



**TRACTOR
SUPPLY CO**
For Life Out Here

**Q4 2023
Supplemental
Financial
Presentation**
February 1, 2024



SAFE HARBOR

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, statements regarding market share gains, positive customer trends, new stores and distribution centers, the Orscheln Farm and Home conversion, property development plans, and financial guidance for 2024, including net sales, comparable store sales, operating margin rates, net income, diluted earnings per share, capital expenditures and plans, share repurchase, and sale-leaseback transactions. 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, including as a result of the factors discussed in “Risk Factors” in our Annual Report on Form 10-K for 2022 and other reports filed with the SEC. 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 31, 2022, as filed with the Securities and Exchange Commission





Thank You
Team Tractor!





2023 Highlights

Continued Sales Growth and Market Share Gains

All-Time High Customer Satisfaction Scores

Accelerated Store Growth

- 70 new Tractor Supply stores and 13 new Petsense stores
- All 81 Orscheln Farm and Home stores converted
- Increased long-term store target to 3,000 stores

Advancing the Life Out Here Strategy

- Nearly 40% of Tractor Supply stores now in Fusion layout
 - Over 450 Garden Centers
- Neighbor's Club sales penetration reached 77% of total sales
 - eCommerce topped \$1B in sales

Increasing Supply Chain Efficiency, new Ohio Distribution Center and Record Level Productivity

Significant Cash Returned to Shareholders

- Second consecutive year of more than \$1B returned to shareholders
 - 14th consecutive year of a dividend increase

Customer Insights

Neighbor's Club Sales Penetration at a Record

- Tractor Supply sales penetration up to 77%
- Petsense sales penetration up to nearly 70%

Strength in Brand Equity with Growth in Brand Consideration and Unaided Awareness

Record Level of High-Value Customers

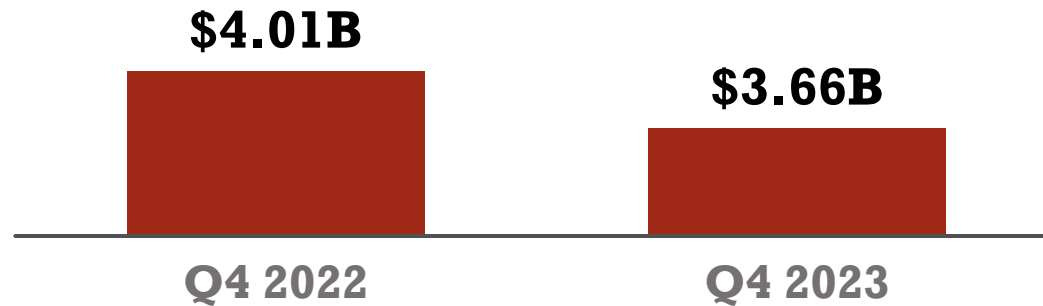
Total Customers Increased; New Customers Ran Positive in Second Half of 2023

Customer Retention Rates at All-Time High

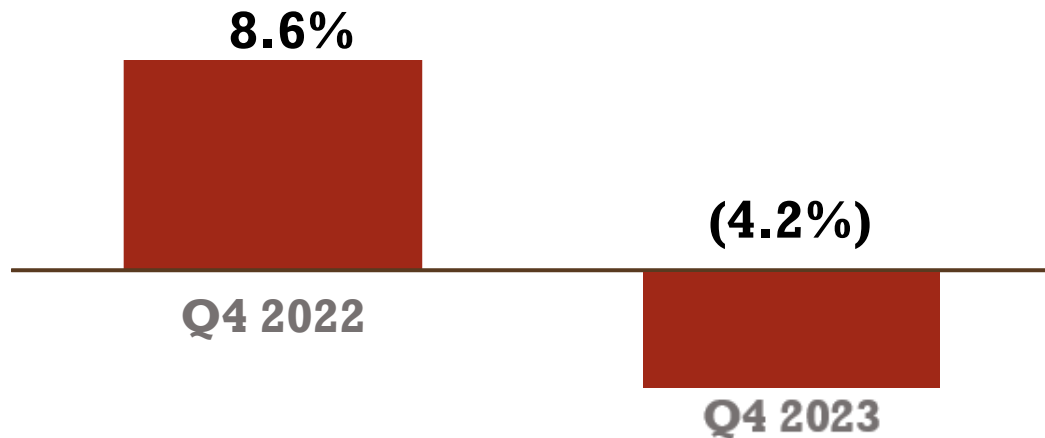


Q4 2023 Performance

Net Sales (8.6%)



