

YES!
WE'VE
GOT IT
The AutoZone logo, featuring a stylized orange and white striped graphic to the left of the word "AutoZone" in a red, italicized, sans-serif font with a registered trademark symbol.



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 confidentiality, availability, or integrity of information, including cyber 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 26, 2017, 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 “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.



Agenda

- Overview
- Industry Trends
- AutoZone Strengths
- AutoZone Growth Initiatives
- The Sector Leader

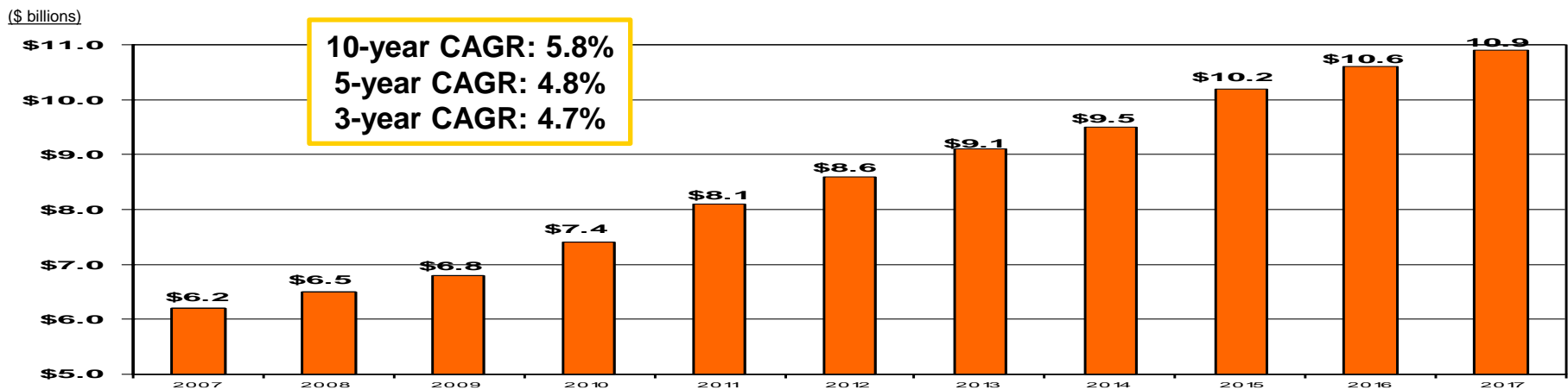
Company Overview

Extensive product line for cars, sport utility vehicles, vans and light trucks, including new and remanufactured automotive hard parts, maintenance items, accessories and non-automotive products

- As of Q2 FY2018 AZO operated 5,514 stores in 50 states, the District of Columbia and Puerto Rico in the U.S. 532 stores in Mexico and 16 stores in Brazil
- As of end of Q2 FY2018 4,645 U.S. stores also had commercial sales programs (84%)
- Trailing twelve months net sales: \$11.1 billion and adjusted EBITDA of \$2.4 billion*



