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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; 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 suppliers.

Certain of these risks are discussed in more detail in the “Risk Factors” section contained in Item 1A under Part 1 of this Annual Report on Form 10-K for the year ended August 25, 2018, 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 2019 Conference Call

December 4, 2018



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 2019 P&L

	12 Weeks Ended		12 Weeks Ended		
in millions (excluding EPS and percentages)	11/17/2018		11/18/2017		B/(W)
Net Sales	\$	2,642	\$	2,589	+ 2.0%
Gross Margin		53.7%		52.8%	+ 90 bps
Operating Expense Ratio		35.2%		34.6%	- 54 bps
Operating Profit (EBIT)	\$	488	\$	469	+ 4.1%
Operating (EBIT) Margin		18.5%		18.1%	+ 36 bps
Interest	\$	39	\$	39	- 0.3%
Tax Rate		21.7%		34.6%	
Net Income	\$	351	\$	281	+ 25.1%
Diluted Shares		26.1		28.1	+ 7.1%
Diluted EPS	\$	13.47	\$	10.00	+ 34.7%



Growth Priorities

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

Q1 New Store Highlights

	Stores	Square Ft (000s)	Square Ft/ Store		Stores	Square Ft (000s)	Square Ft/ Store
Domestic				TOTAL AUTOZONE STORES			
Beginning Domestic Stores	5,618	36,746	6,541	Beginning Stores:	6,202	41,066	6,621
New Domestic Stores:	13	90		New Stores	16	114	
Ending Domestic Stores:	5,631	36,836	6,542	Ending Stores:	6,218	41,180	6,623
Relocated Domestic stores	1			Relocated Domestic stores	1		

Stores

MEXICO

Beginning Mexico Stores:	564
New Mexico Stores	3
Ending Mexico Stores:	567

Stores

BRAZIL

Beginning Brazil Stores:	20
New Brazil Stores	-
Ending Brazil Stores:	20



Growth Priorities

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

Q1 Commercial Highlights

	# of Commercial <u>Programs</u>		
Total Commercial Programs	4,766		
% increase in programs vs. LY	3.1%		
	1st		
	<u>Quarter</u>		<u>Trailing 4 Qtrs</u>
Domestic Commercial Sales:	\$546.9		\$2,269.9
(\$ millions)			
% increase in sales	11.3%		8.4%
	1st		
	<u>Quarter</u>		<u>Trailing 4 Qtrs</u>
Domestic Avg Wkly \$/Program	\$9.6		\$9.3
(\$ thousands)			
% increase*	7.9%		4.5%

Q1 FY 2019 Total Cash Flow

(\$ Millions)	12 weeks ended <u>11/17/2018</u>	12 weeks ended <u>11/18/2017</u>
Net increase (decrease) in cash and cash equivalents	\$ 34	\$ (36)
Less (decrease)/increase in debt	149	(99)
Add back share repurchases	497	353
Cash flow before share repurchases & changes in debt	382	416
Ending debt	\$ 5,156	\$ 4,983

Balance Sheet Highlights

(\$ Millions)	As of <u>11/17/2018</u>	As of <u>11/18/2017*</u>	<u>H/(L)</u>
Inventory	\$ 4,090	\$ 4,012	+ 2.0%
Inventory/location	\$ 658	\$ 663	- 0.8%
Inventory, net of payables	\$ (365)	\$ (315)	- 16.0%
Inv., net of payables/location	\$ (59)	\$ (52)	- 12.8%
Inventory turns	1.3x	1.3x	
Working capital	\$ (362)	\$ (350)	- 3.3%
Net fixed assets	\$ 4,229	\$ 4,061	+ 4.1%
Debt	\$ 5,156	\$ 4,983	+ 3.5%
Stockholders' Deficit	\$ (1,659)	\$ (1,525)	- 8.8%

*FY2018 includes businesses AutoAnything and IMC that were sold in second half of fiscal 2018

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
 - Improved 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 2019 Factbook Commercial Industry estimated 2018 size of \$75.8B



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