



Analyst Day







Nashville, TN Distribution Center
August 23, 2022

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, including, but not limited to, the COVID-19 pandemic or other public health crises; the economy in general; inflation; consumer debt levels; product demand; the market for auto parts; competition; weather; tariffs; availability of key products and supply chain disruptions;

business interruptions, including terrorist activities, war and the threat of war; failure to protect our brand and reputation; challenges in international markets; volatility of the market price of our common stock; our increased debt levels; credit ratings on public debt; historical growth rate sustainability; our ability to hire and retain qualified employees; risks associated with the performance of acquired businesses; information security and cyber-attacks; and governmental regulations. 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, 2021, and subsequent Securities and Exchange Commission 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 Nashville 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.



Management Team Present Today

Years of Experience in the Automotive Aftermarket Industry

Greg Johnson	President & Chief Executive Officer	40 Years
Brad Beckham	Chief Operating Officer & Executive Vice President	26 Years
Brent Kirby	Chief Supply Chain Officer & Executive Vice President	4 Years
Jeremy Fletcher	Chief Financial Officer & Executive Vice President	16 Years
Doug Bragg	Executive Vice President of Operations and Sales	31 Years
Tom McFall	Executive Vice President	24 Years
Robert Dumas	Senior Vice President of Eastern Store Ops & Sales	30 Years
Mark Merz	Senior Vice President of Finance	15 Years
Jimbo Dickens	Vice President of Gulf States Division	29 Years
Ernie Golden Jr	Regional Director – Stores	20 Years
Thad Slicker	Regional Director – DCs	14 Years
Charles Dwyer	Distribution Center Manager	10 Years
Eric Bird	Director of Financial Planning and Treasury	6 Years





Greg Johnson

President and Chief Executive Officer

Company Overview

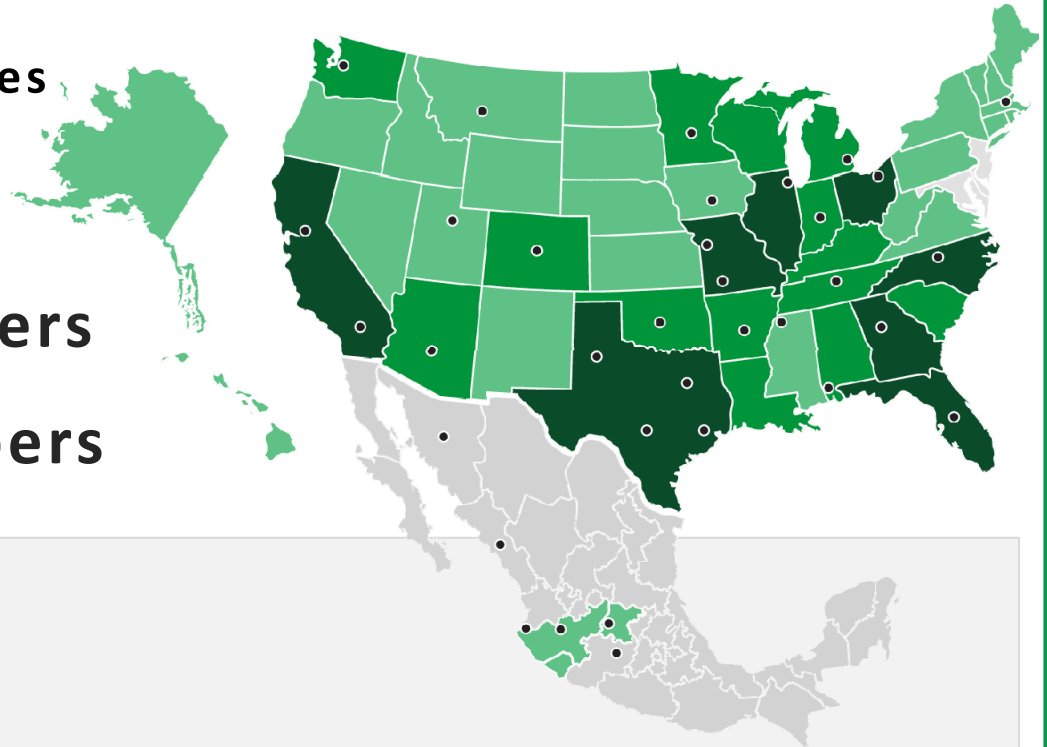
5,873 Stores in 47 states

27 Stores in Mexico

(as of June 30, 2022)

28 Distribution Centers

84,000+ Team Members



Last-Twelve-Months Sales:

\$13.7 Billion

(as of June 30, 2022)

Market Capitalization:

\$45 Billion

(as of July 21, 2022)

Do-It-Yourself versus
Professional Split:

59% and **41%**

(for the year end December 31, 2021)

Store Count ■ 200-700+ ■ 100-199 ■ 1-99
Distribution Center ●



Year-to-Date 2022 Results

- ④ **4.5% Comparable Store Sales Increase** (2 year stack of 21.0%, 3 year stack of 28.5%)
- ④ **51.6% Gross Margin**
- ④ **21.1% Operating Margin**
- ④ Opened **116** net, **New Stores**
- ④ **\$15.94 Diluted EPS** (3 year CAGR of 23%)
- ④ Generated **\$1.2 Billion** of **Free Cash Flow**
- ④ Repurchased **\$2.2 Billion** Under Share Repurchase Program

2022 Full Year Guidance

Net, new store openings	175 to 185
Comparable Store Sales	3% to 5%
Total Revenue	\$14.0 billion to \$14.3 billion
Gross Margin	50.8% to 51.3%
Operating Margin	20.0% to 20.3%
Effective Income Tax Rate	23.0%
Diluted Earnings Per Share	\$31.25 to \$31.75
Capital Expenditures	\$650 million to \$750 million
Free Cash Flow	\$1.3 billion to \$1.6 billion

Note: Selected full-year 2022 guidance per the Company's earnings release for second quarter 2022.

