Enhanced Earnings Event

Q3 2020



FOR LIFE OUT HERE℠

October 22, 2020



Welcome

Mary Winn Pilkington

SVP, Investor and Public Relations

AGENDA

Q3 2020 Earnings Recap	**Hal Lawton** President & CEO	**Kurt Barton** EVP, CFO & Treasurer
Life Out Here	**Hal Lawton** President & CEO	
Deliver Legendary Customer Experiences	**Seth Estep** EVP, Chief Merchandising Officer	
Operate the Tractor Way	**John Ordus** EVP, Chief Stores Officer	
BREAK		
Advance Our ONETractor Capabilities	**Rob Mills** EVP, CTO, Digital & Strategy	
Generate Healthy Shareholder Return	**Kurt Barton** EVP, CFO & Treasurer	
Wrap-Up	**Hal Lawton** President & CEO	
BREAK		
Q&A	**Executive Panel**	

Reconciliation of GAAP to Non-GAAP Financial Measures

The Company's presentations may include certain non-GAAP financial measures such as free cash flow, leverage ratio, EBITDA and EBITDAR. This supplemental information should not be construed in isolation or as a substitute for related GAAP measures. The Company believes that free cash flow is useful to investors and management because it provides an understanding of how much cash the Company has available to pursue opportunities that drive shareholder value such as payment of dividends, share repurchases, payment of debt and investments in the business. The Company believes that leverage ratio is useful to investors and management as an indicator of the Company's ability to incur additional debt, service existing debt and comply with covenants in our existing credit facilities.

The Company is not providing a reconciliation for non-GAAP estimates on a forward-looking basis for free cash flow, leverage ratio, EBITDA and EBITDAR included in this presentation as it is unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing or amount of various items that have not yet occurred, are out of the Company's control and/or cannot be reasonably predicted, and that would impact the Company's free cash flow, leverage ratio, EBITDA and EBITDAR. For the same reasons, the Company is unable to address the probable significance of the unavailable information. Forward-looking non-GAAP financial measures provided without the most directly comparable GAAP financial measures may vary materially from the corresponding GAAP financial measures.

Q3 2020 Financial Review

Hal Lawton

President & CEO















Thank You Team Tractor!













FOR LIFE OUT HERE™

COVID-19 and Natural Disasters Support

Health & Safety Activities



Personal Protective Equipment Barriers in Stores

Temperature Checks

Contact Tracing

Increased Testing for High Risk Travelers

SSC Work from Home

Thanking Our Team



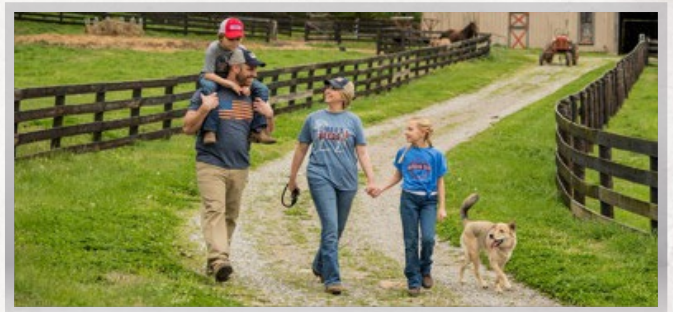
Appreciation Bonuses

Pay Increases

Family Meal Appreciation

Ongoing Recognition

Supporting Our Communities



COVID-19 Relief Efforts

Disaster Relief & Aid

Diversity & Inclusion Causes

American Connection Project Broadband Coalition

Today's Q3 2020 Headlines

All in an Extraordinary Performance by the Team

Balanced Growth Across Months, Products and Geographic Regions

Continued to Attract New and Reengaged Customers

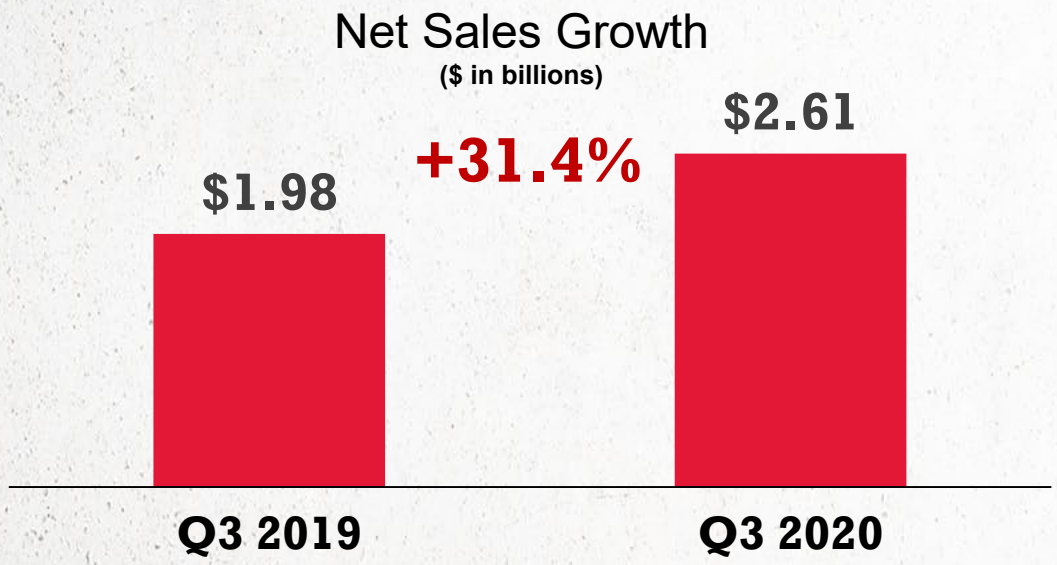
Strength in Transaction-Driving CUE Categories

