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# EDITED TRANSCRIPT

ORLY.OQ - O'Reilly Automotive Inc at Gabelli Funds Automotive Symposium

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**OVERVIEW:**

Company Summary

## CORPORATE PARTICIPANTS

**Brad W. Beckham** *O'Reilly Automotive, Inc. - Co-President*

**Jeremy Adam Fletcher** *O'Reilly Automotive, Inc. - Executive VP & CFO*

## CONFERENCE CALL PARTICIPANTS

**A. Carolina Jolly** *GAMCO Investors, Inc. - Senior Research Analyst*

**Brian C. Sponheimer** *Gabelli Funds, LLC - Research Analyst*

## PRESENTATION

**A. Carolina Jolly** - *GAMCO Investors, Inc. - Senior Research Analyst*

All right. So next up, we have O'Reilly Automotive, one of the largest aftermarket distributors in the U.S., with about 5,873 stores across 47 states. O'Reilly has 60 million shares at $900, for a market cap of $54 billion. Net debt of close to $5 billion, for an enterprise value of $60 billion.

So speaking with us today, we are lucky enough to have Brad Beckham, CEO; and Jeremy Fletcher, CFO. Gentlemen, thank you so much for joining us for today. And while I walk over there, maybe I'll just start kind of with a beginning question. But just if you could give us an overview of O'Reilly, what do you sell? Who are your customers?

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**Jeremy Adam Fletcher** - *O'Reilly Automotive, Inc. - Executive VP & CFO*

So I'll start maybe just by saying that Brad is CEO-elect. He's not quite there yet, so it'd be January. So before he gets ahead of himself. But he can answer the rest of this question.

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**A. Carolina Jolly** - *GAMCO Investors, Inc. - Senior Research Analyst*

My apologies.

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**Brad W. Beckham** - *O'Reilly Automotive, Inc. - Co-President*

Yes. A couple of months to screw it up. So well, thanks, everybody. Appreciate the support and having us. Honored to be here. And a lot of you know, some of you don't, so looking forward to the conversation. Yes, so obviously, we -- as most everybody knows, we've been in business since 1957. We're in the auto parts aftermarket, 6,000 stores.

Our business is made up of just over 50%, closer to 55% roughly, that would be the DIY market and the remainder in the DIFM space. So the company started really, first few decades, just really servicing the independent jobbers as well as the independent garage. And really, over time, over the decades, kind of worked into what we know is our dual-market strategy that's really been a differentiator in the markets we're able to enter, small and big, and just a great profitability model across the U.S.

So yes, we're in the automotive space, as everybody knows. We -- the majority -- the far majority of our business is very nondiscretionary in nature. We do sell some accessories and some other things, but the majority of what we do is what we consider backroom hard parts. It's the actual hard parts that are installed from both the DIY and the professional customer. And we have a really great business and, yes, looking forward to it.

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## QUESTIONS AND ANSWERS

**A. Carolina Jolly** - *GAMCO Investors, Inc. - Senior Research Analyst*

Great. So I think the big thing we talked about at this conference so far is just availability and immediacy of customer need. You touched on the nondiscretionary aspect, but these are complex logistics, right? Can you kind of discuss your distribution network and how you make sure you meet the customer need?

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**Brad W. Beckham** - *O'Reilly Automotive, Inc. - Co-President*

Yes, sure. I'd be glad to. So as most everybody knows, we have basically 30 regional distribution centers that replenish our stores 5 nights a week. They are strategically placed in the metro markets in the U.S. And so we've had the fortune of this supply chain behind people and culture.

I always say that our supply chain is probably the next strategic advantage. I feel like we still have today and really have my entire 27-year career with O'Reilly. But we've had the fortune of placing these distribution centers in the metro markets. So we started out Springfield, Missouri, one DC. Kansas City, the Oak City. We bought Hilo and Texas. We put the one in Houston and Dallas. Basically, the -- close to the Bay Area, Southern Cal, Chicago.

And so we have this model that we're really the only one in the aftermarket that has these regional distribution centers that are 400,000 or 500,000 feet with roughly 175,000 SKUs that are in the metro market, where not only our stores, but both customers on the DIY side and the professional, can pull from that availability, not just the replenishment, 3, 4, 5 times a day from what we call a city counter route (inaudible) expect inventory that would be anywhere from 60,000 SKUs up to over 100,000 SKUs.

