



**Annual Shareholders' Meeting**  
**May 8, 2018**

# Forward Looking Statements

We claim the protection of the safe-harbor 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, the impact of the U.S. Tax Cuts and Jobs Act, 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 economy in general, inflation, 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, 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 the annual report on Form 10-K for the year ended December 31, 2017, 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.

# Company Overview

## As of March 31, 2018

5,097

## Stores in 47 states

27

## Regional, tiered distribution centers

**76,000+**

## Team Members

**\$9.1B**

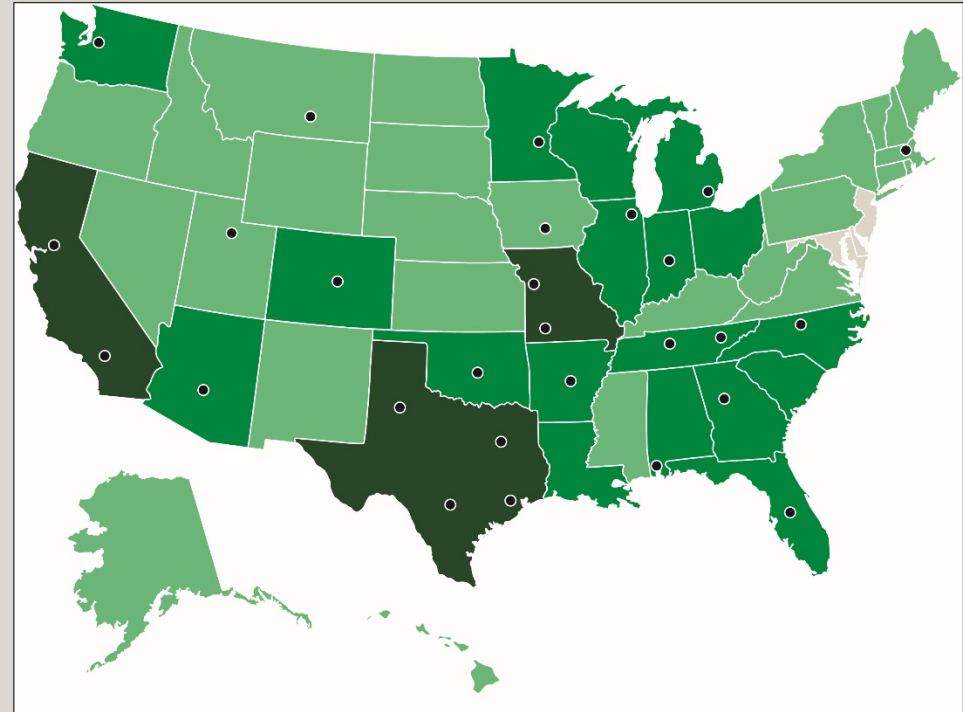
## Last-Twelve-Month Sales

# \$7.7B

## Total Assets

**\$22B**

## Market Capitalization as of May 7, 2018



# 60<sup>th</sup>

## Anniversary celebrated in 2017

25

## Years since initial public offering in 1993

# Industry Landscape

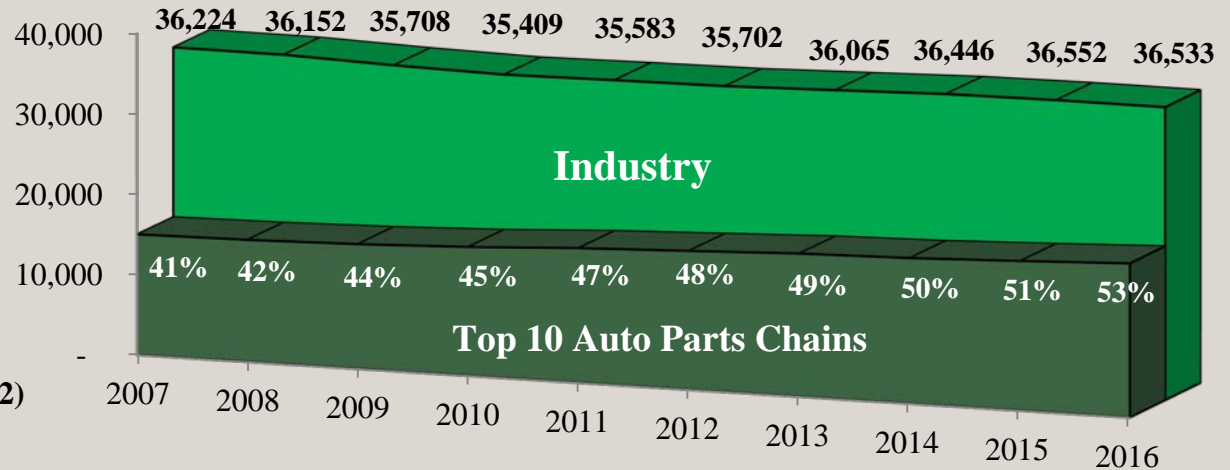
