



**STRONG**



# Forward-Looking Statements

Certain statements contained in this Quarterly Report on Form 10-Q 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; 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 coronavirus pandemic; 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; 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 our Annual Report on Form 10-K for the year ended August 29, 2020, and these Risk Factors should be read carefully. Forward-looking statements are not guarantees of future performance, 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. 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 2021 Conference Call

*May 25, 2021*

# 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.

# Third Quarter FY 2021 P&L

<i>in millions (excluding EPS and percentages)</i>	<b>12 Weeks Ended 5/8/2021</b>	<b>12 Weeks Ended 5/9/2020</b>	<b>B/(W)</b>
<b>Net Sales</b>	\$ 3,651	\$ 2,779	31.4%
<b>Gross Margin</b>	52.5%	53.6%	(118 bps)
<b>Operating Expense Ratio</b>	30.4%	35.9%	550 bps
<b>Operating Profit (EBIT)</b>	\$ 804	\$ 492	63.4%
<b>Operating (EBIT) Margin</b>	22.0%	17.7%	432 bps
<b>Interest</b>	\$ 45.0	\$ 47.5	5.1%
<b>Tax Rate</b>	21.4%	22.8%	
<b>Net Income</b>	\$ 596	\$ 343	73.9%
<b>Diluted Shares</b>	22.5	23.8	5.5%
<b>Diluted EPS</b>	\$ 26.48	\$ 14.39	84.0%

# YTD Third Quarter FY 2021 P&L

in millions (excluding EPS and percentages)	36 Weeks Ended 5/8/2021		36 Weeks Ended 5/9/2020		B/(W)
<b>Net Sales</b>	\$	9,716	\$	8,086	20.2%
<b>Gross Margin</b>		53.0%		53.9%	(89 bps)
<b>Operating Expense Ratio</b>		33.4%		36.6%	314 bps
<b>Operating Profit (EBIT)</b>	\$	1,900	\$	1,400	35.8%
<b>Operating (EBIT) Margin</b>		19.6%		17.3%	225 bps
<b>Interest</b>	\$	137.2	\$	135.5	(1.2%)
<b>Tax Rate</b>		21.5%		21.5%	
<b>Net Income</b>	\$	1,385	\$	993	39.5%
<b>Diluted Shares</b>		23.2		24.2	4.2%
<b>Diluted EPS</b>	\$	59.80	\$	41.08	45.6%

# Growth Priorities

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

# New Store Highlights

	12 Weeks Ended May 8, 2021	12 Weeks Ended May 9, 2020	36 Weeks Ended May 8, 2021	36 Weeks Ended May 9, 2020
<b>Domestic:</b>				
Beginning stores	5,951	5,815	5,885	5,772
Stores opened	25	21	91	64
Stores closed	(1)	-	(1)	-
Ending domestic stores	<u>5,975</u>	<u>5,836</u>	<u>5,975</u>	<u>5,836</u>
Relocated stores	6	1	11	1
Stores with commercial programs	5,107	4,950	5,107	4,950
Square footage (in thousands)	39,175	38,223	39,175	38,223
<b>Mexico:</b>				
Beginning stores	628	608	621	604
Stores opened	7	2	14	6
Ending Mexico stores	<u>635</u>	<u>610</u>	<u>635</u>	<u>610</u>
<b>Brazil:</b>				
Beginning stores	46	38	43	35
Stores opened	1	-	4	3
Ending Brazil stores	<u>47</u>	<u>38</u>	<u>47</u>	<u>38</u>
<b>Total:</b>	<u>6,657</u>	<u>6,484</u>	<u>6,657</u>	<u>6,484</u>
Square footage (in thousands)	44,253	43,045	44,253	43,045
Square footage per store	6,648	6,639	6,648	6,639



# Growth Priorities

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

# Third Quarter Commercial Highlights

	<b># of Commercial Programs</b>		
<b>Total Domestic Commercial Programs</b>	<b>5,107</b>		
<b>% increase in programs vs. LY</b>	<b>3.2%</b>		
<b>Domestic Stores with Commercial Programs</b>	<b>85%</b>		
	<b>3rd Quarter</b>	<b>Trailing 4 Qtrs</b>	
<b>Domestic Commercial Sales (\$ millions)</b>	<b>\$828.6</b>	<b>\$3,138.4</b>	
<b>% increase in sales</b>	<b>44.4%</b>	<b>18.9%</b>	
	<b>3rd Quarter</b>	<b>Trailing 4 Qtrs*</b>	
<b>Domestic Avg Wkly \$/Program (\$ thousands)</b>	<b>\$13.5</b>	<b>\$12.0</b>	
<b>% increase</b>	<b>39.2%</b>	<b>17.6%</b>	

\*Two Point Average for Programs Open

# Balance Sheet Highlights

(\$ in Millions, except per store amounts are in thousands)

	As of 5/8/2021	As of 5/9/2020	H/(L)
Inventory	\$ 4,665	\$ 4,441	5.1%
Inventory/store	\$ 701	\$ 685	2.3%
Inventory, net of payables	\$ (1,113)	\$ (366)	204.3%
Inv., net of payables/store	\$ (167)	\$ (56)	198.2%
Inventory turns	1.5x	1.3x	
Working capital	\$ (789)	\$ (371)	112.6%
Property and equipment, net	\$ 4,683	\$ 4,385	6.8%
Debt	\$ 5,268	\$ 5,418	(2.8%)
Stockholders' Deficit	\$ (1,763)	\$ (1,633)	8.0%

# Building Shareholder Value

- ✓ Live the Pledge
- ✓ Consistent, steady EPS growth
- ✓ Powerful Free Cashflow generation
  - 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





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