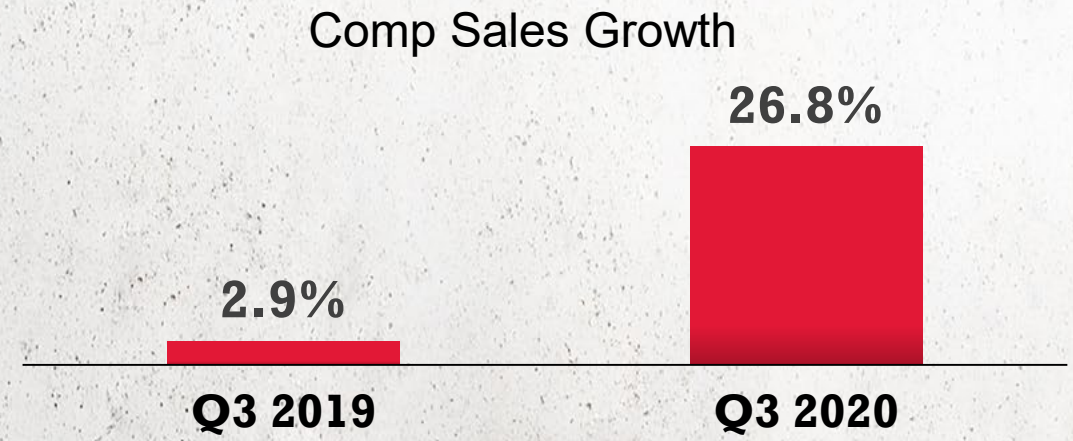
Exceptional Growth in Big Ticket

Leveraging Our Strategy: Investing for the Future

Q3 2020 Performance

Strong Sales Growth





HIGHLIGHTS

Record Level Sales Performance

Continued Market Share Gains

Triple-Digit eCommerce Growth

Seasonal Weather Trends Favorable

Broad-Based Strength in Customer Trends

New Customers and Reengaged Customers





Q2/Q3: +10M

Existing Customers



17.8M

Neighbor's Club Members

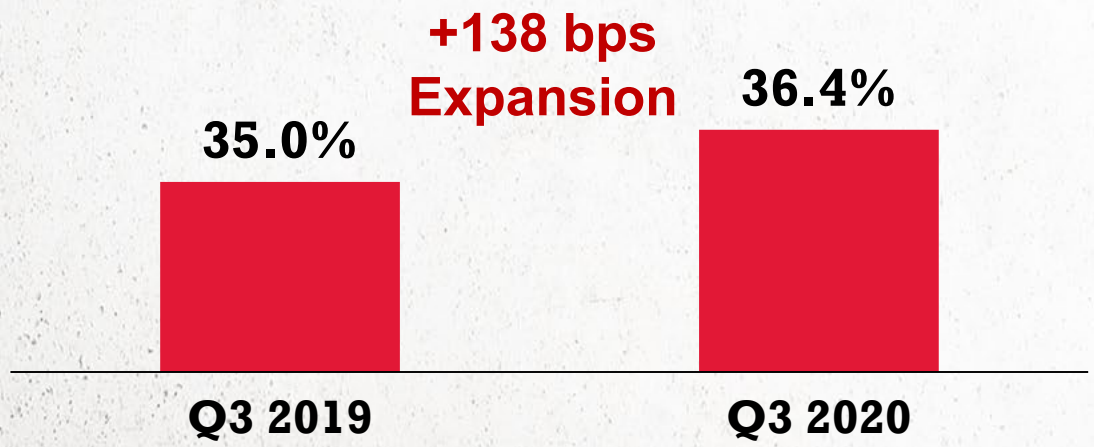
Q3 2020 Financial Review

Kurt Barton

EVP, Chief Financial Officer and Treasurer

Q3 2020 Performance

Gross Margin

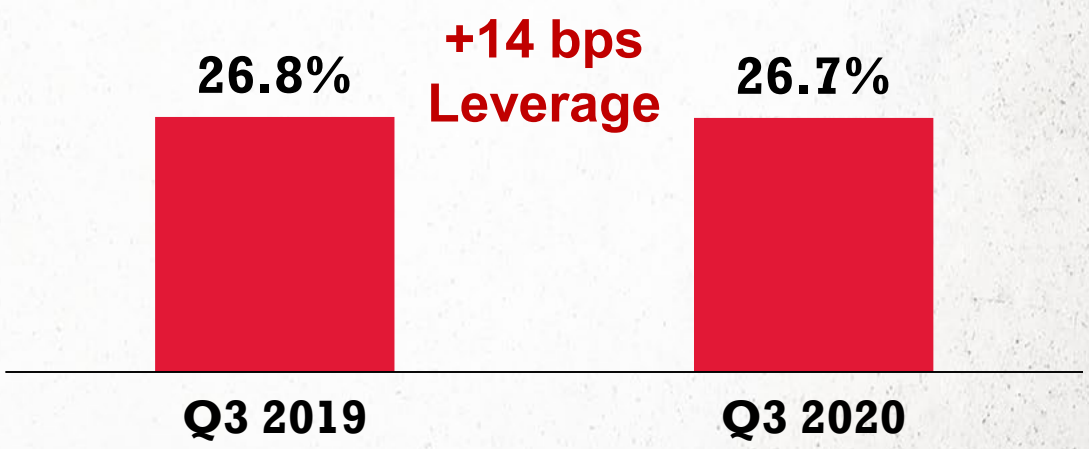


Key Drivers

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

SG&A Expenses

As a % of Sales



Key Drivers

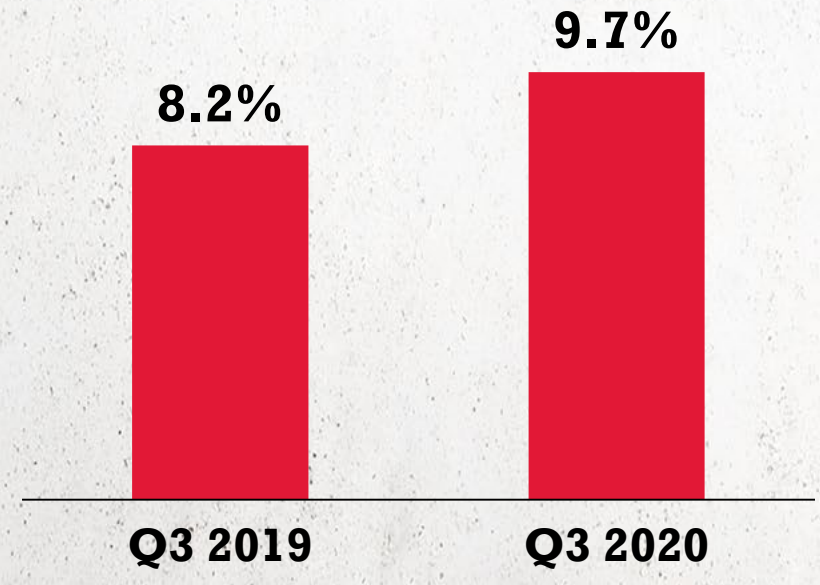
- Leverage in Occupancy, Personnel and Other Operating Costs
- Approximately $20 million related to COVID-19 Costs
- Investments in Strategic Initiatives
- Increased Incentive Compensation Cost, Given Strong Performance

Q3 2020 Performance

Profitability

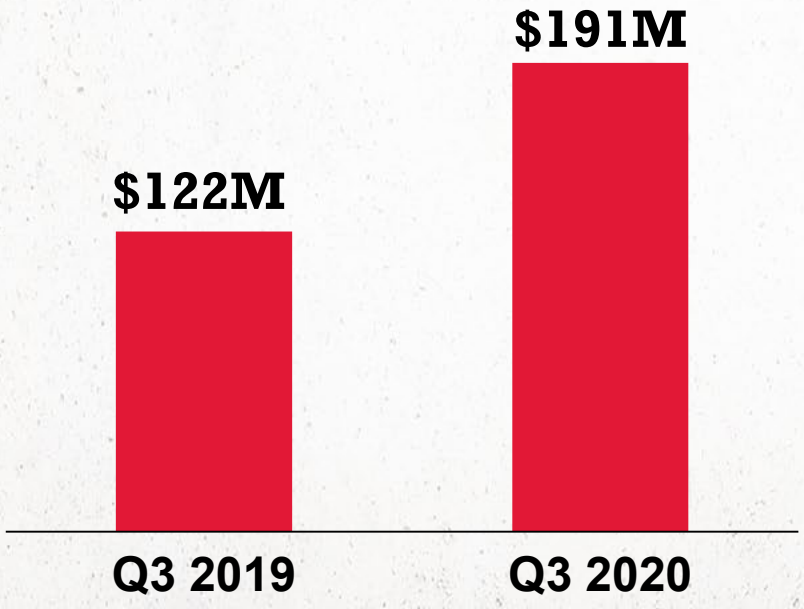
Operating Margin

+152 bps



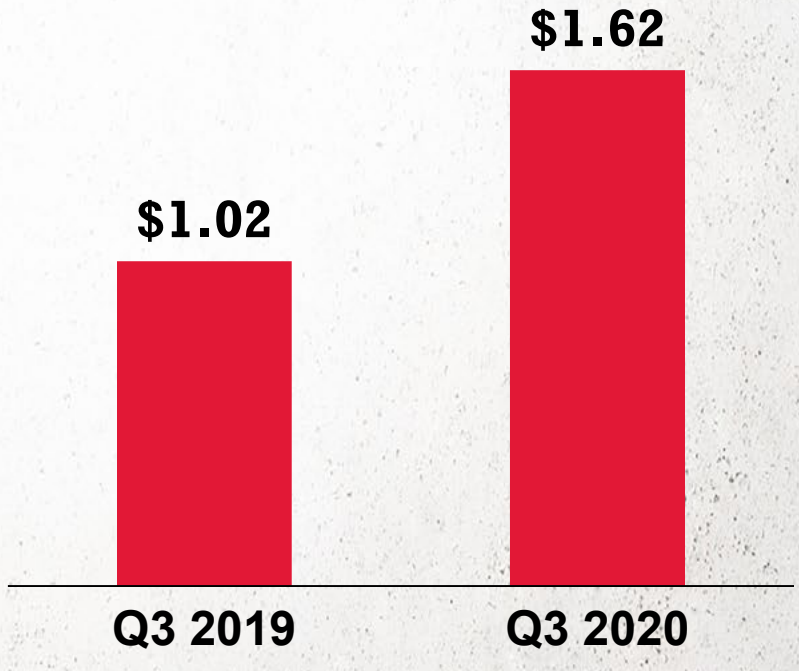
Net Income

+56.1%



EPS

+58.8%



Q4 2020 Outlook

Net Sales	$2.6B to $2.7B
Comparable Store Sales	+15% to +20%
Net Income	$163M to $175M
Earnings Per Share	$1.37 to $1.47



TSC TRACTOR SUPPLY CO

Life Out Here

Hal Lawton

President & CEO

LIFE *Out* HERE

Tractor Supply is the #1 Rural Lifestyle Retailer with Strong Omnichannel Capabilities

As a Purpose-Driven Company, our Culture is a Competitive Advantage

We have a Resilient and Proven Business Model with a Strong Track Record of Performance

We see Significant Opportunities for Growth with a Healthy and Growing Customer Base





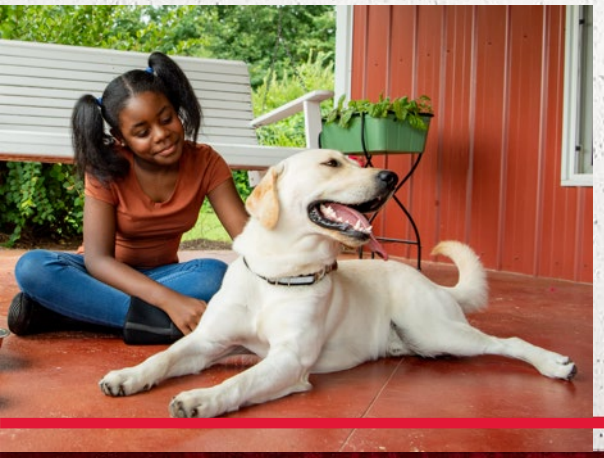




We Are Unlike Any Other Retailer:

We serve a Lifestyle.









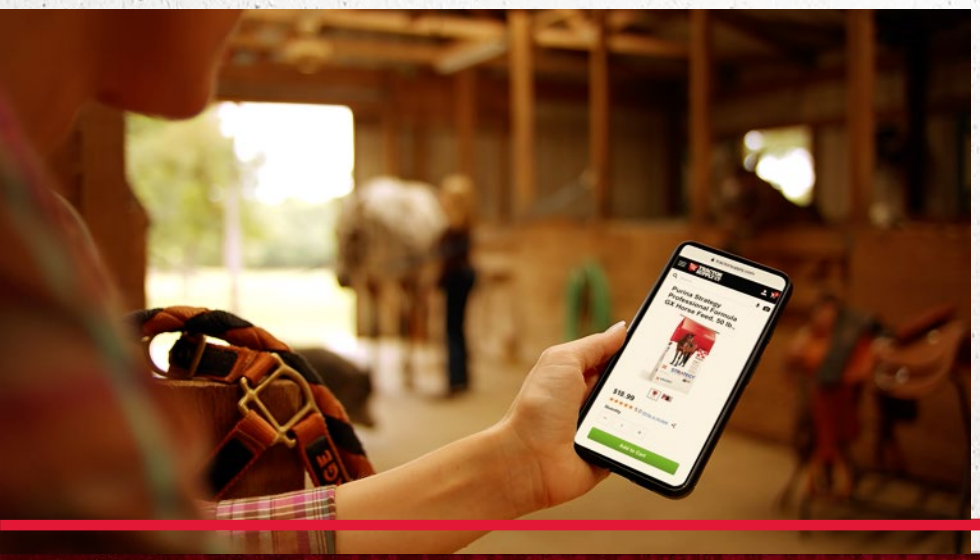






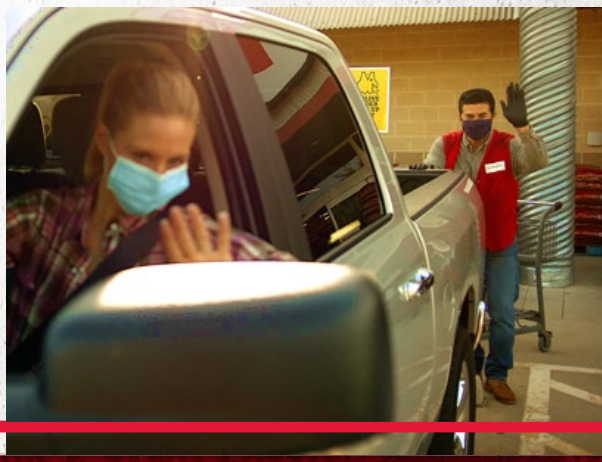
Locally GREAT.
Nationally STRONG.

