Analyst Day

Aurora, CO Distribution Center
August 6, 2019
Forward Looking Statements

We intend to be covered by, and we claim the protection of, the safe-harbor provisions for forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. You can identify these statements by forward-looking words such as “estimate,” “may,” “could,” “will,” “believe,” “expect,” “would,” “consider,” “should,” “anticipate,” “project,” “plan,” “intend” or similar words. In addition, statements contained within this presentation that are not historical facts are forward-looking statements, such as statements discussing, among other things, expected growth, store development, integration and expansion strategy, business strategies, future revenues and future performance. These forward-looking statements are based on estimates, projections, beliefs and assumptions and are not guarantees of future events and results. Such statements are subject to risks, uncertainties and assumptions and are not limited to, the economy in general, inflation, tariffs, product demand, the market for auto parts, competition, weather, risks associated with the performance of acquired businesses, our ability to hire and retain qualified employees, consumer debt levels, our increased debt levels, credit ratings on public debt, governmental regulations, information security and cyber-attacks, terrorist activities, war and the threat of war. Actual results may materially differ from anticipated results described or implied in these forward-looking statements. Please refer to the “Risk Factors” section of our annual report on Form 10-K for the year ended December 31, 2018, and other recent SEC filings, for additional factors that could materially affect our financial performance. Forward-looking statements speak only as of the date they were made and we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.
O’Reilly Analyst Day Agenda

- Meet & Greet with Management: 8:00 – 8:30
- Management Presentation and Q&A Session: 8:30 – 10:30
- Distribution Center Tour: 10:30 – 11:00
- Light Lunch with Management: 11:00 – 11:45
- Store Tours: 11:45 – 2:00
- Shuttle to Denver International Airport: 2:00
O’Reilly Culture Statement

O’Reilly is COMMITTED
To Our Customers and
Our Team Members.

We are ENTHUSIASTIC,
HARDWORKING PROFESSIONALS
who are DEDICATED to
TEAMWORK, SAFETY/WELLNESS
and EXCELLENT CUSTOMER
SERVICE. We will practice
EXPENSE CONTROL while setting
an example of RESPECT, HONESTY,
and a WIN-WIN ATTITUDE in
everything we do.
Greg Johnson
Chief Executive Officer & Co-President
# Management Team Present Today

**Years of Experience in the Automotive Aftermarket Industry**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greg Johnson</td>
<td>Chief Executive Officer &amp; Co-President</td>
<td>37</td>
</tr>
<tr>
<td>Jeff Shaw</td>
<td>Chief Operating Officer &amp; Co-President</td>
<td>35</td>
</tr>
<tr>
<td>Tom McFall</td>
<td>Chief Financial Officer &amp; Executive Vice President</td>
<td>21</td>
</tr>
<tr>
<td>Brad Beckham</td>
<td>Executive Vice President of Store Ops &amp; Sales</td>
<td>23</td>
</tr>
<tr>
<td>Jason Tarrant</td>
<td>Senior Vice President of Western Store Ops &amp; Sales</td>
<td>17</td>
</tr>
<tr>
<td>Jeremy Fletcher</td>
<td>Senior Vice President of Finance &amp; Controller</td>
<td>14</td>
</tr>
<tr>
<td>Brent Kirby</td>
<td>Senior Vice President of Omnichannel</td>
<td>1</td>
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<tr>
<td>Diego Santillana</td>
<td>Vice President of Southwestern Division</td>
<td>23</td>
</tr>
<tr>
<td>Mark Merz</td>
<td>Vice President of IR, Reporting &amp; Planning</td>
<td>12</td>
</tr>
<tr>
<td>Thad Slicker</td>
<td>Regional Director – DCs</td>
<td>11</td>
</tr>
<tr>
<td>David Slape</td>
<td>Distribution Center Manager</td>
<td>14</td>
</tr>
</tbody>
</table>
Company Overview

5,344 Stores in 47 states
(as of June 30, 2019)

27 Distribution Centers

81,000+ Team Members

Last-Twelve-Months Sales:
$9.8 Billion
(as of June 30, 2019)

Market Capitalization:
$30 Billion
(as of July 29, 2019)

Do-It-Yourself versus Professional Split:
57% and 43%
(for the year end December 31, 2018)
Year-to-Date 2019 Results