And then our average folk store, the remainder of the 6,000, is roughly 22,000 SKUs. And so I always still like that our -- the way we have those distribution centers placed, augmented by the hub stores, is really how we built the DIFM business in our company. And then it's really just a necessity for last mile when it comes to the DIYer as well.

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**A. Carolina Jolly** - *GAMCO Investors, Inc. - Senior Research Analyst*

Great. And we've kind of talked about your -- the long-term strategy of this company. But once again, you delivered over 10% growth this year and 40% growth since the beginning of COVID. Can you kind of talk about, going forward, the future opportunities and investments that you're making? And I know you discussed them on the call recently.

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**Brad W. Beckham** - *O'Reilly Automotive, Inc. - Co-President*

Yes. I think as everybody knows, we're roughly a $15 billion company, and I think our total addressable market, as we see it pretty conservatively, is in the $147 billion range. And so a lot's changed in my tenure with O'Reilly and in the industry. But one thing hasn't changed is the amount of market share that we have out there to take from competitors.

And as most everybody knows, the DIY side of our business with us and our larger competitors is fairly consolidated, but the DIFM side is extremely fragmented. I mean, we see our share of the DIFM side, even though that's how we founded our company, and we do a sizable almost half our revenue in DIFM, the DIFM side is incredibly fragmented.

And so we see opportunities to continue to consolidate the market, whether it be just taking share from some struggling competitors, smaller competitors, but also acquisition opportunities as well. But I still feel like we have a tremendous amount of opportunity going into the next many years.

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**Jeremy Adam Fletcher** - *O'Reilly Automotive, Inc. - Executive VP & CFO*

As we think about our strengths in the areas of our business, especially over the course of the time period as we've come out of the pandemic, where we've seen an opportunity to invest back in our business and double down on some of the momentum we've gained -- because you're right, a little bit of eye-popping numbers in terms of the growth of the business since the course of the pandemic.

Our ability to capitalize on that growth, it's still consistent and in line with all the same things from an execution perspective that have been important in our business for a long period of time. And I think what we've seen and the opportunities that we've had have accelerated because of just some of the disruption that's been in the marketplace since COVID started. But as we look at our business today, the things that we think are good investments are those same types of things that Brad's talked about already. How do we think about investing in our people and our culture? How do we extend our inventory agreements? What other aspects of our business can we bring tools to bear that are going to help us hit on all those many points of execution that are really critical, but aren't necessarily new in our industry.

How well can you serve customers? How can you get them the part that they need as quickly? How can you ensure that you're maintaining a highly -- high-trained technical workforce that develops great relationships over the long term with both our DIY and professional customers? That ensures that will be that kind of trusted source of support when money needs apart.

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**A. Carolina Jolly** - *GAMCO Investors, Inc. - Senior Research Analyst*

And then you just touched on this, but something that has come up throughout the conference as well is just the importance of knowing this industry. So having someone that's been in it and knows the kind of the unique aspects. Can you talk about how you're able to keep your talent but also any pressure on wages that might add over -- given some wage inflation over the last few years.

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**Brad W. Beckham** - *O'Reilly Automotive, Inc. - Co-President*

Yes. We're always proud to talk about the fact that we've been able to really, not only throughout my career, but previous to me, we've always been able to do this virtually 100% promote from within. There are sometimes that -- there are sometimes from a corporate standpoint, are now going to be President of the company, Brent Kirby.

There's times from a digital standpoint, from an omni standpoint, from a supply chain that we need somebody to make sure that we're not sniffing our own fumes that we're open to things that we haven't experienced at O'Reilly. But as most of you know, we have this special thing in place, especially in the field where, for every basically 10 stores, we have a district manager.

And so for our 600-plus district managers, not one of those district managers came from outside O'Reilly. Every one of those 6,000 DMs ran an O'Reilly store and ran a very good O'Reilly store. And then we have roughly 70 regional managers, not one of them, not only was not a successful district manager, but they ran an O'Reilly store. We have 14 division vice presidents that all came from within, ran a store, ran a district, ran a successful region. And then we have 3 SVPs that have built operations: Central, East and West, and one of those guys came from the store ranks.

And so we feel different than other parts of the retail. I don't not know any different, but from what I understand in other parts of retail, I think what's misunderstood sometimes is that when a DIYer customer walks into our store or a DIFM customer calls the back counter, that's a consultant business. That is not walking into a retail establishment where the customer really knows what they need. We have to have these professional parts people.

