



Company	Ticker	Sector	Industry
AutoZone, Inc.	AZO-US	Consumer Discretionary	Specialty Retail

Business Description

AutoZone, Inc. engages in the retail and distribution of automotive replacement parts and accessories. The firm offers ALLDATA, which produces, sells, and maintains diagnostic and repair information software used in the automotive repair industry and E-commerce, which includes direct sales to customers. The company was founded by Joseph R. Hyde, III on July 4, 1979 and is headquartered in Memphis, TN.

Price Chart



Key Info & Metrics

Empirical Research Rank:	1
Date Purchased:	07/29/2022
Price:	\$2,419.81
52-Week Range:	\$1,771.68 - \$2,579.00
Dividend Yield:	0.00%
Market Cap (\$M):	\$45,931
Forward Price-to-Earnings:	18

Total Return

Year-to-Date:	-1.9%
1 Year:	21.2%
3 Year:	128.5%
5 Year:	232.2%

Investment Case - Updated: November 6, 2022

AutoZone is the largest auto parts retailer in the U.S. based on both sales and number of locations. Originally founded as a mainly Do-It-Yourself retailer, AutoZone has spent the last few years strategically investing in its “Do-It-For-Me” segment (DIFM) where the company sells parts to local mechanics for repairs. With rising complexity and age of vehicles on the road, the addressable market for the DIFM segment continues to grow. AutoZone is able to outgrow peers as it gains market share in this segment versus smaller competitors. Another key component of the company’s earnings growth is a unique capital allocation strategy where management is focused strictly on share repurchases. In the last twenty years, the company has reduced shares outstanding by 80% and contributed to over half of the earnings per share growth. Lastly, with a continued return to normal travel patterns post-pandemic, miles driven on the road should increase which positively correlates with a greater need for auto parts.

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