

Enhanced Earnings Event Q4 2021

January 27, 2022



Welcome

Mary Winn Pilkington

Senior Vice President, Investor and Public Relations

Agenda

Q4 and FY 2021 Earnings Recap

Hal Lawton
President & CEO

Kurt Barton
EVP, Chief Financial
Officer & Treasurer

Life Out Here

Hal Lawton
President & CEO

Capitalizing on Customer Insights

Christi Korzekwa
SVP, Marketing

Leading with Legendary Service

John Ordus
EVP, Chief Stores
Officer

BREAK

Capturing Digital Growth

Rob Mills
EVP, Chief Technology
Officer, Digital & Strategy

Transforming the Store Experience

Seth Estep
EVP, Chief
Merchandising Officer

Delivering the CUE Demand

Colin Yankee
EVP, Chief Supply
Chain Officer

Delivering Strong and Sustainable TSR

Kurt Barton
EVP, Chief Financial
Officer & Treasurer

Wrap Up

Hal Lawton
President & CEO

BREAK

Q&A

Executive Panel

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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 revenue growth, sales, earnings, store growth, comparable store sales growth, operating margin percentage, capital expenses, margins, debt, payment of dividends, stock repurchases, the announced acquisition of Orscheln Farm and Home, LLC, operating margin rate, net income, diluted earnings per share, effective tax rate, SG&A, gross margin, depreciation expense, reduction in outstanding shares, digital penetration percentage of sales and new environmental, social and governance goals. 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, except as required by law.

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 for the fiscal year ended December 26, 2020, as filed with the Securities and Exchange Commission.

The Company reports its financial results in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Company 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, the Company'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.



Hal Lawton

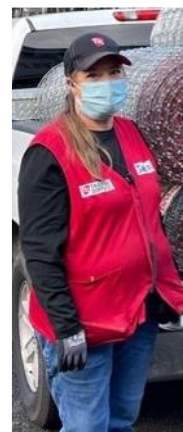
President and Chief Executive Officer



Q4 and FY 2021 Review

January 27, 2022





2021 Milestones

Another Year of Record Sales and Earnings

Opened our 2,000th Store

23.6 Million Neighbor's Club Members, +24%

Unaided Brand Awareness Reached 55%, +2100 bps

Broke Ground on our 9th Distribution Center

Released New ESG Goals

**Successfully Navigated Supply Chain Disruptions
and Unprecedented Inflation**

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Q4 2021 Performance

Strong Sales Growth

Net Sales Growth
(\$ in Billions)

+15.3%

\$3.3

\$2.9

Q4 2020

Q4 2021

Comp Sales Growth

27.3%

+40.0%

2-Year Stack

12.7%

Q4 2020

Q4 2021

HIGHLIGHTS

7th Consecutive Quarter with 10%+
Comparable Store Sales Growth

Average Ticket Up 10.3%

Customer Transactions
Increased 2.4%

Double-digit E-commerce Sales
Growth for 38 Consecutive Quarters

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FY 2021 Performance

Strong Sales Growth

Net Sales Growth
(\$ in Billions)

\$10.6

+19.9%

\$12.7

FY 2020

FY 2021

Comp Sales Growth

23.1%

+40.0%
2-Year Stack

16.9%

FY 2020

FY 2021

HIGHLIGHTS

Sales Surpass \$12B – A New Record

E-commerce Sales Penetration
Reached 7%; Triple-Digit
E-commerce Growth from FY 2019

Average Ticket Up 9.8%

Customer Transactions
Increased 7.1%

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Broad-Based Strength in Customer Trends

Record Retention Rates, Spending and Engagement



**More Customers Shopping
Tractor Supply than Ever Before**

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Neighbor's Club



23.6M
Members



Kurt Barton

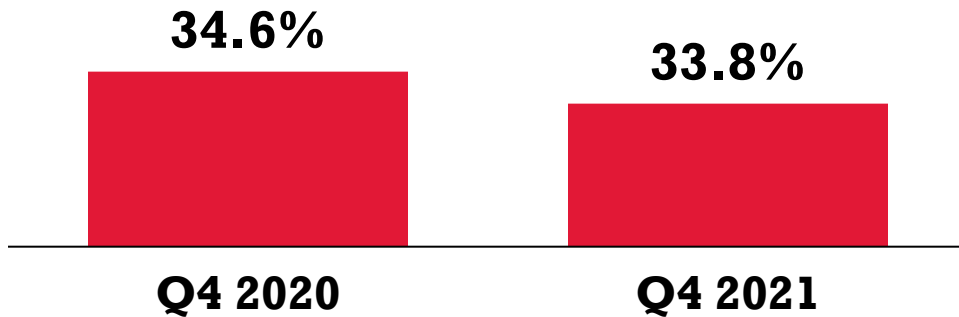
Executive Vice President and Chief Financial Officer

Q4 2021 Performance

Gross Margin

as a % of net sales

83 bps Decrease



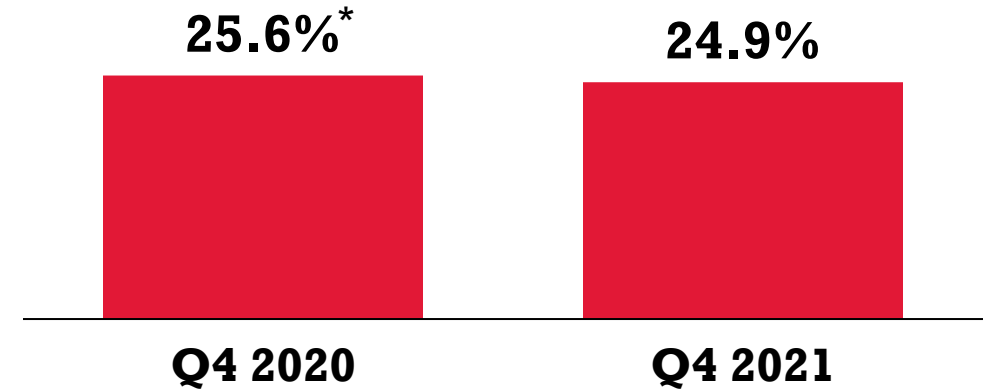
Key Drivers

- Strong Price Management Actions
- Continuation of Reduced Promotional Activity
- Significant Product Cost Inflation Pressures
- Higher Transportation Costs
- Less Favorable Product Mix

Adjusted SG&A Expenses

as a % of net sales

68 bps Improvement



Key Drivers

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

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*Adjusted to exclude non-cash impairment charge in Q4 2020 – see non-GAAP reconciliation

Q4 2021 Performance

Profitability

Adjusted Operating Income

(\$ in Millions)

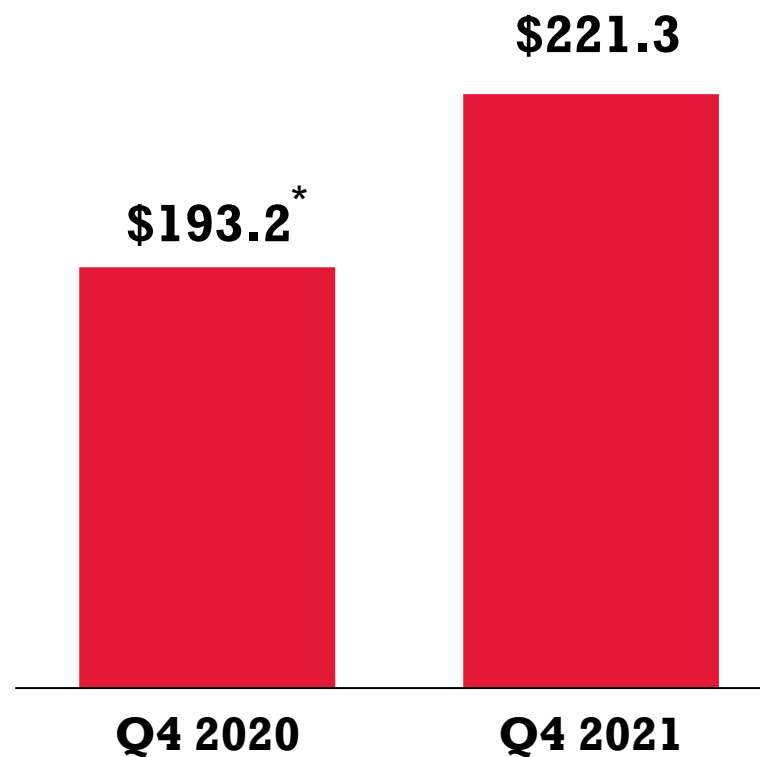
+13.4%



Adjusted Net Income

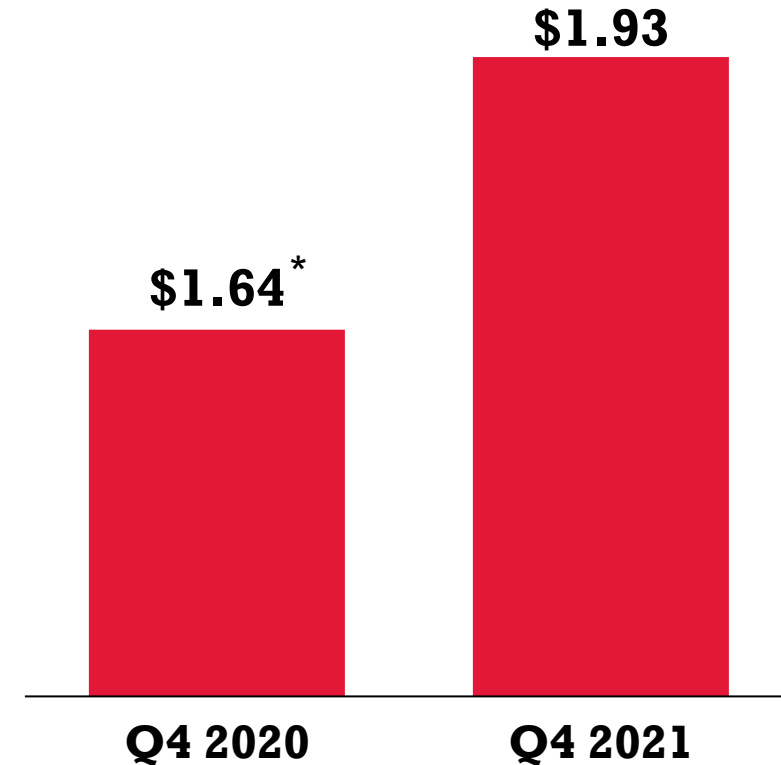
(\$ in Millions)

+14.6%



Adjusted Diluted EPS

+17.7%



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**Adjusted to exclude non-cash impairment charge in Q4 2020 – see non-GAAP reconciliation*

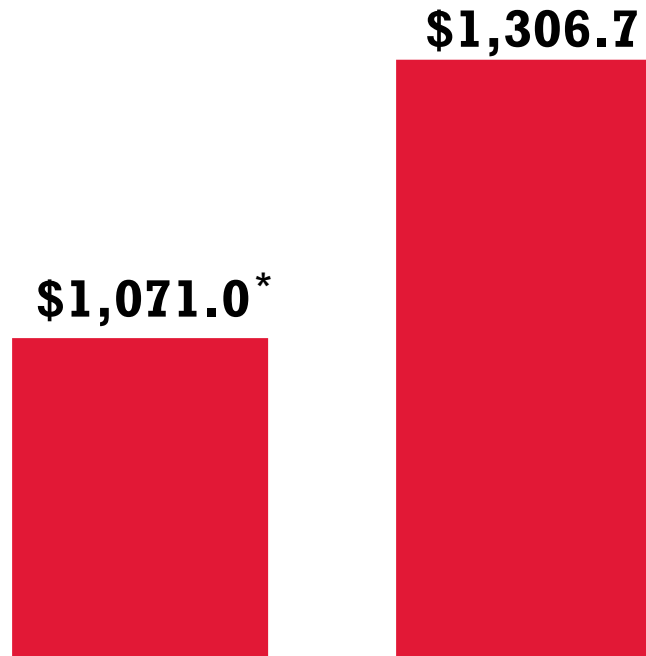
FY 2021 Performance

Profitability

Adjusted Operating Income

(\$ in Millions)