Historical Net Sales

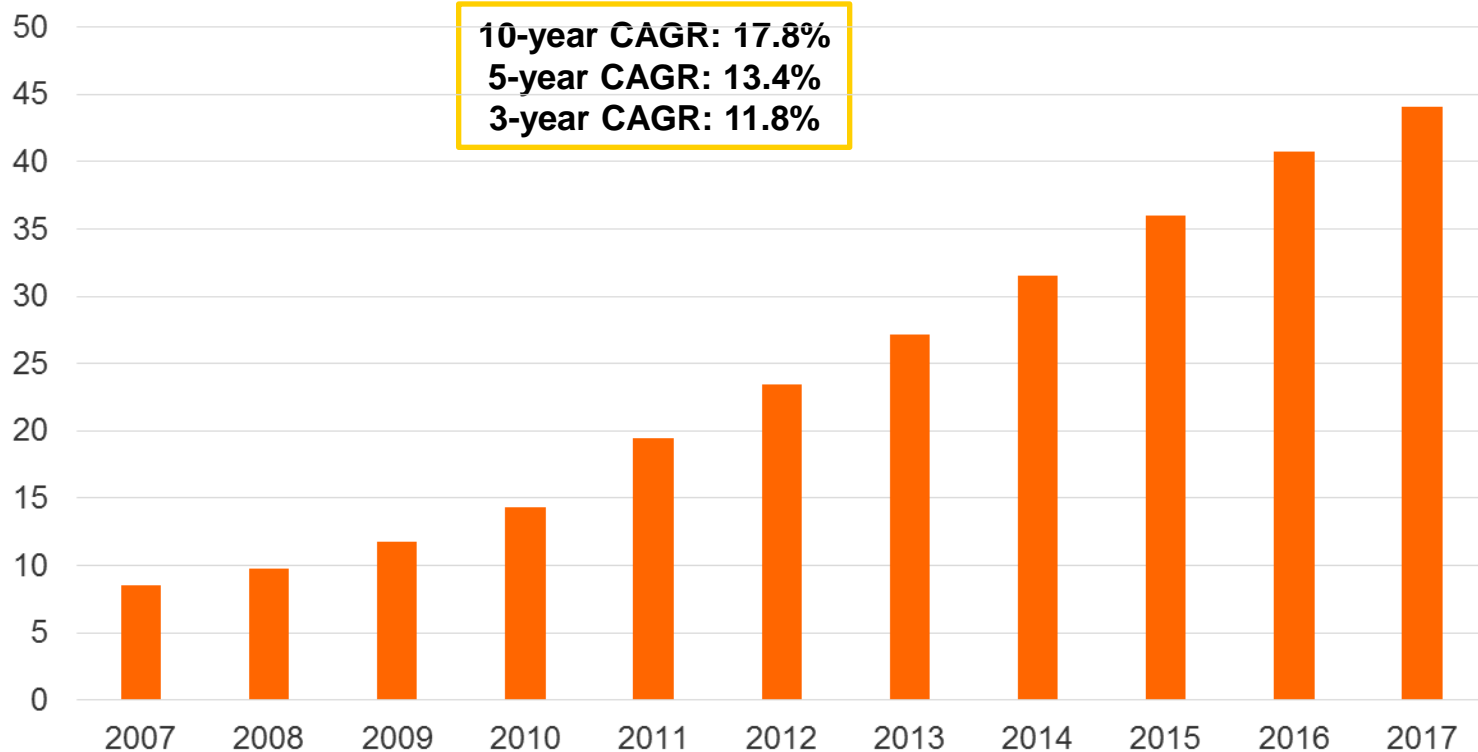


Financial Results

AZO: Record EPS

(FY ending August)