- 3.3% Comparable Store Sales Increase (on top of a 4.0% increase in 2018)
- 52.9% Gross Margin versus 52.5% in 2018
- 18.9% Operating Margin
- Opened 105 net, New Stores
- $8.56 Diluted EPS versus $7.89 in 2018
- Generated $541 million of Free Cash Flow
- Repurchased $921 Million Under Share Repurchase Program
Lack of comprehensive mass transit system in U.S. results in sustainable commuter miles driven

- 23% increase in miles driven from 1998 to 2018
- Miles driven were flat from 2008 through 2013 due to macro economic pressures

Since 2013, growth in annual miles driven has resumed as total employment has improved
- 1.0% increase in miles driven YTD 2019
- Average Per Gallon Price for Regular Gasoline $2.72 on 06/30/2019

Industry Drivers

#1 Driver for Demand in Our Industry is Total Miles Driven

<table>
<thead>
<tr>
<th>Year</th>
<th>Miles Driven (in trillions)</th>
<th>Gas Prices (dollars per gallon)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>2.5%</td>
<td>$1.00</td>
</tr>
<tr>
<td>1999</td>
<td>2.5%</td>
<td>$1.00</td>
</tr>
<tr>
<td>2000</td>
<td>2.1%</td>
<td>$1.30</td>
</tr>
<tr>
<td>2001</td>
<td>1.3%</td>
<td>$1.70</td>
</tr>
<tr>
<td>2002</td>
<td>1.2%</td>
<td>$2.25</td>
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<tr>
<td>2003</td>
<td>2.7%</td>
<td>$2.88</td>
</tr>
<tr>
<td>2004</td>
<td>2.6%</td>
<td>$2.88</td>
</tr>
<tr>
<td>2005</td>
<td>0.8%</td>
<td>$1.63</td>
</tr>
<tr>
<td>2006</td>
<td>0.8%</td>
<td>$1.63</td>
</tr>
<tr>
<td>2007</td>
<td>0.5%</td>
<td>$1.25</td>
</tr>
<tr>
<td>2008</td>
<td>(1.9)%</td>
<td>$0.60</td>
</tr>
<tr>
<td>2009</td>
<td>0.6%</td>
<td>$0.40</td>
</tr>
<tr>
<td>2010</td>
<td>0.6%</td>
<td>$0.60</td>
</tr>
<tr>
<td>2011</td>
<td>0.7%</td>
<td>$0.70</td>
</tr>
<tr>
<td>2012</td>
<td>1.7%</td>
<td>$3.50</td>
</tr>
<tr>
<td>2013</td>
<td>3.5%</td>
<td>$3.50</td>
</tr>
<tr>
<td>2014</td>
<td>2.8%</td>
<td>$2.88</td>
</tr>
<tr>
<td>2015</td>
<td>1.2%</td>
<td>$1.63</td>
</tr>
<tr>
<td>2016</td>
<td>0.4%</td>
<td>$1.00</td>
</tr>
</tbody>
</table>

Source: Dept. of Transportation and Dept. of Energy
**Industry Drivers**

**Growing U.S. Light Vehicle Population**
- Growing SAAR reflects positive consumer confidence
- Increasing SAAR and stable scrappage rates return the population to historic growth trend

**Continued Aging of U.S. Light Vehicle Population:**
- Better engineered vehicles, which can be reliably driven at higher miles, results in an aging vehicle fleet
- 10 year CAGR of 1.8% exemplifies the gradual pace of change in the vehicle fleet
- Average light vehicle age not expected to decrease in the future

Source: 2019 ACA Factbook and Company Projections
Industry Landscape

Top Ten Auto Parts Chains
1. AutoZone Inc. (5,686) ¹
2. O’Reilly Auto Parts (5,344)
3. Advance Auto Parts (5,077) ²
4. Genuine Parts/NAPA (1,092) ¹,²
5. Pep Boys/Auto Plus (972) ²
6. Fisher Auto Parts (500) ²
7. Auto-Wares (300) ²
8. Replacement Parts (175)
9. Automotive Parts Headquarters (130)²
10. Hahn Automotive (90)

¹ U.S. Domestic stores
² Company owned stores

Source: 2020 ACA Factbook or company data

Size of Automotive Aftermarket
Total Market: $297 Billion

O’Reilly Estimated Addressable Market:

$90 - $100 Billion

DIY is More Consolidated
Professional Continues to be Highly Fragmented

O’Reilly estimate of addressable market size assumes wholesale price for professional parts sales and excludes certain sales channels from DIY or professional sales, including vehicle collision/body and glass.

