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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, due to changes in fuel prices, miles driven or otherwise; 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 (“COVID-19”) pandemic; inflation; the ability to hire, train and retain qualified employees; 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 in international markets; origin and raw material costs of suppliers; inventory availability; disruption in our supply chain; impact of tariffs; 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 the Company’s Annual Report on Form 10-K for the year ended August 27, 2022, 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. 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.



# **Second Quarter Fiscal 2023 Conference Call**

*February 28, 2023*

# 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.

# QTD Second Quarter FY 2023

## Financial Highlights

- ✓ Net Sales +9.5%
- ✓ Domestic SSS +5.3%
- ✓ Diluted weighted shares outstanding decreased 8.6% vs Q2 FY22
- ✓ During Q2 FY23, we repurchased \$906MM in AutoZone stock

<i>in millions (excluding EPS and percentages)</i>	<b>12 Weeks Ended February 11, 2023</b>	<b>12 Weeks Ended February 12, 2022</b>	<b>B/(W)</b>
<b>Net Sales</b>	\$ 3,691	\$ 3,370	9.5%
<b>Gross Margin</b>	52.3%	53.0%	(69 bps) *
<b>Operating Expense Ratio</b>	34.1%	34.4%	24 bps
<b>Operating Profit (EBIT)</b>	\$ 670	\$ 627	6.9%
<b>Operating (EBIT) Margin</b>	18.2%	18.6%	(45 bps) *
<b>Interest</b>	\$ 66	\$ 42	(54.5%)
<b>Tax Rate</b>	21.2%	19.3%	(189 bps)
<b>Net Income</b>	\$ 477	\$ 472	1.0% *
<b>Diluted Shares</b>	19.3	21.2	8.6%
<b>Diluted EPS</b>	\$ 24.64	\$ 22.30	10.5% *

\*Includes \$10MM non-cash LIFO charge, pre-tax

# YTD Second Quarter FY 2023

## Financial Highlights

- ✓ Net Sales +9.1%
- ✓ Domestic SSS +5.5%
- ✓ Diluted weighted shares outstanding decreased 8.8% vs Q2 FY22
- ✓ FY23 YTD, we repurchased \$1.8 billion in AutoZone stock

<i>in millions (excluding EPS and percentages)</i>	<b>24 Weeks Ended February 11, 2023</b>	<b>24 Weeks Ended February 12, 2022</b>	<b>B/(W)</b>
<b>Net Sales</b>	\$ 7,676	\$ 7,039	9.1%
<b>Gross Margin</b>	51.1%	52.7%	(159 bps)*
<b>Operating Expense Ratio</b>	33.0%	33.1%	11 bps
<b>Operating Profit (EBIT)</b>	\$ 1,393	\$ 1,381	0.9%
<b>Operating (EBIT) Margin</b>	18.1%	19.6%	(148 bps)*
<b>Interest</b>	\$ 123	\$ 86	(43.8%)
<b>Tax Rate</b>	20.0%	20.7%	74 bps
<b>Net Income</b>	\$ 1,016	\$ 1,027	(1.1%)*
<b>Diluted Shares</b>	19.5	21.4	8.8%
<b>Diluted EPS</b>	\$ 52.12	\$ 48.03	8.5%*

\*Includes \$91MM non-cash LIFO charge, pre-tax

# Growth Priorities

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

# New Store Highlights

	12 Weeks Ended February 11, 2023	12 Weeks Ended February 12, 2022	24 Weeks Ended February 11, 2023	24 Weeks Ended February 12, 2022
<b>Domestic:</b>				
Beginning stores	6,196	6,066	6,168	6,051
Stores opened	30	26	58	41
Stores closed	-	(1)	-	(1)
Ending domestic stores	6,226	6,091	6,226	6,091
Relocated stores	1	1	4	4
Stores with commercial programs	5,500	5,233	5,500	5,233
Square footage (in thousands)	41,103	40,037	41,103	40,037
<b>Mexico:</b>				
Beginning stores	706	666	703	664
Stores opened	1	3	4	5
Ending Mexico stores	707	669	707	669
<b>Brazil:</b>				
Beginning stores	76	53	72	52
Stores opened	5	2	9	3
Ending Brazil stores	81	55	81	55
<b>Total:</b>				
	7,014	6,815	7,014	6,815
Square footage (in thousands)	46,982	45,433	46,982	45,433
Square footage per store	6,698	6,667	6,698	6,667

During Q2, we expanded our footprint in the US by opening 30 new stores. Domestically, we operate stores in all 50 states, Puerto Rico and the Virgin Islands.

We also continued our international expansion efforts by opening new stores in Mexico and Brazil. In Mexico, our footprint increased 5.7% as compared to Q2 FY22, while in Brazil, our store count has increased 47.3% since Q2 FY22.

# Commercial Highlights

<b>Financial Highlights</b>		
	<b># of Commercial Programs</b>	
<b>Total Domestic Commercial Programs</b>	<u>5,500</u>	
<b>% increase in programs vs. LY</b>	5.1%	
	<b>12 Weeks Ended February 11, 2023</b>	<b>Trailing 4 Qtrs</b>
<b>Domestic Commercial Sales (\$ millions)</b>	<u>\$954.6</u>	<u>\$4,475.5</u>
<b>% increase in sales</b>	13.1%	19.2%
	<b>12 Weeks Ended February 11, 2023</b>	<b>Trailing 4 Qtrs*</b>
<b>Domestic Avg Wkly \$/Program (\$ thousands)</b>	<u>\$14.5</u>	<u>\$16.0</u>
<b>% increase</b>	7.4%	14.3%
<b>*Two Point Average for Programs Open</b>		

Commercial sales were strong, growing at 13.1% versus the prior. We have a Commercial Program in 88% of Domestic Stores now as compared to 86% in Q2 FY22. Average weekly sales per Commercial Program increased 7.4% as compared to Q2 FY22.

# Balance Sheet Highlights

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

	<b>As of</b> <b>February 11, 2023</b>	<b>As of</b> <b>February 12, 2022</b>	<b>H/(L)</b>
<b>Inventory</b>	\$ 5,731	\$ 5,031	13.9%
<b>Inventory/store</b>	\$ 817	\$ 738	10.7%
<b>Inventory, net of payables</b>	\$ (1,590)	\$ (1,347)	18.0%
<b>Inventory, net of payables/store</b>	\$ (227)	\$ (198)	14.7%
<b>Inventory turns</b>	1.5x	1.6x	
<b>Working capital</b>	\$ (1,820)	\$ (1,781)	2.2%
<b>Property and equipment, net</b>	\$ 5,236	\$ 4,879	7.3%
<b>Debt</b>	\$ 7,042	\$ 5,841	20.6%
<b>Stockholders' Deficit</b>	\$ (4,184)	\$ (3,137)	(33.4%)

- The increase in inventory per store was driven primarily by inflation and our growth initiatives.
- Share repurchases totaled \$906MM for Q2 FY23

# Building Shareholder Value

- ✓ Live the Pledge
- ✓ Consistent, steady EPS growth
- ✓ Powerful Free Cashflow generation
- ✓ Disciplined Capital Allocation
  - Invest to optimize performance of existing assets
  - Drive growth
  - Excess cash returned to shareholders
- ✓ Accelerate growth in Commercial and DIY
  - Hubs & Mega-hubs expansion
  - Improved assortment & coverage
  - Significant investment in supply chain capacity, capabilities and efficiency
  - “Best merchandise at the right price”
  - Leverage technology to improve the customer experience
  - International expansion
- ✓ Relentless focus on execution





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