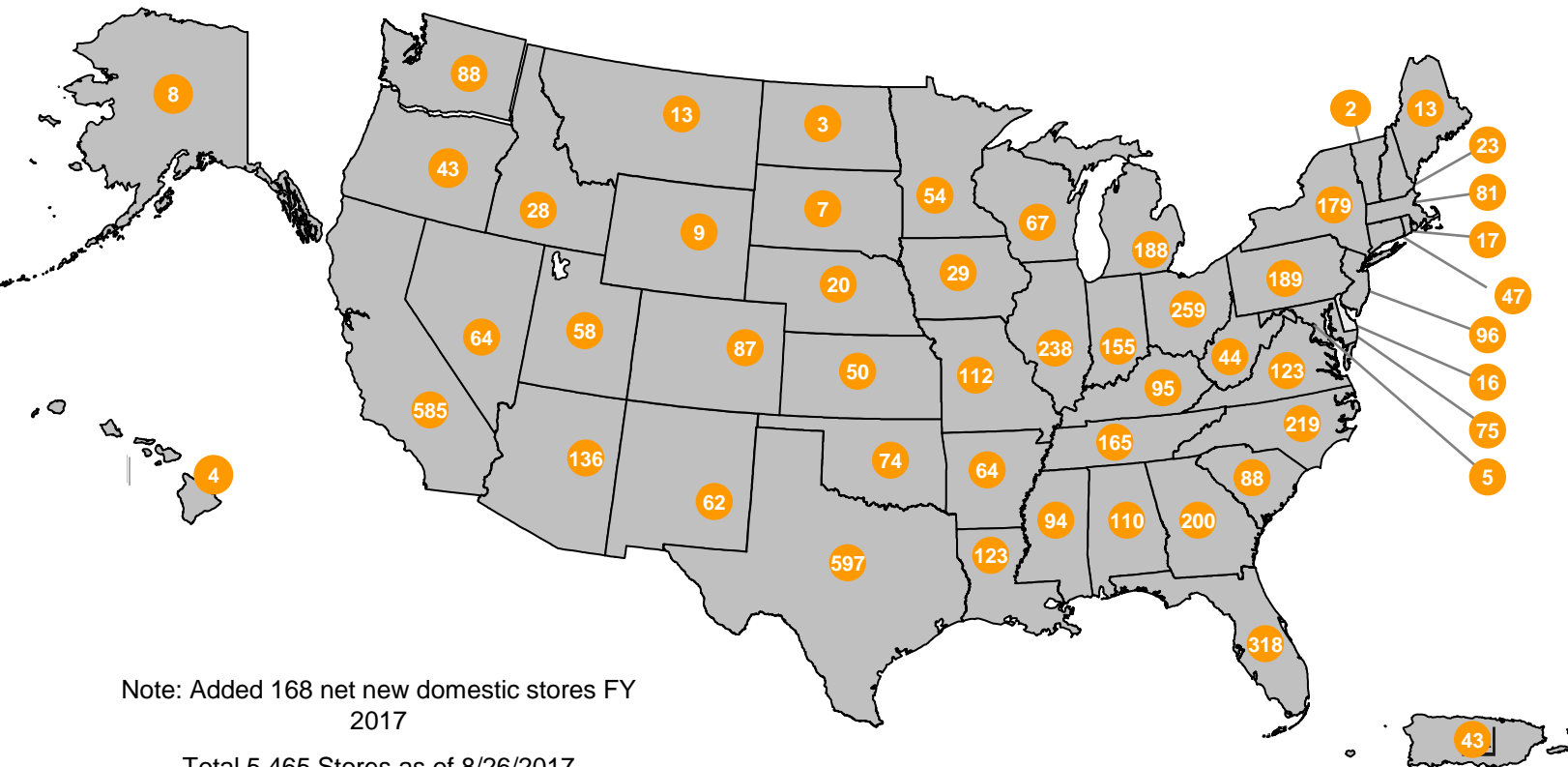
TOTAL EPS \$ GROWTH



2008 & 2013 exclude 53rd week for comparison purposes

National U.S. Footprint at YE FY 2017

- Continued opportunity for further expansion



Note: Added 168 net new domestic stores FY 2017

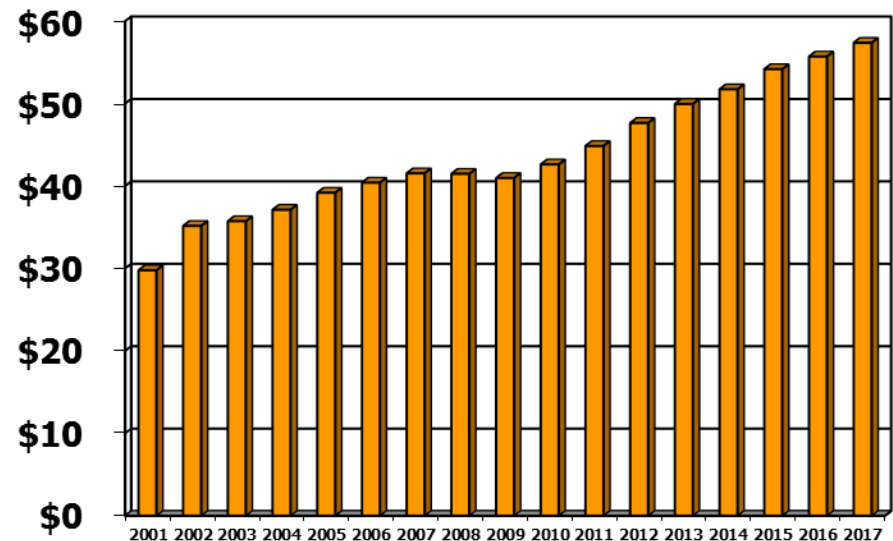
Total 5,465 Stores as of 8/26/2017

Positive Industry Dynamics: "Do-It-Yourself" Auto Aftermarket

- "Do-It-Yourself" auto aftermarket caters to individuals who maintain, repair and enhance vehicles without the aid of experts or professionals
- ~\$57 billion per year industry
- 10-year CAGR of 3.3%
- AutoZone has established a strong market presence within the industry
- Market share rank: #1

