



great  
people  
great.  
service

A graphic consisting of several orange stars of varying sizes, each with a thin white line radiating from its center, arranged in a circular pattern around the central text.

1st Quarter Earnings Release, FY2025

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# Forward-Looking Statements

Certain statements herein constitute forward-looking statements that are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and typically use words such as “believe,” “anticipate,” “should,” “intend,” “plan,” “will,” “expect,” “estimate,” “project,” “positioned,” “strategy,” “seek,” “may,” “could” and similar expressions, although not all forward-looking statements contain such identifying words. These statements are based on assumptions and assessments made by our management in light of experience, historical trends, current conditions, expected future developments and other factors that we believe 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 and natural disasters; competition; credit market conditions; cash flows; access to financing on favorable terms; 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; public health issues; inflation, including wage inflation; exchange rates; the ability to hire, train and retain qualified employees, including members of management; 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; tariffs; new accounting standards; our ability to execute our growth initiatives; and other business interruptions. These and other risks and uncertainties could materially and adversely affect our business and are discussed in more detail in the “Risk Factors” section in Item 1A under Part 1 of our Annual Report on Form 10-K for the year ended August 31, 2024. Forward-looking statements are not guarantees of future performance and actual results may differ materially from those contemplated by such forward-looking statements. However, 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.



# First Quarter Fiscal 2025 Conference Call

December 10, 2024

# 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.



# First Quarter FY 2025 – GAAP

## Financial Highlights

- ✓ Net Sales +2.1%
- ✓ Total Company SSS +1.8%; Domestic SSS +0.3%; International SSS +13.7% (Constant Currency)<sup>(1)</sup>
- ✓ Diluted weighted average shares outstanding decreased 4.7% vs Q1 FY24
- ✓ During Q1 FY25, we repurchased \$505 million in AutoZone stock

<i>in millions (excluding EPS and percentages)</i>	<b>12 Weeks Ended November 23, 2024</b>	<b>12 Weeks Ended November 18, 2023</b>	<b>Better/(Worse)</b>
<b>Net Sales</b>	\$ 4,280	\$ 4,190	2.1%
<b>Gross Margin</b>	53.0%	52.8%	16 bps <sup>(2)</sup>
<b>Operating Expense Ratio</b>	33.3%	32.6%	(75 bps)
<b>Operating Profit (EBIT)</b>	\$ 841	\$ 849	(0.9%) <sup>(2)</sup>
<b>Operating (EBIT) Margin</b>	19.7%	20.3%	(60 bps) <sup>(2)</sup>
<b>Interest</b>	\$ 108	\$ 91	(17.8%)
<b>Tax Rate</b>	23.0%	21.6%	(136 bps)
<b>Net Income</b>	\$ 565	\$ 593	(4.8%) <sup>(2)</sup>
<b>Diluted Shares</b>	17.4	18.2	4.7%
<b>Diluted EPS</b>	\$ 32.52	\$ 32.55	(0.1%) <sup>(2)</sup>

<sup>(1)</sup> Same Store Sales are based on sales for all stores open at least one year. Constant Currency same store sales exclude the impact of fluctuations of foreign currency exchange rates by converting both the current year and prior year international results at the prior year foreign currency exchange rate. Same store sales are computed on a 12-week basis.

<sup>(2)</sup> Includes \$2.0 million non-cash LIFO benefit, pre-tax, for the 12 weeks ended November 18, 2023.



# Growth Priorities

U.S. Retail (DIY)



U.S. Commercial (DIFM)



International



# New Store Highlights

	12 Weeks Ended November 23, 2024	12 Weeks Ended November 18, 2023
<b>Domestic:</b>		
Beginning stores	6,432	6,300
Stores opened	23	17
Stores closed	-	(1)
Ending domestic stores	6,455	6,316
Relocated stores	2	-
Stores with commercial programs	5,935	5,803
Square footage (in thousands)	42,844	41,749
<b>Mexico:</b>		
Beginning stores	794	740
Stores opened	6	5
Ending Mexico stores	800	745
<b>Brazil:</b>		
Beginning stores	127	100
Stores opened	5	4
Ending Brazil stores	132	104
<b>Total:</b>	7,387	7,165
<b>Total Company stores opened, net</b>	34	25
Square footage (in thousands)	49,781	48,062
Square footage per store	6,739	6,708

During Q1 FY25, we expanded our footprint in the US by opening 23 new stores.

We also continued our international expansion efforts by opening new stores in Mexico and Brazil. In Mexico, our footprint increased 7.4% as compared to Q1 FY24, while in Brazil, our store count has increased 26.9% since Q1 FY24.

# Domestic Commercial Highlights

<b>Financial Highlights</b>		
	<b>Commercial Programs</b>	
<b>Total Domestic Commercial Programs</b>	<u>5,935</u>	
<b>% increase in programs vs. LY</b>	2.3%	
	<b>12 Weeks Ended</b>	<b>Trailing 4 Qtrs <sup>(1)</sup></b>
	<b>November 23, 2024</b>	
<b>Domestic Commercial Sales (\$ millions)</b>	<u>\$1,128.2</u>	<u>\$4,918.1</u>
<b>% increase in sales</b>	3.2%	5.6%
	<b>12 Weeks Ended</b>	<b>Trailing 4 Qtrs* <sup>(1)</sup></b>
	<b>11/23/2024*</b>	
<b>Domestic Avg Wkly \$/Program (\$ thousands)</b>	<u>\$15.9</u>	<u>\$15.8</u>
<b>% decrease</b>	-	(0.6%)
*Two Point Average for Programs Open		
<sup>(1)</sup> Fiscal 2024 results include an additional week of sales of approximately \$96 million for Domestic Commercial		

Commercial sales continued to grow, increasing 3.2% versus Q1 FY24.

We have a Commercial Program in 92% of Domestic Stores in both Q1 FY25 and Q1 FY24.



# Balance Sheet Highlights

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

	As of November 23, 2024	As of November 18, 2023	Higher/(Lower)
Inventory	\$ 6,274	\$ 5,774	8.7%
Inventory/store	\$ 849	\$ 806	5.4%
Inventory, net of payables	\$ (1,225)	\$ (1,408)	(13.1%)
Inventory, net of payables/store	\$ (166)	\$ (197)	(15.7%)
Inventory turns	1.4x	1.5x	
Working capital	\$ (1,468)	\$ (1,829)	(19.7%)
Property and equipment, net	\$ 6,281	\$ 5,713	9.9%
Debt	\$ 9,013	\$ 8,584	5.0%
Stockholders' Deficit	\$ (4,673)	\$ (5,214)	(10.4%)

# Building Shareholder Value

- ✓ Live the Pledge
- ✓ Consistent, steady EPS growth
- ✓ Powerful Free Cash Flow generation
- ✓ Disciplined Capital Allocation
  - Invest to optimize performance of existing assets
  - Drive growth
  - Excess cash returned to shareholders
- ✓ Accelerate growth in Domestic 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