+22.0%



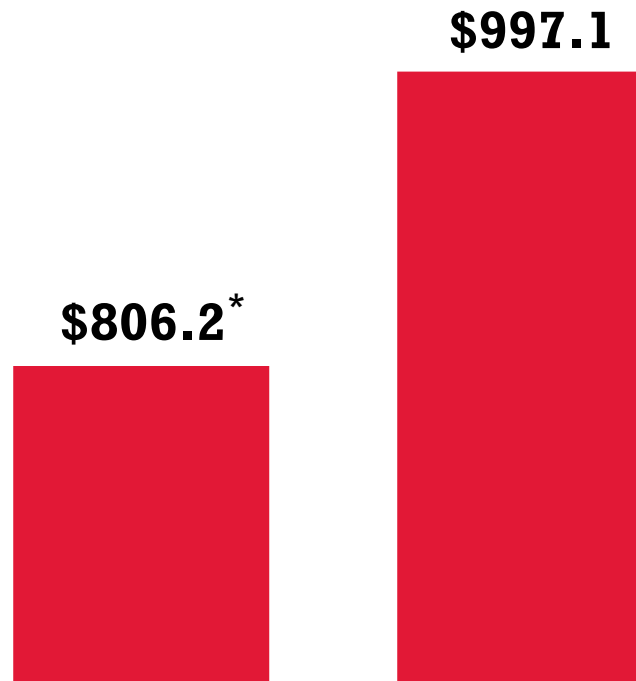
FY 2020

FY 2021

Adjusted Net Income

(\$ in Millions)

+23.7%

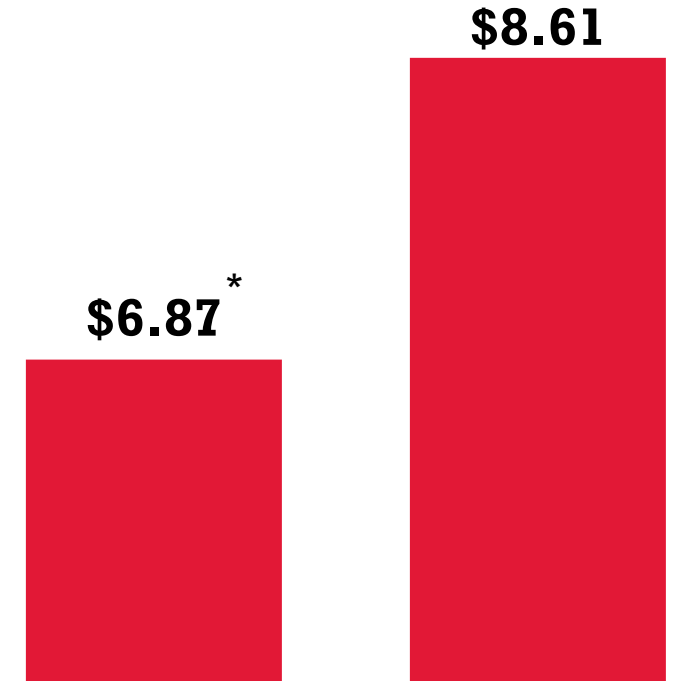


FY 2020

FY 2021

Adjusted Diluted EPS

+25.3%



FY 2020

FY 2021

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*Adjusted to exclude non-cash impairment charge in Q4 2020 – see non-GAAP reconciliation

Additional Financial Highlights

Strong Free Cash Flow Generation

Balance Sheet Remains Strong

Average Inventory per Store +15%

Strong New Store Economics

**\$1 Billion in Capital Returned to Shareholders through
Dividends and Share Repurchases**

Full-Year 2022 Outlook

(53-Week Year)

Net Sales	\$13.6B to \$13.8B
Comparable Store Sales	+3.0% to +4.5%
Operating Margin Rate	10.1% to 10.3%
Net Income	\$1.04B to \$1.08B
Diluted Earnings Per Share	\$9.20 to \$9.50
Effective Tax Rate	22.6% to 23.1%
Capital Expenditures	\$625M to \$675M
Share Repurchases	\$700M to \$800M



- **53rd Week Impact: Adds 1.5 Percentage Points to Net Sales & ~\$0.15 Earnings per Diluted Share**
- **Positive Transaction & Ticket Growth**
- **Gross Margin and SG&A: Flattish Year-Over-Year**
- **Outlook Excludes Prospective Acquisition of Orscheln Farm & Home**

Additional Modeling Considerations for

2022

(53-Week Year)



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



Life Out Here

Hal Lawton

President, Chief Executive Officer



Bright Past, Brighter Future

Our Culture is a Competitive Advantage

TRACTOR SUPPLY CO **MISSION**

★
*To work hard, have fun and make money
by providing legendary service and great
products at everyday low prices.*
★

OUR CUSTOMER

We are committed to being an integral part of our customer's lives by being the most dependable Supplier of Out Here Lifestyle solutions.

OUR TEAM

We value a safe, respectful and inclusive work environment. We are focused on investing in the Team Member experience and building a diverse and high-performing Team with the critical skills and capabilities to support our growth.

OUR COMMUNITY

We support the communities in which we serve the Out Here Lifestyle through partnerships and sustainable practices.

OUR STAKEHOLDERS

We are a growth company that delivers a strong total return for our shareholders, as well as for our vendors and partners.

TRACTOR SUPPLY CO **VALUES**

★ **ETHICS**

Do the "right thing" and always encourage others to do the right, honest & ethical things.

RESPECT

Treat others with the same consideration we expect for ourselves. Be a champion for diversity and inclusion.

BALANCE

Manage your time for both business and personal success.

WINNING ATTITUDE

Have a "can-do" attitude.
Be positive, upbeat and focused. We are winners!

COMMUNICATION

Share information, ask questions, listen effectively, speak thoughtfully and let ideas live.

DEVELOPMENT

Learn from each other. Teach, coach and listen.
Create an environment where everyone can be a "star."

TEAMWORK

Value different viewpoints. Execute the agreed-upon plans. Together, everyone achieves more!

CHANGE

Accept it. Embrace it. Initiate it.
Do everything better, faster and cheaper.

INITIATIVE

Seek opportunities. Use good judgement. Take intelligent risks. Drive speed to market. Champion ideas.

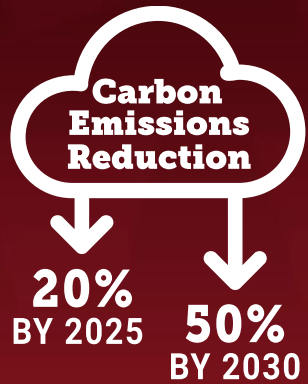
ACCOUNTABILITY

Know your responsibilities. Live up to your commitments.

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Stewards of Life Out Here

Ambitious Goals



NET ZERO EMISSIONS
ACROSS ALL
OPERATIONS BY 2040



Transparent Reporting



Independent Recognition



FTSE4Good

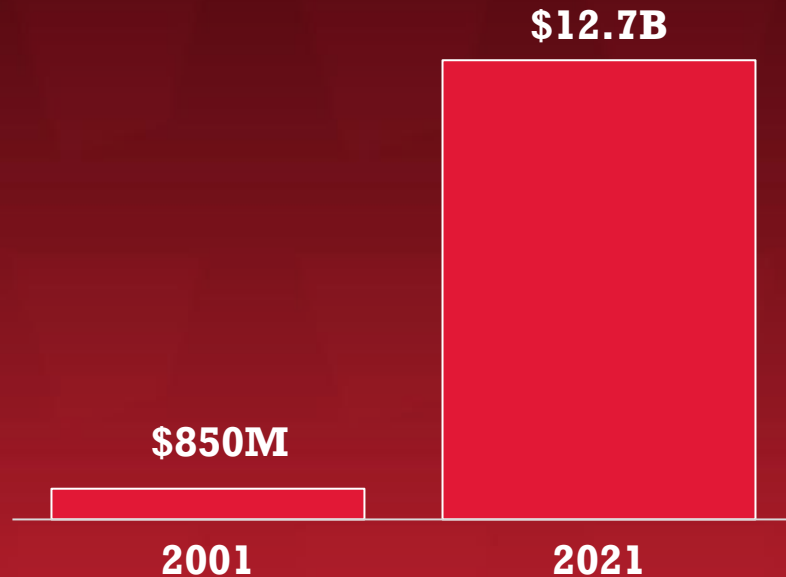


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Strong Track Record of Performance

Sales Growth

20 Year CAGR = 14.5%



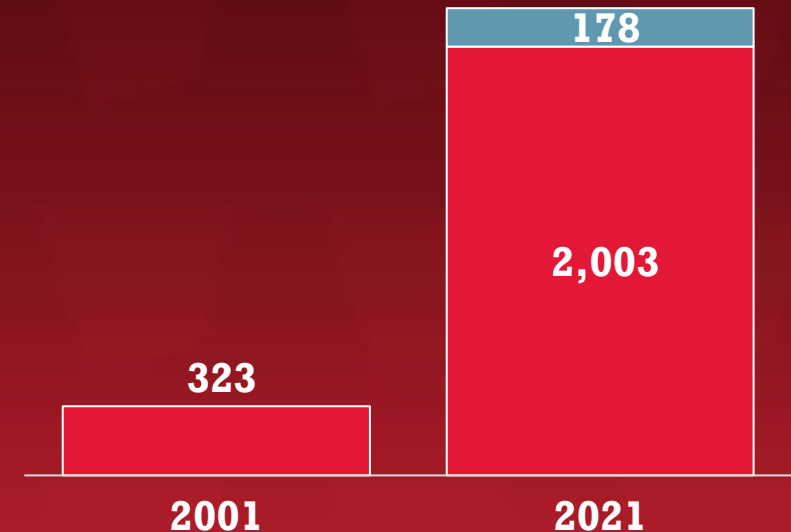
EPS Growth

20 Year CAGR = 21.4%



New Store Growth

20 Year CAGR = 10.0%



TSC TRACTOR
SUPPLY CO.



petsense
THE PLACE YOU TRUST FOR THE PETS YOU LOVE

Note: 2001 EPS is adjusted to reflect four stock splits since that time.