## Top Ten Auto Parts Chains

1. AutoZone Inc. (5,514) <sup>1</sup>
2. Advance Auto Parts (5,183) <sup>2</sup>
3. O'Reilly Auto Parts (5,097)
4. Genuine Parts/NAPA (1,368) <sup>2</sup>
5. Pep Boys / Autoplus (1,069) <sup>2</sup>
6. Fisher Auto Parts (500) <sup>2</sup>
7. Auto-Wares (175) <sup>2</sup>
8. Replacement Parts, Inc. (178)
9. Automotive Parts Headquarters (172)
10. Hahn Automotive (101)

<sup>1</sup> U.S. Domestic Stores

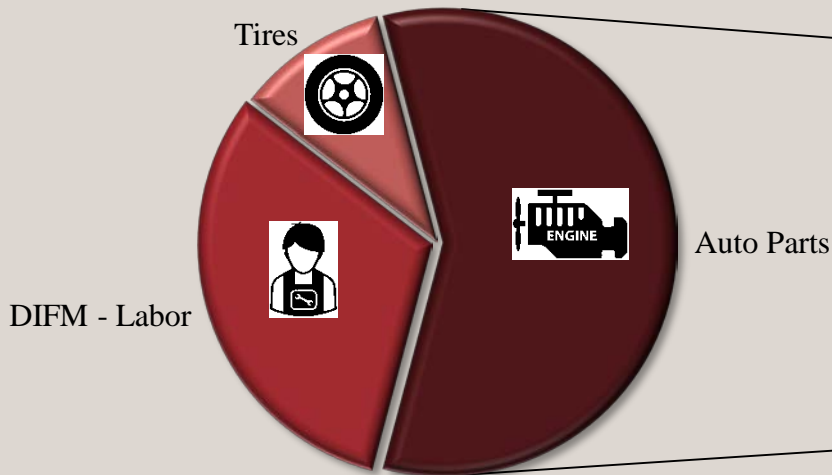
<sup>2</sup> Company owned stores

Source: ACA Factbook or latest SEC filing

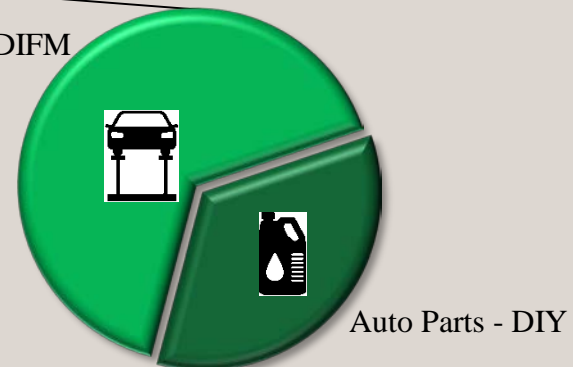


**Total Auto Care Market = \$287 Billion**

**Total O'Reilly  
Addressable Market = \$90 Billion**



Auto Parts - DIFM



Source: AAIA Factbook and Company Estimates

# 2017 Highlights

**\$889M**

**Free Cash Flow**

**\$2.2B**

**Share Repurchases**

**\$12.67**

**Diluted Earnings Per Share – 18% increase over prior year**

**1.4%**

**Comparable store sales increase**

**52.6%**

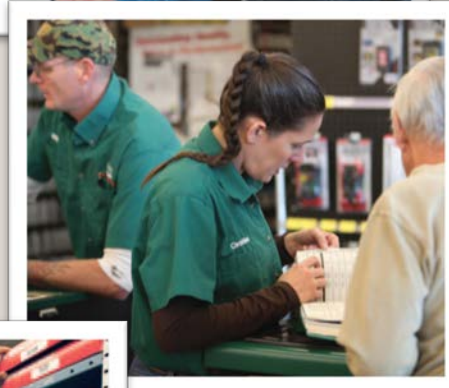
**Gross Margin – 11 bp increase over prior year**

