



Supplemental Financial Presentation
Q4 and FY 2020
January 28, 2021



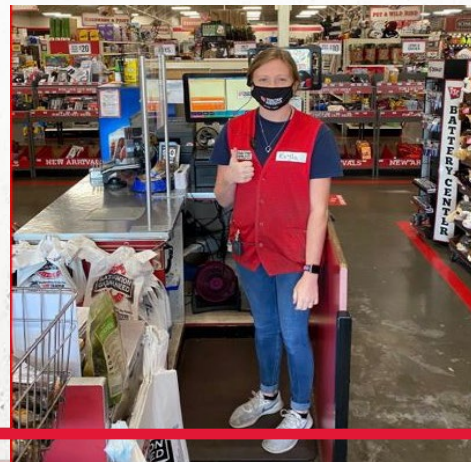
SAFE HARBOR AND NON-GAAP MEASURES

The Company claims the protection of the safe-harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

The information in this presentation contains certain forward-looking statements. These statements discuss, among other things, expectations with respect to sales, earnings, store growth, capital expenses, margins, debt, payment of dividends and stock repurchases. These forward-looking statements are based on estimates, projections, beliefs and assumptions, and may be affected by risks or uncertainties including, but not limited to, the effects of the COVID-19 pandemic, competition, product demand, economic conditions, the ability to open new stores, the effectiveness of merchandising and marketing initiatives, the ability to realize operational efficiencies, inflation, consumer debt levels, governmental approvals, ability to hire and retain qualified employees, weather, the imposition of tariffs on imported products, etc. The Company intends these forward-looking statements to speak only as of the time of the presentation and does not undertake any obligation to update or revise them after the date hereof or as more information becomes available.

Actual results may differ materially from anticipated results described in these forward-looking statements. As a result, all of the forward-looking statements made are qualified by these cautionary statements and those contained in the Risk Factors section of the Company's Annual Report on for the fiscal year ended December 28, 2019 and Quarterly Report on Form 10-Q for the quarterly period ended September, 26, 2020, each as filed with the Securities and Exchange Commission.

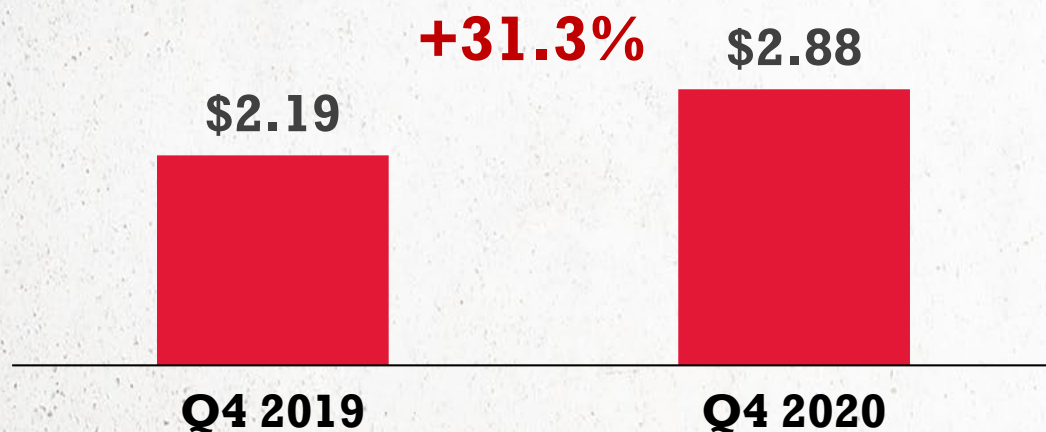
Tractor Supply reports its financial results in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Tractor Supply also uses certain non-GAAP measures that fall within the meaning of Securities and Exchange Commission Regulation G and Regulation S-K Item 10(e), which may provide users of the financial information with additional meaningful comparison to prior reported results. Non-GAAP measures do not have standardized definitions and are not defined by U.S. GAAP. Therefore, Tractor Supply's non-GAAP measures are unlikely to be comparable to similar measures presented by other companies. The presentation of these non-GAAP measures should not be considered in isolation from, as a substitute for, or as superior to the financial information presented in accordance with U.S. GAAP. We believe this information is useful in providing period-to-period comparisons of the results of our continuing operations. Reconciliations of the supplemental information to the comparable GAAP measure can be found on the Investor Relations section of the Company's website at ir.tractorsupply.com and in the appendix to this presentation on page 14 and 15.