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Resilient and Proven Business Model in a Challenging Environment



**Capitalizing on
Structural
Advantages**

**Growing Market
with Significant
Opportunity**

**Capturing
Growth Through
Strategic Actions**

Significant and Enduring Structural Advantages

Strong Brand



46,000+ Team Members



23.6M Neighbor's Club Members



Resilient Supply Chain



Digital Capability



2,000+ Stores



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Effectively Navigating Market Conditions

Tailwinds

Homestead
Sanctuary



Rural
Revitalization



Trip
Consolidation



Pet
Ownership



Self-
Reliance

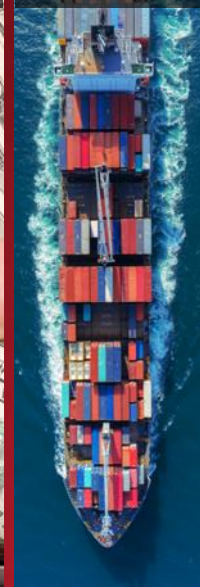


Headwinds

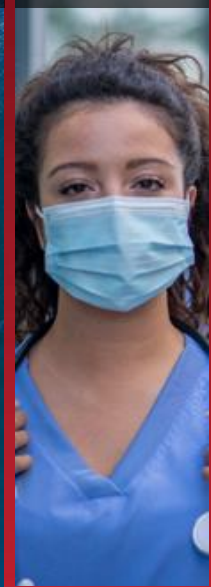
Inflation



Supply
Constraints



COVID-19

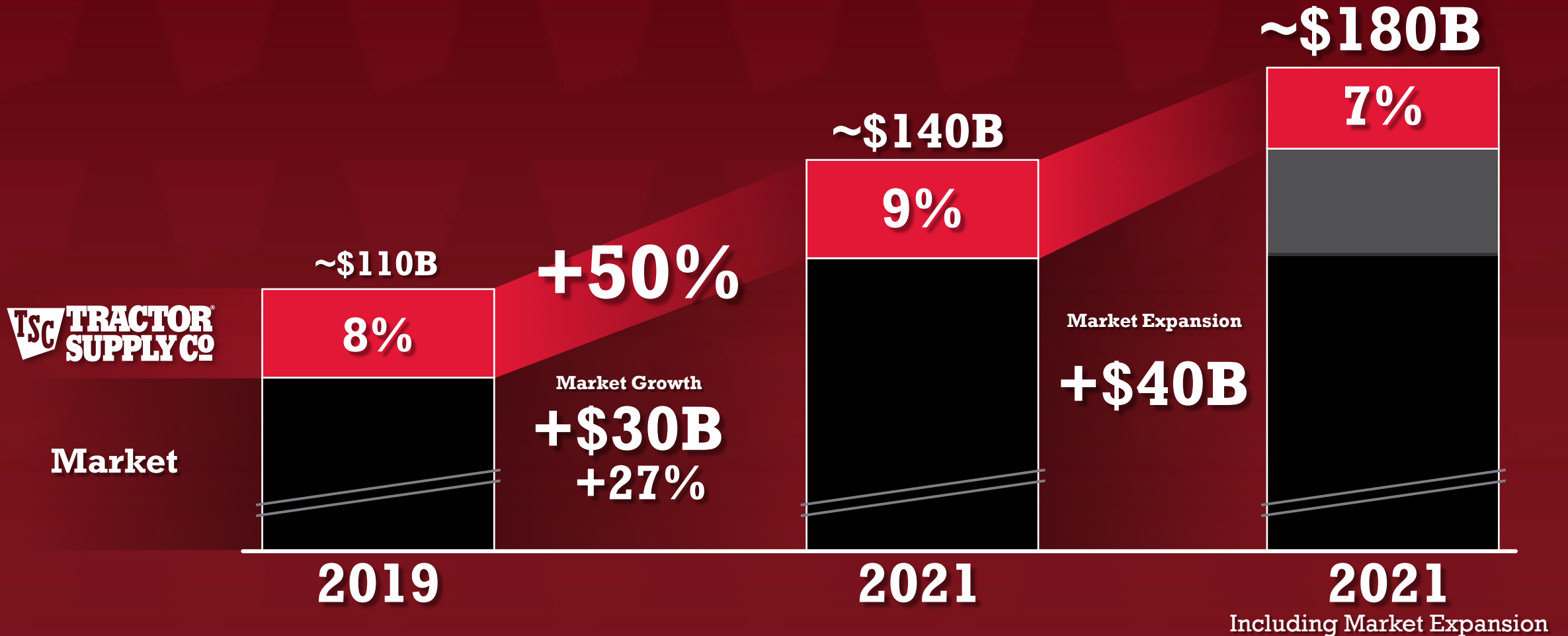


Labor
Market



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Total Addressable Market: Significant Opportunity for Growth



Note: 2019 TAM share represents 2019 Net Sales / TAM . Previous estimates compared 2020 Net Sales to the 2019 TAM.

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Increasing Long-Term Store Growth Targets

2,700

**New
Long-Term
Target**

2,500

**Prior
Long-Term
Target**



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Note: Excludes Petsense locations and Orscheln opportunity

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

**TSC TRACTOR[®]
SUPPLY CO**



Deliver Legendary Customer Experiences



Advance Our ONETractor Capabilities



Operate the Tractor Way



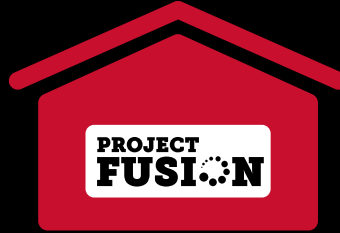
Go the Country Mile for Our Team



Generate Healthy Shareholder Return

LIFE *Out* HERE

STRATEGY



SIDE
LOT 



LIFE *Out* HERE STRATEGY

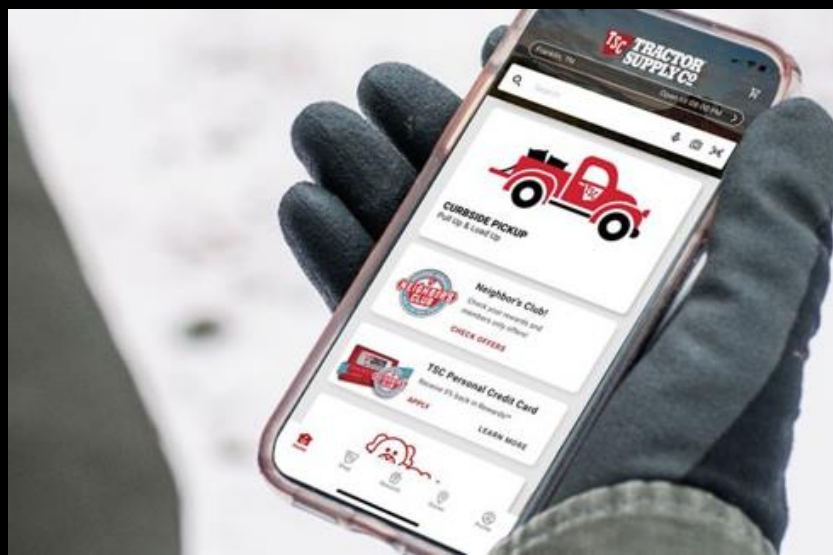
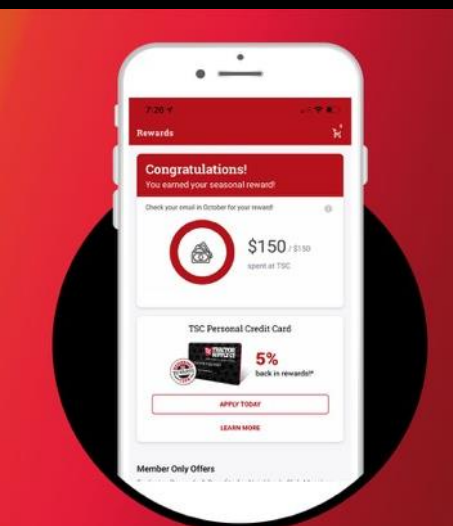
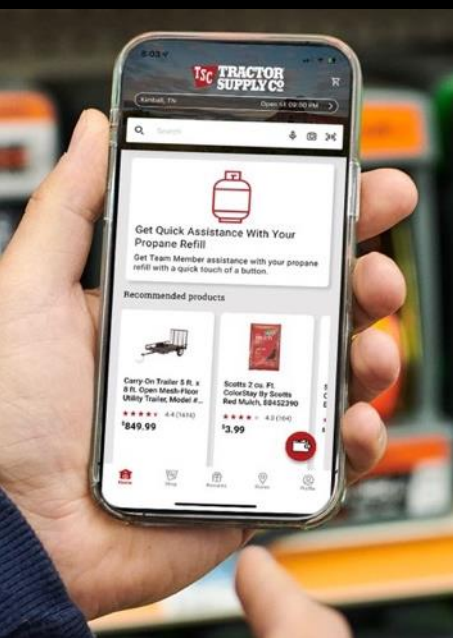


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STRATEGY



LIFE *out* HERE STRATEGY



LAST MINUTE GIFTS FOR LIFE OUT HERE

Find Favorites like Toys, Apparel, Tools and More!

Shop Now Thru Dec. 24

DECEMBER DEALIGHTS

LAST DAY TO SAVE! [More Dealights](#)

30% OFF
Men's & Women's Select Flannels

SAVE \$15
Starting at \$34.99
Ariel Men's Sweatshirts

SAVE \$50
Now \$79.99
Masterbuilt Electric Smoker

Need it for Christmas? Try Curbside Pickup.

SAVE NOW
Coleman Go-Kart KT196

SAVE UP TO 30%
Select Toys, Ride Ons and Playsets

GUARANTEED LOWEST PRICE
Carhartt Men's Loose Fit Midweight Graphic Sweatshirt

NOW \$9.99
Royal Wing Value Mix Wild Bird Food, 35 lb.

SAVE \$200 • NOW \$599.99
Cannon 48-Gun Capacity, 30 min. Fireproof Gun Safe

LIFE *Out* **HERE** STRATEGY

Lead with Legendary Service



Increase Mobile Engagement



Deliver on CUE



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Updated Long-Term Targets

FY22-26 Financial Outlook

Net Sales Growth

6 to 7%

Comp Sales Growth

4 to 5%

Operating Margin %

10.1 to 10.6%

Diluted EPS Growth

8 to 11%

Store Opportunity

2,700

Yesterday



LIFE *out* **HERE**
STRATEGY

Today



Tomorrow





Capitalizing on Customer Insights

Christi Korzekwa

Senior Vice President, Marketing

A group of six people, three women and three men, are sitting around a large, round metal campfire pit in a grassy field. They are all smiling and looking towards the fire, which is burning brightly. Some are holding sticks with marshmallows over the flames. They are sitting on wooden Adirondack chairs. The background shows a line of trees and a wooden fence, suggesting a rural or park setting.

Robust, Attractive, Growing Market

*40M+ Additional
Customers Available in
Our Trade Areas*

Drivers

Rural
Revitalization

Homestead
Sanctuary

Pet Ownership

Self-Reliance

Core Farm and Ranch

Shopping More Categories, More Frequently



New Customer

Increased Participation in Out Here Lifestyle



Expanding Customer Base

Differentiating Program to Grow Customer Loyalty



Re-Launched Program in 2021

- Introduced Points and Tiers
- Enhanced Member Experiences
- Positioned for Growth

WINNING WITH NEIGHBOR'S CLUB



23.6M
Members Enrolled

70%
Penetration of Total Sales

97%+
Top-Tier
Customer Retention

3X
Member vs.
Non-Member Spend

Increasing High-Value Customers

**Grew Number of High-Value
Customers by 50% Since 2019**

Key Categories

Animal Feed

Pet

Gardening & Land

Tools / Equipment

Outdoor Living

Core Customers Shopping Across More Categories



Jake
(High-Value Tier)



Core Farm and Ranch
Customer since 2017

Annual Spend:	\$4,500
Annual Transactions:	30
Departments Shopped:	7

Jake is a
Core Farm
& Ranch
Customer



Intro
to TSC

Nov 2017

Tool
&
Equipment



New
Puppy

Jan 2018

Pet Food
&
Supplies



Added
Livestock

Oct 2018

Livestock
Feed &
Supplies



Gardening

Nov 2019

Lawn / Garden
Fertilizer
& Seed



Outdoor
Living

Jul 2020

Firepit
Heating
Fuel



**New Customers
Growing their
Engagement in
the Out Here
Lifestyle**



**Acquired
Nearly
19M New
Customers
with 55%
Repeat
Shopping
Rate**

New Customers Seek Convenience and Know-How



Sarah

(New Customer)



Customer since 2020

Annual Spend:	\$1,150
Annual Transactions:	20
Departments Shopped:	5

Sarah is a New Poultry Enthusiast

			
Started Raising Chickens	Pet	Clothing	Gardening
Apr 2020	Jun 2020	Nov 2020	Mar 2021
Live Bird Poultry Feed	Pet Food & Supplies	Outerwear Purchase	Gardening Fertilizer

Personalizing Messages to Our Customers

Core Farm and Ranch



New



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Powerful Investments in High Profile Awareness Marketing



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We're Making Tractor Supply a Household Name

+2100bps

Unaided Brand
Awareness



+1000bps

Increase in
Consideration



+25%

Increase in Favorite
Retailer Ranking



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Compelling Gameplan for Growth

Robust, Growing, Attractive Market

Extremely Loyal Customers with Record Retention

Best-in-Class Neighbor's Club, Driving Expansive Growth

Industry-Leading Platforms for Personalization

Powerful Investments in High-Profile Awareness Marketing



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Leading with Legendary Service

John Ordus

Executive Vice President, Chief Stores Officer

Positioning to Lead with Legendary Service

Our Mission

TSC TRACTOR SUPPLY CO. MISSION

To work hard, have fun and make money by providing legendary service and great products at everyday low prices.

