

**YES!**

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# Forward-Looking Statements

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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: credit market conditions; the impact of recessionary conditions; competition; product demand; the ability to hire and retain qualified employees; consumer debt levels; inflation; weather; raw material costs of our suppliers; energy prices; war and the prospect of war, including terrorist activity; construction delays; access to available and feasible financing; the compromising of the confidentiality, availability or integrity of information, including cyber security attacks; and changes in laws or regulations. 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.



# First Quarter Fiscal 2017 Conference Call

December 6, 2016



*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.*

# First Quarter FY 2017 P&L

	12 Weeks Ended		12 Weeks Ended		
in millions (excluding EPS and percentages)	11/19/2016		11/21/2015		B/(W)
<b>Net Sales</b>	\$	<b>2,468</b>	\$	<b>2,386</b>	+ 3%
<b>Gross Margin</b>		<b>52.7%</b>		<b>52.5%</b>	+ 23 bps
<b>Operating Expense Ratio</b>		<b>34.1%</b>		<b>34.2%</b>	+ 1 bps
<b>Operating Profit (EBIT)</b>	\$	<b>459</b>	\$	<b>438</b>	+ 5%
<b>Operating (EBIT) Margin</b>		<b>18.6%</b>		<b>18.4%</b>	+ 24 bps
<b>Interest</b>	\$	<b>33</b>	\$	<b>35</b>	+ 5%
<b>Tax Rate</b>		<b>34.7%</b>		<b>35.9%</b>	
<b>Net Income</b>	\$	<b>278</b>	\$	<b>258</b>	+ 8%
<b>Diluted Shares</b>		<b>29.7</b>		<b>31.1</b>	+ 5%
<b>Diluted EPS</b>	\$	<b>9.36</b>	\$	<b>8.29</b>	+ 13%



## Growth Priorities

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

# New Store Highlights

	<u>1st Quarter</u>	<u>Total Location Count</u>
<b>Beginning Domestic AutoZone Stores:</b>		<b>5,297</b>
<b>New</b>	<b>16</b>	
<b>Relocated</b>	<b>2</b>	
<b>Closed</b>	<b>0</b>	
<b>Ending Domestic AutoZone Stores:</b>		<b>5,313</b>
<b>Domestic stores square footage (000's)</b>		<b>34,684</b>
<b>New Mexico stores</b>	<b>5</b>	
<b>Ending Mexico Stores</b>		<b>488</b>
<b>New Brazil store</b>	<b>0</b>	
<b>Ending Brazil Stores</b>		<b>8</b>
<b>Total AutoZone stores</b>		<b>5,809</b>
<b>Square footage (000's)</b>		<b>38,345</b>
<b>Square footage per store</b>		<b>6,601</b>
<b>New IMC branches</b>	<b>0</b>	
<b>Total IMC branches</b>		<b>26</b>
<b>Total locations chainwide</b>		<b><u><u>5,835</u></u></b>



## Growth Priorities

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



# Q1 Commercial Highlights

	<b># of Commercial Programs</b>	
<b>Total Commercial Programs</b>	<b>4,425</b>	
<b>% increase in programs vs. LY</b>	<b>5.5%</b>	
	<b>1st</b>	<b>Trailing 4 qtrs</b>
<b>Domestic Commercial Sales: (\$ millions) (excludes IMC)</b>	<b>\$460.6</b>	<b>\$1,979.2</b>
<b>% increase in sales</b>	<b>6.3%</b>	<b>6.3%</b>



# Q1 FY 2017 Cash Flow

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<b>(\$ Millions)</b>	<b>12 Weeks Ended <u>11/19/2016</u></b>	<b>12 Weeks Ended <u>11/21/2015</u></b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>\$ 6</b>	<b>\$ (10)</b>
<b>Subtract increase in debt</b>	<b>72</b>	<b>128</b>
<b>Add back share repurchases</b>	<b><u>363</u></b>	<b><u>400</u></b>
<b>Cash flow before share repurchases &amp; changes in debt</b>	<b><u>\$ 296</u></b>	<b><u>\$ 262</u></b>
<b>Ending debt</b>	<b><u>\$ 4,997</u></b>	<b><u>\$ 4,754</u></b>

# Balance Sheet Highlights

<b>(\$ Millions)</b>	<b><u>11/19/2016</u></b>	<b><u>11/21/2015</u></b>	<b><u>H/(L)</u></b>
<b>Inventory</b>	<b>\$ 3,773</b>	<b>\$ 3,516</b>	<b>+ 7%</b>
<b>Inventory/location</b>	<b>\$ 647</b>	<b>\$ 624</b>	<b>+ 4%</b>
<b>Inventory, net of payables</b>	<b>\$ (389)</b>	<b>\$ (374)</b>	
<b>Inv., net of payables/location</b>	<b>\$ (67)</b>	<b>\$ (66)</b>	
<b>Inventory turns</b>	<b>1.4x</b>	<b>1.4x</b>	
<b>Working capital</b>	<b>\$ (482)</b>	<b>\$ (721)</b>	
<b>Net fixed assets</b>	<b>\$ 3,751</b>	<b>\$ 3,537</b>	<b>+ 6%</b>
<b>Debt</b>	<b>\$ 4,997</b>	<b>\$ 4,754</b>	<b>+ 5%</b>
<b>Stockholders' Deficit</b>	<b>\$ (1,895)</b>	<b>\$ (1,778)</b>	<b>+ 7%</b>

# Strong Financial Disciplines

'Live The Pledge'  
Continued EPS growth

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- 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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