DIY Annual Sales

10-year CAGR: 3.3%

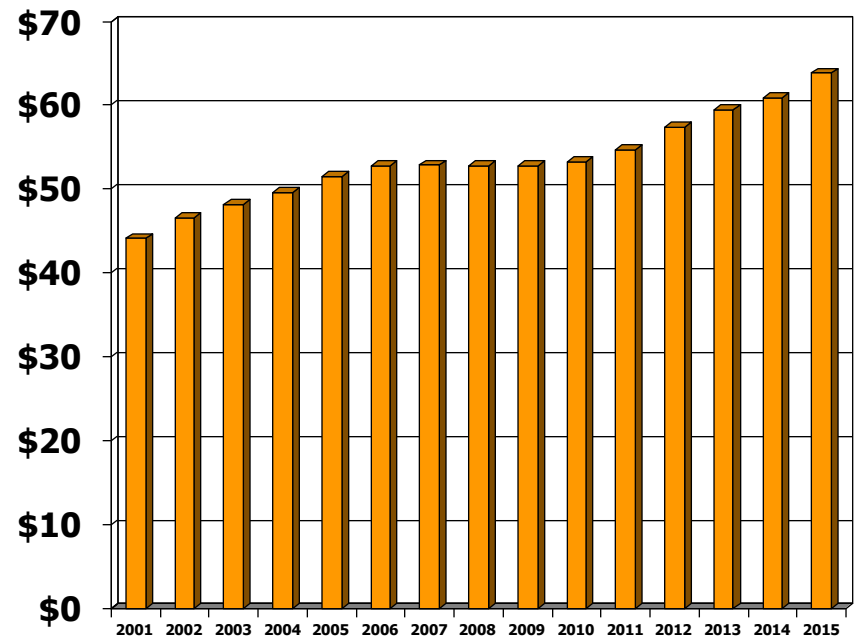


Source: 2018 AutoCare Factbook

Positive Industry Dynamics: "Do-It-For-Me" Commercial Auto Aftermarket

DIFM Annual Sales

10-year CAGR: 3.4%



- "Do-It-For-Me" auto aftermarket caters to individuals who prefer to have experts or professionals perform maintenance and repairs for them

- ~\$74 billion per year industry
- 10-year CAGR of 3.4%
- Highly fragmented industry

- AutoZone continues to establish itself within this market and is focused on growing this segment

- Sales: ~\$2.1 billion*
- Market share: 3%**

- * AutoZone Domestic Commercial Q2 TTM

- ** Source: 2018 AutoCare Factbook



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.



Second Quarter Fiscal 2018 Conference Call

February 27, 2018

Second Quarter FY 2018 P&L

in millions (excluding EPS and percentages)	12 Weeks Ended	12 Weeks Ended	B/(W)	
	2/10/2018	2/11/2017		
Net Sales	\$ 2,413	\$ 2,289	+	5%
Gross Margin	52.9%	52.7%	+	26 bps
Operating Expense Ratio	44.4%	35.9%	-	853 bps
Operating Profit (EBIT)	\$ 205	\$ 384	-	47%
Operating (EBIT) Margin	8.5%	16.8%	-	827 bps
Interest	\$ 39	\$ 34	-	15%
Tax Rate	-74.7%	32.2%		
Net Income	\$ 290	\$ 237	+	22%
Diluted Shares	27.9	29.3	-	5%
Diluted EPS	\$ 10.38	\$ 8.08	+	28%

GAAP Reconciliations (QTD)

in millions (excluding EPS and percentages)

	12 Weeks Ended 2/10/2018	12 Weeks Ended 2/11/2017	B/(W)
Comp Sales %	2.2%	0.0%	
<u>Adjusted Operating Profit</u>			
GAAP Operating Profit (EBIT)	\$ 205.1	\$ 384.0	
Adjustments:			
Impairment Charge	193.2	-	
Operating Results - IMC and AutoAnything	5.2	4.8	
Adjusted Operating Profit	<u>\$ 403.5</u>	<u>\$ 388.8</u>	3.8%
<u>Adjusted Net Income</u>			
GAAP net income	\$ 289.5	\$ 237.1	
Adjustments:			
Impairment Charge, net of \$46.6MM income tax benefit	146.6	-	
Tax Reform	(171.4)	-	
Impact of excess benefits from option exercises	(32.1)	(12.7)	
Operating Results - IMC and AutoAnything	3.7	3.0	
Adjusted net income	<u>\$ 236.3</u>	<u>\$ 227.4</u>	3.9%
<u>Adjusted EPS</u>			
GAAP diluted earnings per share	\$ 10.38	\$ 8.08	
Adjustments:			
Impairment Charge, net of \$46.6MM income tax benefit	5.25	-	
Tax Reform	(6.14)	-	
Impact of excess benefits from option exercises	(1.15)	(0.43)	
Operating Results - IMC and AutoAnything	0.13	0.10	
Adjusted diluted earnings per share	<u>\$ 8.47</u>	<u>\$ 7.75</u>	9.3%