OUR CUSTOMER

We are committed to being an integral part of our customer's lives by being the most dependable Supplier of Out Here Lifestyle solutions.

OUR TEAM

We value a safe, respectful and inclusive work environment. We are focused on investing in the Team Member experience and building a diverse and high-performing Team with the critical skills and capabilities to support our growth.

OUR COMMUNITY

We support the communities in which we serve the Out Here Lifestyle through partnerships and sustainable practices.

OUR STAKEHOLDERS

We are a growth company that delivers a strong total return for our shareholders, as well as for our vendors and partners.

GURA and the Country Mile



Our Stores, Team Members and Customers



Leading with Legendary Service



Game Plan for Growth



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Our Mission and Our Promise

TSC TRACTOR SUPPLY CO. MISSION

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*To work hard, have fun and make money
by providing legendary service and great
products at everyday low prices.*



Goal: Become the #1 Industry Leader in Customer Service

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Going the Country Mile with GURA

Our Team Members Make the Difference



**Our Team Members live the
Out Here Lifestyle and
provide seasoned advice**



**GURA is our proven service
program to treat every
Customer like a neighbor**



**We reward Team Members
who keep commitments and
Go the Country Mile!**

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Jacob Tilson
Jonesborough, TN

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Key Customer Service Metrics

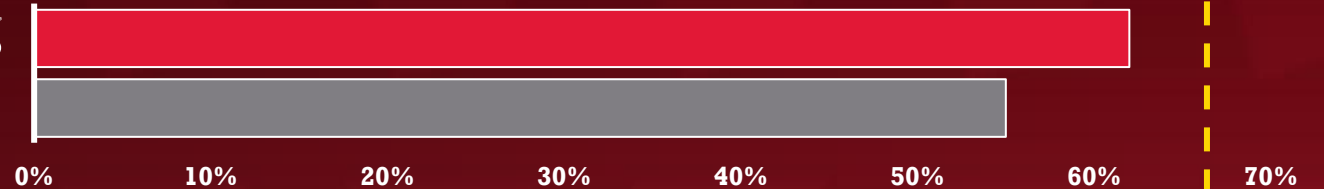
Our Customers Value Friendly, Knowledgeable, Efficient Service

Customer Perception of Purchase Drivers



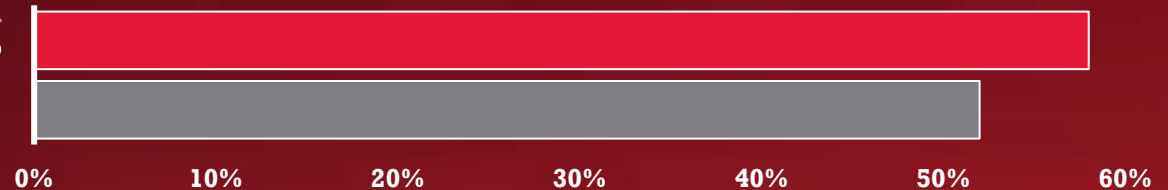
Team Member
Friendliness

TSC TRACTOR
SUPPLY CO
Industry
Benchmark



Speed and Ease
of Checkout

TSC TRACTOR
SUPPLY CO
Industry
Benchmark



Team Member
Knowledge

TSC TRACTOR
SUPPLY CO
Industry
Benchmark



TSC outperforms the industry average, but has opportunity to become best-in-class

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Optimizing Customer Time

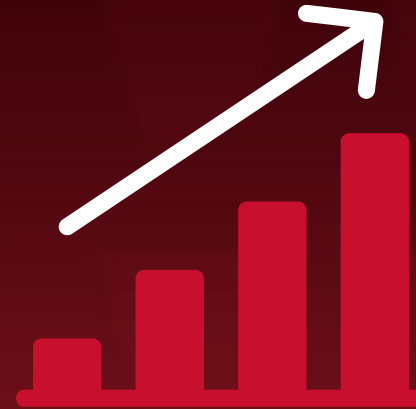
Our Operating Model is the Foundation for Efficiently Creating More Customer Time



Tractor Way



FAST Team



**High Volume
Operating Model**



**Legendary
Service Model**

Continuous Task Efficiency and More Time for GURA

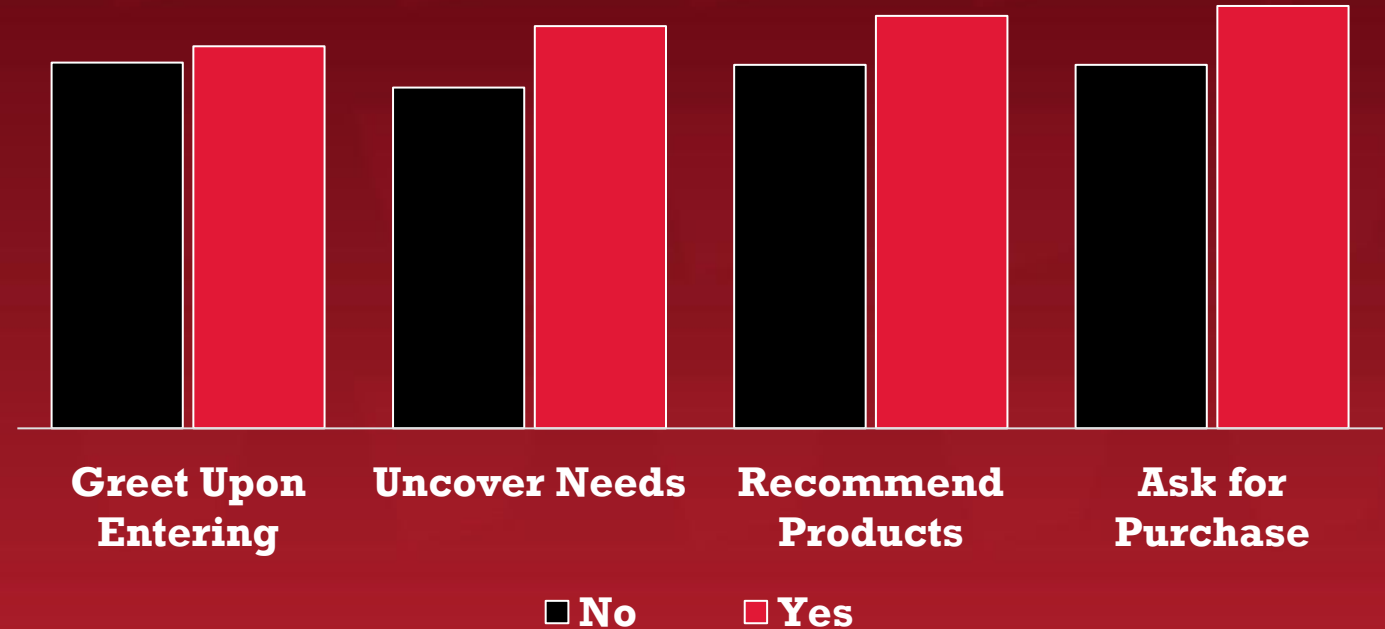
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Training to Drive GURA



**Consistent GURA
Execution Increases
Customer Experience,
Spend, and Sales**

Average Amount Spent by GURA Experience



+15% Increase in Spend When All Four GURA Steps are Executed

Enabling Customer Convenience

Additional Selling Tools will Drive Team Member Productivity



One Integrated Mobility Device



Expand Communication Capabilities



Capture Additional Sales with Omni Technology



Conversion

We are Enabling Experts



Compelling Gameplan for Growth

Leading with Differentiated, Relationship-Driven Customer Experience

Refining our Operating Model to Create More Customer Facing Time

Delivering on Our Commitment of Legendary Customer Service

Utilizing New and Existing Technology to Drive Convenience





Capturing Digital Growth

Rob Mills

Executive Vice President, Chief Technology, Digital Commerce and Strategy Officer

38

Quarters of Double-Digit+
E-commerce Growth

~80%

BOPIS Transactions

10%+

Mobile App Sales as a
% of Total E-commerce Sales





**NEARLY
20%**

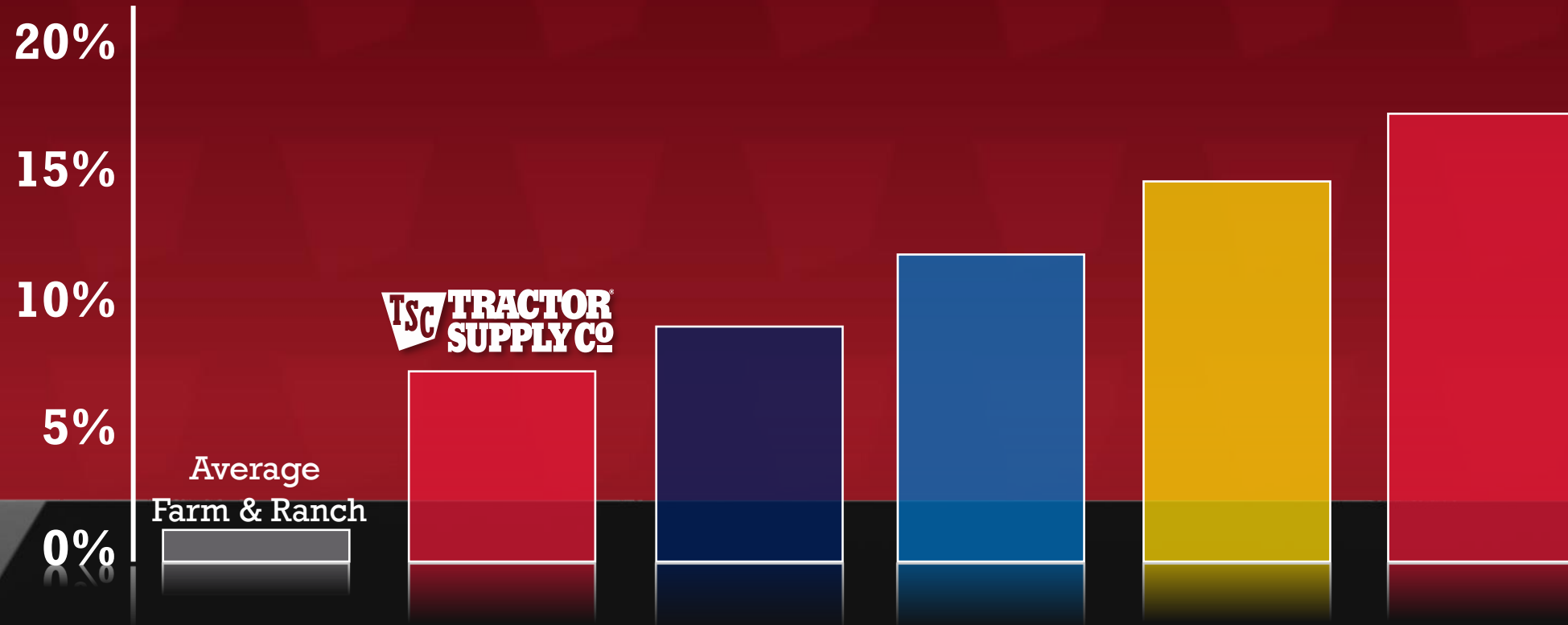
**YoY Growth in
Digital Visits**

**OVER
1.4 Million**

First-time Customers Came Through a Digital Channel in 2021

Our Digital Opportunity

E-commerce % of Sales vs. Select Retail Peers



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Our Digital Opportunity

Digital Penetration as a % of Sales

\$2B

<1%

7%

>15%

PAST

PRESENT

FUTURE

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Increasing Mobile Engagement