Q4 2020 Performance

Strong Sales Growth

Net Sales Growth
(\$ in billions)



Comp Sales Growth



HIGHLIGHTS

Record Level Sales Performance

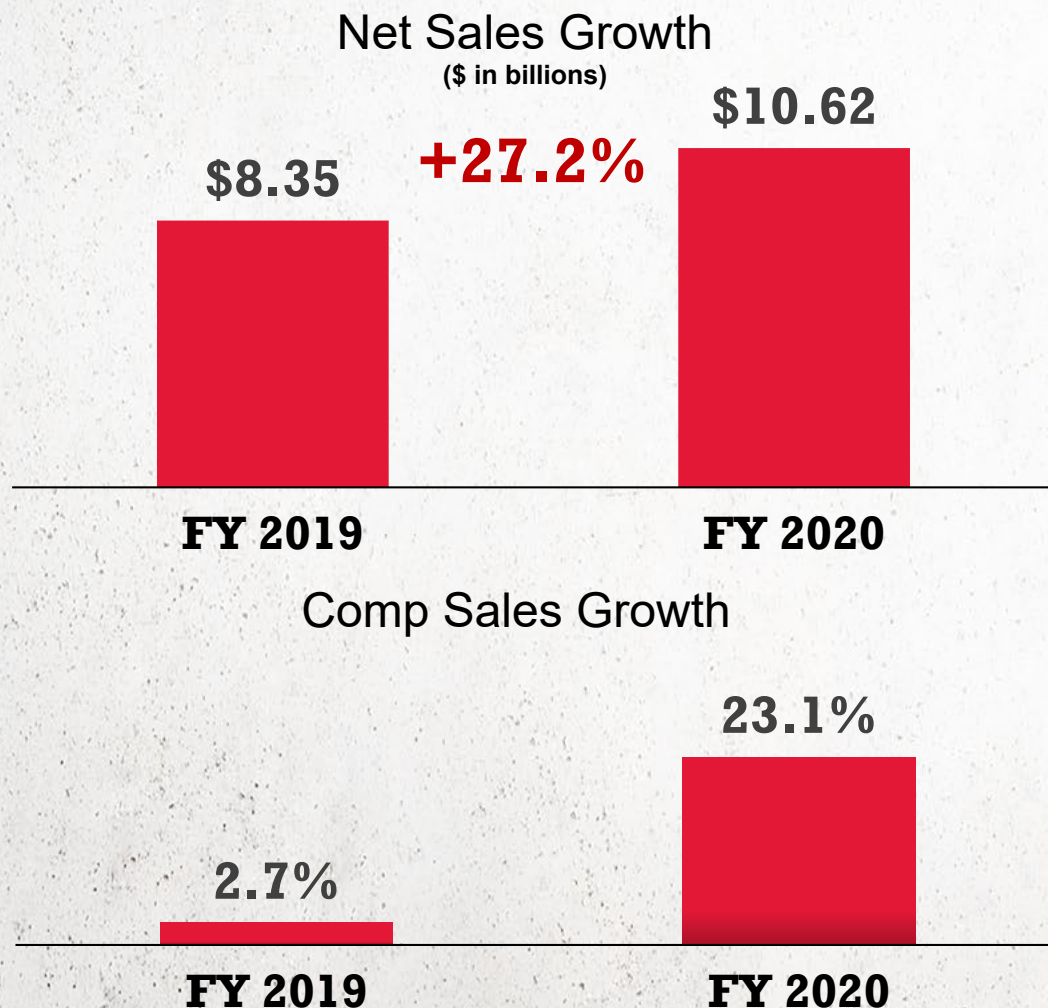
Customer Traffic Increased 14.3%

Average Ticket Up 13.0%

Triple-Digit eCommerce Growth for the
3rd Consecutive Quarter

FY 2020 Performance

Strong Sales Growth



HIGHLIGHTS

Sales Surpass \$10B – A New Record

Customer Traffic Increased 10.9%

Average Ticket Up 12.2%

Triple-Digit eCommerce Growth From FY 2019

Broad-Based Strength in Customer Trends

New Customers and Reengaged Customers