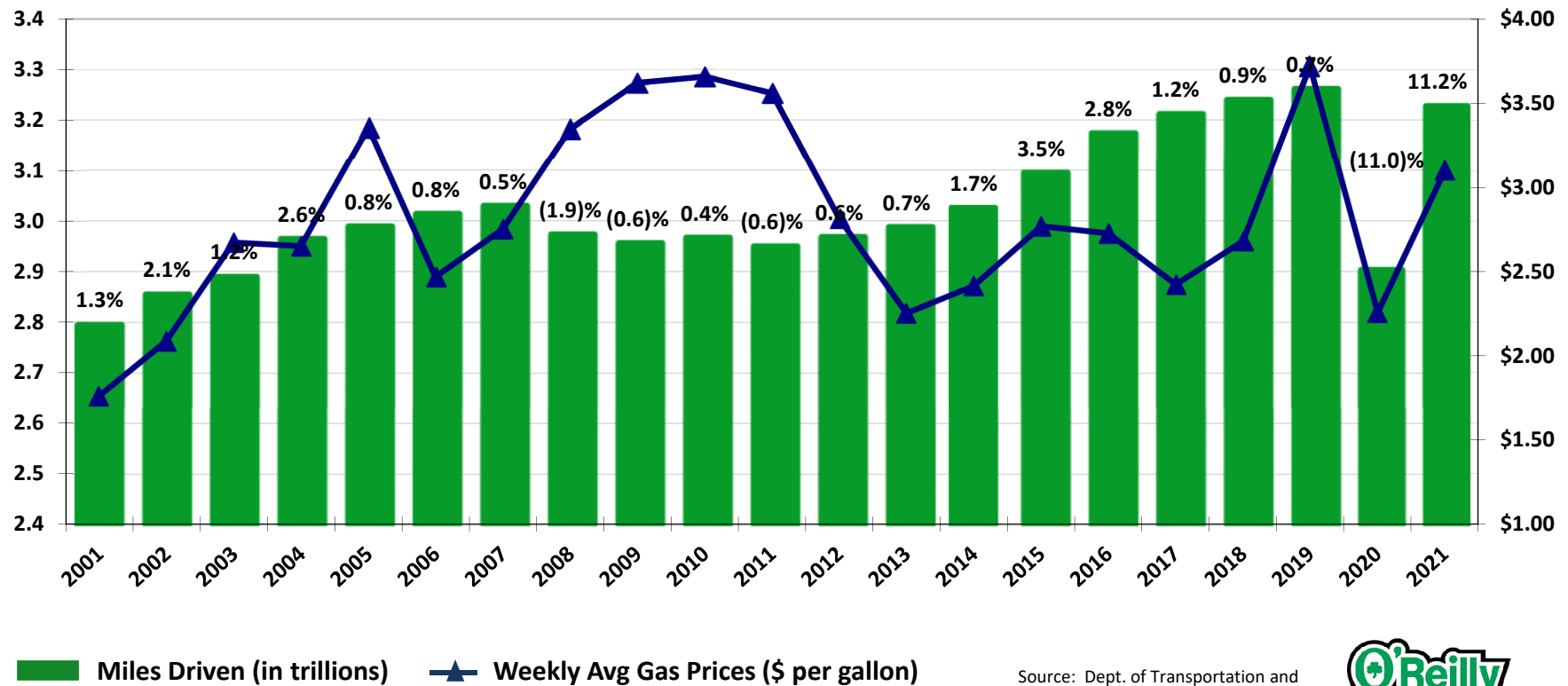


Industry Drivers

Fundamental Driver for Demand in Our Industry is Total Miles Driven

- Lack of comprehensive mass transit system in U.S. results in sustainable commuter miles driven
- Pandemic pressures on miles driven in 2020, with subsequent recovery
- 2.8% increase in miles driven YTD June 2022
- Average regular gas PPG \$4.03 on 8/1/22 is below 2022 peak of \$4.84, but still up 32% YOY

Historical U.S. Miles Driven & Gasoline Prices



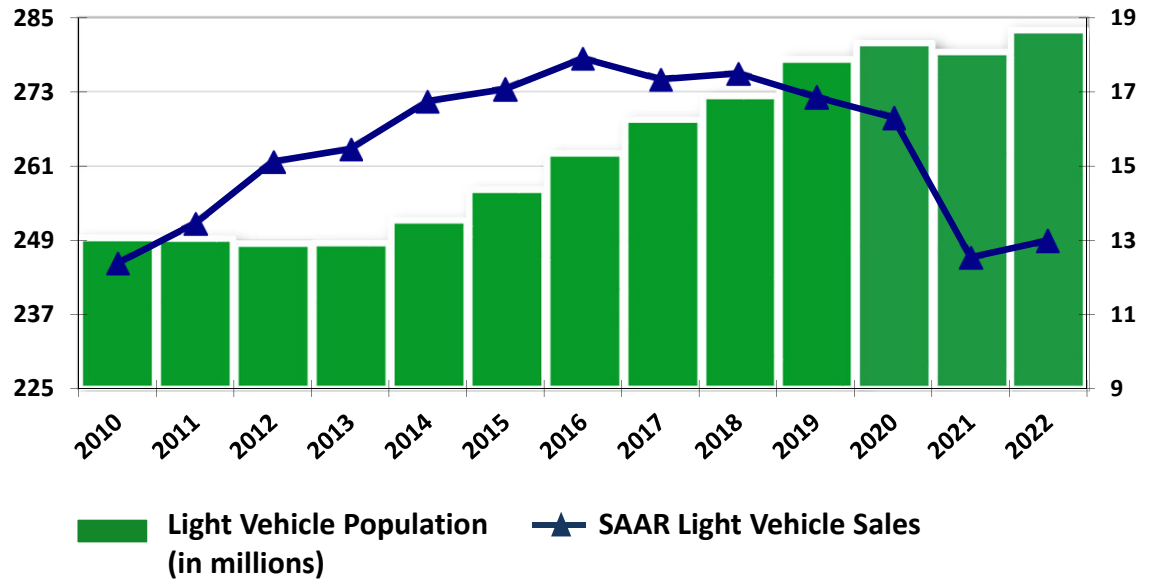
Source: Dept. of Transportation and Dept. of Energy



Industry Drivers

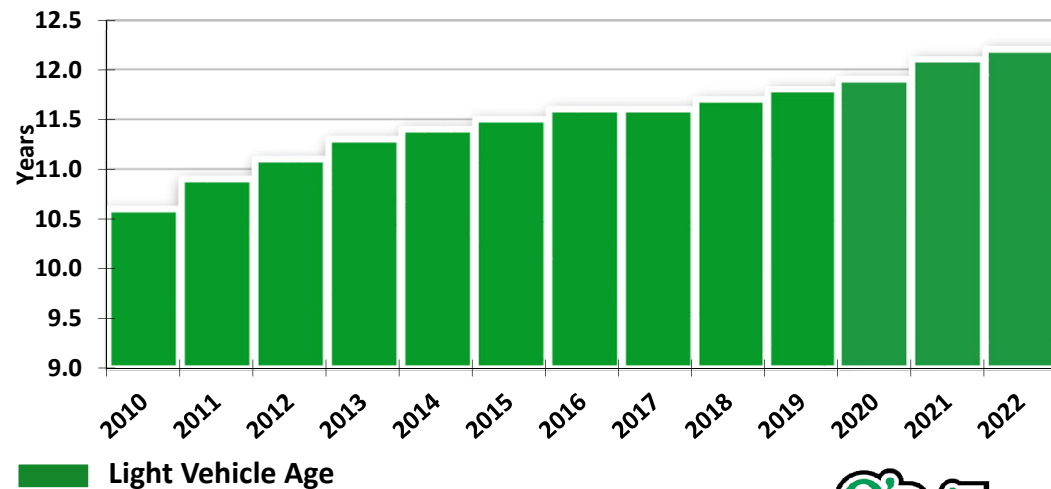
Growing U.S. Light Vehicle Population

- Slow changing vehicle population through stable, low scrappage rates
- 2021 and 2022 SAAR impacted by supply constraints



Continued Aging of U.S. Light Vehicle Population:

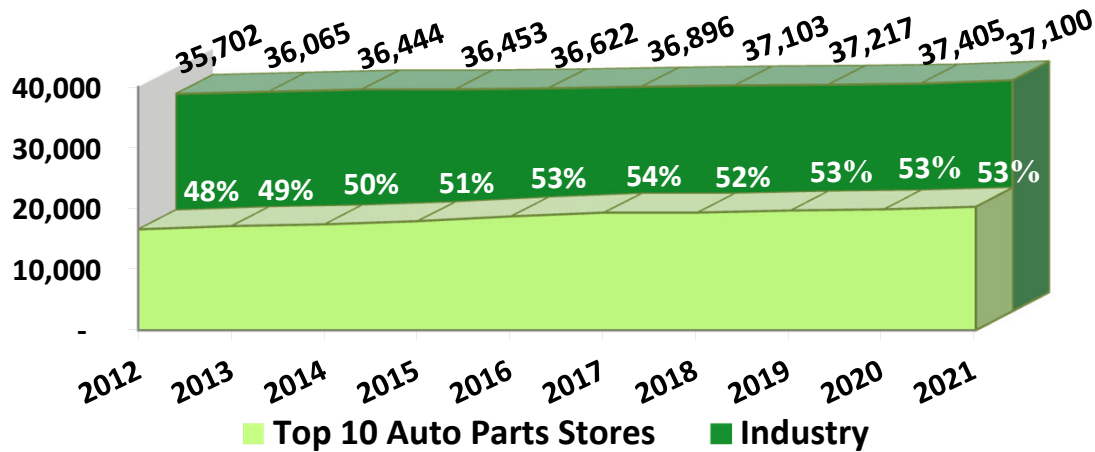
- Better engineered vehicles, which can be reliably driven at higher miles, results in an aging vehicle fleet
- 10 year CAGR of 1.0%
- Average light vehicle age not expected to decrease in the future



