



Supplemental Financial Presentation

July 19, 2021



A large, white dog with brown spots is lying in a green field, looking towards the camera with its mouth open. In the background, there is a red barn and some trees under a clear sky.

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, tax rates, 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 Form 10-K for the fiscal year ended December 26, 2020, as filed with the Securities and Exchange Commission.



THANK YOU TEAM TRACTOR!



FOR LIFE OUT HERE™

Q2 2021 Performance

Strong Sales Growth

Net Sales Growth
(\$ in Billions)

+13.4%

\$3.18

Q2 2020

\$3.60

Q2 2021

Comp Sales Growth

+41.0%
2-Year Stack

30.5%

Q2 2020

10.5%

Q2 2021

HIGHLIGHTS

Every Week in Quarter was Positive

Average Ticket Up 6.0%

Customer Traffic Increased 4.5%

Highest E-Commerce
Sales Quarter on Record

FOR LIFE OUT HERE™

Broad-Based Strength in Customer Trends

New Customers



New Customer Retention at All-Time Highs

FOR LIFE OUT HERE™

Neighbor's Club



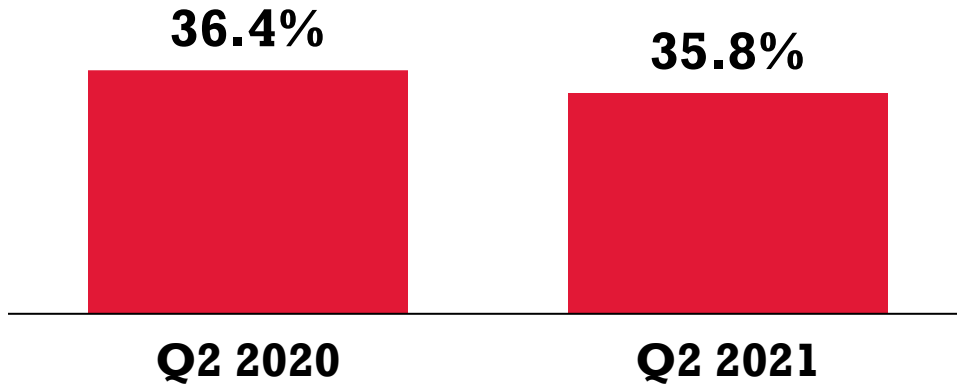
21M+
Members

Q2 2021 Performance

Gross Margin

as a % of net sales

-67 bps Decrease



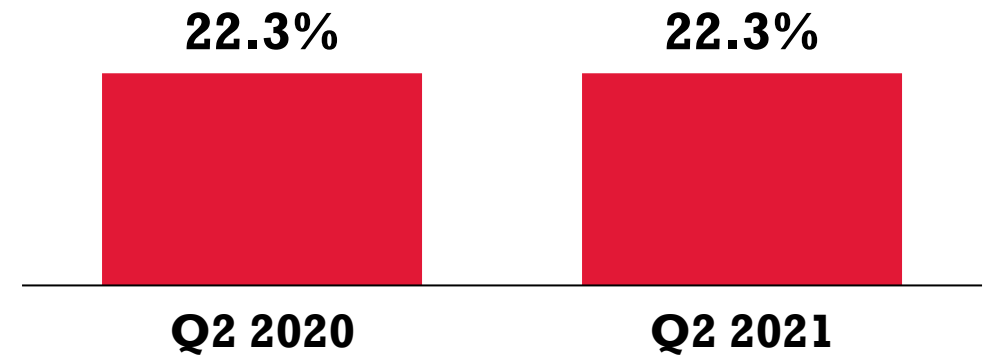
Key Drivers

- Approximately 90 bps higher than Q2 2019
- Higher Freight Costs
- Initial Costs from Neighbor's Club Relaunch
- More Normalized C.U.E. Product Mix
- Partially Offset by Price Management Program