Comp Sales



Highlights

Growth in C.U.E. Offset by Softness in Seasonal and Big Ticket

Weather Negatively Impacted Net Sales by ~400 bps

Comparable Transactions Declined 2.7%

Comparable Ticket Declined 1.5%

Lapped 53rd week in 2022 contributing 5.6 percentage points of Net Sales decline

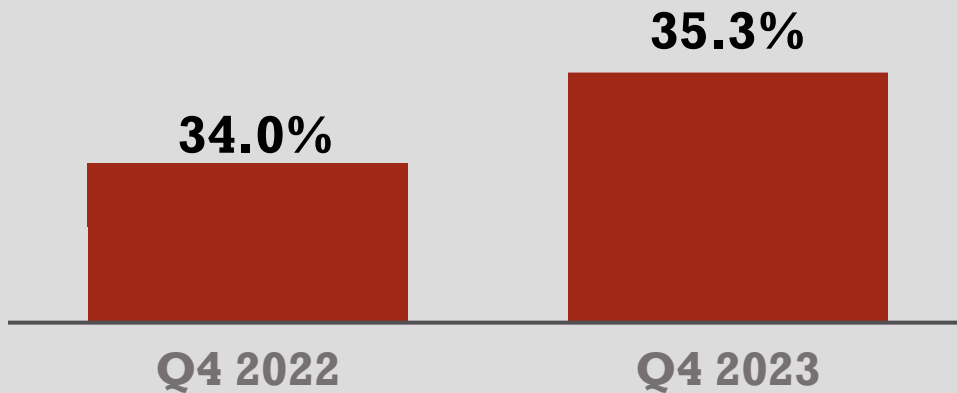
**Note that Tractor Supply had a 53rd week in Fiscal Year 2022 contributing ~\$225M in net sales and \$0.16 in diluted earnings per share to the quarter and year.*

Q4 2023 Performance

Gross Margin

as a % of net sales

+129 bps Expansion



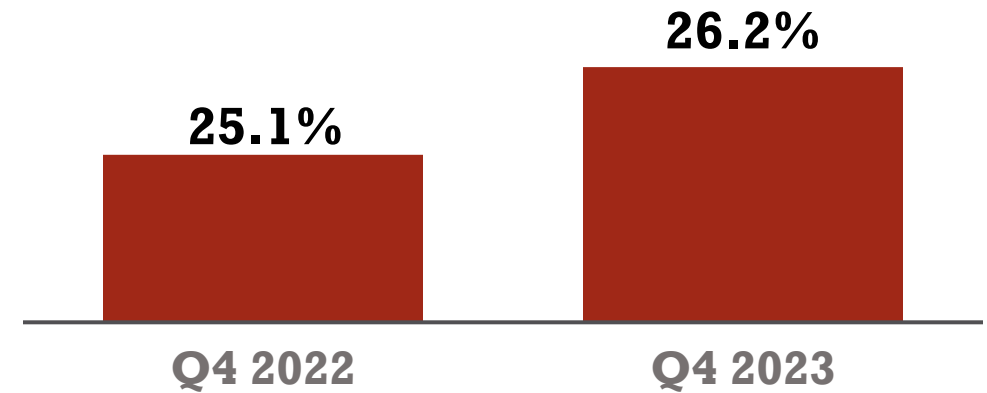
Key Drivers

- Ongoing Execution of Everyday Low Price Strategy and Leverage of Neighbor's Club Program for Value
- Lower Transportation Costs
- Disciplined Product Cost Management
- Modestly Offset by Negative Product Mix

SG&A Expenses

as a % of net sales

-113 bps Deleverage



Key Drivers

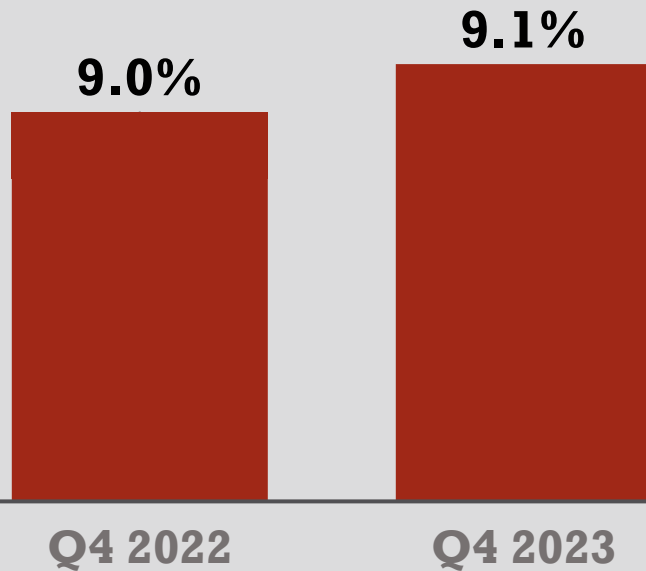
- Deleverage Primarily Attributed to Planned Growth Initiatives
- Fixed Cost Deleverage
- Higher Medical Claims
- Partially Offset by Lower Incentive Compensation
- Net 40 bps Benefit from Sale-Leaseback Transaction