And when it comes to our culture, and it comes to promote from within, and it comes to having experts and people that not only understand our business, but understand every facet of what our people in the stores go through every day, we feel like that's something very intangible. A lot of times, that, that is just a difference-maker for us.

Maybe lastly, just as an example, not only do you have the knowledge with promoting within of what the customers are going through every day, what the team members are going through, but when you have all those field leaders that have been in the shoes of a store manager and been in the shoes of a parts specialist, they just have another level of get it done. They have another level of respect and credibility from the stores.

And when things get tougher, we have challenges and adversity, our team, when they know everybody all the way up through me, has been in their shoes before. You just have a loyalty with our company that's really hard to explain. But it's pretty magical when it comes to them. Always want to grab another gear when it comes to taking market share and turning that into profit.

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**Jeremy Adam Fletcher** - *O'Reilly Automotive, Inc. - Executive VP & CFO*

Yes. The only thing that I would add is, everything that Brad described has been just so critical over the course of the last 3 or 4 years, which is probably the most challenging, if not one of the most challenging, labor markets we've seen in a long period of time, especially just from a scarcity of workers' perspective.

We faced that. We've talked about our turnover ran higher than what we had anticipated. I think there was just a lot more of that ability for people to move jobs, and we've responded to that. That's an area where we're not to be uncompetitive in how we think about that.

But when you ask the wage rate question, I think just as important as how do you continue to track and to maintain the appropriate way to compensate your team members that have the best team, having the superstructure on top of that store team is important because that level of experience, of knowledge, of commitment and dedication to the business, that's not as impacted to what we would have seen during the course of a more challenging labor market.

At the store level, as you think about store team members, even up to store managers, that has been a challenge. And we feel like we've very much turned the corner there and have improved that. But having the ability for that district manager to understand that managing through a cycle like that, at the same time, where we can respond appropriately with wages, but can also not lose the broader institutional knowledge about how we execute our business.

In an environment where if you don't have that, it can very quickly -- you can very quickly see the nature of your organization change overnight if you can't send that [high]. That didn't happen with us. We felt paying, and I think we've responded appropriately, but that gets limited. Because that group of district managers, a lot of those really experienced store managers, they kind of see you through. And then as things improve now, we can be back in a position where we rebuild our bench and continue to grow.

All of that really hinges on everything that Brad talked about. But also the picture it creates for our teams, for what an opportunity in our industry and in our business is to grow and to develop our really great store team members that are so good at this consulted visit.

They like parks. They've got an affinity for cars. This is what they do. It's what they're interested in. A lot of them aren't -- most of them aren't college graduates. This is what they want to do. So they look at an opportunity with O'Reilly, and they see this progression, and they're willing to invest long term at a point in a career where a lot of people aren't willing to think about and invest in that way.

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**A. Carolina Jolly** - *GAMCO Investors, Inc. - Senior Research Analyst*

Terrific. And then just to stick on that strategy. You gained share in the U.S., but another potential growth opportunity sounds like Mexico. Can you talk about the DC in Guadalajara and the opportunity there?

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**Brad W. Beckham** - *O'Reilly Automotive, Inc. - Co-President*

Yes, sure. Well, we closed on that business at the end of 2019. So looking back, hindsight is always 2020, there's a few things that we missed a little bit during COVID. We lost just a little bit of time, the U.S. team traveling down to Mexico. But we acquired a really amazing family business. They were -- you all hear us talk about the independents that are really tough in the U.S.

And the Orendain family, the Mayasa team, they were an alliance member. They were part of one of the buying groups from the U.S., and they're incredible operators. They sell as much to independent jobbers yet, with the fragmentation even more so in Mexico. They sell a lot still to the independent part stores down there, just because of kind of the way the market is.

But we have an incredible base of leadership, first and foremost, down in the Mexican market. We were really excited. They operated roughly 5 small distribution centers that would almost be more like some of the smaller WDs in the U.S. Really, it would be almost more like our hub stores.

But we've had a plan this entire time to get to the point of our opening of our state-of-the-art facility that's a true prototype O'Reilly distribution center there in Guadalajara. And so really, that's obviously, from a replenishment and a special availability, special order standpoint, that was the platform behind people and culture that we really needed to get in place to really start growing and getting after it quickly.