SG&A Expenses

as a % of net sales

+6 bps Improvement



Key Drivers

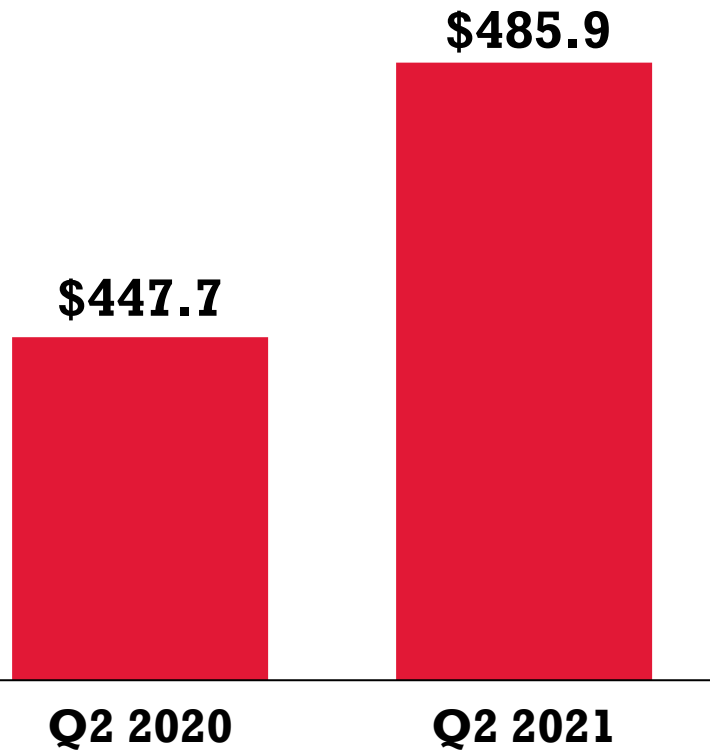
- Lower COVID-19 Costs
- Decreased Incentive Comp
- Leverage in Occupancy & Other Fixed Costs
- Partially Offset by Higher Wage Rates, Store Labor Hours and Investments in Strategic Initiatives