**19.2%**

**Operating Margin – 56 bp decrease over prior year**

**190**

**Net, new stores opened**





# 2018 1<sup>st</sup> Quarter Highlights

**\$311M**

**Free Cash Flow**

**\$0.5B**

**Share Repurchases**

**\$3.61**

**Diluted Earnings Per Share – 28% increase over prior year**

**3.4%**

**Comparable store sales increase**

**52.6%**

**Gross Margin – 17 bp increase over prior year**

**18.5%**

**Operating Margin – 17 bp decrease over prior year**

**78**

**Net, new stores opened**



# 2018 2<sup>nd</sup> QTR and Full-Year Guidance

## 2<sup>nd</sup> Quarter 2018

**2% to  
4%**

Comparable store sales  
increase

**\$3.95 to  
\$4.05**

Diluted Earnings Per  
Share



## Full-Year 2018

**2% to  
4%**

Comparable store sales  
increase

**\$15.30 to  
\$15.40**

Diluted Earnings Per  
Share

**18.5% to  
19.0%**

Operating Margin

**\$1.1B to  
\$1.2B**

Free Cash Flow

# Operating Profit



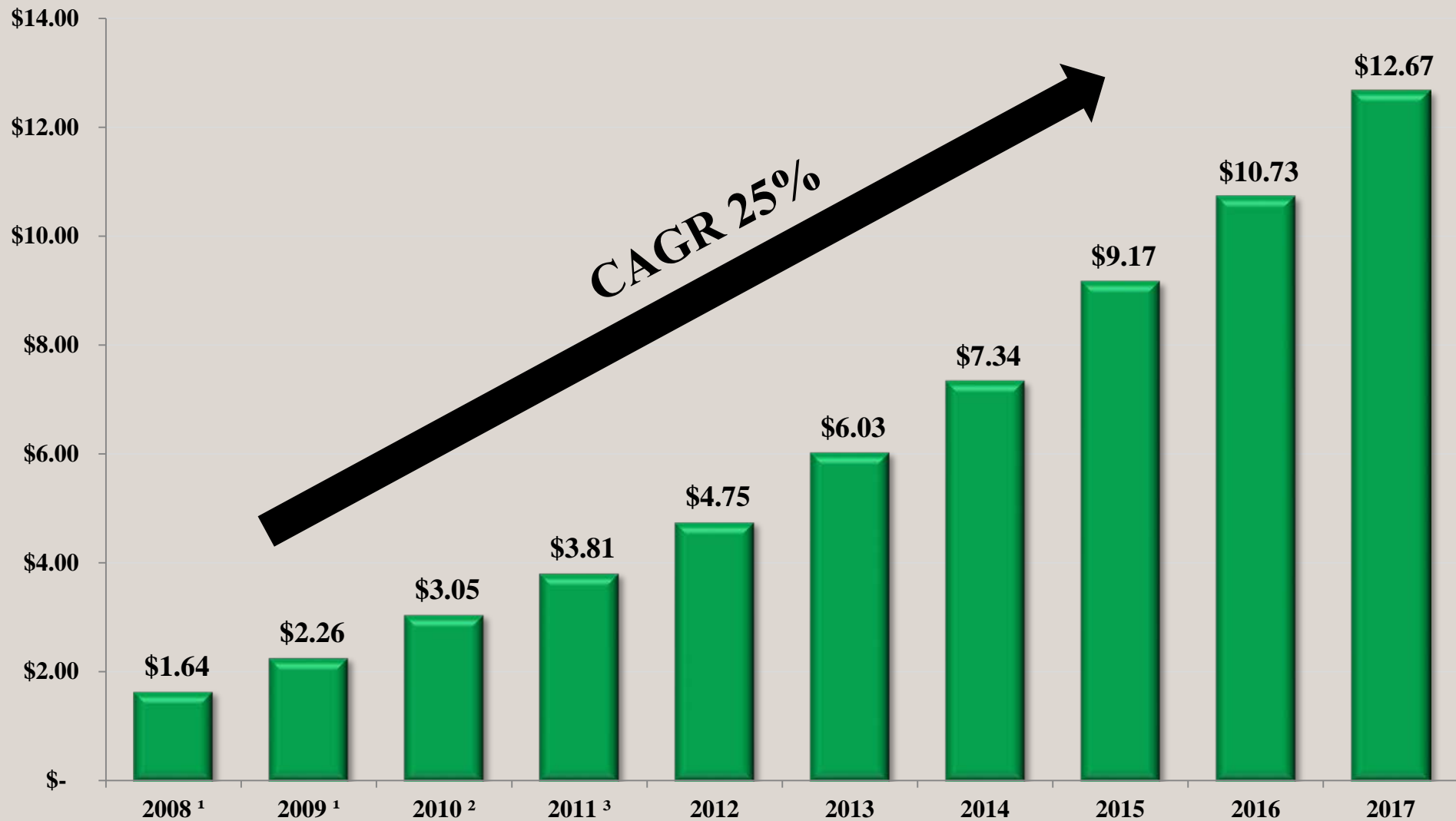
<sup>1</sup> Excludes the impact of CSK acquisition related charges