FY2020: +17.0M

Existing Customers

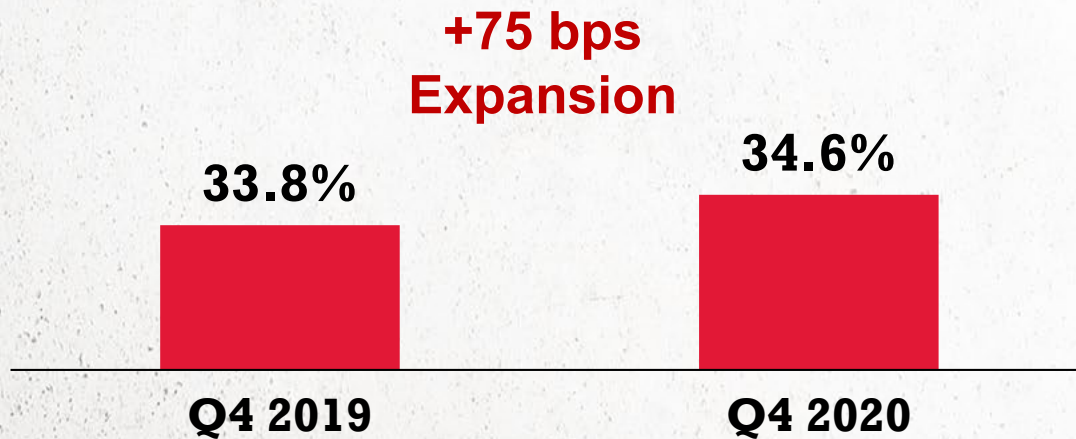


19.0M

Neighbor's Club Members

Q4 2020 Performance

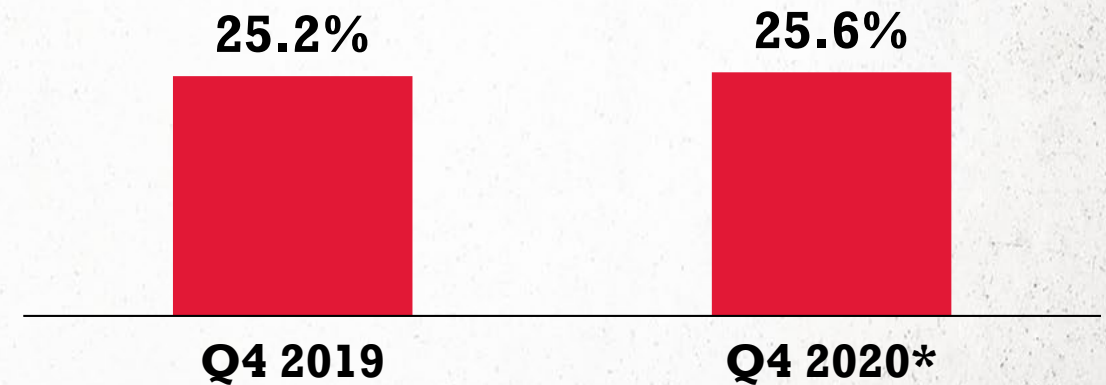
Gross Margin



Key Drivers

- Lower Depth and Frequency of Sales Promotions
- Less Clearance Activity
- Partially Offset by Higher Transportation Costs

Adjusted SG&A Expenses As a % of Sales



Key Drivers

- Incremental COVID-19 Costs
- Increased Incentive Compensation Cost Due to Record Sales and Profitability*
- Investments in Strategic Initiatives

(*Excludes impairment charges – see non-GAAP reconciliation)

