



2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC	24-26	
18.20	20.04	21.88	26.53	35.26	38.27	45.52	51.02	60.87	69.21	81.51	92.55	106.49	120.65	134.23	163.16	194.65	209.30	Sales per sh	267.85	
1.93	2.13	2.37	2.32	3.28	4.20	5.41	6.30	7.81	9.33	11.68	13.52	16.22	20.03	21.98	29.06	35.05	36.55	"Cash Flow" per sh	45.90	
1.41	1.55	1.67	1.64	2.23	3.05	3.81	4.75	6.03	7.34	9.17	10.73	12.67	16.10	17.88	23.53	29.50	31.00	Earnings per sh ^A	40.35	
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10.19	11.97	13.82	16.93	19.54	22.76	22.37	17.40	18.00	19.36	20.07	17.52	7.75	4.47	5.25	1.97	.80	13.60	Book Value per sh	3.15	
112.39	113.93	115.26	134.83	137.47	141.03	127.18	121.18	109.24	104.26	97.74	92.85	84.30	79.04	75.62	71.12	67.30	65.50	Common Shs Outst'g ^B	56.00	
19.6	21.0	20.4	16.4	16.2	15.9	16.8	18.8	18.9	21.2	25.2	25.1	18.5	18.3	21.9	17.9	19.0	19.0	Avg Ann'l P/E Ratio	19.0	
1.04	1.13	1.08	.99	1.08	1.01	1.05	1.20	1.06	1.12	1.27	1.32	.93	.99	1.17	.93	1.01	--	Relative P/E Ratio	1.05	
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CAPITAL STRUCTURE as of 9/30/21		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
Total Debt \$3826.1 mill. Due in 5 Yrs \$900.0 mill.		5788.8	6182.2	6649.2	7216.1	7966.7	8593.1	8977.7	9536.4	10150	11605	13100	13500	Sales (\$mill)	15000						
LT Debt \$3826.1 mill. LT Interest \$155 mill. (more than 100% of Cap'l)		51.9%	53.0%	53.4%	54.1%	54.9%	55.0%	55.2%	55.6%	55.8%	55.2%	55.5%	55.0%	Gross Margin	55.5%						
(Total interest coverage: 15.1x)		17.8%	18.7%	19.4%	20.3%	21.6%	22.3%	21.8%	21.7%	21.6%	23.6%	23.0%	23.0%	Operating Margin	23.0%						
Leases, Uncapitalized \$322.5 mill.		3740	3976	4166	4366	4571	4829	5019	5460	5616	5790	5965	Number of Stores	6475							
No Defined Benefit Pension Plan		522.0	585.7	670.3	778.2	931.2	1037.7	1133.8	1324.5	1391.0	1752.3	2040	2060	Net Profit (\$mill)	2325						
Pfd Stock None		37.8%	37.8%	36.7%	36.3%	36.2%	36.6%	30.8%	21.8%	22.3%	22.7%	23.0%	22.7%	Income Tax Rate	23.0%						
Common Stock 67,378,396 shs.		9.0%	9.5%	10.1%	10.8%	11.7%	12.1%	12.6%	13.9%	13.7%	15.1%	15.6%	15.3%	Net Profit Margin	15.5%						
as of 11/1/21		1027.6	460.1	412.2	236.4	d36.4	d142.7	d249.7	d350.9	d635.7	d762.6	d800	d750	Working Cap'l (\$mill)	d625						
MARKET CAP: \$45.5 billion (Large Cap)		796.9	1095.7	1396.1	1396.6	1390.0	1887.0	2978.4	3417.1	3890.5	4123.2	3825	3800	Long-Term Debt (\$mill)	3600						
CURRENT POSITION		2844.9	2108.3	1966.3	2018.4	1961.3	1627.1	653.0	353.7	397.3	140.3	55.0	890	Shr. Equity (\$mill)	175						
2020		14.7%	18.9%	20.7%	23.6%	28.6%	30.5%	32.5%	36.7%	34.1%	43.0%	55.0%	46.0%	Return on Total Cap'l	64.0%						
9/30/21		18.4%	27.8%	34.1%	38.6%	47.5%	63.8%	NMF	NMF	NMF	NMF	NMF	NMF	Return on Shr. Equity	NMF						
(\$MILL.)		--	--	--	--	--	--	--	--	--	--	--	--	All Div'ds to Net Prof	--						

BUSINESS: O'Reilly Automotive, Inc. supplies aftermarket autoparts, tools, equipment, and accessories to both "do-it-yourself" (DIY) customers and professional mechanics or service technicians. Also offers services, including used oil/battery recycling and wiper/bulb replacement. As of Dec. 31, 2020, operated 5,594 stores in 47 states and 22 in Mexico. Acquired Mayoreo de Autopartes y Aceites, 11/19. At 1/31/21, had 77,827 employees, including 15,297 part-timers. Officers & directors own 2.1% of common stock; Vanguard Group, 7.6% (3/21 Proxy). President and CEO: Greg Johnson; Chairman: David E. O'Reilly. Incorporated: Missouri. Address: 233 South Patterson, Springfield, Missouri 65802. Telephone: 417-862-6708. Internet: www.oreillyauto.com.

We have raised our 2021 share-net estimate for O'Reilly Automotive by \$1.80. At \$29.50, our new call represents an increase of 25% over the \$23.53 a share that the autoparts distributor and retailer earned in 2020. Key assumptions include revenues of \$13.1 billion (up 12.9%, year over year) and a 50-basis-point improvement in the net margin (estimated 15.6% versus 2020's 15.1%). With the company buying back \$2 billion worth of stock through the first nine months of 2021 alone, aftertax profit is also being divvied up among fewer shares these days, which is further boosting EPS comparisons.

The DIY business continues to exceed expectations. Indeed, according to management, parts demand from do-it-yourself mechanics remains surprisingly resilient, even as the expiration of government-sponsored benefit programs has left many households with less disposable income and as the easing of COVID-19 restrictions has meant more spending options. That said, with automakers in general not able to meet near-term demand due to ongoing supply-chain constraints, the average age of cars on America's roads continues to rise, resulting in higher overall spending on vehicle maintenance.

Geographic expansion remains a priority in 2022. To wit, the company is on record saying that it expects to open between 175 and 185 new stores this year, versus the 170 or so ribbon cuttings in 2021. Notably, we look for Mexico to be a focus of O'Reilly's expansion efforts. It established a toehold south of the border in 2019, when it acquired Mayoreo de Autopartes y Aceites. Mayasa as it is popularly known recently operated 22 retail outlets under the *Orma* banner and six distribution centers that, together, serve an estimated 20,000 independent auto repair shops. Importantly, Mexico's vehicle population recently numbered more than 37 million, representing upside of 13% to O'Reilly's long-standing addressable market in the United States.

O'Reilly shares are ranked 3 (Average) for relative year-ahead price performance. What's more, with the stock's strong (43%) run-up in price over the past 12 months, we think that buy-and-hold investors will also do better elsewhere.

Nils C. Van Liew January 21, 2022

(A) Next earnings report due early Feb. Earnings may not sum due to rounding. Excludes nonrecurring charges: '10, \$0.14; '11, \$0.11.	Company's Financial Strength	B++
(B) In millions.	Stock's Price Stability	75
	Price Growth Persistence	85
	Earnings Predictability	100