So we really feel good about that opening. They opened in July. And we're really excited about the opportunities that still has in front of us as well as just -- what we need to do from a system standpoint. We're really just getting all the pieces in place to really build the muscle, real estate standpoint, from a purchasing standpoint, and most importantly, from a team building standpoint so we can really start to scale in that market.

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**A. Carolina Jolly** - *GAMCO Investors, Inc. - Senior Research Analyst*

Great. And then I think some of -- another growth area that comes up is just that you do have some white space in the U.S., maybe around the Northeast Mid-Atlantic area. Do you see that as a growth opportunity, either greenfield or investing into?

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**Jeremy Adam Fletcher** - *O'Reilly Automotive, Inc. - Executive VP & CFO*

Yes.

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**Brad W. Beckham** - *O'Reilly Automotive, Inc. - Co-President*

Yes. No, we -- as [hardy] beginner, you've heard us talk for a long time, that gap and footprint that we have, surely from a lack of distribution standpoint, that's all it is. We've gotten the kind of joking question, is there something we don't like about the upper Mid-Atlantic? It's going to be a heck of a market for us. We just -- we had our Greensboro, North Carolina facility. We have Akron, Ohio, and then we have Boston. We kind of skipped that gap in footprint, not on purpose, but because of a couple of acquisitions we did 6 and 10 years ago in Bond as well as VIP up in New England.

So that facility there in Boston was much needed. But really, what we've got to do now is we've got to go back and backfill. And so really, what we've been waiting on, chicken or the egg, we need a facility to build out service stores and -- but we needed enough stores open in the market to lever a new DC opening.

And so we're really excited to officially announce last week on our call that we have a state-of-the-art facility being built there in Stafford, Virginia, which is just south 95 corridor, it'd be south of the DC market. And so that facility has the opportunity to service up to 350 stores.

And so it will service some existing stores in Virginia, kind of going over toward Akron, a little bit to the West. And those are incredible markets that we're going to fuel a lot of our growth for the foreseeable future, both in greenfield expansion and also, hopefully, we have some acquisition opportunities in those markets as well.

**A. Carolina Jolly** - *GAMCO Investors, Inc. - Senior Research Analyst*

And then you have seen your customer, everyone, they're facing higher interest rates. They're facing higher costs. The aftermarket's probably pushed double-digit prices -- price increases over the last 2 years, do you see an end customer potentially being pressured at all? And have you seen any dispersion between kind of the failure-related and maybe more maintenance or discretionary parts?

**Jeremy Adam Fletcher** - *O'Reilly Automotive, Inc. - Executive VP & CFO*

No, it's a great question, and we really haven't, at least at this stage. It's hard for us to say definitively that, for certain, some of that isn't going on, that there's not some pressure that has caused a little bit of a headwind to the industry. For us, as we've gone through different types of cycles, where there might be a short-term impact within our business and within our industry.

Historically, it's not persistent. It's a few quarter phenomenon before customers will return to repairing and maintaining their vehicles because of the value of being able to keep an existing vehicle on the road. But historically, when we've entered into periods where there is some pressure, we have a few kind of leading indicators or, I guess, concurrent indicators that we see -- we start to see deferral in certain types of categories, whether it's an oil change.

That's always the easiest one on the DIY side. But some of the other maintenance or repair categories that are a little bit more discretionary, or professional shops might see customers putting off break jobs or only doing components of break jobs and those types of things. So we'll see that type of thing.

We might see activity around professional customers on a more broad-based perspective through our CRM, where most of the customers in the market are just talking about business being slower. Those are the types of things, historically, that we would just see as indicators that there's pressure. We just haven't seen that in a kind of comprehensive significant way.

At this point, we really do think that even as a consumer in different sectors of retail might be a little bit more conservative or more pressured, we do have the benefit of being insulated from some degree of that, a significant degree, because of how nondiscretionary the products are that we sell. And because there is a value proposition for our customer to keep an existing vehicle well-maintained, repaired and on the road because of the cost of a new vehicle.

So we think those things, combined with employment, still continues to be strong. I think wage rate increases have helped, for sure, a lot of our DIY customers and those things are there. It doesn't mean that you don't see potential indicators. Some of -- I think Brad talked about it on the last earnings call. For sure, there are some professional customers that are talking about business not being as strong.