Connecting Our Customers with Care for Pet & Animals



Advancing the Omni- Channel Delivery Experience



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Increasing Mobile Engagement



Connecting Our Customers with Care for Pet & Animals



Advancing the Omni- Channel Delivery Experience



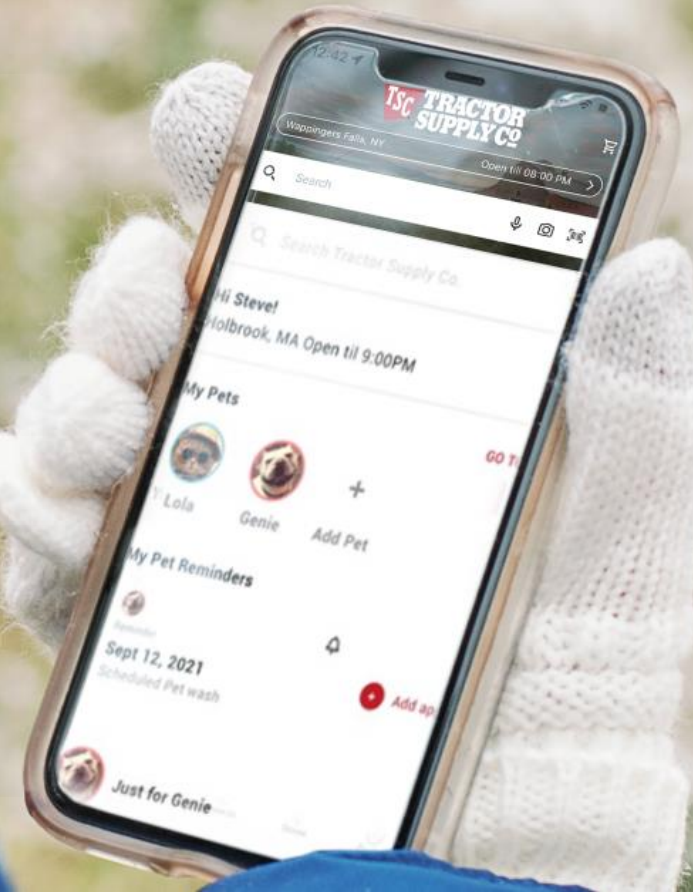
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Our Mobile Focus

**Frictionless Shopping –
*Anytime, Anywhere, Anyway***

**Data-Driven
Personalized Experiences**

**Differentiating
for Out Here Lifestyle**



Frictionless Shopping

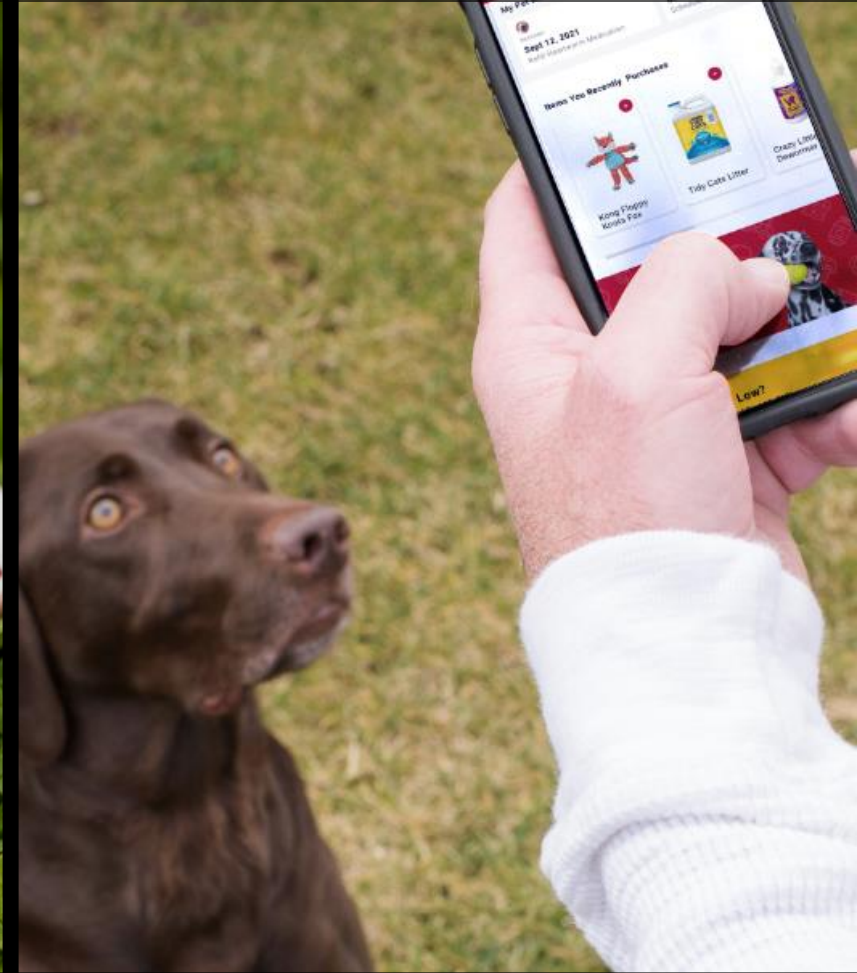
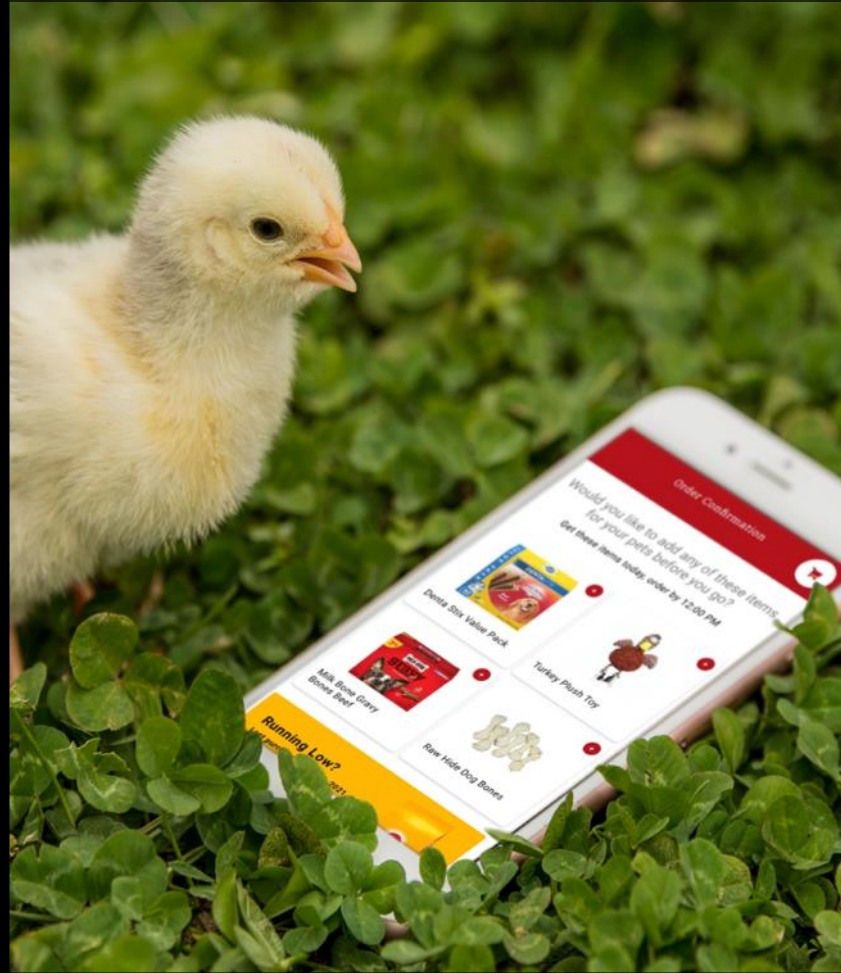


Neighbor's Club

Rewards Market

Wayfinding

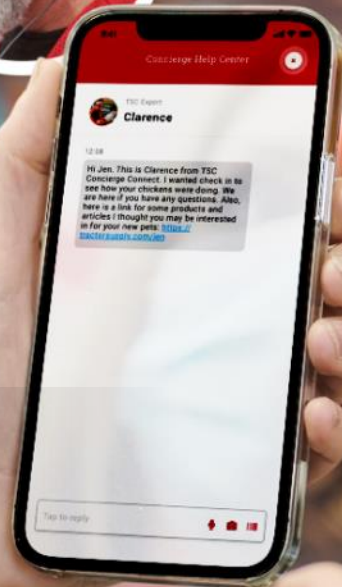
A Place to Manage Your Pet's Needs



Easy Access to:

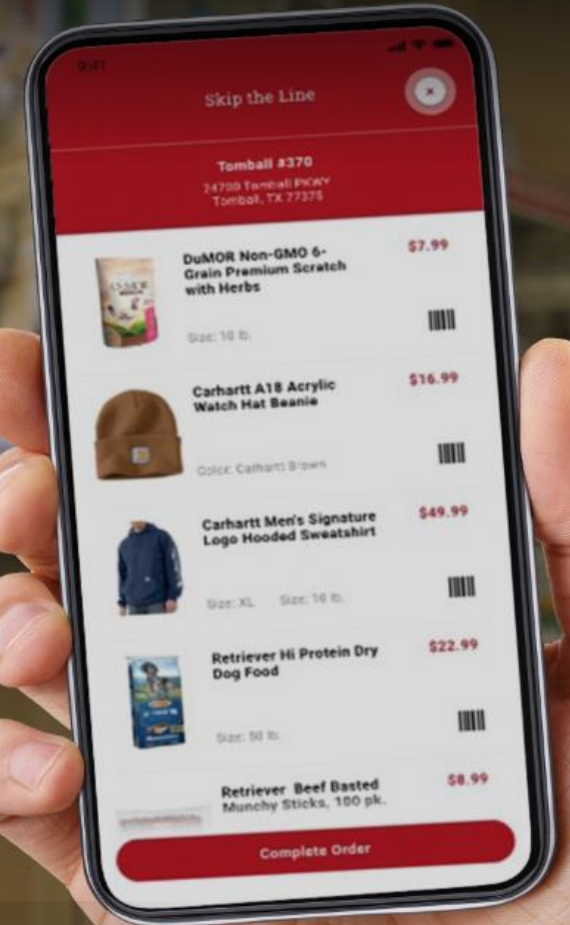
Pet Prescriptions | Veterinarian Access | Managing Subscriptions | Scheduling Appointments