<sup>2</sup> Excludes the impact of CSK DOJ investigation charges

<sup>3</sup> Excludes the impact of former CSK Officer clawback



# EPS Growth

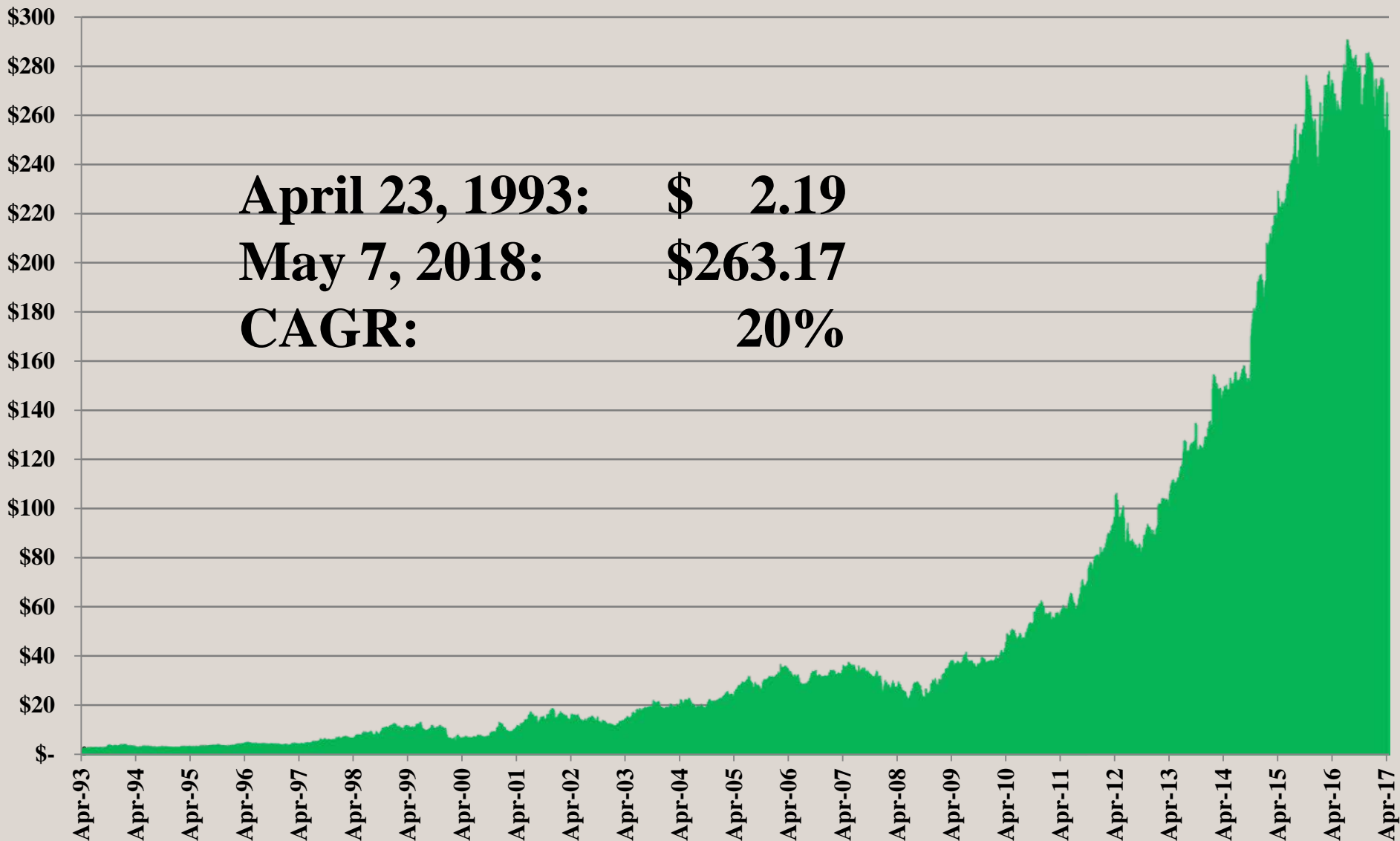


<sup>1</sup> Excluding the impact of CSK acquisition related charges

<sup>2</sup> Excluding the impact of CSK DOJ investigation charges and CSK notes receivable recovery

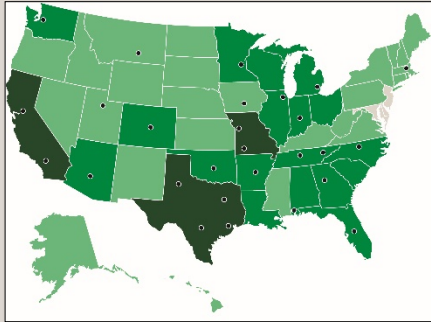
<sup>3</sup> Excluding the impact of debt issuance and interest rate swap write off charges and former CSK officer clawback

# Split Adjusted Stock Price



# Profitable Growth Focus

**Invest and grow market share in existing markets**



**Continued expansion in existing and new markets**



**190 new stores and converted 48 acquired Bond stores in 2017**



**200 net, new stores in projected for 2018**



**Continued focus on consolidating the industry through strategic acquisitions**

- **O'Reilly Culture**
- **"Top Notch" Service**
- **Professional Parts People**
- **"Promote from Within"**



# Strategic Distribution Systems

Our state-of-the-art facilities provide for industry-leading inventory availability

**27**

Regionally deployed Distribution Centers “DCs” support our stores across the country

**157K**

Average SKUs stocked at our DCs, which are linked to multiple other Master Inventory DCs stocking over 175K SKUs