Q2 2021 Performance

Profitability

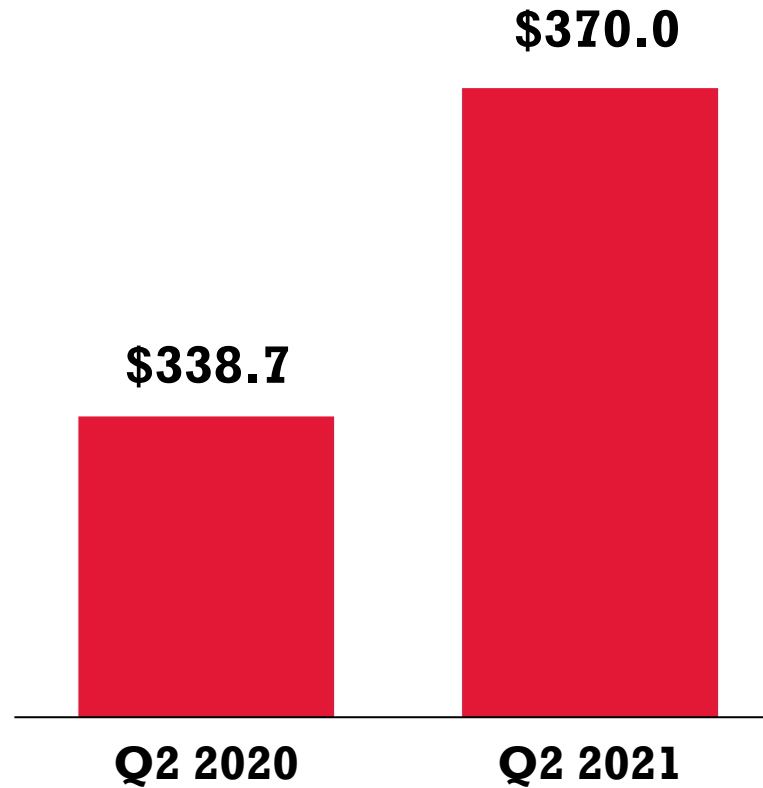
Operating Income

+8.5%



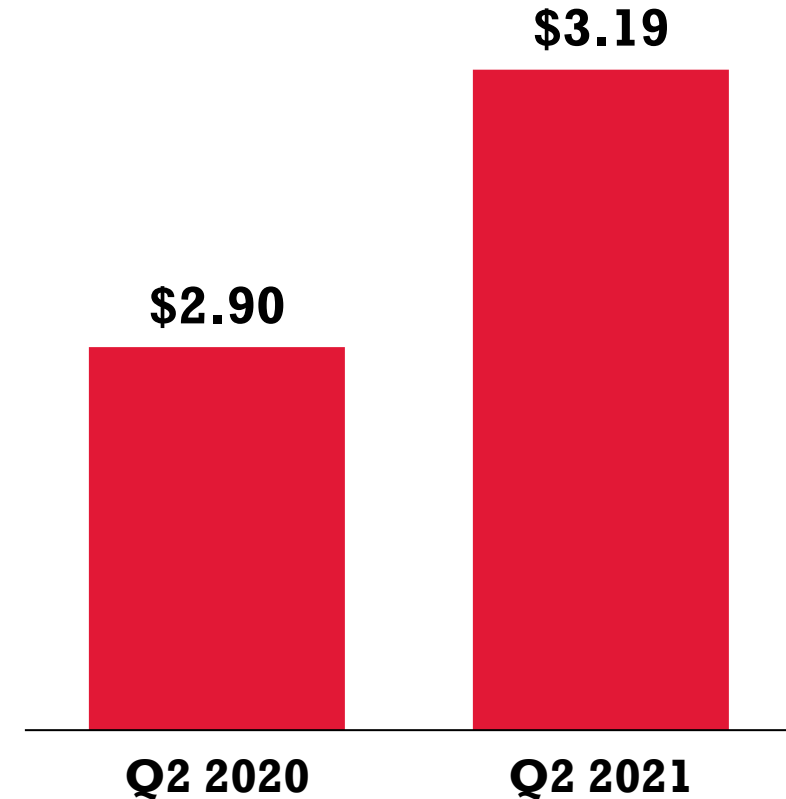
Net Income

+9.3%



Diluted EPS

+10.0%




Updated Full-Year 2021 Outlook

Net Sales	\$12.1B to \$12.3B
Comparable Store Sales	+11% to +13%
Operating Margin Rate	9.7% to 9.9%
Net Income	\$895M to \$930M
Diluted Earnings Per Share	\$7.70 to \$8.00
Capital Expenditures	\$500M to \$600M
Effective Tax Rate	22.1% to 22.4%
Share Repurchases	\$700M to \$800M



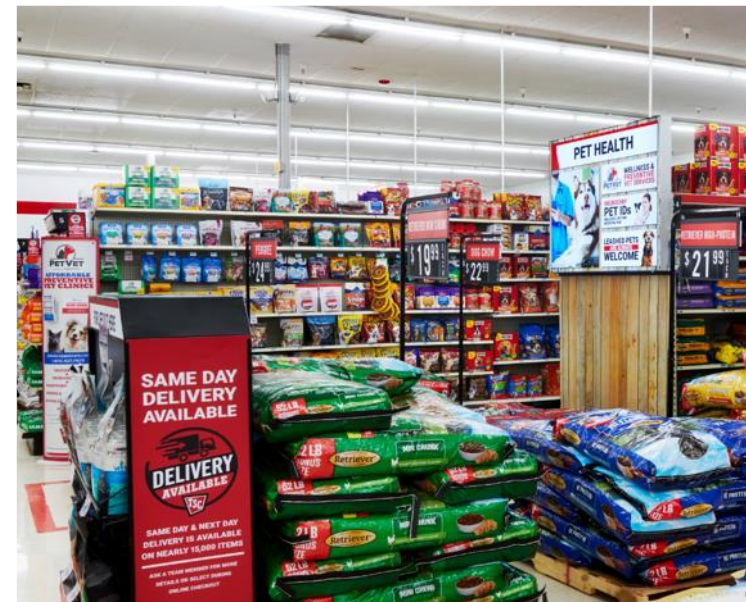
Side Lot

**SIDE
LOT** 



FOR LIFE OUT HERE™



Project Fusion



FOR LIFE OUT HERE™

Neighbor's Club Relaunch



		NEIGHBOR	PREFERRED NEIGHBOR	PREFERRED PLUS NEIGHBOR
QUALIFY	Shop TSC	Spend \$0– \$999 Per Calendar Year	Spend \$1,000– \$1,999.99 Per Calendar Year	Spend \$2,000+ Per Calendar Year OR As a TSC Personal Credit Cardholder 
POINTS	Earn Points	1 point Per \$1 Spent	1.5 points Per \$1 Spent	2 points Per \$1 Spent OR 5 points Per \$1 Spent with TSC Personal Credit Card 
	500 POINTS = \$5 REWARD CERTIFICATE			
BENEFITS	Birthday Gift	●	●	●
	Exclusive Offers	●	●	●
	Receipt-Free Returns	●	●	●
	Free Same-Day Delivery*		● 1 per quarter	● 2 per quarter
	Full-Day Trailer Rentals**		● 1 per quarter	● 2 per quarter
	Everyday Standard Shipping***			●

FOR LIFE OUT HERE™

ESG Updates

**Published 2nd Annual
2020 ESG Tear Sheet**

**Nearly \$500k invested in
DE&I Organizations in the
Last Twelve Months**

**Announced Off-Cycle Raises
for 27,000+ Team Members**

**Great Place to Work Certified®
October 2020 – October 2021**



FOR LIFE OUT HERE™

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

A group of people are sitting around a campfire in a backyard at night. The scene is illuminated by the warm glow of the fire and string lights hanging from the trees. In the background, a house with a stone fireplace and a covered porch is visible. A large tree trunk is on the left side of the frame.

**Tsc TRACTOR[®]
SUPPLY CO**

FOR LIFE OUT HERESM