TSC TRACTOR SUPPLY CO.®









FOR LIFE OUT HERE™

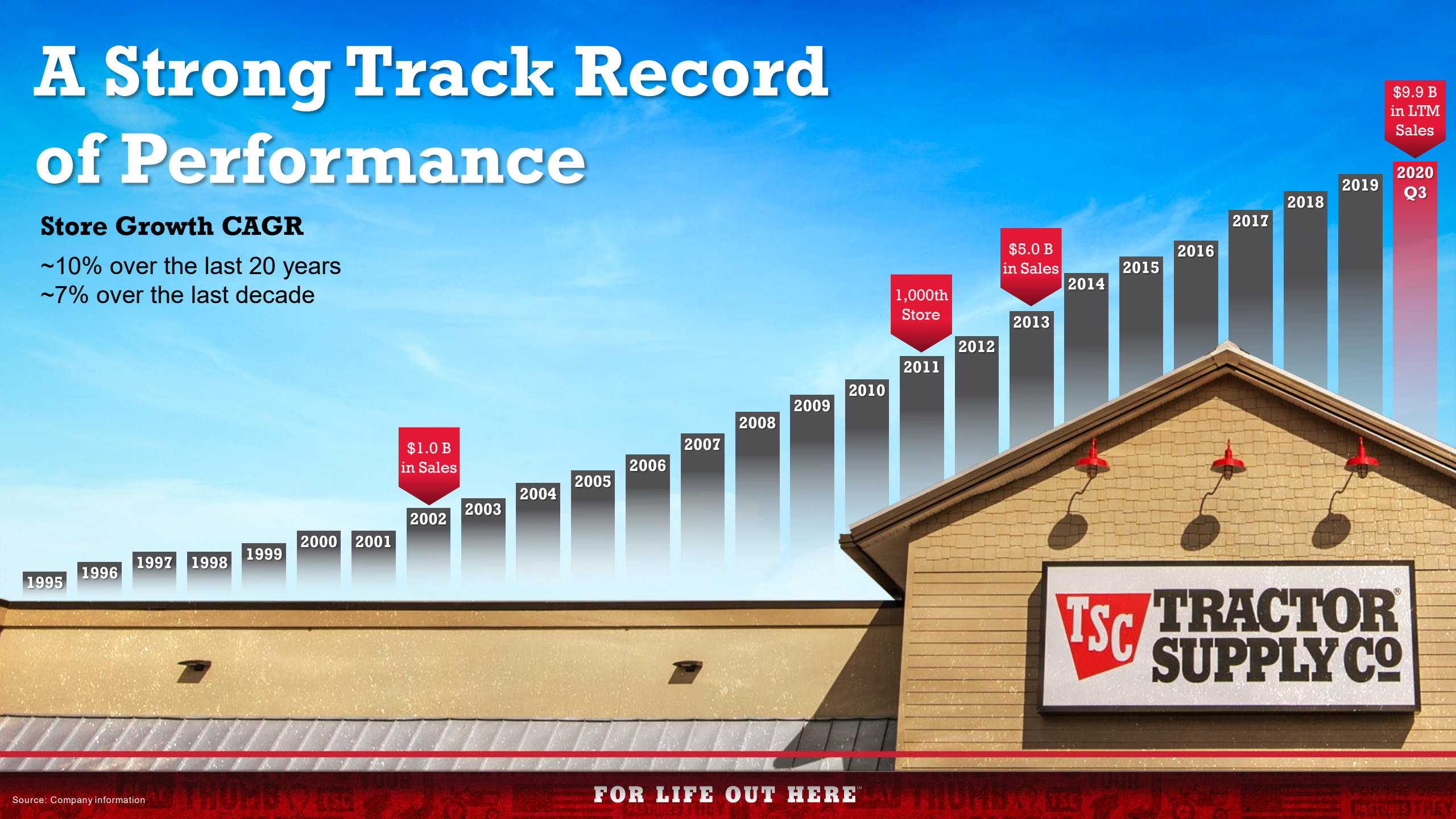
Our Culture is a Competitive Advantage



A Strong Track Record of Performance

Store Growth CAGR

~10% over the last 20 years
~7% over the last decade



Source: Company information

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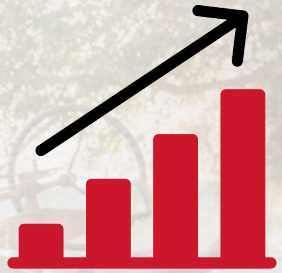
A Strong Track Record of Performance



Broad-based Topline Growth



Consistent Positive Comp Store Sales



+10 Years of Positive Traffic Growth



Operating Margin Improvements



Strong Free Cash Flow Generation



Disciplined Leverage

Our Commitment to ESG

We believe that a healthy environment, vibrant communities and transparency of our corporate governance practices are keys to a secure and prosperous future, and we are dedicated to making further progress over time.

Great Place To Work.®
Certified
OCT 2020–OCT 2021
USA

CDP
DISCLOSURE INSIGHT ACTION

Inaugural Submission to CDP in 2020



Published First Annual ESG Tear Sheet in June 2020







Attractive Market Tailwinds







Highly Fragmented Market



~10%

$110B

Our Total Addressable Market Opportunity

Source: Estimates based on external industry sources and company data.

Significant Opportunities for New Store Growth

Opportunity

2,500



Current Store Count

As of September 26, 2020

1,904

Profile → Model → Site Selection

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



Deliver Legendary Customer Experiences

Expand and deepen our customer base by providing personal, localized and memorable customer engagements.

LIFE Out HERE STRATEGY



Advance Our ONETractor Capabilities

Evolve our anytime, anywhere, anyway customer experiences by digitizing our business processes and furthering our omni channel capabilities.

LIFE Out HERE STRATEGY



Operate the Tractor Way

Drive operational excellence and productivity through continuous improvement, increasing space utilization and implementing advanced supply chain capabilities.

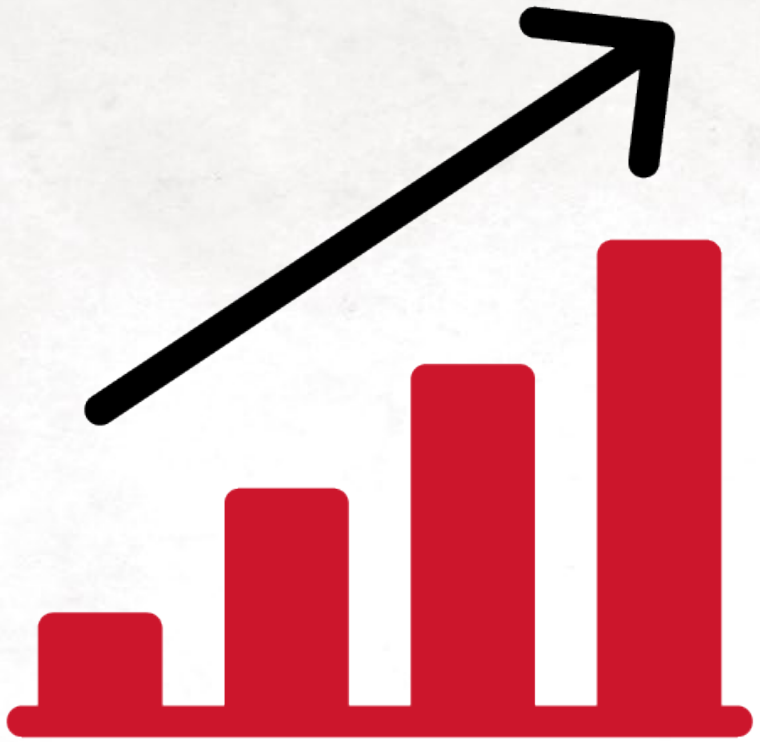
LIFE Out HERE STRATEGY



Go the Country Mile for Our Team

Connect, empower and grow our Team Members to enhance their lives and the communities they live in, enabling them to provide legendary service to our customers.

LIFE Out HERE STRATEGY



Generate Healthy Shareholder Return

Allocate resources in a disciplined and efficient manner to drive profitable growth and build shareholder value.