**5**

Night-per-week deliveries to all our stores in continental U.S. from our DCs’ company-owned fleet

**90%+**

Of our stores receive multiple deliveries per day from our DCs and “Hub” stores

**90%+**

Of our stores receive deliveries on weekends from our DCs and “Hub” stores

**331**

“Hub” stores provide multiple deliveries per day to “Spoke” stores



# Commitment to Customer Service

## “Top Notch” Customer Service

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

- **“Top Notch” Service Levels**
  - **Friendliest Parts Store in Town**
  - **“Professional Parts People”**
  - **“Out Hustle and Out Service” the competition**
- **“Never Say No” Philosophy**
  - **“Exhaust all resources to take care of our customer”**
  - **Technical Support Department of 42 TMs with 690 years of automotive experience**

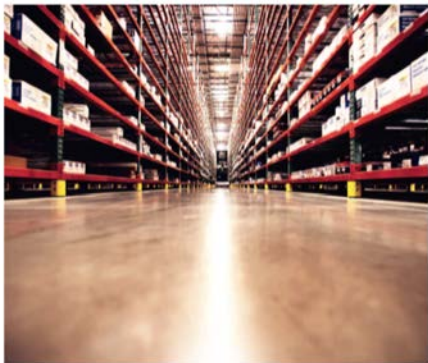


## Reinvestment in our Service

**With the income tax savings from the Tax Cuts and Job Act, we will reinvest in our business to further enhance our best-in-class customer service**

- **Enhancing the Company’s wage and benefit programs**
- **Expanding our omni-channel presence**
- **Improving our in-store technology**





## 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!”**



# Questions?