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

60th Anniversary celebrated in 2017

25 Years since initial public offering in 1993
Industry Landscape

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

Source: ACA Factbook or latest SEC filing

Total Auto Care Market = $287 Billion

Total O’Reilly Addressable Market = $90 Billion

Source: AAIA Factbook and Company Estimates
2017 Highlights

- **Free Cash Flow**: $889M
- **Share Repurchases**: $2.2B
- **Diluted Earnings Per Share**: $12.67, 18% increase over prior year
- **Comparable store sales increase**: 1.4%
- **Gross Margin**: 52.6%, 11 bp increase over prior year
- **Operating Margin**: 19.2%, 56 bp decrease over prior year
- **Net, new stores opened**: 190
2018 1st 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 2nd QTR and Full-Year Guidance

2nd Quarter 2018

- Comparable store sales increase: 2% to 4%
- Diluted Earnings Per Share: $3.95 to $4.05

Full-Year 2018

- Comparable store sales increase: 2% to 4%
- Diluted Earnings Per Share: $15.30 to $15.40
- Operating Margin: 18.5% to 19.0%
- Free Cash Flow: $1.1B to $1.2B
Operating Profit

$335,617
$537,619
$733,676
$863,968
$977,393
$1,103,485
$1,270,374
$1,514,021
$1,699,206
$1,725,400

2008¹ 2009¹ 2010² 2011³ 2012 2013 2014 2015 2016 2017

¹ Excludes the impact of CSK acquisition related charges
² Excludes the impact of CSK DOJ investigation charges
³ Excludes the impact of former CSK Officer clawback
EPS Growth

CAGR 25%

$1.64 2008¹  
$2.26 2009¹  
$3.05 2010²  
$3.81 2011³  
$4.75 2012  
$6.03 2013  
$7.34 2014  
$9.17 2015  
$10.73 2016  
$12.67 2017

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
Split Adjusted Stock Price

April 23, 1993: $2.19
May 7, 2018: $263.17
CAGR: 20%
Profitable Growth Focus

Invest and grow market share in existing markets

- O’Reilly Culture
- “Top Notch” Service
- Professional Parts People
- “Promote from Within”

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
Strategic Distribution Systems

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

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 stores in continental U.S. from our DCs’ company-owned fleet

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

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

“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?