History of Advance

In 1932, Arthur Taubman purchased Advance Stores, LLC from Pep Boys, which consisted of three stores: two in Roanoke, VA and one in Lynchburg, VA.
Advance Today

- 4,891 company-owned stores
- 1,260 independently-owned Carquest stores
- 152 WORLDPAC branches
- Over 70,000 Team Members
- $9.6 Billion generated net sales in 2018

1, 2, 3, 4 As of dates specified and agrees to our filings with the Securities Exchange Commission.
Talent Competitive Intelligence in Raleigh

- As of 2019 the region's population increased by 11.8% since 2014 and will increase by 7.8% between 2019 and 2024
- From 2014 to 2019, jobs increased by 14.7%
- 31.5% of Wake County, NC residents possess a Bachelor's Degree (12.7% above the national average)

*Sources: Capital Area Workforce Development Board, Wake County Economy Overview

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Wake County Diversity Rankings

- #1 State for Women in the Tech Sector Workforce
- #2 Tech Hub that Millennials Prefer To Silicon Valley
- #4 Best City for Veterans to Live
- #5 City Where African Americans Are Doing the Best Economically
- #10 Best U.S. City For Closing the Gender Equality Gap
- Morrisville, NC Named Most Linguistically Diverse City in NC & 28th in the Nation

TALENT
Diversity of Population

Wake County is growing by 63 people per day.
- 21 are born here a day
- 42 are moving here a day

Of the 42 people moving here a day,
- 12 from another county within North Carolina
- 19 from another state
- 11 from another country

Wake County Net-Migrant Population

Top 3 Counties
1. Durham
2. Cumberland
3. Guilford

Top 3 States
1. New York
2. New Jersey
3. Pennsylvania

Top 3 Countries
1. India
2. China
3. Mexico

Source: Diversity of Population – Wake County, NC and the Triangle Region.pdf

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### Raleigh Overall & Tech Diversity Landscape

#### Overall Demographics
- White
- Black
- Hispanic
- Asian

#### Tech Demographics
- White
- Black
- Hispanic
- Asian

#### Overall Gender
- Men
- Women

#### Tech Gender
- Men
- Women

Source: NC Chamber of Commerce

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We Must Transform to Address Disruptions in our Competitive Landscape

Urbanization and Ride Sharing
- On demand accessibility
- Congestion fees

Autonomous Drivers
- Sensor and processing solutions

Electrification
- Emission regulations
- Lower battery costs
- Charging station availability
- Consumer acceptance

3D Printing
- Parts printed on site
- Less expensive
- Quick production
### AAP’s Changing Business Landscape Requires New Capabilities

#### Disruptors

<table>
<thead>
<tr>
<th>Changes in Competitive Landscape</th>
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<tr>
<td>Changes in IoT/Connectivity</td>
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<td>Changes in Capabilities</td>
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<td>Changes in Consumer Behavior</td>
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</table>

#### Business Implications

- **Growth of E-Commerce and Omni-Channel**
- **Analytics and Digital**
- **Vehicle Complexity, Software, Durability**
- **Older Vehicles, Diversity, DIFM Focus**

#### HR Implications

- Recruit qualified talent
- Upgrade internal skills
- Continue Culture Shift
- Laser focus on Employer Value Proposition
- Train on capabilities to interpret data
- Leverage data for decisions
- Improve technology/analytical talent
- Update skills and technical knowledge
- Leverage Technology for solutions based sales
- Use data & analytics to advance customer understanding
  - Build new customer-facing skills

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**Our Business Disruptors directly impact our 2020 talent strategy**

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New Capabilities in action at Advance

New Partnership with Walmart

Hackathons with Data Science Team

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Team Member Value Proposition: Why would you want to join and grow your career at Advance?

**Join**
Be valued for who you are, know your voice is heard
- Customer Focused
- People Oriented
- Values and Culture Based
- Inclusive and Diverse
- Innovation Driven

**Develop**
Benefit from partnerships that help you grow personally and professionally
- Career Paths
- Cross-Functional Opportunities
- Leadership Training and On-The-Job Learning
- Role Based Learning Journeys
- Team Member Networks

**Thrive**
Take advantage of programs that help Team Members throughout their career
- Rewards and Recognition
- Work/Life Harmony
- Focus on Wellness
- Learning Culture
- Community and Charitable Engagement
What Our Team Member Cohorts Value

- Flexibility
- Health
- Financial