YTD Second Quarter FY 2018 P&L

in millions (excluding EPS and percentages)	24 Weeks Ended	24 Weeks Ended	B/(W)	
	2/10/2018	2/11/2017		
Net Sales	\$ 5,002	\$ 4,757	+	5%
Gross Margin	52.8%	52.7%	+	13 bps
Operating Expense Ratio	39.4%	35.0%	-	438 bps
Operating Profit (EBIT)	\$ 674	\$ 843	-	20%
Operating (EBIT) Margin	13.5%	17.7%	-	425 bps
Interest	\$ 78	\$ 68	-	16%
Tax Rate	4.2%	33.5%		
Net Income	\$ 571	\$ 515	+	11%
Diluted Shares	28.0	29.5	+	5%
Diluted EPS	\$ 20.38	\$ 17.48	+	17%

GAAP Reconciliations (YTD)

in millions (excluding EPS and percentages)

	24 Weeks Ended 2/10/2018	24 Weeks Ended 2/11/2017	B/(W)
Comp Sales %	2.3%	0.8%	
<u>Adjusted Operating Profit</u>			
GAAP Operating Profit (EBIT)	\$ 673.9	\$ 842.9	
Adjustments:			
Impairment Charge	193.2	-	
Operating Results - IMC and AutoAnything	8.2	9.9	
Adjusted Operating Profit	<u>\$ 875.3</u>	<u>\$ 852.8</u>	2.6%
<u>Adjusted Net Income</u>			
GAAP net income	\$ 570.5	\$ 515.3	
Adjustments:			
Impairment Charge, net of \$46.6MM income tax benefit	146.6	-	
Tax Reform	(171.4)	-	
Impact of excess benefits from option exercises	(34.3)	(15.6)	
Operating Results - IMC and AutoAnything	5.8	6.1	
Adjusted net income	<u>\$ 517.2</u>	<u>\$ 505.8</u>	2.3%
<u>Adjusted EPS</u>			
GAAP diluted earnings per share	\$ 20.38	\$ 17.45	
Adjustments:			
Impairment Charge, net of \$46.6MM income tax benefit	\$ 5.23	\$ -	
Tax Reform	\$ (6.12)	\$ -	
Impact of excess benefits from option exercises	\$ (1.23)	\$ (0.53)	
Operating Results - IMC and AutoAnything	\$ 0.21	\$ 0.21	
Adjusted diluted earnings per share	<u>\$ 18.47</u>	<u>\$ 17.13</u>	7.8%



Growth Priorities

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

New Store Highlights

	<u>2nd Quarter</u>	<u>Total Location Count</u>
Beginning Domestic AutoZone Stores:		5,480
New	35	
Relocated	0	
Closed	(1)	
Ending Domestic AutoZone Stores:		5,514
Domestic stores square footage (000's)		36,044
New Mexico stores	3	
Ending Mexico Stores		532
New Brazil stores	2	
Ending Brazil Stores		16
Total AutoZone stores		6,062
Square footage (000's)		40,091
Square footage per store		6,613
New IMC branches	0	
Total IMC branches		26
Total locations chainwide		6,088



Growth Priorities

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

Positioned for Continued Growth : Enhanced Hub Network and MFD Update

- 188 Hub Stores as of Q2 2018
 - Expect to open additional Hub locations over next three years
 - Expect to open up to 40 total Mega Hubs over same time period
- Key attributes
 - Additional hard parts assortment
 - More frequent store deliveries
- Completed multiple frequency test from distribution centers to stores and will implement new frequency models over next several months





“Great People / Great Service”

- Focusing on “Yes, We’ve Got It!”
 - Increased training for stores
 - Added selling payroll
 - Focused on improving customer shopping experience
 - Increased availability