Q4 2023 Performance

Profitability

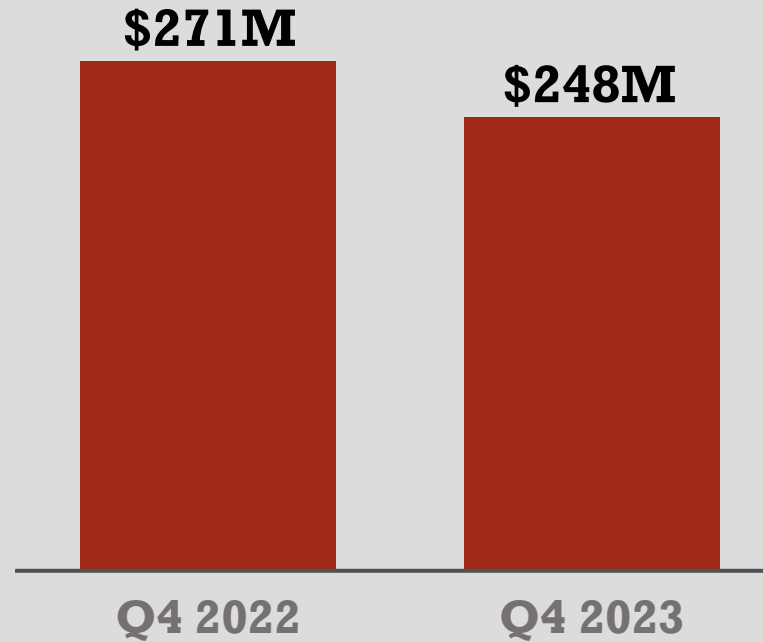
Operating Margin

+16 bps



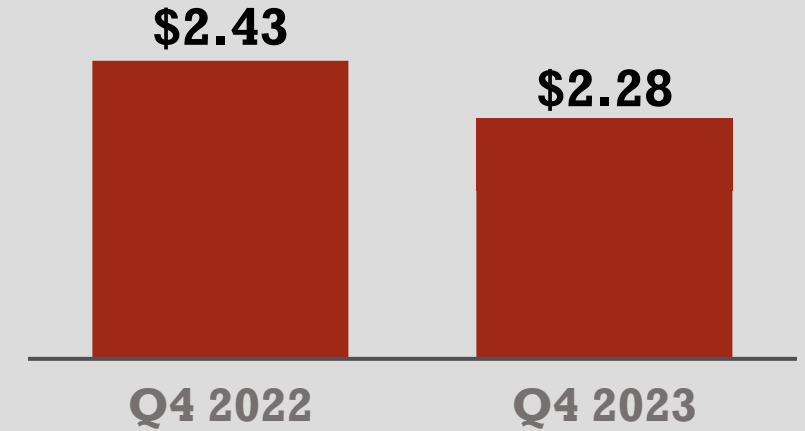
Net Income

(8.5%)



Diluted EPS

(6.2%)



**Note that Tractor Supply had a 53rd week in Fiscal Year 2022 contributing ~\$225M in net sales and \$0.16 in diluted earnings per share to the quarter and year.*

FY 2023 Performance

Net Sales Growth

+2.5%

\$14.56B

\$14.20B

2022

2023

Comp Sales

6.3%

Even

2022

2023

Highlights

Net Sales Increased from Orscheln Farm & Home Acquisition and New Store Growth

Opened 70 new Tractor Supply stores and 13 new Petsense stores

Comparable Ticket Increased 0.4%, Offset by Comparable Transactions Decline of 0.4%

