



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; cash flows; access to available and feasible financing; future stock repurchases; 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, 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; 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 31, 2019, 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 2020 Conference Call

December 10, 2019

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 2020 P&L

<i>in millions (excluding EPS and percentages)</i>	12 Weeks Ended 11/23/2019	12 Weeks Ended 11/17/2018	B/(W)
Net Sales	\$ 2,793	\$ 2,642	5.7%
Gross Margin	53.7%	53.7%	8 bps
Operating Expense Ratio	35.8%	35.2%	(65 bps)
Operating Profit (EBIT)	\$ 500	\$ 488	2.5%
Operating (EBIT) Margin	17.9%	18.5%	(57 bps)
Interest	\$ 43.7	\$ 39.0	(12.1%)
Tax Rate	23.2%	21.7%	
Net Income	\$ 350	\$ 351	(0.3%)
Diluted Shares	24.5	26.1	6.1%
Diluted EPS	\$ 14.30	\$ 13.47	6.2%

Growth Priorities

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

New Store Highlights

	12 Weeks Ended November 23, 2019	12 Weeks Ended November 17, 2018
Domestic:		
Store count:		
Beginning stores	5,772	5,618
Stores opened	18	13
Ending domestic stores	<u>5,790</u>	<u>5,631</u>
Relocated stores	-	1
Stores with commercial programs	4,917	4,766
Square footage (in thousands)	37,910	36,836
Mexico:		
Beginning stores	604	564
Stores opened	2	3
Ending Mexico stores	<u>606</u>	<u>567</u>
Brazil:		
Beginning stores	35	20
Stores opened	2	-
Ending Brazil stores	<u>37</u>	<u>20</u>
Total stores	<u><u>6,433</u></u>	<u><u>6,218</u></u>
Square footage (in thousands)	42,695	41,180
Square footage per store	6,637	6,623

Growth Priorities

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

First Quarter Commercial Highlights

	# of Commercial Programs	
Total Commercial Programs	4,917	
% increase in programs vs. LY	3.2%	
	1st Quarter	Trailing 4 Qtrs
Domestic Commercial Sales: (\$ millions)	\$621.5	\$2,637.4
% increase in sales	13.6%	16.2%
	1st Quarter	Trailing 4 Qtrs
Domestic Avg Wkly \$/Program (\$ thousands)	\$10.6	\$10.3
% increase*	10.1%	10.5%

* Two Point Average for Programs Open

Balance Sheet Highlights

(\$ in Millions, except per location amounts are in thousands)	<u>As of 11/23/2019</u>	<u>As of 11/17/2018</u>	<u>H/(L)</u>
Inventory	\$ 4,463	\$ 4,090	9.1%
Inventory/location	\$ 694	\$ 658	5.5%
Inventory, net of payables	\$ (459)	\$ (365)	
Inv., net of payables/location	\$ (71)	\$ (59)	
Inventory turns	1.3x	1.3x	
Working capital	\$ (711)	\$ (354)	
Net fixed assets	\$ 4,451	\$ 4,229	5.2%
Debt	\$ 5,287	\$ 5,156	2.5%
Stockholders' Deficit	\$ (1,776)	\$ (1,659)	7.1%

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
 - Increased engagement of store management
 - Focused on profitable growth
- Prudently paced International growth
- Relentless focus on managing costs

*Based on Auto Care Association 2020 Factbook Commercial Industry estimated 2018 size of \$76.1B