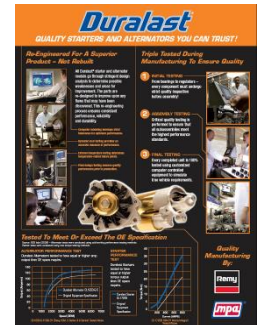
Q2 Commercial Highlights

	# of Commercial <u>Programs</u>	
Total Commercial Programs	4,645	
% increase in programs vs. LY	4.7%	
	2nd <u>Quarter</u> <u>Trailing 4 qtrs</u>	
Domestic Commercial Sales: (\$ millions) (excludes IMC)	\$455.9 \$2,118.2	
% increase in sales	5.7% 5.5%	

Positioned for Continued Commercial Growth

Commercial business, domestically, continues to outpace DIY growth

- Continuing to open more programs across country – ~84% of stores today have a Commercial program
- Enhancing products and services to achieve first call status for targeted customers
- Focusing on availability
- Catering to both small accounts and National players



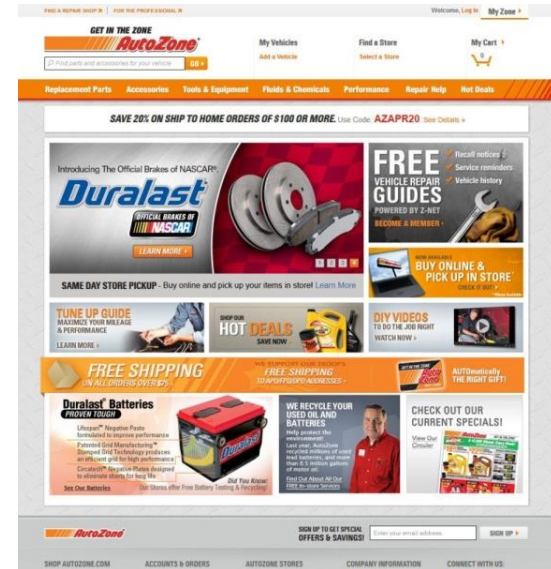
International Growth

- 9% of total store base is now international
 - Mexico
 - 532 total stores – Q2 FY2018
 - Adding ~40 stores annually
 - Brazil
 - 16 stores – Q2 FY2018
 - Targeting 24 stores open by FY2018 end



Omni-Channel

- ALLDATA
 - Over 80K customers
 - Extending Offerings
 - International opportunities
- AutoZone.com
 - Provides customers with information and advice
 - Broad product offerings
 - Ship to home / Ship to Shop
 - Traffic driver to store
 - Continual focus on improving availability



Q2 FY 2018 Total Cash Flow

(\$ Millions)	12 weeks ended <u>2/10/2018</u>	12 weeks ended <u>2/11/2017</u>	24 weeks ended <u>2/10/2018</u>	24 weeks ended <u>2/11/2017</u>
Net increase (decrease) in cash and cash equivalents	\$ 30.8	\$ 15.1	\$ (4.7)	\$ 20.9
Less (decrease)/increase in debt	59.4	153.4	(39.6)	225.6
Add back share repurchases	<u>174.9</u>	<u>198.0</u>	<u>527.4</u>	<u>560.6</u>
Cash flow before share repurchases & changes in debt	<u>\$ 146.3</u>	<u>\$ 59.7</u>	<u>\$ 562.3</u>	<u>\$ 355.9</u>
Ending debt	<u><u>\$ 5,043.5</u></u>	<u><u>\$ 5,151.9</u></u>	<u><u>\$ 5,043.5</u></u>	<u><u>\$ 5,151.9</u></u>

Balance Sheet Highlights

(\$ Millions)	As of <u>2/10/2018</u>	As of <u>2/11/2017</u>	H/(L)
Inventory	\$ 4,086	\$ 3,902	+ 5%
Inventory/location	\$ 671	\$ 665	+ 1%
Inventory, net of payables	\$ (280)	\$ (213)	
Inv., net of payables/location	\$ (46)	\$ (36)	
Inventory turns	1.3x	1.4x	
Working capital	\$ (121)	\$ (292)	
Net fixed assets	\$ 4,081	\$ 3,804	+ 7%
Debt	\$ 5,044	\$ 5,152	- 2%
Stockholders' Deficit	\$ (1,331)	\$ (1,827)	+ 27%

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
 - Refinement of 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, 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 2018 Factbook Commercial Industry estimated 2017 size of \$73.514B

YES!

**WE'VE
GOT IT**