Differentiating by Connecting Customers and Team Members



Access to Experts

**Assisted Shopping:
machine learning**



**In App Checkout
(skip the line)**

Increasing Mobile Engagement



Connecting Our Customers with Care for Pet & Animals



Advancing the Omni- Channel Delivery Experience



FOR LIFE OUT HERE™

Connecting Our Customers with Care for Pet & Animals

Subscriptions

Prescriptions

Vet Services



Increasing Mobile Engagement



Connecting Our Customers with Care for Pet & Animals



Advancing the Omni- Channel Delivery Experience



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Increasing Mobile Engagement



Connecting Our Customers with Care for Pet & Animals



Advancing the Omni- Channel Delivery Experience



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

**TSC TRACTOR[®]
SUPPLY CO**



Deliver Legendary Customer Experiences



Advance Our ONETractor Capabilities



Operate the Tractor Way



Go the Country Mile for Our Team



Generate Healthy Shareholder Return

Compelling Gameplan for Growth

Capture Significant Market Share by
Creating Best-in-Class Digital Interactions

Deploy Best-in-Breed Technology that Capitalizes
on our Unique Strength in the Pet and Animal Categories

Own the Relationship with our Customers at all
Times Through Conversational Commerce





Capitalizing on Customer Insights

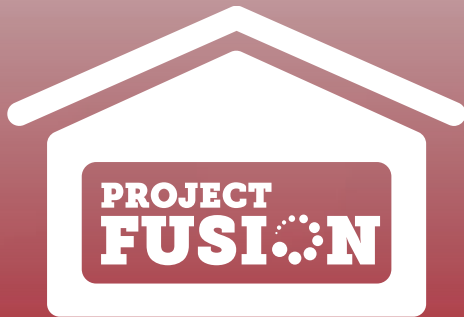
Seth Estep

Executive Vice President, Chief Merchandising Officer

Delivering on Our Strategic Investments

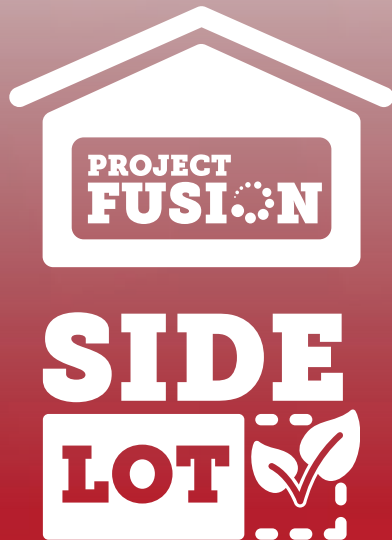
Fusion

+MSD
Comp Sales Lift

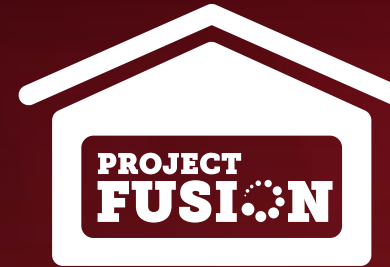


Fusion + Side Lot

+HSD
Comp Sales Lift



Store Base by 2026



100%



60-70%

1. From FY22 onward, we will be rolling out Side Lot to target stores at the same time as the Fusion remodel, which are referred to as "Combo stores"

Compelling Gameplan for Growth

Deliver on Our Strategic Investments

Drive Innovation and Differentiated Product Assortments

Capture Market Share of Expanded TAM with Core and New Customers

Be the Indispensable Supplier for Life Out Here





Delivering the CUE Demand

Colin Yankee

Executive Vice President, Chief Supply Chain Officer

Tractor Supply is the Leader in CUE For the Out Here Lifestyle



CUE Volume Growth per Store

2021 Growth Rate
(over 2019)

+18%

Unit Volume



+26%

Cubic Volume



FOR LIFE OUT HERE™

Growth Initiatives Driving CUE Demand

Growth Drivers



Differentiated Brands



Assortment and
Market Share Growth



Fusion



Side Lot



Neighbor's Club

CUE Opportunity

Volume
Velocity
Variety

FOR LIFE OUT HERE™

Deliver on CUE

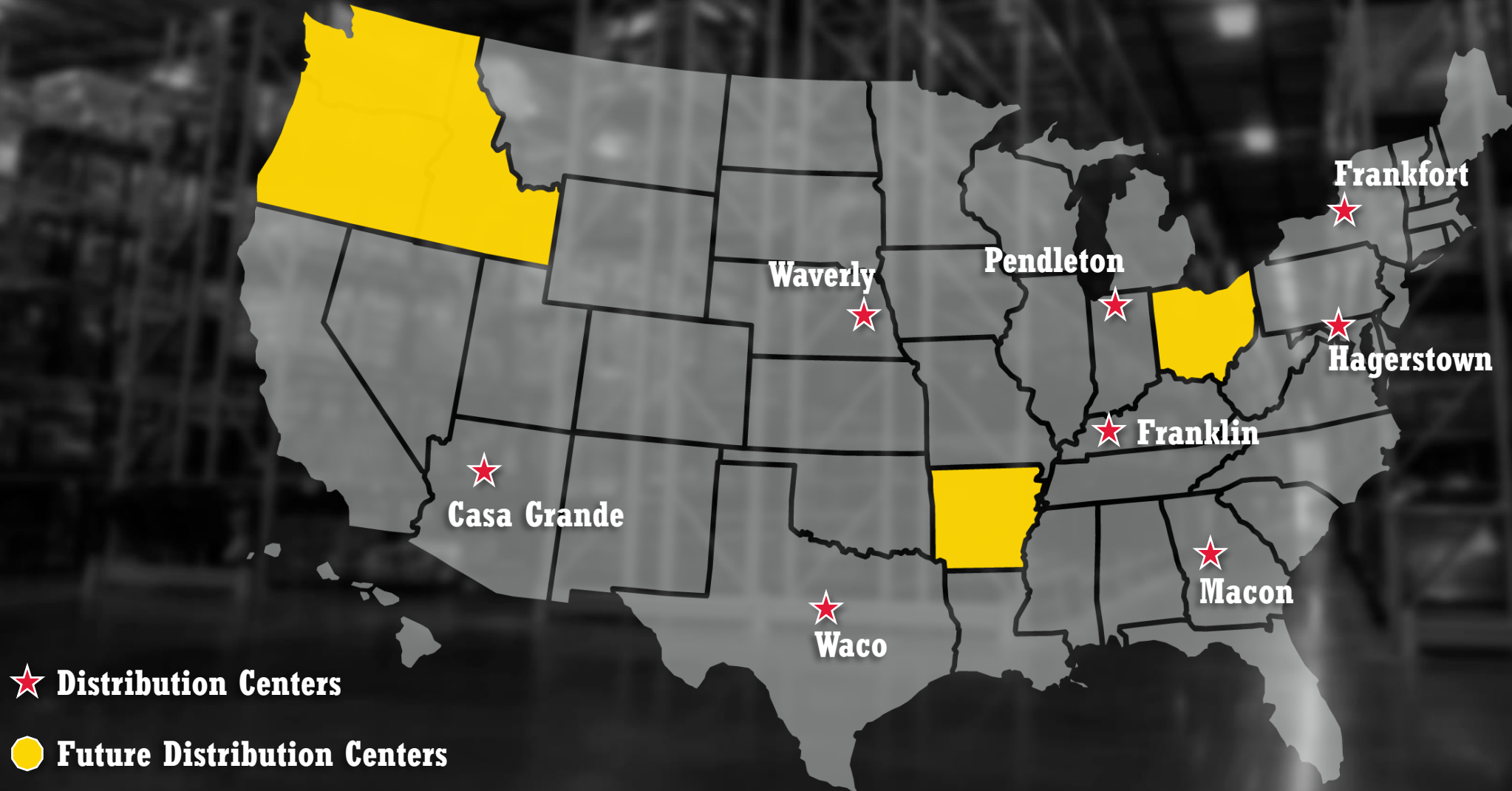
End-to-End Operational Efficiency

- 1** DC Network Expansion
- 2** Advanced Inventory Planning
- 3** Replenishment Frequency
- 4** Mixing Center Expansion
- 5** Real Time Visibility
- 6** Store Process Engineering
- 7** Space Utilization