LIFE Out HERE STRATEGY

Experienced Management Team



Hal Lawton

President & Chief Executive Officer



Kurt Barton

EVP, Chief Financial Officer & Treasurer



Seth Estep

EVP, Chief Merchandising Officer



Melissa Kersey

EVP, Chief Human Resources Officer



Christi Korzekwa

SVP, Marketing



Rob Mills

EVP, Chief Tech, Digital Commerce & Strategy Officer



John Ordus

EVP, Chief Stores Officer



Ben Parrish

EVP, General Counsel & Corporate Secretary



Colin Yankee

EVP, Chief Supply Chain Officer

Retail	15 years	21 years	15 years	20 years	16 years	20 years	26 years	10 years	17 years
TSC	1 year	21 years	15 years	1 year	8 years	6 years	22 years	10 years	5 years

Combination of Deep Tractor Supply Experience and Relevant Industry Expertise

The Home Depot · macy's · ebay · Walmart · Neiman Marcus · American Airlines · sears · ULTA BEAUTY · TARGET

Focus on Delivering Strong and Sustainable TSR

Differentiated and Durable Core Business

#1 rural lifestyle 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

LIFE Out HERE STRATEGY

- **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

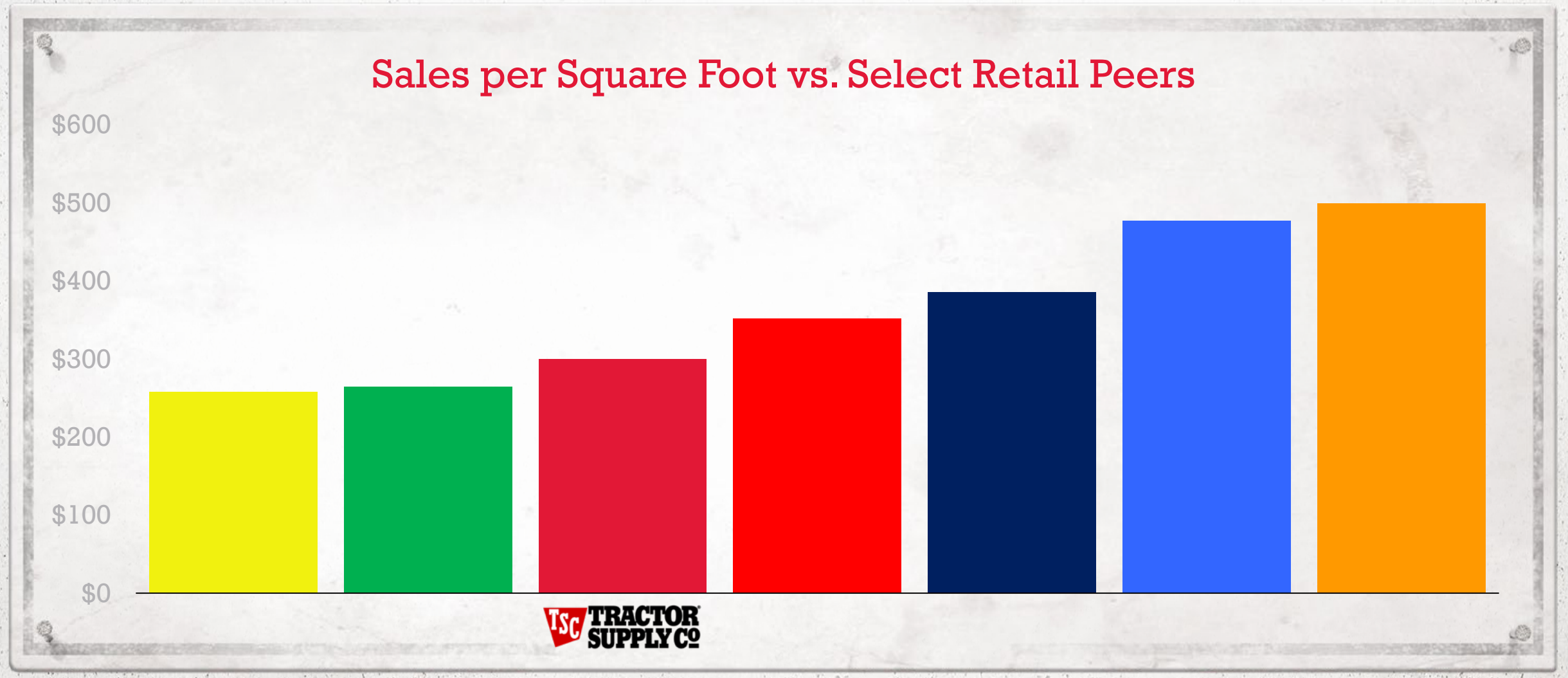
Seasoned leadership team with deep specialty retail expertise and proven track record

Culture grounded in our longstanding Mission and Values

Drive Space Productivity

Seth Estep
EVP, Chief Merchandising Officer

Significant Opportunity for Improvement



Source: Company Documents & Analyst Reports, LTM Q2 2020

Drive Space Productivity

Leverage Technology & Analytics

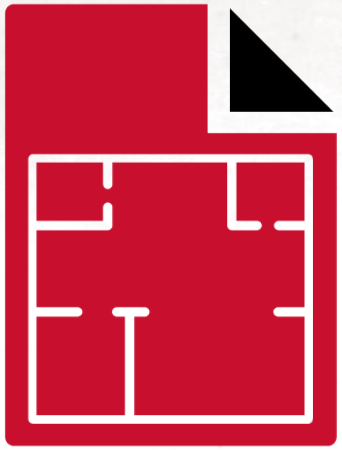
Project Fusion

Side Lot Transformation

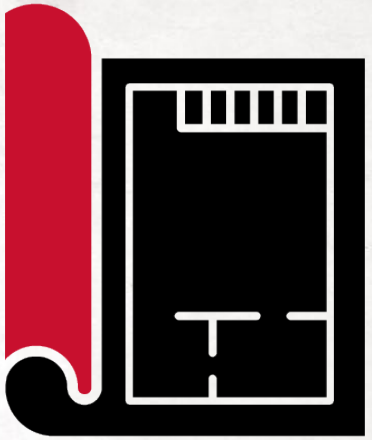
Grow

- Sales per Square Foot
- Market Share
- Customer Acquisition
- Market Basket
- Profitability

Leverage Technology & Analytics



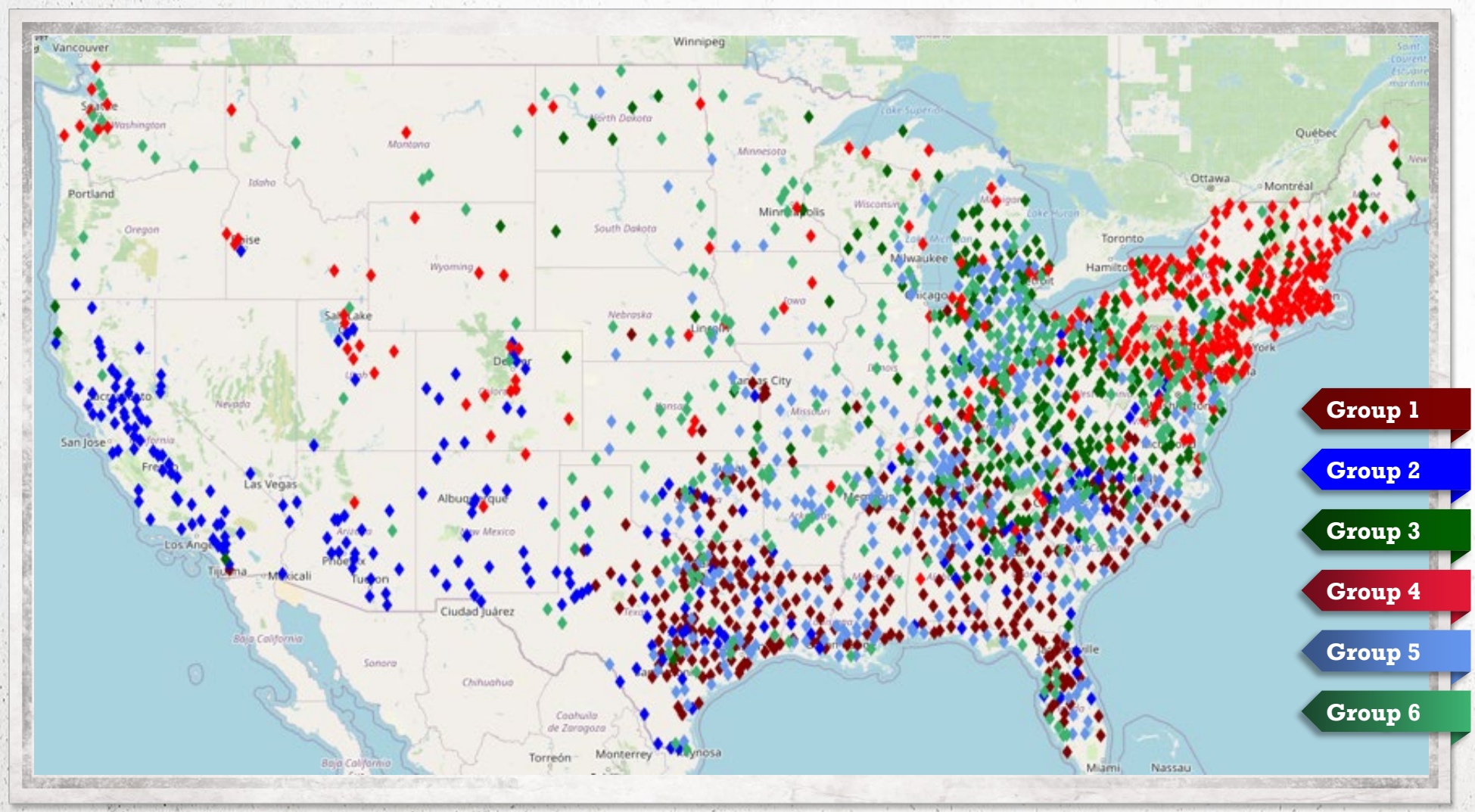
Provide localized assortments and planogram efficiencies



Digitize site-level store portfolio for initiatives, testing and fixture optimization

Drive dollars per square foot using analytics, customer trends and market share opportunities