FY 2020 Performance

Gross Margin

**+104 bps
Expansion**

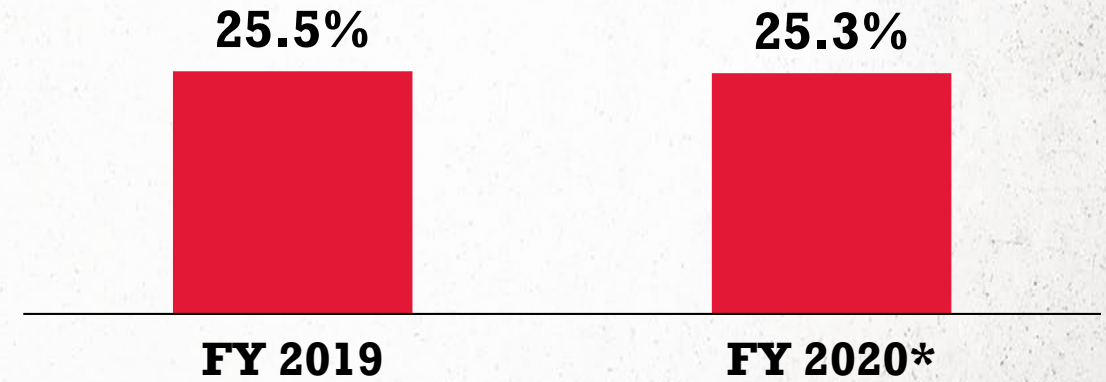


Key Drivers

- Lower Depth and Frequency of Sales Promotions
- Less Clearance Activity
- Lower Transportation Costs as a Percent of Net Sales

Adjusted SG&A Expenses

As a % of Sales



Key Drivers

- COVID-19 Costs
- Increased Incentive Compensation Cost Due to Record Sales and Profitability*
- Investments in Strategic Initiatives

(*Excludes impairment charges – see non-GAAP reconciliation)

Adjusted Q4 2020 Performance

Profitability

Operating Margin

+29 bps

8.7%

9.0%

Q4 2019

Q4 2020*

Net Income

+34.0%

\$144M

\$193M

Q4 2019

Q4 2020*

EPS

+35.5%

\$1.21

\$1.64

Q4 2019

Q4 2020*

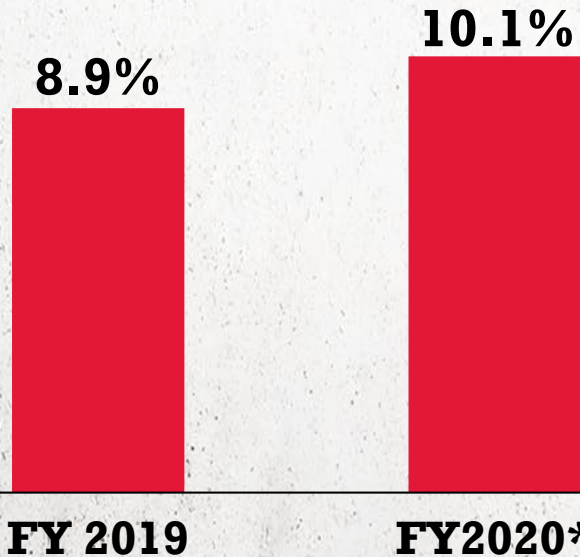
* Adjusted to exclude non-cash impairment charge – see non-GAAP reconciliation