Source: 2023 ACA Factbook



Industry Landscape



Source: 2023 ACA Factbook and Company estimates

Top Ten Auto Parts Chains

1. AutoZone Inc. (6,115)¹
2. O'Reilly Auto Parts (5,873)
3. Advance Auto Parts (4,998)²
4. Genuine Parts/NAPA (1,280)^{1,2}
5. Pep Boys/Auto Plus (1,000)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)

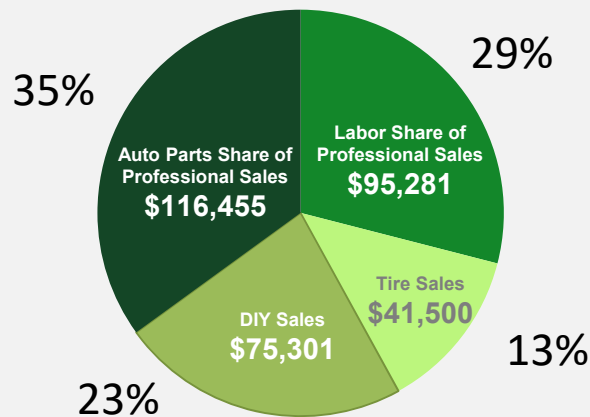
¹ U.S. Domestic stores

² Company owned stores

Source: SEC filing or company data

Size of Automotive Aftermarket

Total Market: **\$329 Billion**



Source: 2023 ACA Factbook – 2021 Market Summary

O'Reilly Estimated Addressable Market:

\$130 - \$140 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.





Brad Beckham

Chief Operating Officer

Culture Driven Leadership



Pride in our Culture & Team



“Ownership” - *Run it like you own it!*

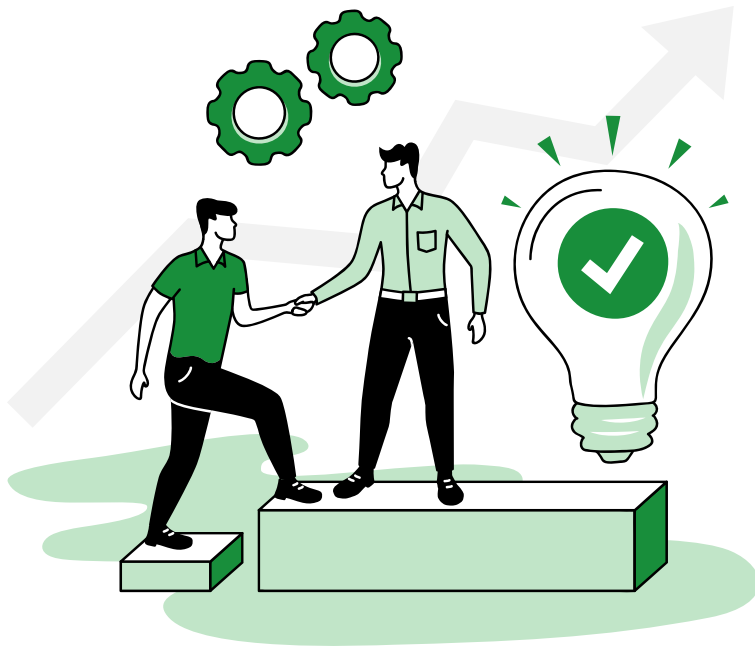


Passion - *Strong Desire to Win*



Intense Focus on Fundamental Execution of our business model

Promote from Within



Nearly 400 Years
in Industry Experience

90+

Years in Industry for 1 Store EVP
& 3 Store SVPs

300+

Years in Industry for 13 Division
VPs

Proven “Hands On” Leadership Team

O’Reilly Farm System / Our
Bench = our future!

Dual Market Strategy



Do-It-Yourself (D.I.Y.)

35+ years
of proven track
record for
serving both
customers



Professional

- Rural and metro **profitability**
- Leverages our **strategic** distribution network
- Store Managers have full "**ownership**"
- The **most effective** sales team in the aftermarket
- Professional **drives** retail

D.I.Y. – Retail Commitment

Market Entitlement • D.I.Y. Share Opportunities



Professional
Parts People



Friendliest Parts
Store in Town



Out Hustle &
Out Service the
Competition



Never Say No
Philosophy



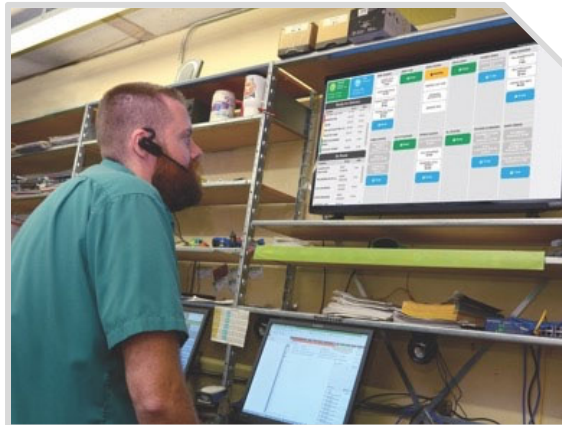
Top Notch Customer
Service

Professional – First Call Commitment

- Dedicated to the Professional since 1957 •



**Best stores
& sales team** in the
aftermarket!



**Enhanced Service
Levels:** Delivery times



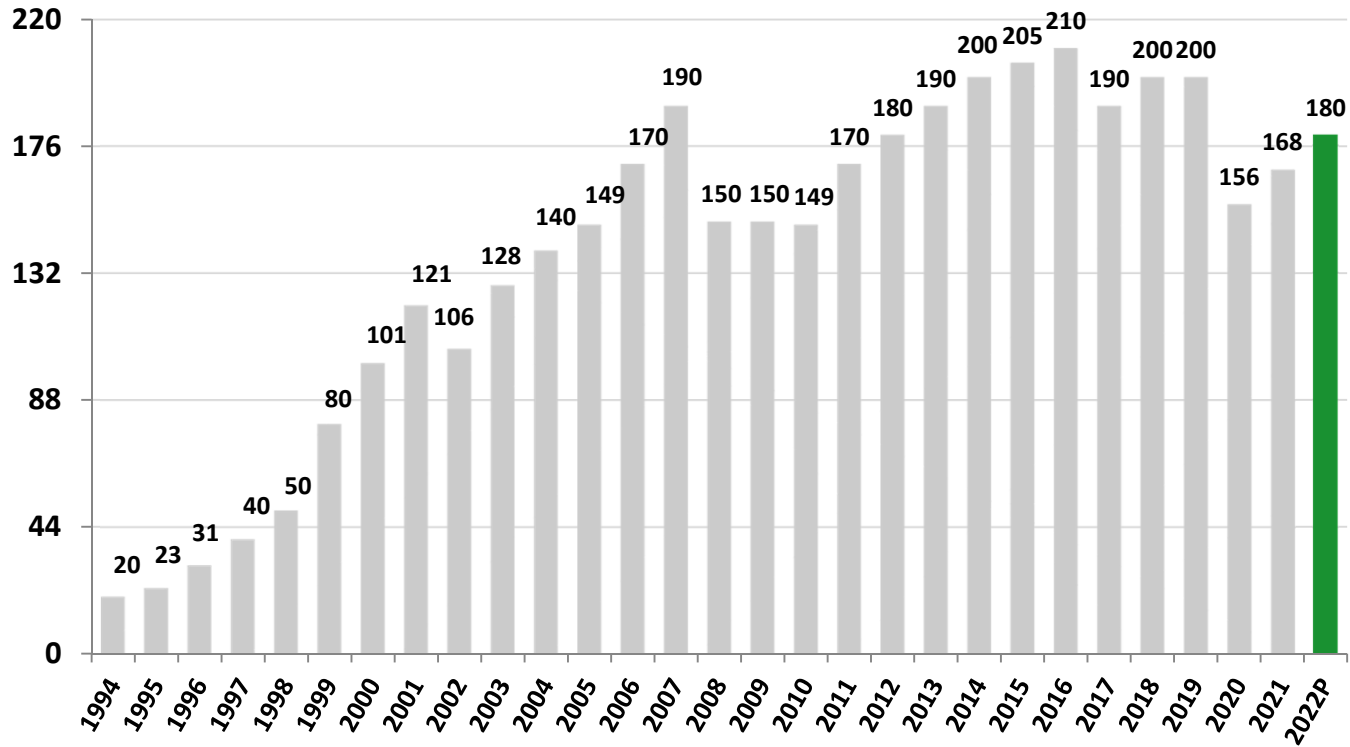
Professional Pricing:
The best overall value in
the aftermarket, just got
better!