Leverage Technology & Analytics



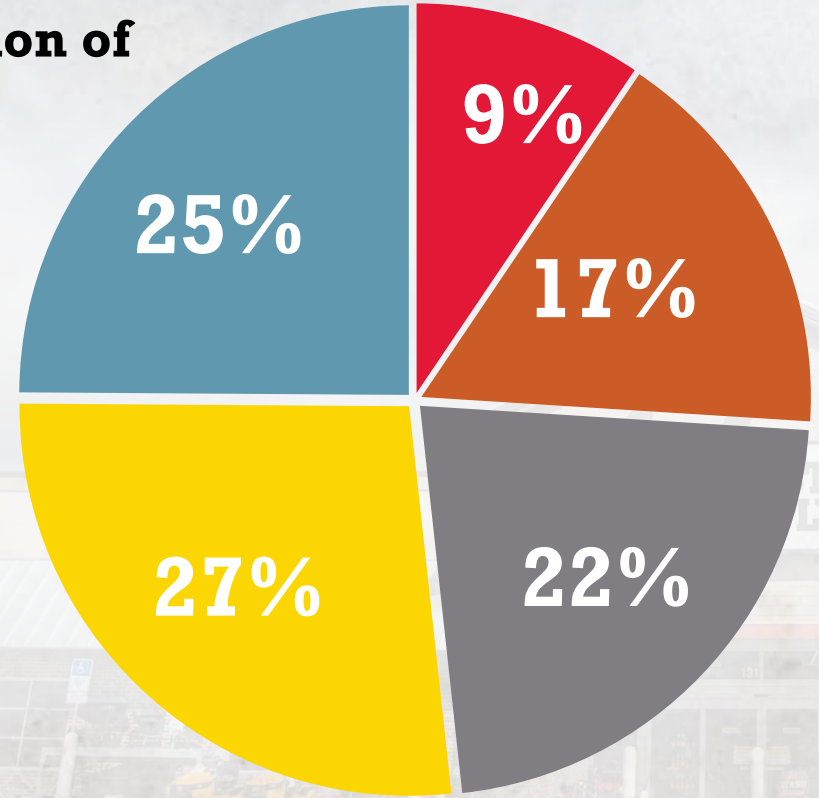
Seasonal Division Store Clustering


Locally GREAT.
Nationally STRONG.

Project Fusion

Enhance the customer experience, protect the brand, drive sales & improve space productivity

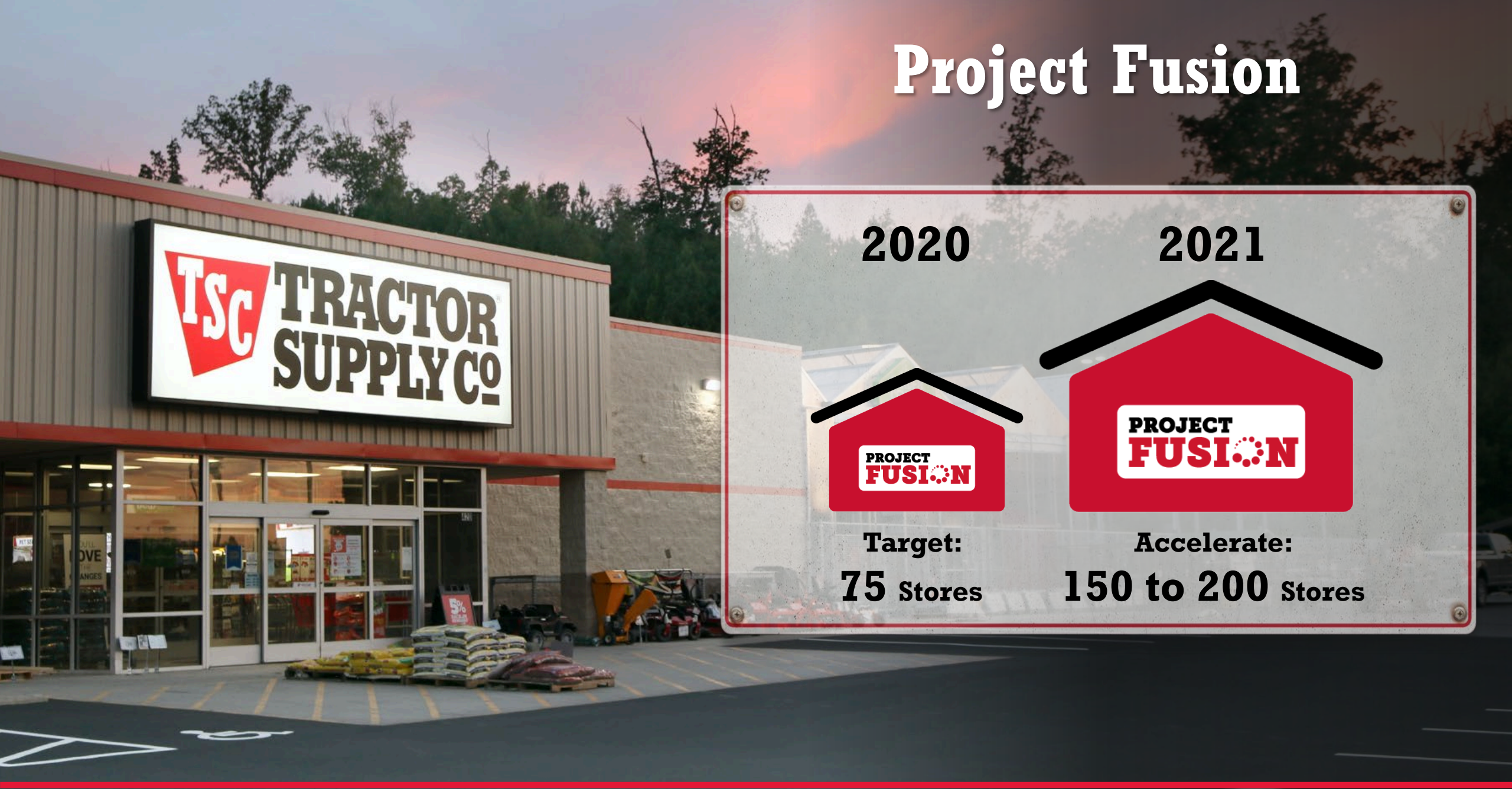
Age Distribution of TSC Stores



PROJECT FUSION

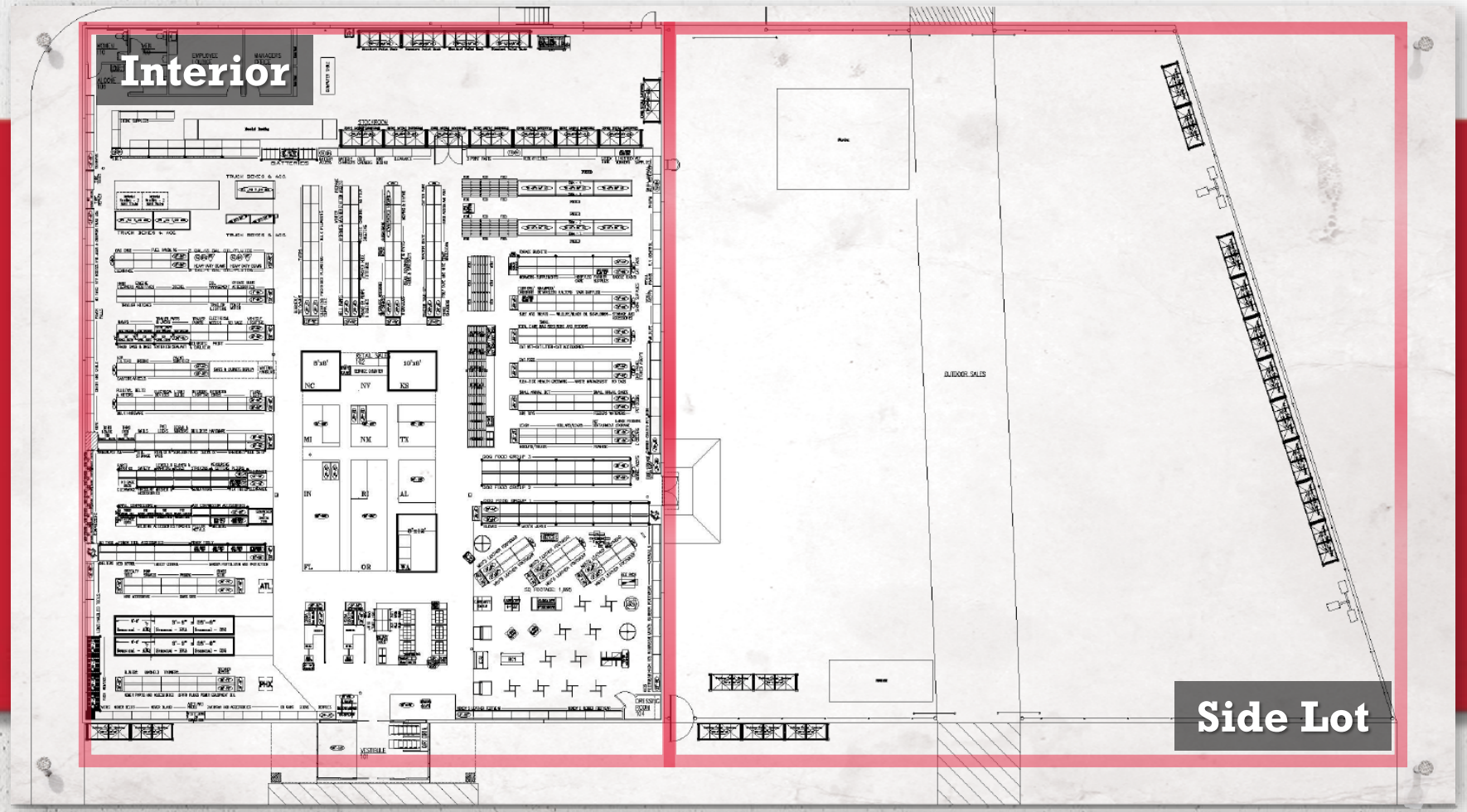
Opportunity Across 60% to 70% of Store Base

