



# 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, due to changes in fuel prices, miles driven or otherwise; energy prices; weather, including extreme temperatures, natural disasters and general weather conditions; 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; inflation, including wage inflation; the ability to hire, train and retain qualified employees; construction delays; failure or interruption of our information technology systems; issues relating to the confidentiality, integrity or availability of information, including due to cyber-attacks; historic growth rate sustainability; downgrade of our credit ratings; damage to our reputation; challenges associated with doing business in and expanding into international markets; origin and raw material costs of suppliers; inventory availability; disruption in our supply chain; impact of tariffs; impact of new accounting standards; our ability to execute our growth initiatives; and other 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 Company’s Annual Report on Form 10-K for the year ended August 27, 2022, and Part II, Item 1A, of our Quarterly Report on Form 10-Q for the quarterly period ended November 19, 2022. 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. Events described above and in the “Risk Factors” could materially and adversely affect our 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, we undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.



# Third Quarter Fiscal 2023 Conference Call

*May 23, 2023*

# 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.

# QTD Third Quarter FY 2023

## Financial Highlights

- ✓ Net Sales +5.8%
- ✓ Domestic SSS +1.9%
- ✓ Diluted weighted shares outstanding decreased 7.0% vs Q3 FY22
- ✓ During Q3 FY23, we repurchased \$908MM in AutoZone stock

in millions (excluding EPS and percentages)	12 Weeks Ended May 6, 2023	12 Weeks Ended May 7, 2022	B/(W)
<b>Net Sales</b>	\$ 4,091	\$ 3,865	5.8%
<b>Gross Margin</b>	52.5%	51.9%	56 bps *
<b>Operating Expense Ratio</b>	31.5%	31.6%	10 bps
<b>Operating Profit (EBIT)</b>	\$ 858	\$ 786	9.3%
<b>Operating (EBIT) Margin</b>	21.0%	20.3%	66 bps *
<b>Interest</b>	\$ 74	\$ 42	(77.4%)
<b>Tax Rate</b>	17.4%	20.3%	293 bps
<b>Net Income</b>	\$ 648	\$ 593	9.3% *
<b>Diluted Shares</b>	19.0	20.4	7.0%
<b>Diluted EPS</b>	\$ 34.12	\$ 29.03	17.5% *

\*Includes \$17MM non-cash LIFO benefit, pre-tax

# YTD Third Quarter FY 2023

## Financial Highlights

- ✓ Net Sales +7.9%
- ✓ Domestic SSS +4.2%
- ✓ Diluted weighted shares outstanding decreased 8.3% vs Q3 FY22
- ✓ FY23 YTD, we repurchased \$2.7 billion in AutoZone stock

in millions (excluding EPS and percentages)	36 Weeks Ended May 6, 2023	36 Weeks Ended May 7, 2022	B/(W)
Net Sales	\$ 11,767	\$ 10,904	7.9%
Gross Margin	51.6%	52.4%	(84 bps)*
Operating Expense Ratio	32.5%	32.6%	10 bps
Operating Profit (EBIT)	\$ 2,251	\$ 2,167	3.9%
Operating (EBIT) Margin	19.1%	19.9%	(74 bps)*
Interest	\$ 198	\$ 128	(54.8%)
Tax Rate	19.0%	20.6%	158 bps
Net Income	\$ 1,664	\$ 1,620	2.7%*
Diluted Shares	19.3	21.1	8.3%
Diluted EPS	\$ 86.10	\$ 76.90	12.0%*

\*Includes \$74MM non-cash LIFO charge, pre-tax

# New Store Highlights

	12 Weeks Ended May 6, 2023	12 Weeks Ended May 7, 2022	36 Weeks Ended May 6, 2023	36 Weeks Ended May 7, 2022
<b>Domestic:</b>				
Beginning stores	6,226	6,091	6,168	6,051
Stores opened	22	24	80	65
Stores closed	-	-	-	(1)
Ending domestic stores	6,248	6,115	6,248	6,115
Relocated stores	-	4	4	8
Stores with commercial programs	5,526	5,276	5,526	5,276
Square footage (in thousands)	41,253	40,230	41,253	40,230
<b>Mexico:</b>				
Beginning stores	707	669	703	664
Stores opened	6	4	10	9
Ending Mexico stores	713	673	713	673
<b>Brazil:</b>				
Beginning stores	81	55	72	52
Stores opened	2	3	11	6
Ending Brazil stores	83	58	83	58
<b>Total:</b>				
	7,044	6,846	7,044	6,846
Square footage (in thousands)	47,191	45,680	47,191	45,680
Square footage per store	6,699	6,673	6,699	6,673

During Q3, we expanded our domestic footprint by opening 22 new stores.

We also continued our international expansion efforts by opening new stores in Mexico and Brazil. In Mexico, our footprint increased 5.9% as compared to Q3 FY22, while in Brazil, our store count has increased 43.1% since Q3 FY22.

# Commercial Highlights

Financial Highlights		
	<b># of Commercial Programs</b>	
<b>Total Domestic Commercial Programs</b>	<u>5,526</u>	
<b>% increase in programs vs. LY</b>	4.7%	
	<b>12 Weeks Ended May 6, 2023</b>	<b>Trailing 4 Qtrs</b>
<b>Domestic Commercial Sales (\$ millions)</b>	<u>\$1,110.5</u>	<u>\$4,541.7</u>
<b>% increase in sales</b>	6.3%	14.4%
	<b>12 Weeks Ended May 6, 2023</b>	<b>Trailing 4 Qtrs*</b>
<b>Domestic Avg Wkly \$/Program (\$ thousands)</b>	<u>\$16.8</u>	<u>\$16.2</u>
<b>% increase</b>	1.2%	10.2%
<b>*Two Point Average for Programs Open</b>		

Commercial sales grew 6.3% versus the prior year. We have a Commercial Program in 88% of Domestic Stores now as compared to 86% in Q3 FY22. Average weekly sales per Commercial Program increased 1.2% as compared to Q3 FY22.



# Balance Sheet Highlights

(\$ in millions, except per store amounts are in thousands)	As of May 6, 2023	As of May 7, 2022	H/(L)
Inventory	\$ 5,704	\$ 5,313	7.4%
Inventory/store	\$ 810	\$ 776	4.3%
Inventory, net of payables	\$ (1,512)	\$ (1,480)	2.1%
Inventory, net of payables/store	\$ (215)	\$ (216)	(0.7%)
Inventory turns	1.5x	1.5x	
Working capital	\$ (1,756)	\$ (1,809)	(2.9%)
Property and equipment, net	\$ 5,334	\$ 4,972	7.3%
Debt	\$ 7,340	\$ 6,057	21.2%
Stockholders' Deficit	\$ (4,302)	\$ (3,387)	27.0%

- The increase in inventory per store was driven primarily by inflation and our growth initiatives.
- Share repurchases totaled \$908MM for Q3 FY23.

# Building Shareholder Value

- ✓ Live the Pledge
- ✓ Consistent, steady EPS growth
- ✓ Powerful Free Cashflow generation
- ✓ Disciplined Capital Allocation
  - Invest to optimize performance of existing assets
  - Drive growth
  - Excess cash returned to shareholders
- ✓ Accelerate growth in Commercial and DIY
  - Hubs & Mega-hubs expansion
  - Improved assortment & coverage
  - “Best merchandise at the right price”
  - Leverage technology to improve the customer experience
  - International expansion
- ✓ Relentless focus on execution





***ACCELERATE***

***TOGETHER***