Professional – First Call Commitment



Store Growth

Profitable, Consistent Greenfield Growth:



Top Ten States

- Texas (788)
- California (575)
- Florida (270)
- Georgia (231)
- Illinois (226)
- Ohio (223)
- North Carolina (214)
- Missouri (207)
- Tennessee (197)
- Michigan (187)

Untapped Markets

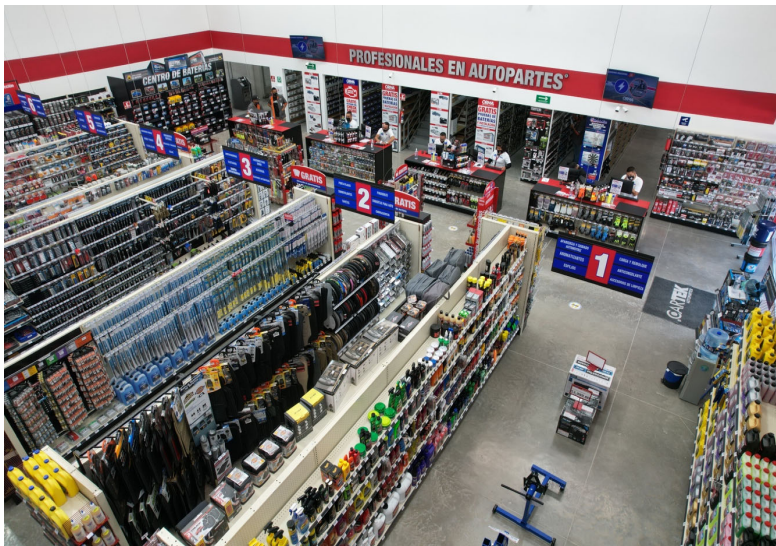
- Delaware
- District of Columbia
- Maryland
- New Jersey
- New York
- International

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
- 2019 Mayasa Auto Parts – 21 stores



Mexico Updates



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 availability, price and quality provided with the **HIGHEST** level of **SERVICE**.



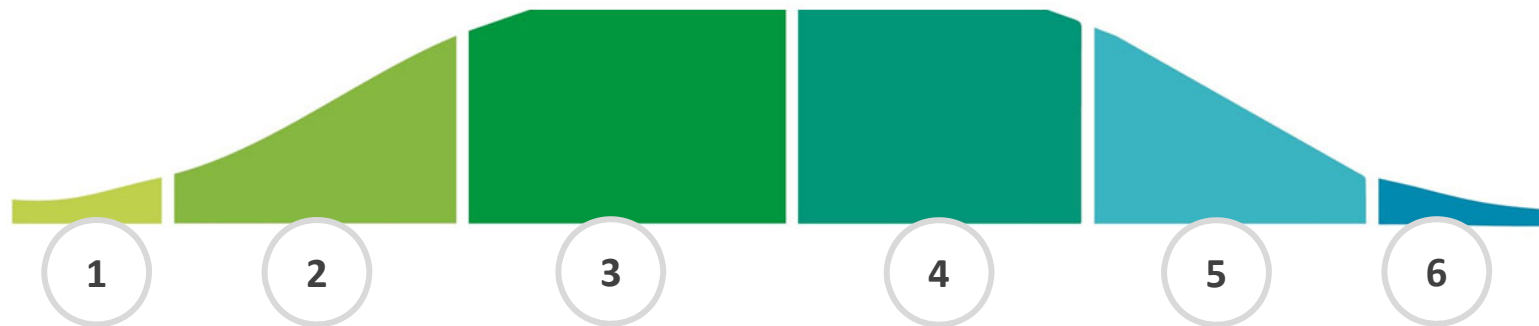


Brent Kirby

Chief Supply Chain Officer

Product Lifecycle

“Best In Class” Inventory Availability while Optimizing Inventory Investment.
Unique data driven demand triggers.



1 Continually remaining current with **New Application Coverage**

2 Initial DC, Hub and store placements are driven by **various demand triggers**

3 Customer preferences and the competitive landscape drives **Good | Better | Best** additions

4 Continually monitor sales trends and prepare to **shift inventory** towards Hubs and DCs

5 **Begin shifting** to Hubs and DCs

6 **Leveraging** Regional and National DCs and suppliers

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

28

Regionally deployed Distribution Centers (DCs) support our stores across the country

95%+

Of our stores receive multiple same day deliveries and deliveries on weekends of hard to find parts from our DCs and Hub stores

175K

Average SKUs stocked at our Master Inventory DCs, which are linked to multiple other Master Inventory DCs

100%

Warehouse to Warehouse transfers of DC and Hub distribution nodes have reverse logistics capabilities

5

Night-per-week deliveries to all our store in continental U.S. from our DCs' dedicated fleet

375

Hub stores, ranging 30K to +90K SKUs, provide multiple deliveries per day to Spoke stores



Distribution Network Expansion

Three Active Projects Currently Underway

Puerto Rico

- **Capacity for 50 stores**
- Anticipate beginning store service in Q1 of 2023



128,414 sq. ft.

Guadalajara, MX

- **Capacity for 250 stores**
- Anticipate beginning store service in first half of 2023



370,386 sq. ft.

DC Relocation Springfield, MO

- **Capacity for 215 stores**
- Anticipate beginning store service in second half of 2024
- Additional direct importing capacity



284,070 sq. ft.