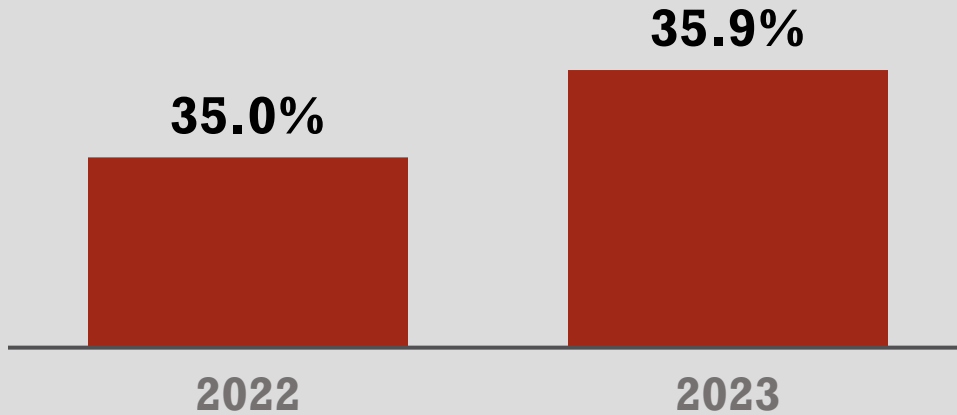
**Note that Tractor Supply had a 53rd week in Fiscal Year 2022 contributing ~\$225M in net sales and \$0.16 in diluted Earnings per Share to the quarter and year.*

FY 2023 Performance

Gross Margin

as a % of net sales

+92 bps Expansion



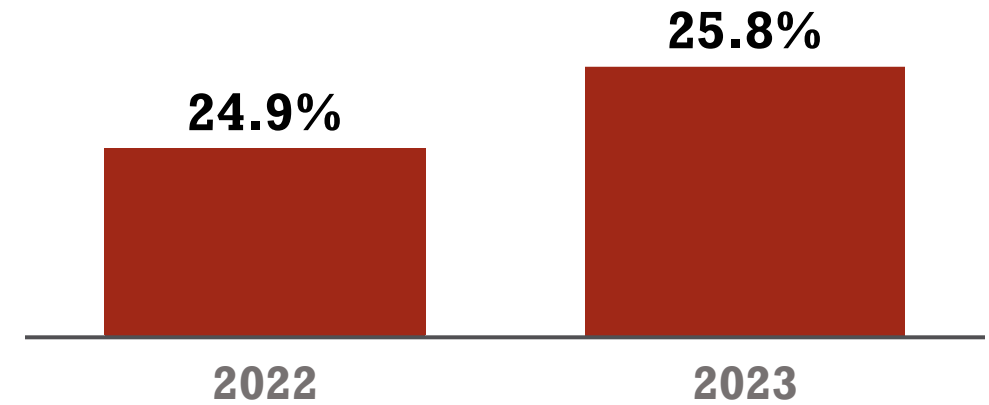
Key Drivers

- Lower Transportation Costs from Improvement in the Global Markets and Internal Efficiencies
- Continued Execution of Everyday Low Price Strategy
- Modestly Offset by Product Mix Pressure

SG&A Expenses

as a % of net sales

-86 bps Deleverage



Key Drivers

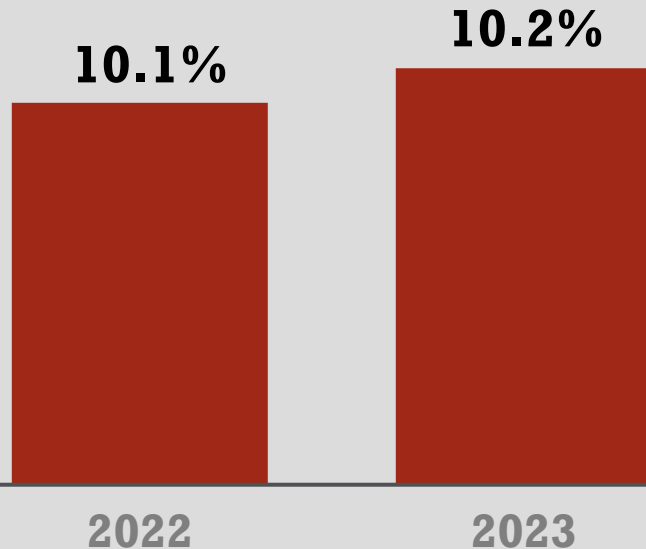
- Deleverage Primarily Attributed to Planned Growth Initiatives
- Fixed Cost Deleverage
- Higher Medical Claims
- Net 25 bps Benefit from Sale-Leaseback Transactions

