



STRONG



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 the Company’s management in light of experience and perception of historical trends, current conditions, expected future developments and other factors that the Company believes 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; 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 pandemic of a novel strain of the coronavirus (“COVID-19”); 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 the Company’s credit ratings; damage to the Company’s reputation; challenges in international markets; failure or interruption of the Company’s information technology systems; origin and raw material costs of suppliers; disruption in the Company’s supply chain, due to public health epidemics or otherwise; impact of tariffs; anticipated impact of new accounting standards; and business interruptions. Certain of these risks and uncertainties are described 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 fiscal year ended August 29, 2020, 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 the Company’s 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, the Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.



Second Quarter Fiscal 2021 Conference Call

March 2, 2021

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.

Second Quarter FY 2021 P&L

in millions (excluding EPS and percentages)	12 Weeks Ended 2/13/2021	12 Weeks Ended 2/15/2020	B/(W)
Net Sales	\$ 2,911	\$ 2,514	15.8%
Gross Margin	53.6%	54.3%	(77 bps)
Operating Expense Ratio	37.0%	38.1%	110 bps
Operating Profit (EBIT)	\$ 482	\$ 408	18.1%
Operating (EBIT) Margin	16.6%	16.2%	32 bps
Interest	\$ 46.0	\$ 44.3	(3.8%)
Tax Rate	20.6%	17.7%	
Net Income	\$ 346	\$ 299	15.6%
Diluted Shares	23.2	24.2	4.1%
Diluted EPS	\$ 14.93	\$ 12.39	20.5%

YTD Second Quarter FY 2021 P&L

<i>in millions (excluding EPS and percentages)</i>	24 Weeks Ended 2/13/2021	24 Weeks Ended 2/15/2020	B/(W)
Net Sales	\$ 6,065	\$ 5,307	14.3%
Gross Margin	53.3%	54.0%	(69 bps)
Operating Expense Ratio	35.3%	36.9%	167 bps
Operating Profit (EBIT)	\$ 1,097	\$ 908	20.8%
Operating (EBIT) Margin	18.1%	17.1%	98 bps
Interest	\$ 92.2	\$ 88.1	(4.7%)
Tax Rate	21.5%	20.8%	
Net Income	\$ 788	\$ 650	21.4%
Diluted Shares	23.5	24.3	3.5%
Diluted EPS	\$ 33.59	\$ 26.70	25.8%

Growth Priorities

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

New Store Highlights

	12 Weeks Ended February 13, 2021	12 Weeks Ended February 15, 2020	24 Weeks Ended February 13, 2021	24 Weeks Ended February 15, 2020
Domestic:				
Beginning stores	5,924	5,790	5,885	5,772
Stores opened	<u>27</u>	<u>25</u>	<u>66</u>	<u>43</u>
Ending domestic stores	5,951	5,815	5,951	5,815
Relocated stores	1	-	5	-
Stores with commercial programs	5,088	4,942	5,088	4,942
Square footage (in thousands)	39,003	38,077	39,003	38,077
Mexico:				
Beginning stores	621	606	621	604
Stores opened	<u>7</u>	<u>2</u>	<u>7</u>	<u>4</u>
Ending Mexico stores	628	608	628	608
Brazil:				
Beginning stores	45	37	43	35
Stores opened	<u>1</u>	<u>1</u>	<u>3</u>	<u>3</u>
Ending Brazil stores	<u>46</u>	<u>38</u>	<u>46</u>	<u>38</u>
Total:	<u>6,625</u>	<u>6,461</u>	<u>6,625</u>	<u>6,461</u>
Square footage (in thousands)	44,021	42,885	44,021	42,885
Square footage per store	6,645	6,638	6,645	6,638

Growth Priorities

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

Second Quarter Commercial Highlights

	# of Commercial Programs		
Total Domestic Commercial Programs	5,088		
% increase in programs vs. LY	3.0%		
Domestic Stores with Commercial Programs	85%		
	2nd Quarter	Trailing 4 Qtrs	
Domestic Commercial Sales (\$ millions)	\$638.9	\$2,883.6	
% increase in sales	14.7%	7.6%	
	2nd Quarter	Trailing 4 Qtrs*	
Domestic Avg Wkly \$/Program (\$ thousands)	\$10.5	\$11.1	
% increase	11.7%	6.7%	

*Two Point Average for Programs Open

Balance Sheet Highlights

(\$ in Millions, except per store amounts are in thousands)	As of 2/13/2021	As of 2/15/2020	H/(L)
Inventory	\$ 4,737	\$ 4,606	2.8%
Inventory/store	\$ 715	\$ 713	0.3%
Inventory, net of payables	\$ (614)	\$ (264)	132.6%
Inv., net of payables/store	\$ (93)	\$ (41)	127.3%
Inventory turns	1.4x	1.3x	-
Working capital	\$ (169)	\$ (479)	64.7%
Property and equipment, net	\$ 4,628	\$ 4,476	3.4%
Debt	\$ 5,516	\$ 5,451	1.2%
Stockholders' Deficit	\$ (1,524)	\$ (1,711)	10.9%

Building Shareholder Value

- ✓ Live the Pledge
- ✓ Consistent, steady EPS growth
- ✓ Powerful Free Cashflow generation
 - Drive growth
 - Excess cash returned to shareholders
- ✓ Accelerate growth in Commercial and DIY
 - Hubs & Mega-hubs expansion
 - Improved assortment & coverage
 - “Right products at the right price”
 - Leverage technology to improve the customer experience
 - International expansion
- ✓ Relentless focus on execution





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