Product Branding Strategy

Proprietary Brands:

BRAKEBEST

IMPORT DIRECT™
OE REPLACEMENT PARTS

O'Reilly

ULTIMA

MASTERPRO

★
MURRAY

★
SYNTEC

SUPER START

POWER TORQUE

★
precision

MICROGARD

National Brands:

BOSCH

Castrol

WIX
FILTERS

PENNZOIL

STANDARD

DORMAN

Gates

Mobil

WAGNER

- Increasing number and acceptance of lines in Proprietary Brands
- Proprietary Brands make up **50% of sales**
- Continuously working to broaden product line coverage



Indicates former national brands that are now O'Reilly owned



Omnichannel Focus

Meeting Do-It-Yourself and Professional customers at every touch point 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.**



Omnichannel Focus

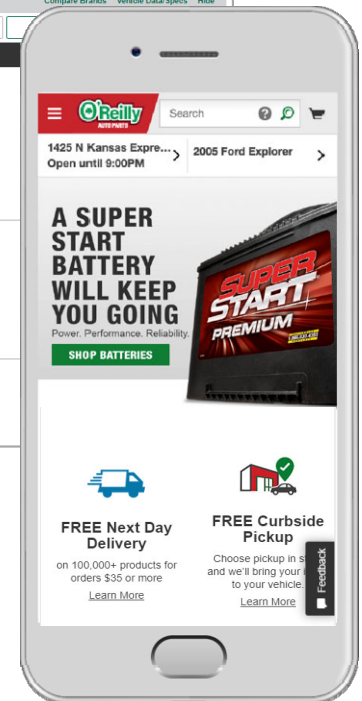
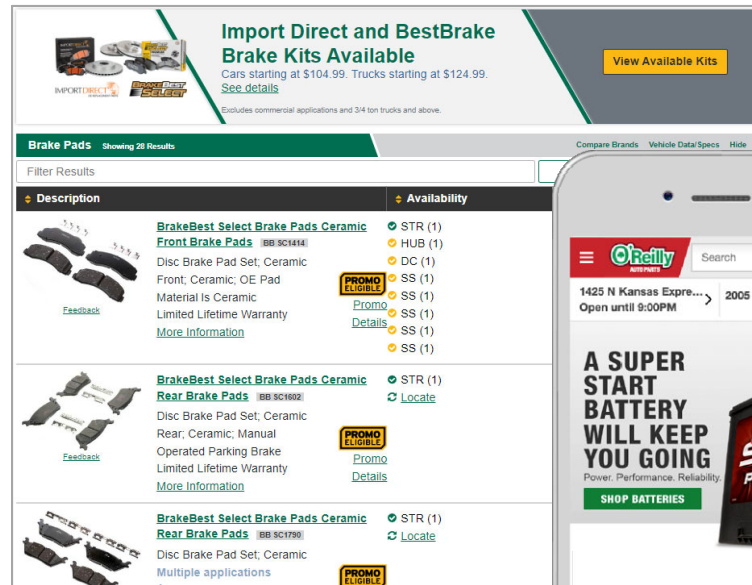
Evolving the O'Reilly brand to create a frictionless experience for both Do-It-Yourself and Professional customers, whether they visit a store, call, or click.

Expanding Product Availability

- Improving Delivery Speed with Next Day and Same Day Availability
- Ship-to-Store / Shop Delivery

Improving the Customer Experience

- Personalization and Engagement
- Voice-of-Customer Feedback
- User Experience Enhancements



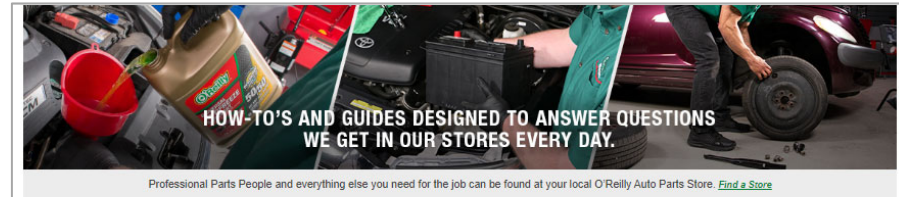
Omnichannel Focus

Improving Search & Content

- Online Product Merchandising
- On-Site Search Enhancements
- Improved Content, Images, Video

Improving Customer Support

- Voice / Chat Messaging
- Automation / Bots/ Self-Service
- Stores / Retail / Professional

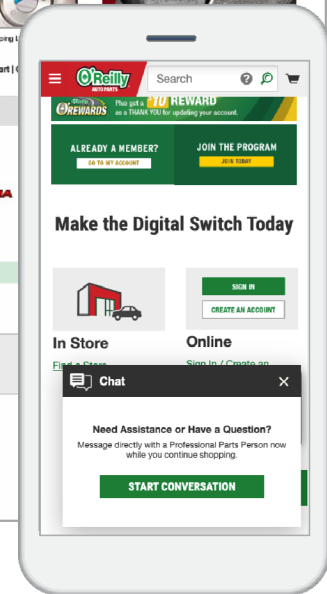
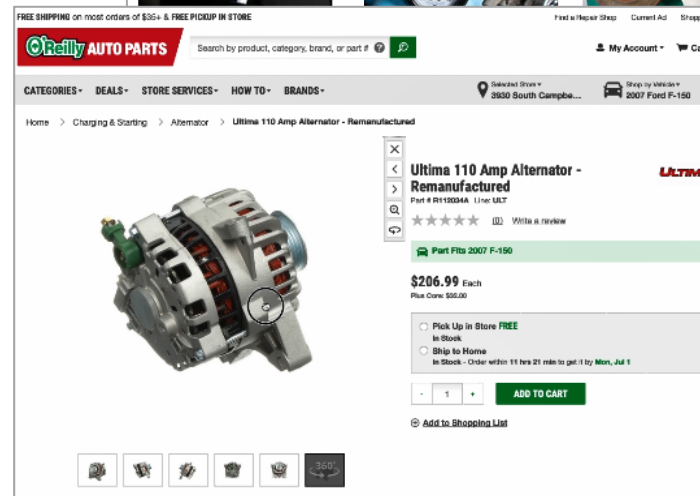


Maintenance, Advice, Guides & How-To's

With a little instruction in automotive maintenance and repair, it's possible to greatly increase the lifespan and dependability of your car, truck or SUV. See our topics below for tips, tricks and step-by-step DIY instructions to help you keep your vehicle in great shape.

Search by title or keyword All Vehicle Systems All Vehicle Types All Topics Most Popular