FY 2023 Performance

Profitability

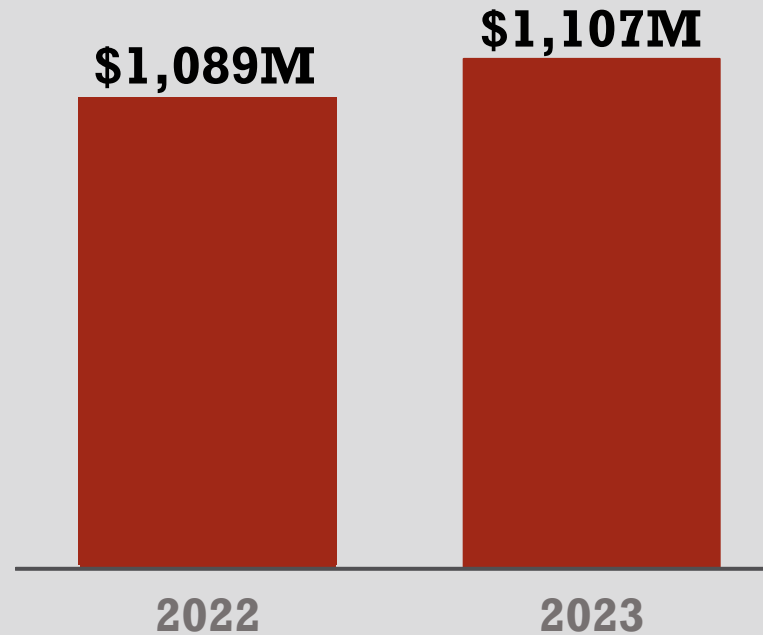
Operating Margin

+6 bps



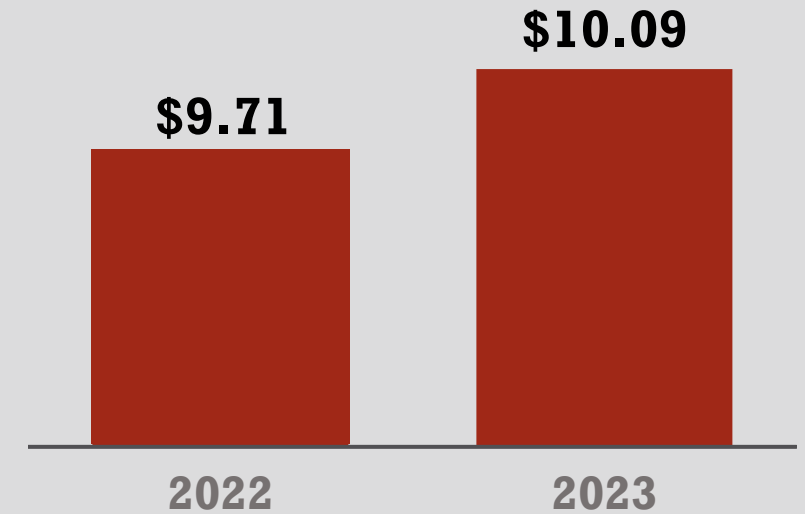
Net Income

+1.7%



Diluted EPS

+3.9%



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2024 Guidance

Net Sales	\$14.7B to \$15.1B
Comparable Store Sales	(1.0%) to +1.5%
Operating Margin Rate	9.7% to 10.1%
Net Income	\$1.06B to \$1.13B
Diluted Earnings Per Share	\$9.85 to \$10.50
Net Capital Expenditures	\$625M to \$700M
Share Repurchases	\$575M to \$625M
Tractor Supply Stores	80
Petsense Stores	10 - 15

2023 Calendarization

Depreciation

Tractor Supply Company had a One-Time Depreciation Adjustment Benefit in the Third Quarter of Fiscal Year 2023

The Depreciation Adjustment Benefited Diluted Earnings Per Share by \$0.08 per Share

This Benefit **Will Not** Be Repeated in Fiscal Year 2024 or Beyond

Sale-Leaseback

Tractor Supply Company Initiated a New Real Estate Strategy of Selling Legacy Stores beginning in the Third Quarter of Fiscal Year 2023

Tractor Supply Company Sold 15 Stores in 2023 for a SG&A Benefit of 25 basis points and an Earnings per Share benefit of \$0.26 per share (\$0.17 in Q3 and \$0.09 in Q4)

Tractor Supply Company will Continue this in Fiscal Year 2024 with a Similar Benefit and Cadence to Fiscal Year 2023



Deliver Legendary Customer Experiences



Advance Our ONETractor Capabilities



Operate the Tractor Way



Go the Country Mile for Our Team



Generate Healthy Shareholder Return

For Life Out Here

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

Anytime. Anywhere. Anyway.





**TRACTOR
SUPPLY CO.**
For Life Out Here