Source: 2020 ACA Factbook
Branding Strategy

- **Increasing number and acceptance of lines in Proprietary Brands**
  - Value and Premium Proprietary Brands
  - O’Reilly Proprietary Brands are growing faster than National Brands
    - Import Direct is our fastest growing brand

- **Proprietary Brands make up over 45% of sales (LTM)**
- **Continue to broaden product line coverage**

#### Proprietary Brands

- BrakeBest
- Import Direct
- MasterPro
- MicroGard
- Murray
- O’Reilly
- PowerTorge
- Precision
- Super Start
- Ultima

#### National Brands

- Bosch
- Castrol
- Gates
- Mobil
- Pennzoil
- Valvoline
- Wagner
- Wix Filters
- O’Reilly Auto Parts
Industry Leading Parts Availability

“Best In Class” Inventory Availability while Optimizing Inventory Investment

**Inventory Life Cycle Management**
- Continually Monitor Demand Curve and Adjust Inventory Position Throughout Tiered Supply Chain
- Ensure Coverage for New Vehicle Applications
- Inventories are Tailored to Stores Based on Each Individual Market’s Vehicles-In-Operation and Wear Cycles

**Maximize Inventory Investment**
- Continual Evaluation of Customer Buying Preferences
  - “Good...Better...Best” Product Strategy
- Maintain Relationships with Multiple Suppliers
  - Ensures Product Availability and Risk Mitigation
- Continued Success of Vendor Financing Program
  - Current Level Sustainable – 107%

As customers continue to evolve, we are evolving the way that we engage them with our brand.
Brent Kirby
Senior Vice President of Omnichannel
Omnichannel Focus

Evolving the O’Reilly brand to meet both Professional and Do-It-Yourself customers on their terms with solutions that meet their specific needs, whether they visit a store, call or click

Expanding Product Availability
- Improving Online Inventory Visibility
- Improving Buy Online Pick Up in Store (BOPIS) Process
- Time Definite Fulfillment Options

Improving Search & Content
- On-Site Search Enhancements
  - Relevancy / Machine Learning
- Improved Content, Images, and Video
Omnichannel Focus

Ultima 220 Amp Alternator - Remanufactured
Part #: R110319A Line: ULT

$289.99 Each
Plus Core: $35.00

DOUBLE O'REWARDS POINTS with purchase
Show Details

- Pick Up in Store FREE
- Ship to Home FREE Next Day Delivery Eligible if ordered within 5 hrs 10 min

- 1
ADD TO CART

Add to Shopping List

Details

Product Information

Warranty: Limited Lifetime Warranty
UPC: # 190037030597
Amperage (A): 220 Amp
Pulley Included: Yes
Number Of Pulley Grooves: 6

Unit of Measure: Each
New Or Remanufactured: Remanufactured
Pulley Belt Type: Serpentine
Pulley Type: Conventional
Voltage (V): 12 Volt

Applications for your Vehicles

- Alternator: Remanufactured; 220 Amp; With Heated Only Driver Seat; With 110 Volt Power Converter
  Quantity Per Vehicle: 1

- Alternator: Remanufactured; 220 Amp; With Heated And Cooled Front Seats
  Quantity Per Vehicle: 1

Detailed Description

The alternator charges the battery and keeps the electrical accessories of the car working while it is running. When the alternator loses capacity or fails, the electrical systems will only stay on until the battery's reserve charge is depleted. Your car might die, but you may be able to restart it with a jump start. If you notice that your headlights dim or your battery won't stay fully charged, it may be time to replace your alternator or other related parts. This might include replacing the voltage regulator if it is separate from the alternator. Also, check the...
Omnichannel Focus

Improving Customer Support
- Voice
- Chat Messaging
- Machine Learning

Improving the Customer Experience
- Voice-of-Customer Framework to Capture and More Quickly Respond to Feedback
Omnichannel Focus

Meeting Professional and Do-It-Yourself customers at every touchpoint of their brand journey

Whether a customer visits a store, calls or clicks we are continuing to evolve our brand to meet the customer whenever and wherever they choose to engage
Jeff Shaw
Chief Operating Officer & Co-President
O’Reilly Business Model