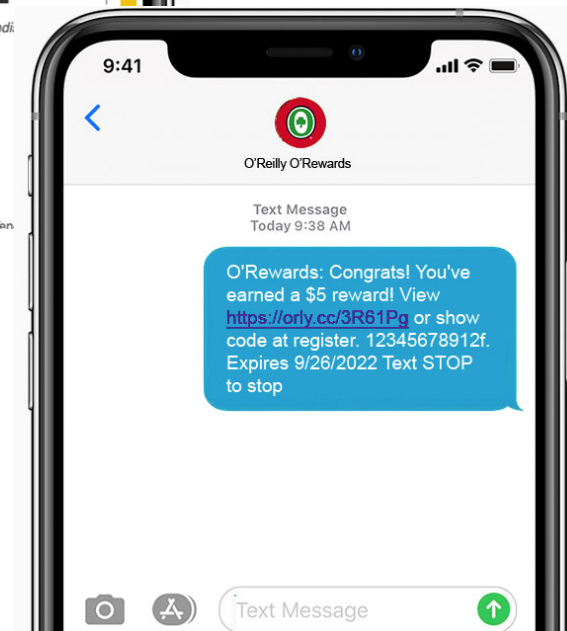
195 Topics Showing 1-24 of 195



O'Rewards Loyalty Program



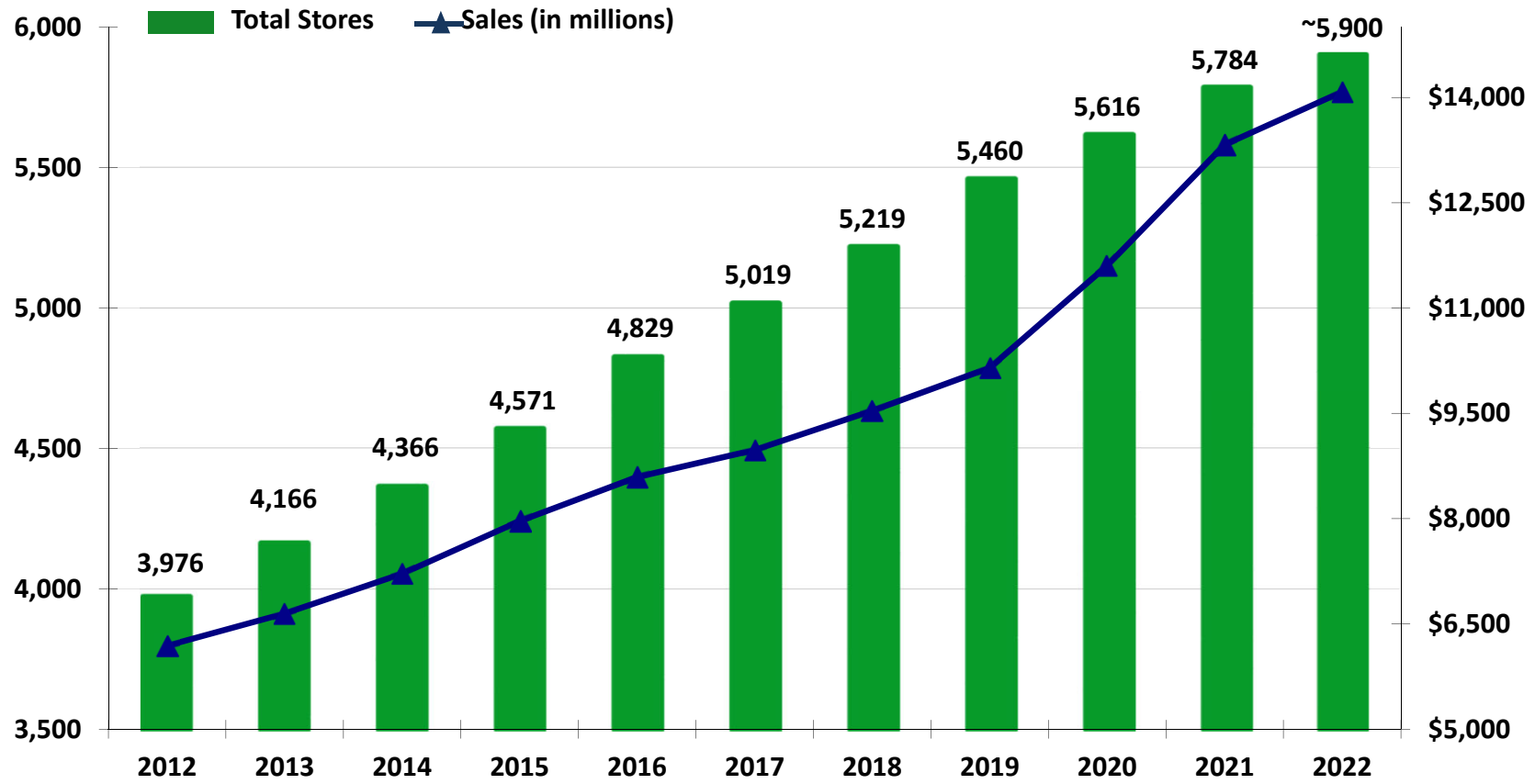
- Growing an engaged membership base
- Data-driven personalization and segmentation
- Electronic delivery of Rewards