Project Fusion



2020	2021
Target:	Accelerate:
75 Stores	150 to 200 Stores

Side Lot Transformation



Leveraging Outdoor Space to Become the "Out Here" Lawn and Garden Authority

Average of 15,500 sq. feet of Selling Space

Underutilized Exterior

Side Lot Transformation

– Garden Center –
– BOPIS Drive-Thru Pickup –
– Compelling Value Prop –

Contactless Customer Experiences

Localized Customer Engagement

New Customer Acquisition & Retention



Become the "Out Here" Lawn and Garden Authority

Side Lot Transformation



2020	2021
SIDE LOT	SIDE LOT
Target:	**Accelerate:**
55 to 65 Stores	**150 to 200 Stores**

Opportunity Across
60% to 70% of Store Base



SIDE LOT

FOR LIFE OUT HERE™

Key Takeaways

- Significant Initiatives to Drive Sustainable Sales for Space Productivity
- Growth Investments in Technology, Project Fusion and Side Lot Transformation to Gain Market Share and Drive Comparable Store Sales
- Merchandising and Shopping Experience Initiatives to Grow, Attract and Retain Customers

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Operate the Tractor Way

John Ordus
EVP, Chief Stores Officer

Significant Opportunity for Improvement



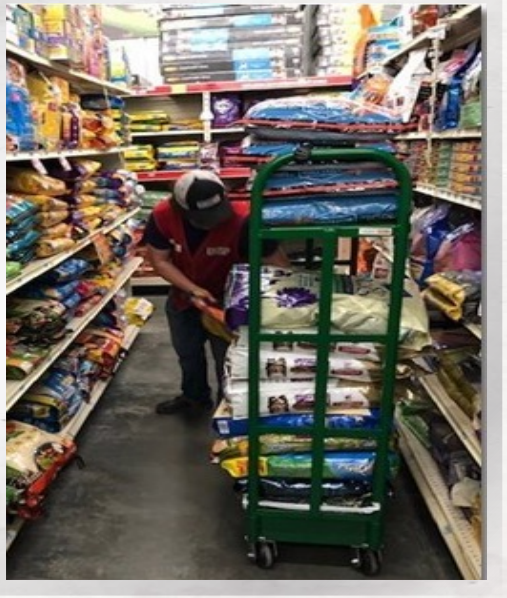
Tractor Way Program Foundation

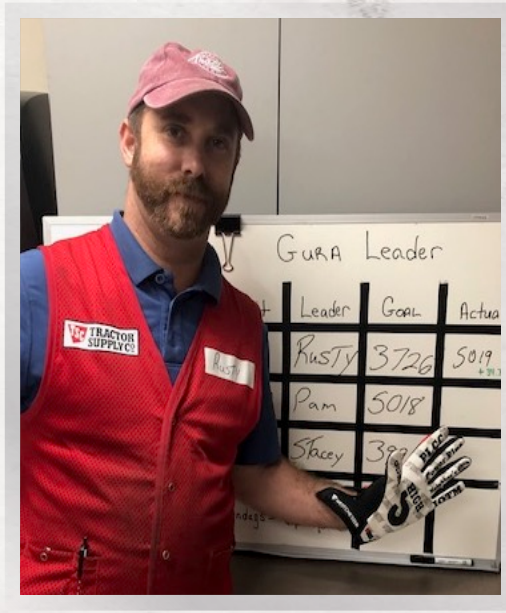
Focus on Labor Intensive Processes

Freight + **Weekly Recovery & Daily Maintenance** + **Feed to Floor** = **GURA** (GREET • UNCOVER • RECOMMEND • ASK) **Sales Leader**









Positive Feedback from Our Customers

GURA

+180 bps

Overall Satisfaction

+120 bps



Availability of Assistance

+250 bps



Product Availability

+190 bps



More accurate inventory and 33% less BOPIS cancellations

Certified Stores saw 2% better sales performance vs. those that did not





FAST
FIELD ACTIVITY SUPPORT TEAM
TSC







NEW!

Introduce New Products

Innovate for Life Out Here

Reinvent Existing Processes

FAST

FIELD ACTIVITY SUPPORT TEAM

TSC

2021 **Stabilize and Optimize**

2022 **Maximize and Grow**



GURA

GREET • UNCOVER • RECOMMEND • ASK

Commitment to Provide Legendary Customer Experience



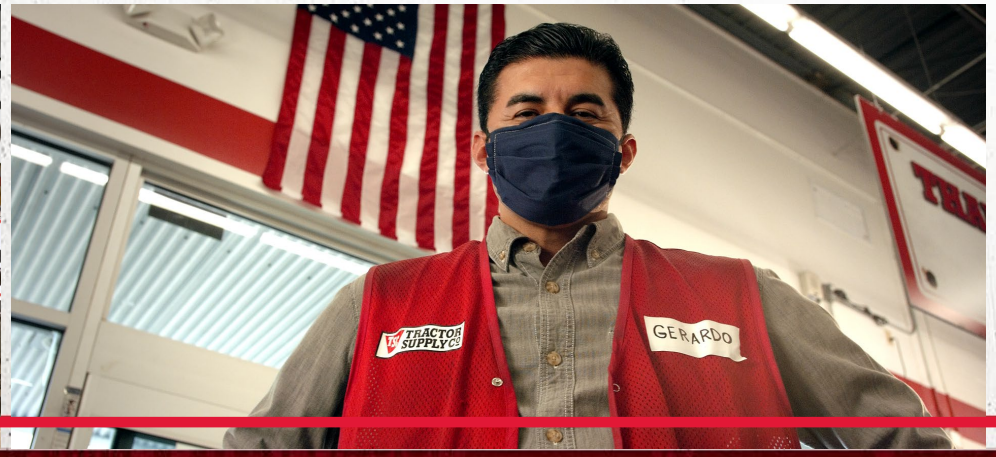












FOR LIFE OUT HERE™


PLCC
Power Plus
HIGH 5
TSC
PILOT
GUARD
ST CHESTER
$799.99
$1799.99
PICKUP IN-STORE
IT'S FREE & EASY
SAFE ACC
FOR LIFE OUT HERE™

Key Takeaways

- Strong Operational Foundation in our Stores: Operating from a Position of Strength
- Ability to Reinvest Efficiencies into the Customer Experience to Drive Sales
- Labor Productivity Opportunity: Optimize and Grow FAST Over Time
- Selling Culture Supported by Our Mission of Legendary Customer Service

TSC TRACTOR SUPPLY CO®

Advance Our ONETractor Capabilities

Rob Mills

EVP, Chief Technology, Digital Commerce and Strategy Officer

Our Omni Channel Journey

TSC TRACTOR SUPPLY CO

2015

No capability

ANYTIME • ANYWHERE • ANYWAY

ONETRACTOR

2020

Best-in-Class



FOR LIFE OUT HERE™

Our Digital Opportunity



Improvements that Drive Sales

TSC TRACTOR SUPPLY CO

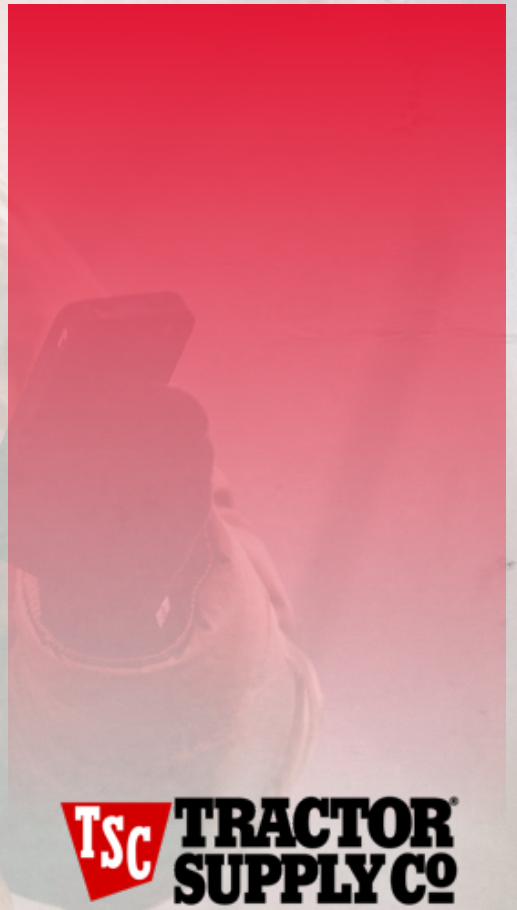
Online Conversion



Delivering Legendary Experiences

Online Experience
Customer Satisfaction







Delivering Legendary Customer Experiences



Digitizing Our Business Processes



Furthering Our Omni Channel Capabilities



Delivering Legendary Customer Experiences



Digitizing Our Business Processes



Furthering Our Omni Channel Capabilities



Advance Our ONETractor Capabilities

Evolve our anytime, anywhere, anyway customer experiences by digitizing our business processes and furthering our omni channel capabilities.