**More Volume
Through
Store Footprint**

**Lowest Cost
per Pound**

Scale the Supply Chain



FOR LIFE OUT HERE™

Advanced Technology to Drive Operational Efficiency

Vendor
Performance



Days of
the Week



Order
Coordination



Localized
Price/Promotion



Seasonality



Traffic



External
Data



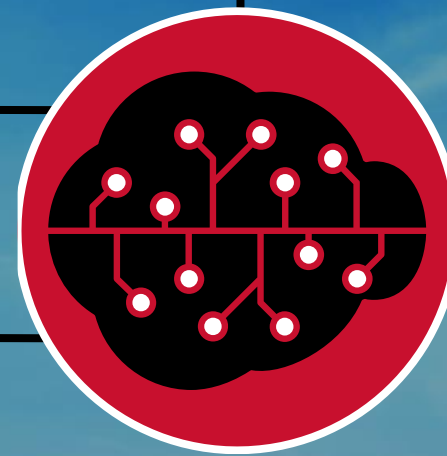
Trend
Changes



Weather



Space
Allocation

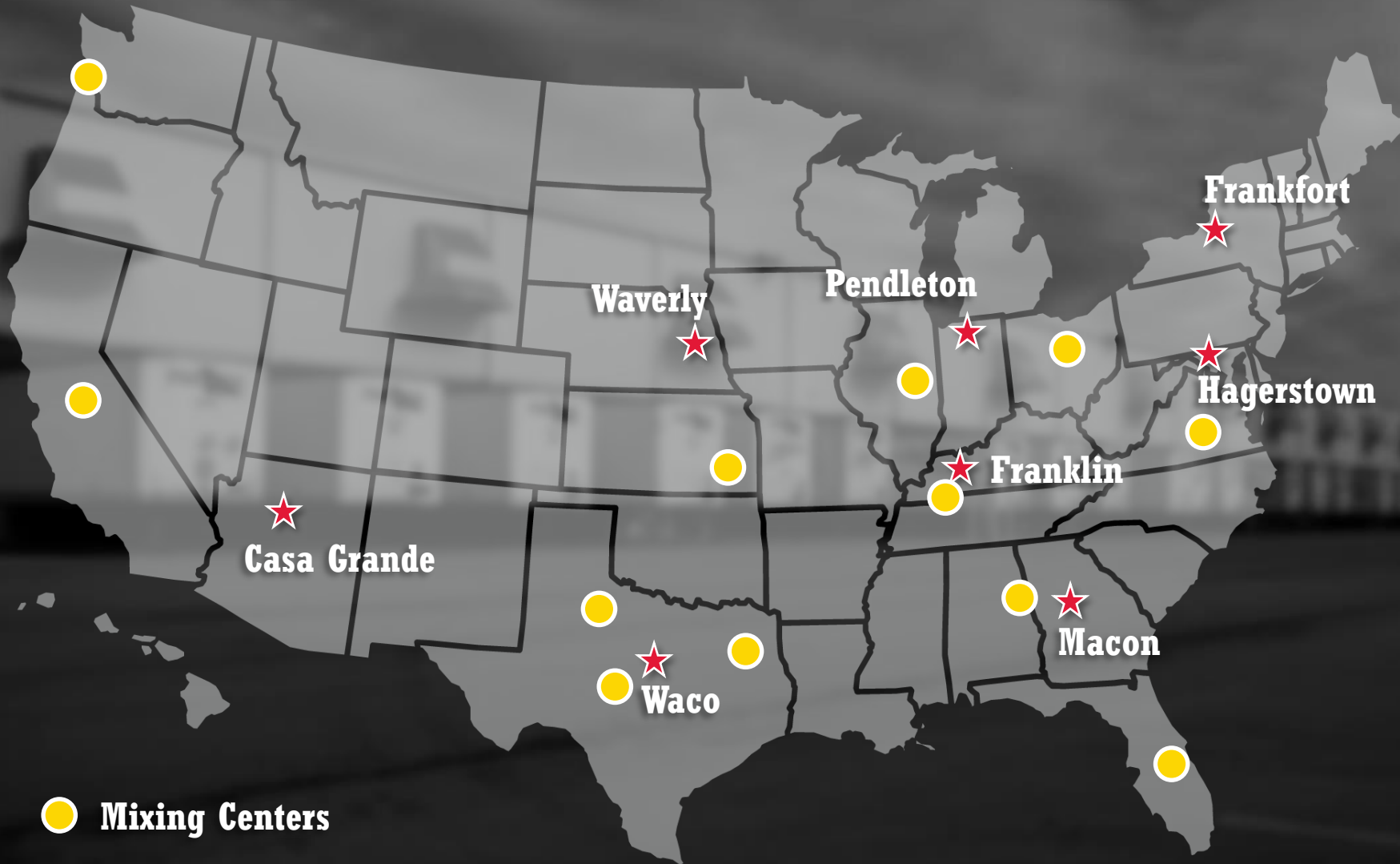


Machine
Learning

FOR LIFE OUT HERE™



Mixing Center Network



**Strategically Located
Just-In-Time
Replenishment Facilities**

**Top 100 CUE items in full
pallet quantities**

**+150 to +200 bps
of in-stock improvement**

**Removes 400 sq. ft. of
safety stock from store**

FOR LIFE OUT HERE™

Real Time Visibility

**Predictive
Arrival Analytics**

**Staffing
Optimization**

**Space and
Equipment Allocation**



Compelling Gameplan for Growth

Industry-Leading Position as Dependable Supplier for CUE Products

Opportunity to Drive Throughput in Existing Store Network

Continuous Improvement for End-to-End Operational Efficiency

Flexible and Agile Supply Chain Network





Delivering Strong and Sustainable TSR

Kurt Barton

Executive Vice President, Chief Financial Officer

**From October 2020
Enhanced Earnings Call**

Focus on Delivering Strong and Sustainable TSR

Differentiated and Durable Core Business

#1 farm & ranch retailer
with substantial growth potential

Growing and loyal customer base
with "Out Here" lifestyle needs

Passionate Team Members
delivering tailored solutions

**Operational and supply
chain excellence**

**Category-leading
omnichannel capabilities**



**Deliver Legendary
Customer Experiences**



**Advance Our
ONETractor Capabilities**



Operate the Tractor Way



**Go the Country
Mile for Our Team**



**Generate Healthy
Shareholder Return**

Disciplined Capital Stewardship

Strong and durable
financial performance and free cash flow

Organic investments
to build growth platforms and
strengthen advantage

Track record of strong cash returns
to shareholders through dividends
and share repurchases

Healthy and resilient balance sheet
investment grade credit rating, targeting
<2.5x leverage

Seasoned leadership team with deep specialty retail expertise and proven track record

Culture grounded in our longstanding Mission and Values

FOR LIFE OUT HERE™

We Continue to Add Important New Strengths

Differentiated and Durable Core Business



High quality growth mix
from a diverse range of sources
that protects gross margin

Durable growth profile
supported by tailwinds that continue
to grow customer demand



**Lead with
Legendary Service**



**Increase Mobile
Engagement**



Deliver on CUE

Disciplined Capital Stewardship



The “Power of AND”
**Make significant investments
to grow the business**

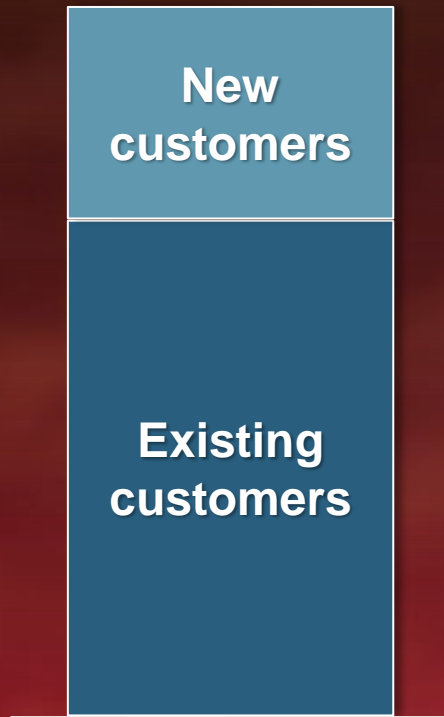
AND

**Return significant capital to
shareholders through
dividends and buybacks**

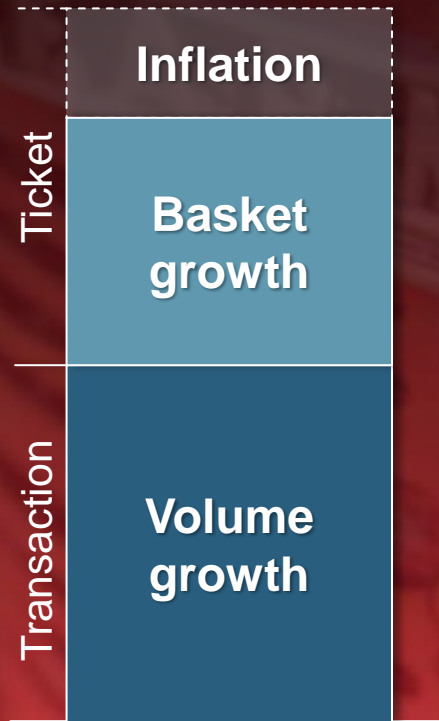
Tractor Supply's Growth is Firing on All Cylinders