Jeremy Fletcher

Chief Financial Officer & Executive
Vice President

Store & Revenue Growth

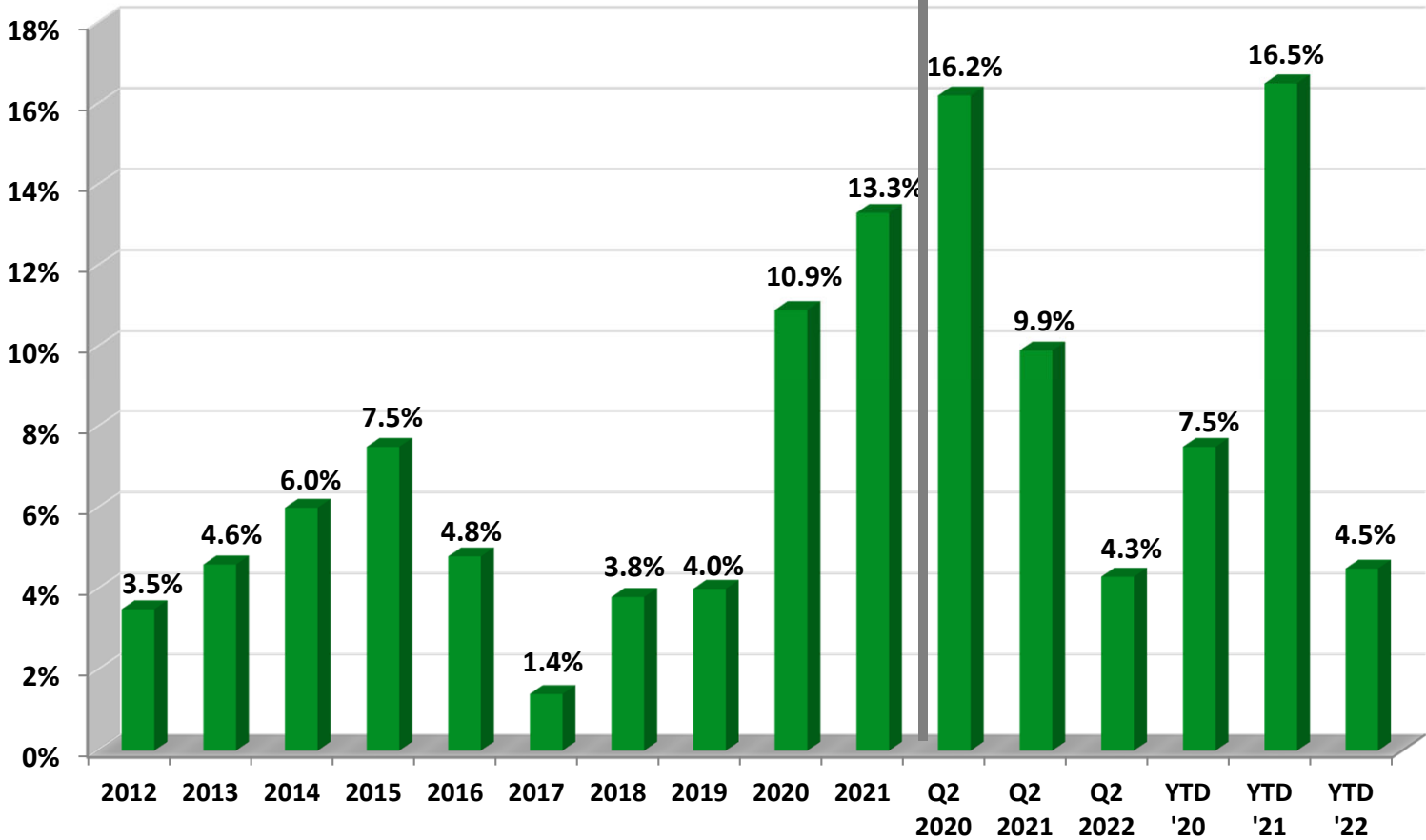


2022 Guidance

Full Year: \$14.0 - \$14.3 Billion in Sales
175 - 185 Net, New Stores



Comparable Store Sales

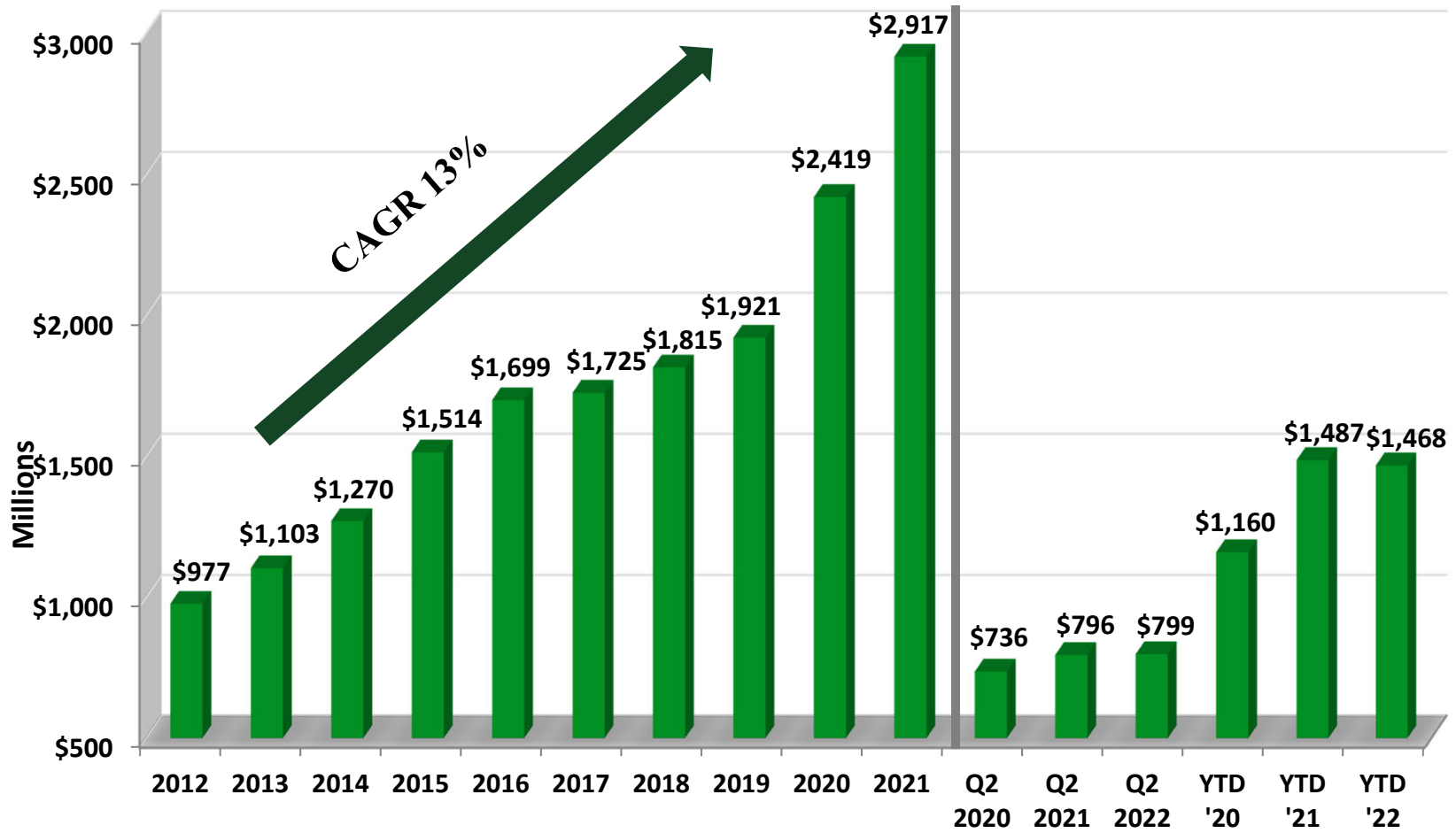


2022 Guidance

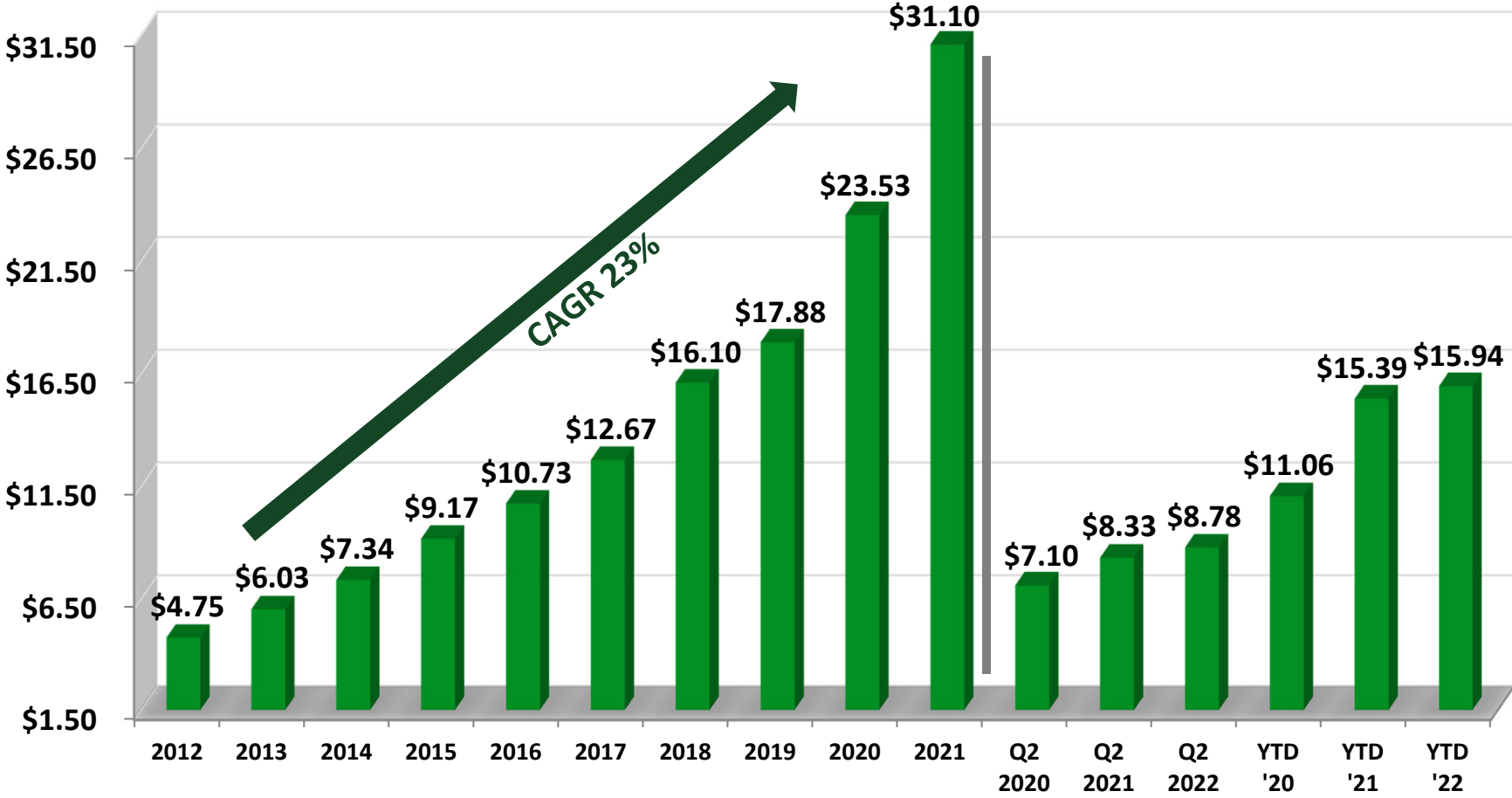
Full Year: 3% - 5%



Operating Profit \$ Growth



EPS Growth



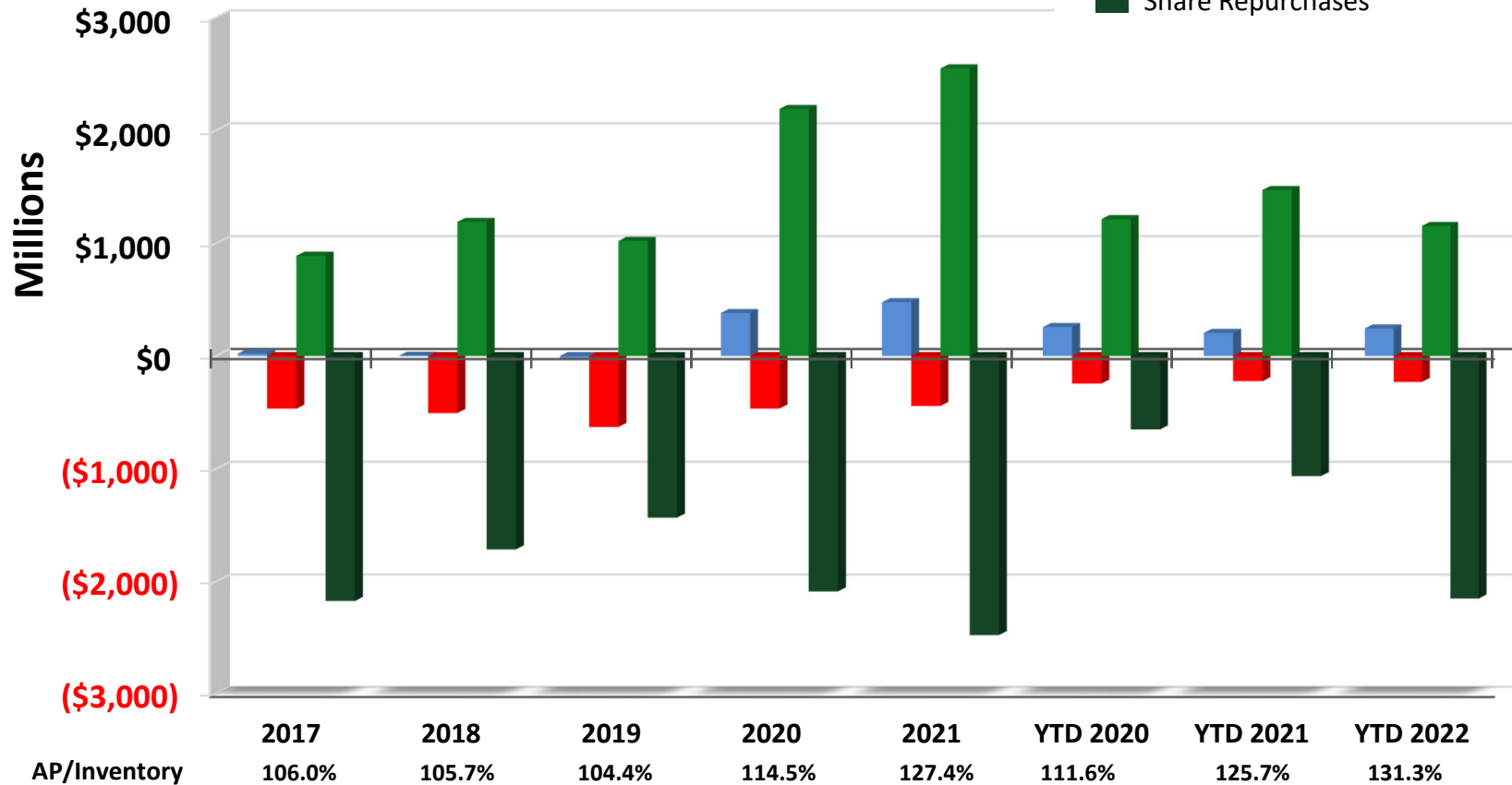
2022 Guidance

Full Year: \$31.25 - \$31.75