It's hard to parse out for us if those customers are -- aren't maybe just that competitive and disadvantaged in seeing share shift on that part of the industry as well. But at least, so far, on our results and what we see in our business, we haven't really seen any of that pressure at this stage.

**A. Carolina Jolly** - *GAMCO Investors, Inc. - Senior Research Analyst*

And you've also -- just kind of touching on that point a little bit. You also talk about kind of evolving or transitioning nature of your private label and national accounts. Can you discuss that strategy and then also the good, better, best model, how that might drive earnings growth?

**Jeremy Adam Fletcher** - *O'Reilly Automotive, Inc. - Executive VP & CFO*

Yes, absolutely. I can probably start there and maybe Brad can jump in. We continue to see growth in private label as a strong way of delivering value to both our professional and DIY customers. And we've always taken a little bit different approach there. Then I think some in that, we've leaned pretty heavily on kind of a portfolio of brands that we own, many of them were more traditional automotive aftermarket brands that, over the course of time, we've had the ability to acquire.

And it's given us -- to your point, Caroline, it's just given exposure across that good, better, best value spectrum, where we've got some premium-label brands that I think have a strong customer impression within the marketplace that we've been able to build over the course of time. And that's just given us a lot of flexibility in the control that we have within delivering value through those brands to our customers.

It gives us flexibility on the supply side. We can improve diversity of our supply. And I think that's -- especially as we move through the pandemic, that was a strength of ours, but also an opportunity for us to continue to leverage that. And I think, just more broadly, the control of those brands and how we can market them and how we can build them over the course of time to our benefit has been positive.

For sure, there's certainly traditional automotive aftermarket brands that are still [parked] to us and then we partner with our supplier partners. And those continue to be important and will be important for a long time, and we support those. But to the extent that we've been able to develop our advantages, it's been, I think, effective for us.

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**A. Carolina Jolly** - *GAMCO Investors, Inc. - Senior Research Analyst*

And another topic that's come up in the conference is just kind of the evolving vehicle, how it's becoming more complex and actually how that's a benefit to the aftermarket.And you've talked about it in your ticket oftentimes around that conversation. So can you talk about how that benefits you, but then also touch on the slow but somewhat inevitable penetration of electric vehicles?

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**Jeremy Adam Fletcher** - *O'Reilly Automotive, Inc. - Executive VP & CFO*

Yes, absolutely. The industry has always, I think, historically been more where the technology is and how -- and the makeup of vehicles have changed. And over the course of time, that has just generally trended in the direction of more complex, higher cost, more of a proliferation of parts within that vehicle. I think that's created challenges within the automotive aftermarket historically.

For the really good suppliers and the good manufacturers to maintain that pace of support, I think, to the extent that, that's occurred, it's been a positive, both in just how some of us that deal within the challenging situations well, how we can gain share and adapt over the course of time, and that has been a positive. For sure, we don't think that, that trend changes. Obviously, it changes moving forward.

And we will -- if you could look at a crystal ball, look at an end point in time whether that's 10, 20, 30 years down the road, our expectation is you will see a different vehicle technology platform that, that will emerge and that will change. We continue to have more and more confidence. I think every year that, that platform will still be incredibly complex, that it's -- it will be costly. The component parts to support that will be costly.

And even as those technologies shift over the course of time, the really good manufacturers and suppliers, the really good distributors, retailers who put ourselves within their care, we'll be successful in meeting that need and demand. We have more confidence than everyone that the need for older vehicles and automotive aftermarket to support that continues to be true, but it will be an interesting road as that changes.

You said it correctly, it will change over the course of time. It's not -- there's not an immediate change there, for sure, but it will be important to see that transition. But we think that it means a different set of parts that gets sold, maybe last something that used to be sold as we see partially the ticket counts historically, but the level of complexity and costs will go up.

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**A. Carolina Jolly** - *GAMCO Investors, Inc. - Senior Research Analyst*

Great. And [Brian] (inaudible) has a question.

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**Brian C. Sponheimer** - *Gabelli Funds, LLC - Research Analyst*

Yes, question is on, I guess, bigger picture, I mean, with respect to market share. So O'Reilly's been performing extraordinarily well lately. We look at the numbers, you've clearly you've been taking a lot of share, and you've alluded to that in this conversation. But the question I have is, as you think about their share gains forward or going forward, and this is still a very fragmented industry, is it -- as we think longer term, is it just a grind out if you take share [year-over-year]? Or do you foresee some type of -- just given the structure of the industry, kind of unlock events happening, where O'Reilly gets a leg up on some of these maybe smaller, weaker competitors?