Mission Statement… We will be the dominant auto parts supplier in all our market areas

Jeff Shaw
- Dual Market Strategy
- Industry-Leading Parts Availability
- Growth Focus

Brad Beckham
- “Culture-Driven” Leadership
- “Top Notch” Customer Service
- O’Reilly First Call
Dual Market Strategy

- Proven track record of serving both Do-It-Yourself and Professional Customers for over 35 years
- Allows us to profitably operate in large and small markets
- Leverages our strategic distribution network across the country required for our professional customers
- Store Managers “own” customer service levels and driving both sides of our business
- Professional sales model supported by over 790 dedicated outside sales people and industry leading parts availability
- Enhances service levels offered to our Do-It-Yourself customers
Industry Leading Parts Availability

Primary factor in making a buying decision for both Do-It-Yourself and Professional customers is how fast the needed parts are available.

Strategically deployed distribution network designed to cost effectively and efficiently replenish nightly and support multiple same day deliveries to stores

- **Regionally deployed Distribution Centers (DCs)** support our stores across the country
- **Average SKUs stocked at our DCs**, which are linked to multiple other Master Inventory DCs stocking over 175K SKUs
- **Night-per-week deliveries** to all our store in continental U.S. from our DCs’ dedicated fleet
- **Of our stores receive multiple same day deliveries of hard to find parts** from our DCs and Hub stores
- **Of our stores receive deliveries on weekends of hard to find parts** from our DCs and Hub stores
- **Hub stores**, ranging 30K to +70K SKUs, provide multiple deliveries per day to Spoke stores
## Distribution Network Expansion

### Three Active Projects Currently Underway

<table>
<thead>
<tr>
<th>Location</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Twinsburg, OH</td>
<td>- <strong>Capacity for 300 stores</strong> – expect to open with 175 stores</td>
</tr>
<tr>
<td></td>
<td>- Anticipate beginning store service in Q4 of 2019</td>
</tr>
<tr>
<td>Lebanon, TN</td>
<td>- <strong>Capacity for 300 stores</strong> – expect to open with 195 stores</td>
</tr>
<tr>
<td></td>
<td>- Anticipate beginning store service in first half of 2020</td>
</tr>
<tr>
<td>Horn Lake, MS</td>
<td>- <strong>Capacity for 250 stores</strong> – expect to open with 171 stores</td>
</tr>
<tr>
<td></td>
<td>- Anticipate beginning store service in second half of 2020</td>
</tr>
</tbody>
</table>
Store Growth

Profitable, Consistent Greenfield Growth:

Top Ten States
- Texas (706)
- California (553)
- Georgia (205)
- Illinois (203)
- Missouri (201)
- Florida (200)
- Ohio (196)
- Tennessee (176)
- North Carolina (173)
- Michigan (168)

Untapped Markets
- Delaware
- District of Columbia
- Maryland
- New Jersey
- New York
- Rhode Island
- South Florida
- International

Active, Opportunistic Industry Consolidators:
- 1998 Hi/LO – 182 stores
- 2001 Midstate – 82 stores
- 2005 Midwest – 72 stores
- 2008 CSK – 1,342 stores
- 2012 VIP Auto – 56 stores
- 2016 Bond – 48 stores
- 2019 Bennett – 33 stores

O'Reilly Auto Parts
Brad Beckham
EVP of Store Ops & Sales
“Culture Driven” Leadership

- Pride in our Culture
- “Ownership”
- Passion – Strong Desire to Win
- Proven Leadership – Replicate Performance
- Execution of Our Proven Business Model
- Intense Focus on Our Fundamentals
“Culture Driven” Leadership

Strong “promote from within” philosophy

Proven “Hands on” Leadership team

- 3 SVP’s of Ops & Sales – 75+ Years in Industry
- 11 DVP’s of Ops & Sales – 275 Years in Industry
- Regional & District Management – Promote from Within – “O’Reilly Farm System”
- FastTrack – “Professional Parts People”
- Build the Bench, our Future!
“Top-Notch” Customer Service

We Sell Parts… But we’ve been in the “Customer Service” business since 1957

- Market Entitlement ("Share")
- Store Leadership
- “Professional Parts People”
- “Friendliest Parts Store in Town”
- “Out-Hustle and Out-Service the competition”
- Store and Team Member Image
- “Never Say No” Philosophy
- DIY – Retail Commitment