Free Cash

- Change in Net Inventory Investment
- Capital Expenditures
- Free Cash Flow
- Share Repurchases



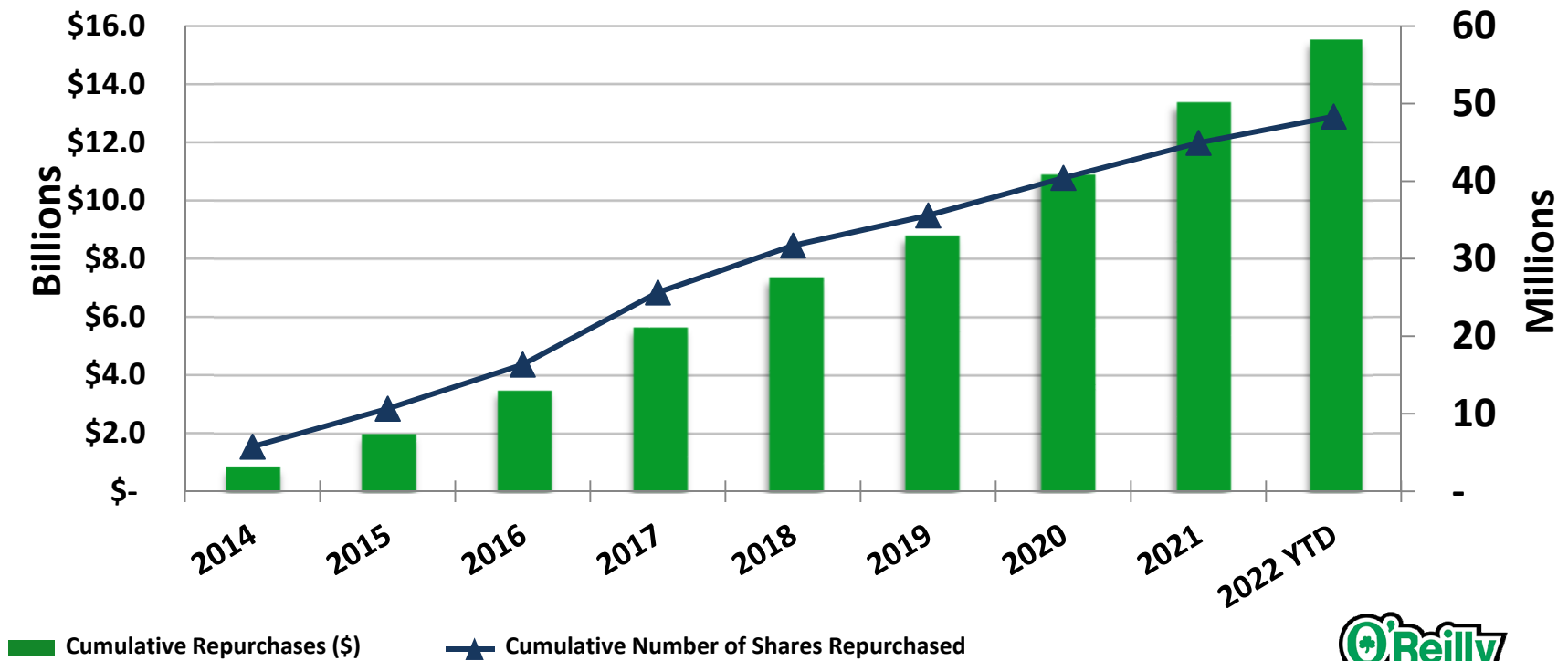
2022 Guidance
(in millions) Full Year

Cap Ex: \$650 - \$750
Free Cash Flow: \$1,300 - \$1,600









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 1.95 times)
 - Initial share repurchase authorization January 2011; Life-to-date authorization \$20.25 billion



Questions & Answer Session

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