Adjusted FY 2020 Performance

Profitability

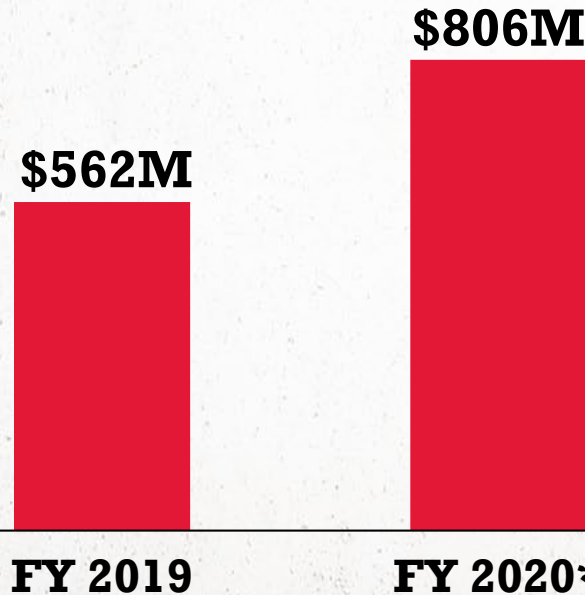
Operating Margin

+119 bps*



Net Income

+43.4%*



EPS

+47.4%*



* Adjusted to exclude non-cash impairment charge – see non-GAAP reconciliation



FY 2021 Outlook

Net Sales	\$10.7B to \$11.0B
Comparable Store Sales	(2%) to +1%
Operating Margin Rate	9.3% to 9.6%
Net Income	\$750M to \$800M
Earnings Per Share	\$6.50 to \$6.90
Capital Expenditures	\$450M - \$550M
Est. Effective Tax Rate	22.5% to 22.8%

Share repurchases expected to reduce
avg shares outstanding 1% - 2%



LIFE *Out* HERE STRATEGY

We are committed to being an integral part of our customers' lives as the dependable supplier of Out Here Lifestyle solutions.

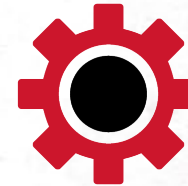
Anytime • Anywhere • Anyway



Deliver Legendary Customer Experiences



Advance Our ONETractor Capabilities



Operate the Tractor Way



Go the Country Mile for Our Team



Generate Healthy Shareholder Return

Non-GAAP Reconciliations

Reconciliation of Non-GAAP Financial Measures

(Unaudited)

(in thousands, except per share amounts)

	FOURTH QUARTER ENDED					
	December 26, 2020		Impairment ^(a)		December 26, 2020	
	<i>(As Reported)</i>		<i>(Adjustment)</i>		<i>(As Adjusted)</i>	
	% of Net Sales		% of Net Sales		% of Net Sales	
SG&A (including depreciation and amortization and asset impairment)	\$ 811,063	28.18 %	\$ (74,051)	(2.57)%	\$ 737,012	25.61 %
Operating income	\$ 184,467	6.41 %	\$ 74,051	2.57 %	\$ 258,518	8.98 %
Income before income taxes	\$ 176,381	6.13 %	\$ 74,051	2.57 %	\$ 250,432	8.70 %
Income tax expense/(benefit)	\$ 40,488	1.41 %	\$ 16,765	0.58 %	\$ 57,253	1.99 %
Net income	\$ 135,893	4.72 %	\$ 57,286	1.99 %	\$ 193,179	6.71 %
Diluted net income per share	\$ 1.15		\$ 0.49		\$ 1.64	

(a) Comprised of \$68.97 million of impairment of goodwill and other intangible assets along with \$5.08 million of impairment of other long-lived assets related to the Petsense reporting unit

Reconciliation of Non-GAAP Financial Measures

(Unaudited)

(in thousands, except per share amounts)

	YEAR ENDED					
	December 26, 2020		Impairment ^(a)		December 26, 2020	
	<i>(As Reported)</i>		<i>(Adjustment)</i>		<i>(As Adjusted)</i>	
	% of		% of		% of	
	Net		Net		Net	
	<u>Sales</u>		<u>Sales</u>		<u>Sales</u>	
SG&A (including depreciation and amortization and asset impairment)	\$ 2,764,621	26.03 %	\$ (74,051)	(0.70)%	\$ 2,690,570	25.33 %
Operating income	\$ 996,928	9.39 %	\$ 74,051	0.70 %	\$ 1,070,979	10.09 %
Income before income taxes	\$ 968,147	9.12 %	\$ 74,051	0.70 %	\$ 1,042,198	9.82 %
Income tax expense/(benefit)	\$ 219,189	2.07 %	\$ 16,765	0.16 %	\$ 235,954	2.22 %
Net income	\$ 748,958	7.05 %	\$ 57,286	0.54 %	\$ 806,244	7.59 %
Diluted net income per share	\$ 6.38		\$ 0.49		\$ 6.87	

(a) Comprised of \$68.97 million of impairment of goodwill and other intangible assets along with \$5.08 million of impairment of other long-lived assets related to the Petsense reporting unit