Strength and Diversity of Comp Growth in FY20 & FY21

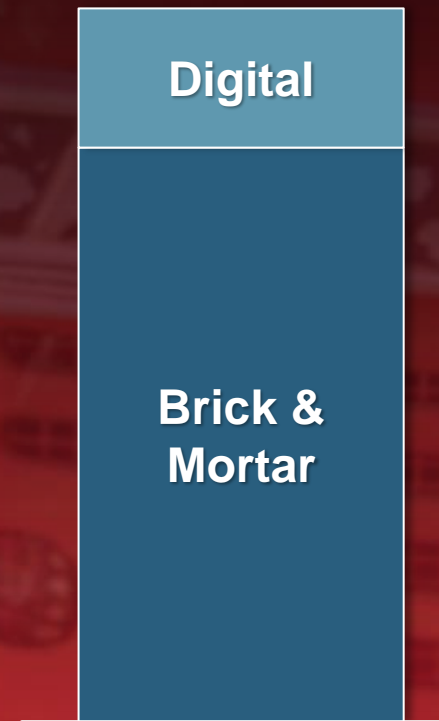
Strong customer growth



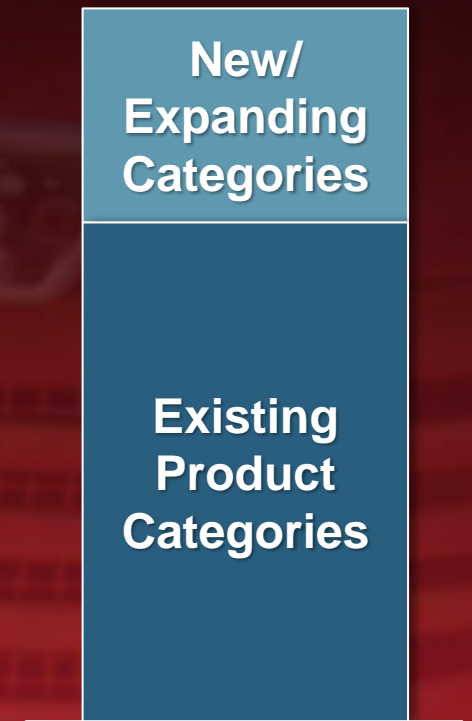
Substantial volume growth



Omnichannel growth

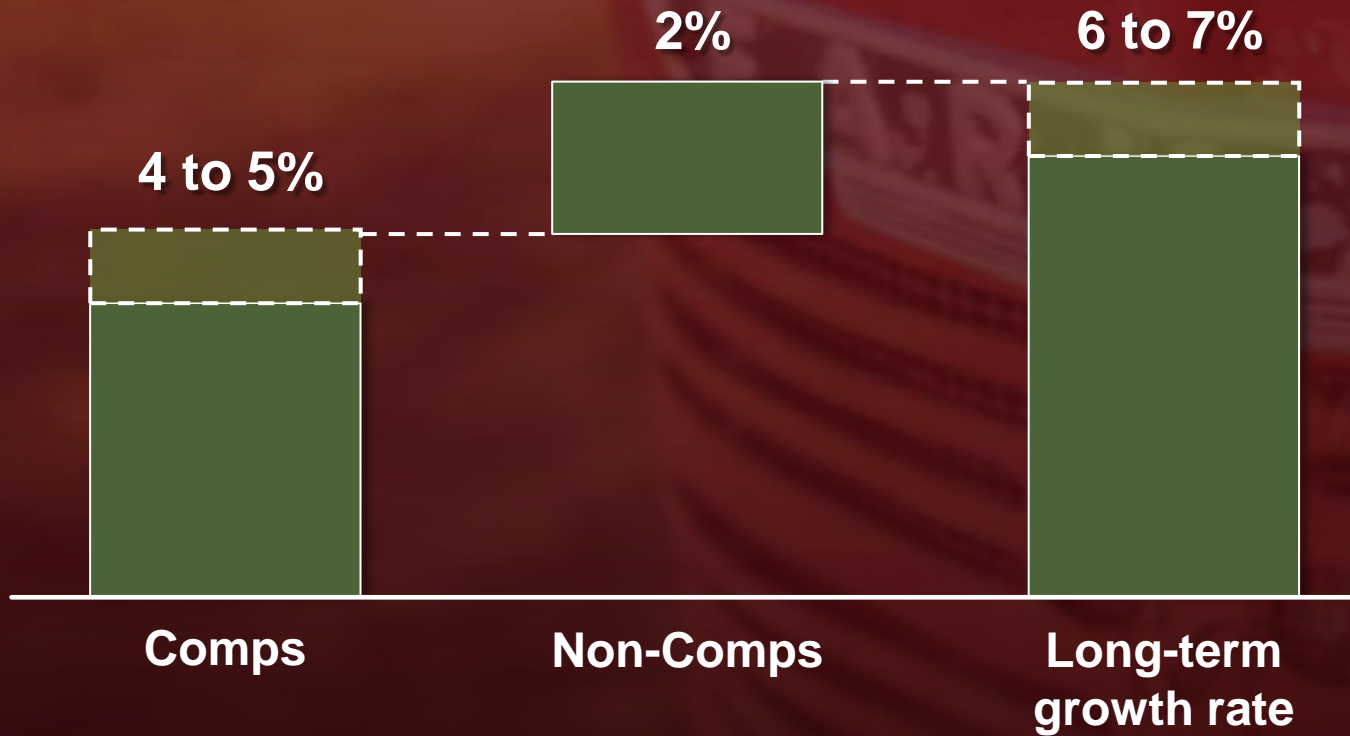


Market share gains in new categories



High-Quality and Durable Growth Outlook

Long-Term (FY22-26) Revenue Growth Composition



Long-Term Drivers

Comp growth

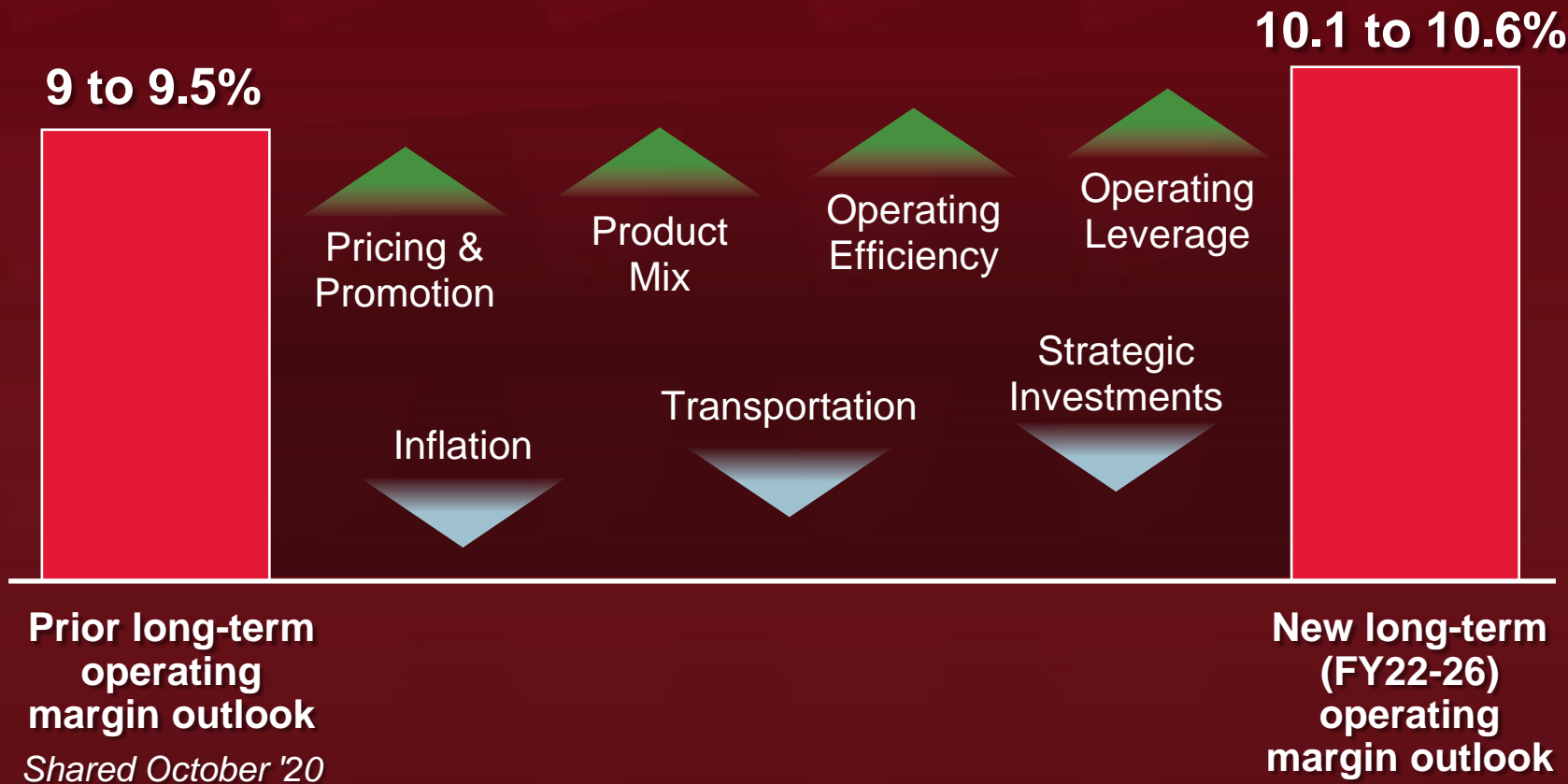
- Growth in customer demand
- TAM expansion
- Side Lot and Fusion
- #1 in customer experience
- Neighbor's Club Loyalty Program

New total store target of 2,700

- +200 sites (from 2,500)
- 75 to 80 new stores per year

Expected Evolution of Long-Term Operating Margin

Drivers of Increase to Long-Term (FY22-26) Operating Margin Outlook



Potential Additional Margin Opportunities

Normalization of investments to sustain growth trajectory

Easing of transportation costs

Lower COVID-related costs

Reduced inflationary pressures

Significant Progress Made on Strategic Investments



314

stores completed to date

166

stores completed to date

Halved

completion time and store disruption

100%

of stores completed by FY26

Mid-single digit

comp lift in Fusion stores

60-70%

of stores completed by FY26

High-single digit

comp lift in Combo stores¹

+4.6M

new members in FY21,
23.6M total members

~70%

of total sales from
Neighbor's Club members

97%+

top-tier customer retention

3X Spend

non-members vs. members

80%

annual e-commerce
growth since FY19

7%

digital sales penetration
15% by FY26

10%+

digital sales via mobile app

~80%

of digital transactions
drive store traffic (BOPIS)

1. From FY22 we will be rolling out Side-Lot to target stores at the same time as the Fusion remodel, which are referred to as "Combo stores"

We Remain Highly Disciplined in How We Allocate Capital

Priority

Capital Allocation Priorities

Our approach

**Organic growth
investments**

Significant investments in strategic initiatives and new stores, accelerated where appropriate

**Healthy and growing
dividend per share**

Dividends growing at least as fast as earnings

**Consistent
share repurchases**

Excess free cash flow returned to shareholders through consistent share repurchase program

**Tuck-in
acquisitions**

Opportunistic pursuit of tuck-in acquisitions when attractive and actionable

Disciplined approach underpinned by cash flow generation, high-quality balance sheet and investment grade credit rating

Robust Free Cash Flow Enables the Power of “AND”

~\$8B

FY22-26 Cumulative Operating Cash Flow

**Making significant
investments to deliver
sustainable long-term growth**

\$3B in CapEx investments
over the next 5 years

AND

~\$5B

FY22-26 Cumulative Free Cash Flow

**Returning significant
capital (\$6B+) through
dividends and buybacks**

Significant (77%) increase to \$0.92
quarterly dividend per share in FY22

Strong commitment to consistent share
repurchases

Updated Long-Term (FY22-26) Financial Outlook

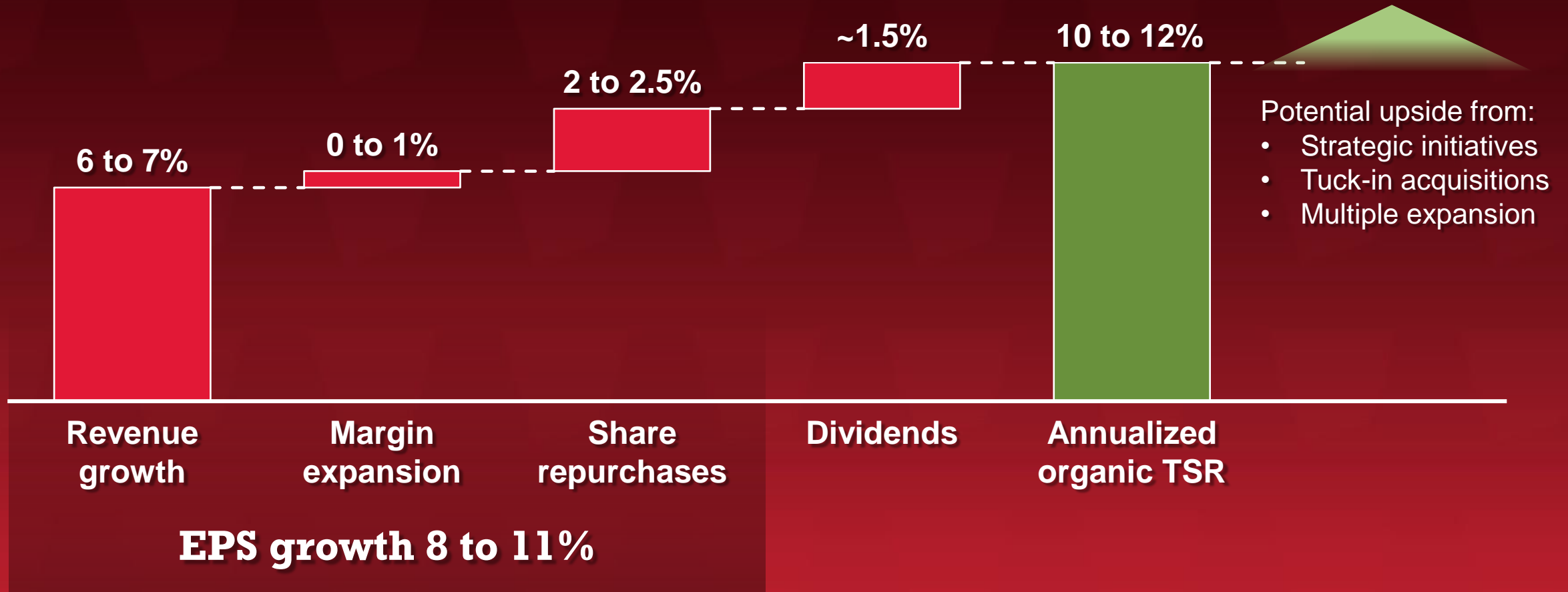
	Pre-COVID FY19	Past 2 years ¹ Adjusted ²	Long-Term FY22-26 outlook
Net Sales Growth	5.6%	23.5%	6 to 7%
Comp Sales Growth	2.7%	20.0%	4 to 5%
Operating Margin %	8.9%	10.2% ²	10.1 to 10.6%
EPS Growth	8.1%	36.4% ²	8 to 11%
Leverage (Debt/EBITDAR)³	2.0x	2.0x ²	2.0 to 2.5x

1. Growth, operating margin and EPS shown as average annual, Leverage shown as FY21 end
2. Adjusted to exclude non-cash impairment charge – see non-GAAP reconciliation
3. Total outstanding debt and lease liabilities / (EBITDA + rent)

FOR LIFE OUT HERE™

Strong Financials Enable Double Digit TSR Potential

Long-Term (FY22-26) Annualized TSR Performance



Compelling and Sustainable Long-Term Financial Outlook

Strong & Sustainable Long-Term Growth: Comps, TAM Expansion and New Stores

Attractive Margin Profile with Higher Operating Margin Outlook

The “Power of **AND**”: Significant Organic Investments **AND** Return of Capital

Strong and Balanced Double-Digit TSR Potential



Life Out Here

Hal Lawton

Today's Headlines

Structural Consumer Trends Continue

Robust Long-Term Outlook Update

Growth in our TAM to \$180 Billion from \$110 Billion

Increase in Store Growth Opportunity to 2,700 locations, +200 stores

Balance Return of Capital to Shareholders:

Raising Quarterly Dividend by 77% and Increasing Share Repurchase Authorization

Yesterday



LIFE *out* **HERE**
STRATEGY

Today



Tomorrow





FOR LIFE OUT HERESM



Appendix



Reconciliation of GAAP to Non-GAAP Financial Measures

The Company reports its financial results in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Company 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, the Company'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.



Reconciliation of GAAP to Non-GAAP Financial Measures

	Fiscal Year Ended 12/26/2020	Fiscal Year Ended 12/25/2021
Net Income	\$ 748,958	\$ 997,114
Add:		
Interest Expense, net of interest income	28,781	26,610
Depreciation and amortization	217,124	270,158
Income Taxes	219,189	282,974
EBITDA	\$ 1,214,052	\$ 1,576,856
Add:		
Non-cash impairment	74,051	-
Non-cash share-based awards	37,273	47,649
Adjusted EBITDA	\$ 1,325,376	\$ 1,624,505
Add:		
Rent	384,492	406,277
EBITDAR (B)	\$ 1,709,868	\$ 2,030,782
Total Debt, including Lease Liabilities (A)	\$ 3,606,802	\$ 3,971,576
EBITDAR (B)	\$ 1,709,868	\$ 1,940,387
Leverage Ratio (A/B)	2.1	2.0