44 Technical Support Team Members with 748 Years of Automotive Experience
O’Reilly First Call

Dedicated to the Professional Customer Since 1957

Professional is a service and relationship business
“people buy from people they know and trust”

- Most Experienced, Dedicated Sales Force in the Business
- Availability is KING! Industry Leading Parts Availability
- Strategically Located DC’s in Metro Markets / Hub & Super Hub Network
- “Hot Shot” Store Delivery Service

Real World Training

- “Best in class” technical training for our professional customers
- 2018: Conducted 1,363 training classes / trained 33,640 techs
- 2019: 1,392 training classes scheduled / train 35,000 techs

Professional Programs

Decades of Building the Best Professional Programs in the Business

- First Call Online (Proprietary B2B Platform)
- Certified Auto Repair
- Worry Free Protection
O’Reilly Mission Statement

“We will be the dominant auto parts supplier in all our market areas

By providing our Retail and Professional Customers the best combination of inventory, price and quality provided with the HIGHEST level of SERVICE.”
Tom McFall
Chief Financial Officer & Executive Vice President
**Store & Revenue Growth**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Stores</th>
<th>Sales (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>3,421</td>
<td>~3,000</td>
</tr>
<tr>
<td>2010</td>
<td>3,570</td>
<td>~4,500</td>
</tr>
<tr>
<td>2011</td>
<td>3,740</td>
<td>~6,000</td>
</tr>
<tr>
<td>2012</td>
<td>3,976</td>
<td>~7,500</td>
</tr>
<tr>
<td>2013</td>
<td>4,166</td>
<td>~9,000</td>
</tr>
<tr>
<td>2014</td>
<td>4,366</td>
<td>$10,500</td>
</tr>
<tr>
<td>2015</td>
<td>4,571</td>
<td>$9,000</td>
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<tr>
<td>2016</td>
<td>4,829</td>
<td>$7,500</td>
</tr>
<tr>
<td>2017</td>
<td>5,019</td>
<td>$6,000</td>
</tr>
<tr>
<td>2018</td>
<td>5,219</td>
<td>$4,500</td>
</tr>
<tr>
<td>2019P</td>
<td>~5,439</td>
<td>$3,000</td>
</tr>
</tbody>
</table>

**2019 Guidance**

Full Year: $10.0 - $10.3 Billion in Sales  
200 - 210 Net, New Stores
Comparable Store Sales

2019 Guidance
3rd Quarter: 3% - 5% (3Q 2018: 3.9%)
Full Year: 3% - 5%
Operating Profit $ Growth

CAGR 14%  

Millions

2009 $538  2010 $734  2011 $864  2012 $977  2013 $1,103  2014 $1,270  2015 $1,514  2016 $1,699  2017 $1,725  2018 $1,815

Q2 2017 $457  Q2 2018 $479  Q2 2019 $498  YTD '17 $861  YTD '18 $902  YTD '19 $943

¹ Excludes the impact of CSK DOJ investigation charges  ² Excludes impact of former CSK Officer clawback
2019 Guidance

3rd Quarter: $4.73 - $4.83
Full Year: $17.37 - $17.47

¹ Excluding the impact of CSK acquisition related charges  ² Excluding the impact of CSK DOJ investigation charges and CSK notes receivable recovery
³ Excluding the impact of debt issuance and interest rate swap write off charges and former CSK officer clawback
2019 Guidance
(in millions) Full Year
Cap Ex: $625 - $675
Free Cash Flow: $1,000 - $1,100
Use of Capital

- Invest In Existing Store Base
- Greenfield Store Growth
- Consolidate the Industry

Capital Structure
- Ensure Investment Grade Credit Ratings
- Conservative Adjusted Debt to EBITDAR target ratio of 2.5 times (Currently 2.35 times)
- Initial share repurchase authorization January 2011; Life-to-date authorization $12.75 billion
<table>
<thead>
<tr>
<th>Event</th>
<th>Time</th>
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<tbody>
<tr>
<td>Meet &amp; Greet with Management</td>
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<td>Distribution Center Tour</td>
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<tr>
<td>Light Lunch with Management</td>
<td>11:00 – 11:45</td>
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<td>Store Tours</td>
<td>11:45 – 2:00</td>
</tr>
<tr>
<td>Shuttle to Denver International Airport</td>
<td>2:00</td>
</tr>
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