LIFE Out HERE STRATEGY

Key Takeaways

- Deliver **Improved Customer Experiences** Across All Channels – Capitalizing on the Evolving, **Personalized Customer Journey**
- Focus on **Digitizing Our Business** Processes through Data and Analytics
- Increase Value with **Strong Product Knowledge** and Expertise – Providing **Rich Content and Digital Interactions**
- **Exceed Our Customer's Expectations** and **Improve Sales and Profitability** with Efficient, Robust Fulfillment to Fit Any Need

Generating Healthy Shareholder Return

Kurt Barton

EVP, Chief Financial Officer & Treasurer

Focus on Delivering Strong and Sustainable TSR

Differentiated and Durable Core Business

#1 rural lifestyle 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

LIFE Out HERE STRATEGY

- **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

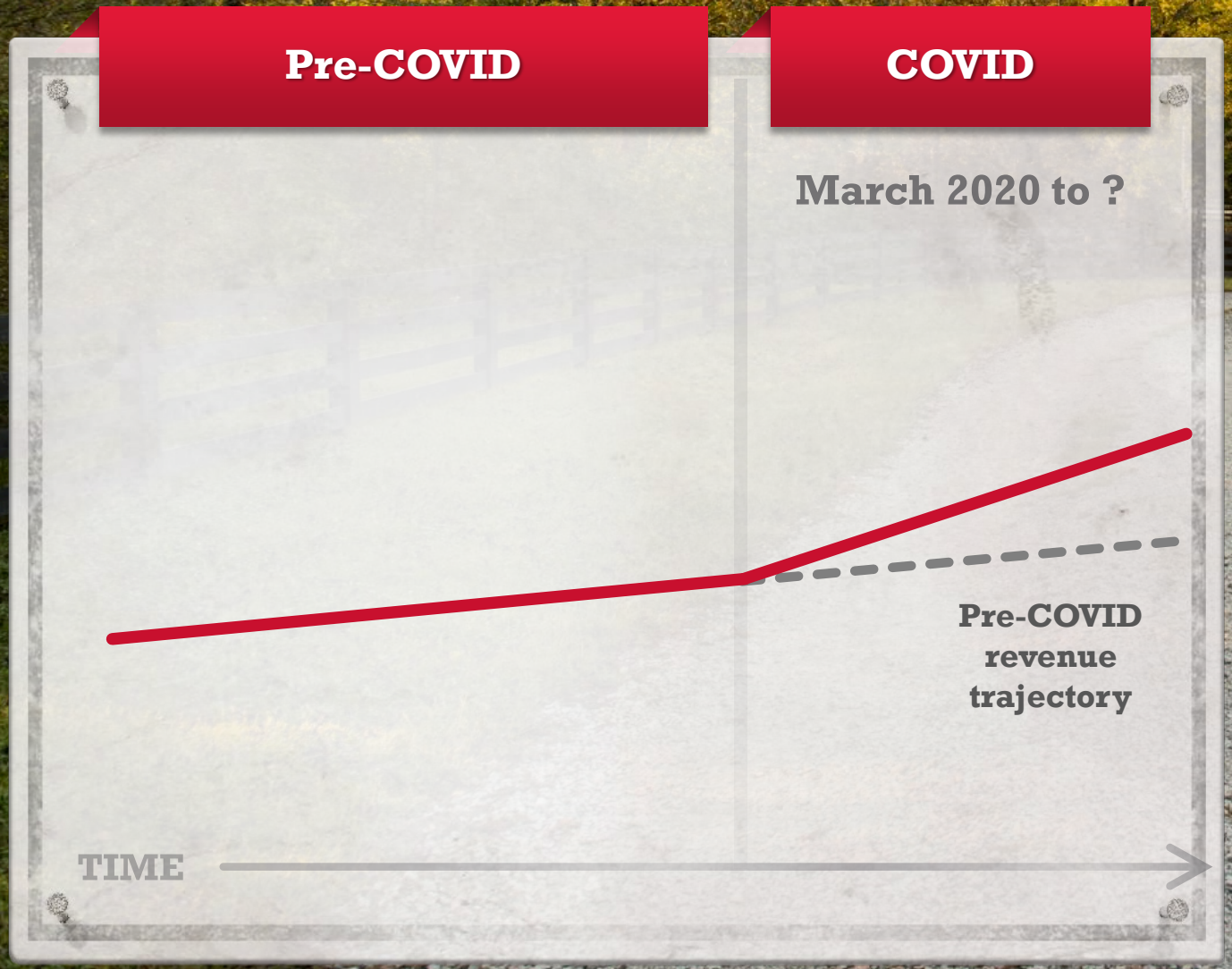
Track record of strong cash returns
to shareholders through dividends and share repurchases

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

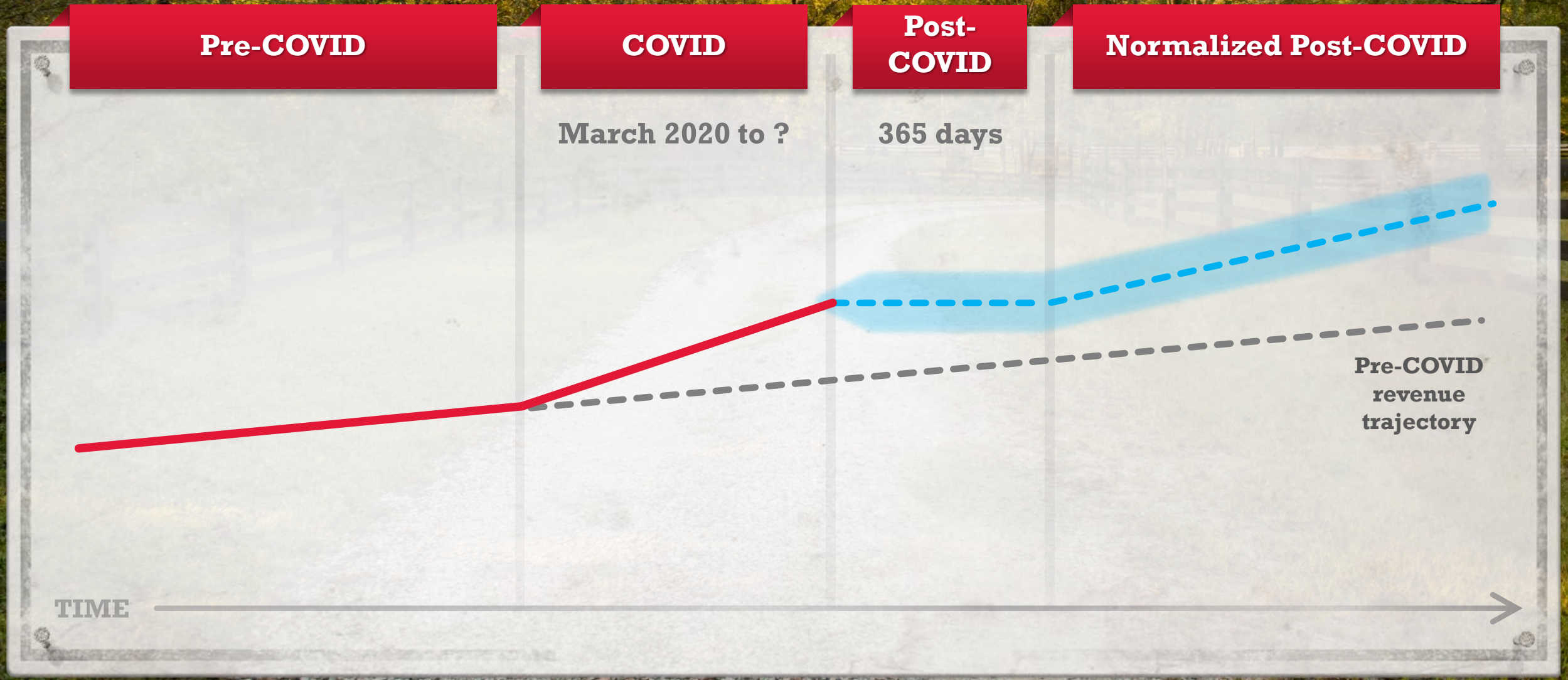
Culture grounded in our longstanding Mission and Values

Comp Revenue Trajectory (illustrative)



Note: COVID phases do not correspond with financial reporting periods

Comp Revenue Trajectory (illustrative)



Note: COVID phases do not correspond with financial reporting periods

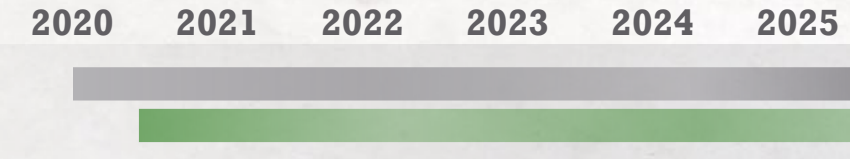
Financial Overview: Pre-COVID vs. Normalized Targets Post-COVID

	Pre-COVID FY19 YoY	Normalized Targets Post-COVID (3 to 5 years)
Comp Sales Growth	2.7%	4 to 5%
Net Sales Growth	5.6%	6 to 7%
Operating Margin %	8.9%	9 to 9.5%
EPS Growth	8.1%	8 to 10%
Leverage Ratio[1]	2.0x	~2.0x