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**Jeremy Adam Fletcher** - *O'Reilly Automotive, Inc. - Executive VP & CFO*

Yes, I'd love to tell you, Brian, and we're just going to [cut] high single, low double digits from now in the perpetuity. That would be great. We think this is a very competitive and tough industry. We're very pleased with the momentum that we really created throughout the course of pandemic and how we continued to be able to capitalize on that. We're performing better this year than what we expected at the beginning of the year. That's no surprise. We continue to raise our guidance.

We don't think that, that means that the industry per se has become less competitive. There's certainly been the ability, I think, to capitalize on a lot of the volatility within the industry that came about during the pandemic. And we've been pleased to be able to gain that momentum.

If we have, obviously, guided long-term perspective, we understand the challenges of being a really good operator in the automotive aftermarket, how important execution is in that and how tough the competition is. And before 2020, you had to work really hard to get those opportunities. And when you use the term grinded out, I think you do have to grind out. And so it wouldn't, I think, surprise us to see it go back to that level of competition. And certainly, that matches the respect that we have for our competitors.

The flip side of it is, even as I say that, you will hear [back from] our operators, that's not the expectation from their standpoint. They very much are leaning into the momentum that we've seen. And there's, I think, a lot of excitement. So while we're cautious in how we see what that opportunity is, we're also pleased that we've been able to double down on the momentum that we've created and are going to aggressively pursue opportunities where we see to invest into that strength and continue to gain share.

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**Brad W. Beckham** - *O'Reilly Automotive, Inc. - Co-President*

Yes. I think as you know, Brian, the -- it's pretty remarkable how the amount of parts stores in the U.S. really hasn't changed even over the decades, the ownership has. And I think, respectfully, I think that will continue to be the case. I think the stronger are going to survive and thrive and the weak will continue, especially on the independent side, to struggle. And I think the question that we had before on complexity, I think that plays in our favor as well.

Things that are disruptive is good for us. We're going to play from a position of strength. We're going to learn where we're going to work with our supplier partners and make sure we keep up with the things that are coming. And that's a little bit more of a challenge for some of the smaller players.

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**A. Carolina Jolly** - *GAMCO Investors, Inc. - Senior Research Analyst*

Great. And you've seen AP-to-inventory ratios increase to 130%. Can you kind of talk about the benefits of the factoring programs that your suppliers enlist in? And then just given the higher interest rates, any -- are they sustainable, I guess?

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**Jeremy Adam Fletcher** - *O'Reilly Automotive, Inc. - Executive VP & CFO*

Yes. So I think maybe the simple answer to the second question first, we absolutely view them as sustainable. I think what those programs have done is it's helped to create a mechanism for our suppliers to have a good cost of capital for that partnered investment that we have. We would argue that, that is now table stakes to the game, and has been for a long time, that as we have built the infrastructure that's necessary to be really, really successful in meeting customers' needs from an auto part perspective.

And for us, that's involved all these stores and the distribution [traditional] network that I talked about, huge investment in people and tools and all those things. For our suppliers, it also means that they have to partner with us to ensure that, that part that the professional customer needs in 20 minutes or that the DIY customer needs today to get their vehicle out, that their part is close enough to be able to manage that across the proliferation of (inaudible) part.

So that ability to support that investment is just critical to the success of the industry, and that's what our supply share of that is. As these programs get more costly, it becomes an increased cost to our suppliers. Some suppliers don't see it the same way because they capitalize their business differently.

But certainly, to the extent it's broad base, it becomes how we best manage this overall cost of being successful within our business. But we don't think there's anything on the horizon that changes our anticipation of what that necessary investment is in our industry and how we'll share that with our supplier partners.

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**A. Carolina Jolly** - *GAMCO Investors, Inc. - Senior Research Analyst*

Great. Well, Brad, Jeremy, thank you so much for being here. We ran a little over time, but just so happy that you were able to come join us at this conference again. Thank you for your time.

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**Brad W. Beckham** - *O'Reilly Automotive, Inc. - Co-President*

Thank you so much.

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**Jeremy Adam Fletcher** - *O'Reilly Automotive, Inc. - Executive VP & CFO*

Thank you.

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