	46 bps
Interest	\$	36	\$	34	-	5%
Tax Rate		32.8%		34.8%		
Net Income	\$	332	\$	328	+	1%
Diluted Shares		29.0		30.4	+	5%
Diluted EPS	\$	11.44	\$	10.77	+	6%

YTD Third Quarter FY 2017 P&L

in millions (excluding EPS and percentages)	36 Weeks Ended 5/6/2017	36 Weeks Ended 5/7/2016	B/(W)	
Net Sales	\$ 7,376	\$ 7,237	+	2%
Gross Margin	52.7%	52.7%	-	2 bps
Operating Expense Ratio	34.1%	34.0%	-	12 bps
Operating Profit (EBIT)	\$ 1,372	\$ 1,357	+	1%
Operating (EBIT) Margin	18.6%	18.8%	-	14 bps
Interest	\$ 103	\$ 102	-	1%
Tax Rate	33.3%	35.1%		
Net Income	\$ 847	\$ 814	+	4%
Diluted Shares	29.3	30.7	+	5%
Diluted EPS	\$ 28.86	\$ 26.46	+	9%



Growth Priorities

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

New Store Highlights

	<u>3rd Quarter</u>	<u>Total Location Count</u>
Beginning Domestic AutoZone Stores:		5,346
New	35	
Relocated	2	
Closed	0	
Ending Domestic AutoZone Stores:		5,381
Domestic stores square footage (000's)		35,150
New Mexico stores	8	
Ending Mexico Stores		499
New Brazil store	0	
Ending Brazil Stores		9
Total AutoZone stores		5,889
Square footage (000's)		38,900
Square footage per store		6,606
New IMC branches	0	
Total IMC branches		26
Total locations chainwide		5,915



Growth Priorities

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



Q3 Commercial Highlights

	# of Commercial Programs		
Total Commercial Programs	4,493		
% increase in programs vs. LY	5.1%		
	3rd		
	<u>Quarter</u>	<u>Trailing 4 qtrs</u>	
Domestic Commercial Sales: (\$ millions) (excludes IMC)	\$498.6	\$2,025.5	
% increase in sales	3.6%	5.5%	



Q3 FY 2017 Cash Flow

(\$ Millions)	12 Weeks Ended <u>5/6/2017</u>	12 Weeks Ended <u>5/7/2016</u>	36 Weeks Ended <u>5/6/2017</u>	36 Weeks Ended <u>5/7/2016</u>
Net increase in cash and cash equivalents	\$ 16	\$ 5	\$ 37	\$ 38
Subtract increase in debt	5	112	231	331
Add back share repurchases	<u>284</u>	<u>533</u>	<u>844</u>	<u>1,083</u>
Cash flow before share repurchases & changes in debt	<u>\$ 295</u>	<u>\$ 426</u>	<u>\$ 651</u>	<u>\$ 790</u>
Ending debt	<u>\$ 5,153</u>	<u>\$ 4,954</u>	<u>\$ 5,153</u>	<u>\$ 4,954</u>

Balance Sheet Highlights

(\$ Millions)	As of <u>5/6/2017</u>	As of <u>5/7/2016</u>	<u>H/(L)</u>
Inventory	\$ 3,861	\$ 3,597	+ 7%
Inventory/location	\$ 653	\$ 629	+ 4%
Inventory, net of payables	\$ (280)	\$ (394)	
Inv., net of payables/location	\$ (47)	\$ (69)	
Inventory turns	1.4x	1.4x	
Working capital	\$ (286)	\$ (422)	
Net fixed assets	\$ 3,904	\$ 3,619	+ 8%
Debt	\$ 5,153	\$ 4,954	+ 4%
Stockholders' Deficit	\$ (1,714)	\$ (1,863)	+ 8%

Strong Financial Disciplines

'Live The Pledge'
Continued EPS growth

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

*Based on Auto Care Association 2017 Factbook Commercial Industry estimated 2016 size of \$67.098B

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