1. Leverage is a non-GAAP financial measure and represents total outstanding debt and 6x rent expense / (EBITDA + Rent).

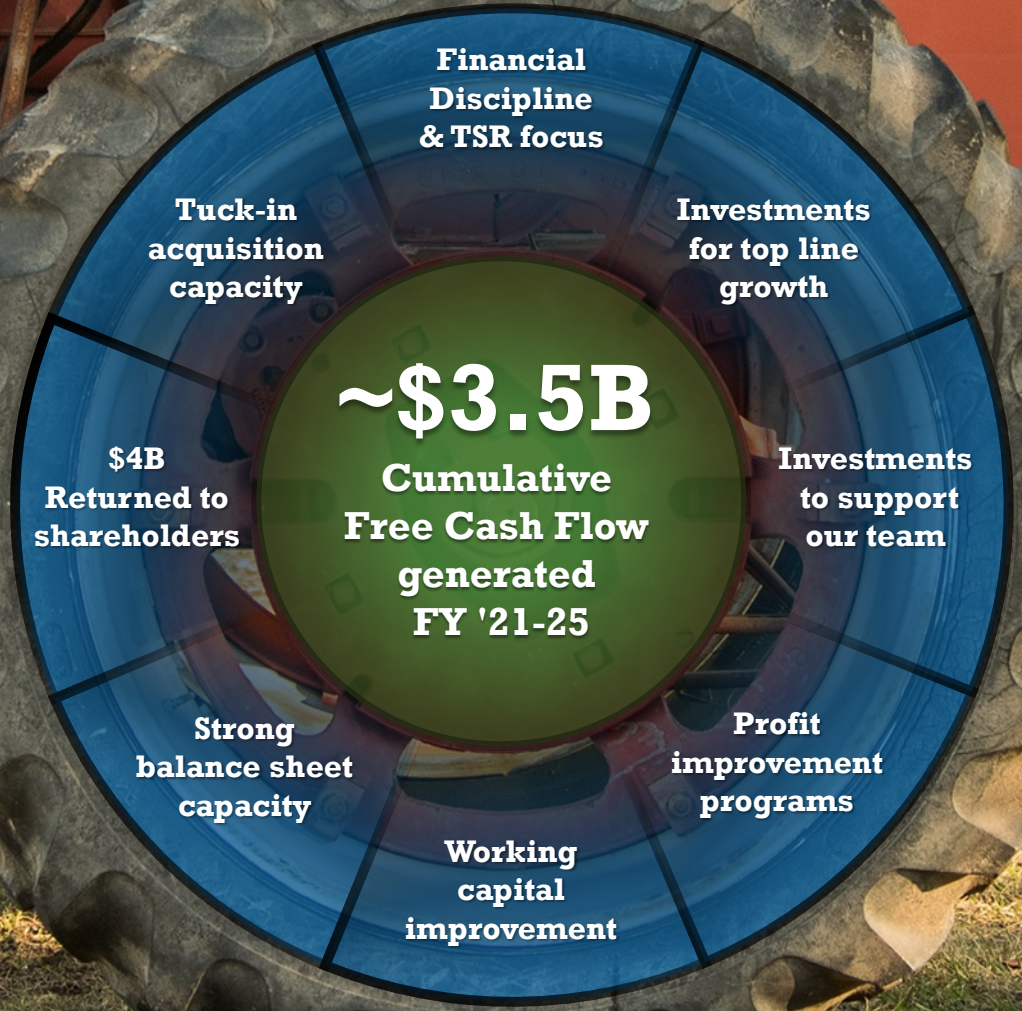
Organic Investments to Gain Market Share and Drive Strong and Sustainable TSR

Key Initiatives	Implementation and Value Generation Timing	Potential Size	Financial Drivers
SIDE LOT		$	• Comp growth from new product offerings • Garden centers increase sales/square foot
PROJECT FUSION		$	• Localization drives comp sales uplift • Store remodels increase sales/square foot
ONETRACTOR		$	• Increased e-commerce conversion • Omnichannel sales growth
NEIGHBOR'S CLUB		$	• Improved customer retention • Increased share of wallet
FAST		$	• Faster product/marketing launches • Increased labor productivity



Implementation Value generation

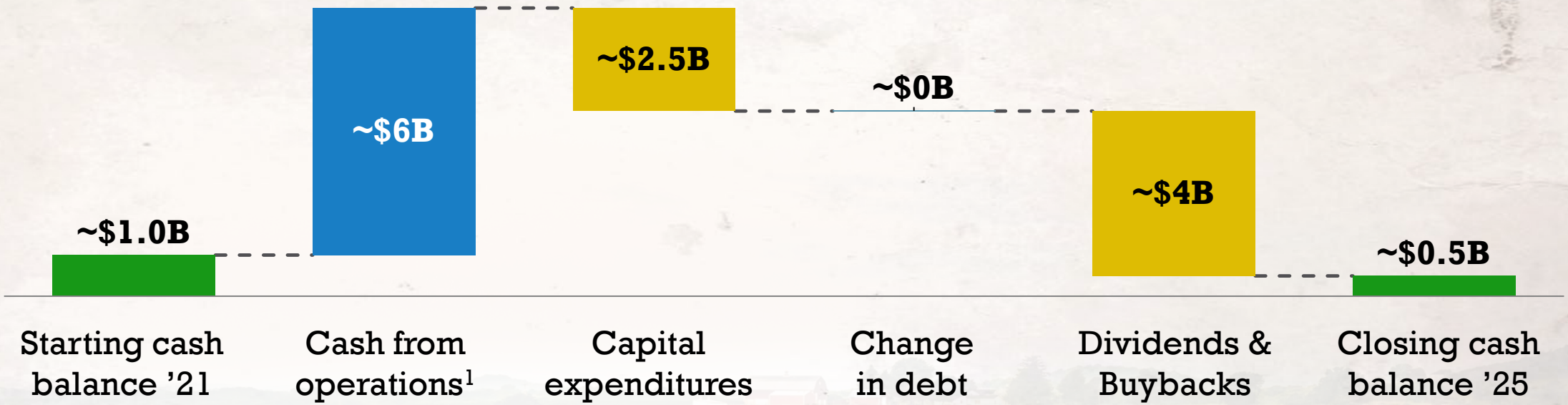
Projected Strong Free Cash Flow Generation



Note: Free Cash Flow is a non-GAAP financial measure and is defined as Cash from Operations less Capital Expenditures less Working Capital. For a reconciliation to the closest comparable GAAP, please refer to the Investor Relations section of the Company's website at ir.tractorsupply.com.

Overview of Projected Sources and Uses of Cash

FY21 through FY25



Strong cash generation enables us to invest for growth and return significant cash to shareholders

1. Includes change in working capital

Disciplined Capital Stewardship

PRIORITY	Capital Allocation Priorities	Use of Cash Relative to History	
	Organic growth investments	~2x	Doubling of our organic investments
	Healthy and growing dividend per share	~1.5x	Return to ~30% dividend payout ratio on a higher earnings base
	Consistent share repurchases	~1x	Offset dilution and repurchase opportunistically
	Tuck-in M&A	TBD	Open to tuck-in acquisitions

Healthy Balance Sheet and Financial Resilience

Leverage Ratio[1]

~2.0x	~2.0x	~2.0x
Pre-COVID FY19	Current Q3 2020	Normalized Post-COVID Target

Healthy and resilient balance sheet with ample liquidity

Commitment to investment grade rating

Opportunity to refinance debt at lower rates

Future leverage ratio expected to remain below 2.5x target

1. Leverage is a non-GAAP financial measure and represents total outstanding debt and 6x rent expense / (EBITDA + Rent).

Focus on Delivering Strong and Sustainable TSR

Differentiated and Durable Core Business

#1 rural lifestyle 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

LIFE Out HERE STRATEGY

- **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

Wrap-Up

Hal Lawton

President & CEO

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: Key Takeaways

- Tractor Supply is the **#1 Rural Lifestyle Retailer** with **Strong Omnichannel Capabilities**
- As a Purpose-Driven Company, our **Culture is a Competitive Advantage**
- We have a **Resilient Business Model** with a Strong Track Record of Performance
- We see **Compelling Opportunities for Growth** with a **Healthy and Growing Customer Base**
- Our **Strong Balance Sheet** and Disciplined Capital Allocation Provide **Financial Flexibility**
- We have a **Deeply Experienced Management Team** in Place to Execute Long-Term Strategy
- Our Strategy Has the **Ability to Deliver Sustainable Growth**


Thank You!



FOR LIFE OUT HERE℠

TSC TRACTOR SUPPLY CO®

Appendix

Reconciliation of GAAP to Non-GAAP Financial Measures

The Company's presentations may include certain non-GAAP financial measures such as free cash flow, leverage ratio, EBITDA and EBITDAR. This supplemental information should not be construed in isolation or as a substitute for related GAAP measures. The Company believes that free cash flow is useful to investors and management because it provides an understanding of how much cash the Company has available to pursue opportunities that drive shareholder value such as payment of dividends, share repurchases, payment of debt and investments in the business. The Company believes that leverage ratio is useful to investors and management as an indicator of the Company's ability to incur additional debt, service existing debt and comply with covenants in our existing credit facilities.

The Company is not providing a reconciliation for non-GAAP estimates on a forward-looking basis for free cash flow, leverage ratio, EBITDA and EBITDAR included in this presentation as it is unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing or amount of various items that have not yet occurred, are out of the Company's control and/or cannot be reasonably predicted, and that would impact the Company's free cash flow, leverage ratio, EBITDA and EBITDAR. For the same reasons, the Company is unable to address the probable significance of the unavailable information. Forward-looking non-GAAP financial measures provided without the most directly comparable GAAP financial measures may vary materially from the corresponding GAAP financial measures.

Reconciliation of GAAP to Non-GAAP Financial Measures

	Fiscal Year ended 12/28/2019	1 Year Period Ended 9/26/2020
Net Income	$ 562,354	$ 757,244
Add:		
Interest Expense, net of interest income	19,843	25,534
Depreciation and amortization	195,978	210,028
Income Taxes	161,023	220,123
EBITDA	**$ 939,198**	**$ 1,212,929**
Add:		
Non-cash share-based awards	31,136	32,357
Adjusted EBITDA	**$ 970,334**	**$ 1,245,286**
Add:		
Rent	356,920	377,219
EBITDAR (B)	**$ 1,327,254**	**$ 1,622,505**
Total Outstanding Debt	$ 463,220	$ 1,000,847
Consolidated Rent Expense x 6	2,141,520	2,263,314
Total (A)	$ 2,604,740	$ 3,264,161
EBITDAR (B)	$ 1,327,254	$ 1,622,505
Leverage Ratio (A/B)	**2.0**	**2.0**