

O REILLY AUTOMOTIVE INC
 Form 424B2
 May 14, 2018

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[TABLE OF CONTENTS](#)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price	Proposed maximum aggregate offering price	Amount of registration fee(1)(2)
4.350% Senior Notes due 2028	\$500,000,000	99.732%	\$498,660,000	\$62,083.17
Total				\$62,083.17

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended (the "Securities Act").

(2) This "Calculation of Registration Fee" table shall be deemed to update the "Calculation of Registration Fee" in the Company's Registration Statement on Form S-3 (File No. 333-209788) in accordance with Rules 456(b) and 457(r) under the Securities Act.

Table of Contents

Filed Pursuant to Rule 424(b)(2)
Registration No.: 333-209788

PROSPECTUS SUPPLEMENT
(To Prospectus dated February 29, 2016)

\$500,000,000

O'Reilly Automotive, Inc.

4.350% Senior Notes due 2028

This is an offering by O'Reilly Automotive, Inc. of an aggregate of \$500 million of 4.350% Senior Notes due 2028, or the "notes."

We will pay interest on the notes on June 1 and December 1 of each year beginning on December 1, 2018. The notes will mature on June 1, 2028. Upon the occurrence of a Change of Control Triggering Event (as defined in this prospectus supplement), we will be required to make an offer to purchase the notes for cash at a price equal to 101% of their principal amount, together with accrued and unpaid interest to but not including the date of repurchase. We have the option to redeem all or a portion of the notes at any time and from time to time for cash at the applicable redemption price described under "Description of Notes - Optional Redemption" in this prospectus supplement.

The notes will be our general unsecured senior obligations and will be equal in right of payment with all of our other existing and future unsecured and unsubordinated debt, including our credit facility and our 4.875% senior notes due 2021, our 4.625% senior notes due 2021, our 3.800% senior notes due 2022, our 3.850% senior notes due 2023, our 3.550% senior notes due 2026 and our 3.600% senior notes due 2027 (we refer to these six series of notes as our existing notes). The notes will be effectively junior to any of our future secured indebtedness to the extent of the value of the collateral securing such indebtedness. The notes will be structurally junior to any indebtedness of our subsidiaries, because the notes will not be guaranteed by any of our subsidiaries, except in limited circumstances if such subsidiary incurs or guarantees obligations under our credit facility or certain of our other credit facility debt or capital markets debt. Our existing notes and our credit facility are not currently guaranteed by any of our subsidiaries.

The notes are a new issue of securities with no established trading market. We do not intend to list the notes on any securities exchange or arrange for the quotation of the notes in any automated dealer quotation system.

Investing in these notes involves certain risks. See "Risk Factors" beginning on page S-9 of this prospectus supplement and Part I, Item 1A, "Risk Factors" beginning on page 15 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed with the SEC on February 28, 2018, which is incorporated by reference herein, as well as the other information included and incorporated by reference herein, to read about factors you should consider before deciding to invest in the notes.

Neither the Securities and Exchange Commission nor any state or other securities commission has approved or disapproved of these securities or determined if this prospectus supplement and the accompanying prospectus are truthful or complete. Any representation to the contrary is a criminal offense.

Per Note

Total

Edgar Filing: O REILLY AUTOMOTIVE INC - Form 424B2

Public Offering Price(1)	99.732%	\$498,660,000
Underwriting Discount	0.650%	\$3,250,000
Proceeds, before expenses, to O'Reilly	99.082%	\$495,410,000

(1) Plus accrued interest, if any, from May 17, 2018, if settlement occurs after that date.

J.P. Morgan Securities LLC and U.S. Bancorp Investments, Inc., on behalf of the underwriters, expect to deliver the notes on or about May 17, 2018. Delivery of the notes will be made in book-entry form only through the facilities of The Depository Trust Company and its direct and indirect participants, including Euroclear Bank SA/NV, as operator of the Euroclear System, and Clearstream Banking SA, against payment therefor in immediately available funds.

Joint Book-Running Managers

**J.P. Morgan
BofA Merrill Lynch**

**US Bancorp
Wells Fargo Securities**

Senior Co-Manager

BB&T Capital Markets

Co-Managers

**BNP PARIBAS
Huntington Capital Markets
PNC Capital Markets LLC**

**Capital One Securities
Mizuho Securities
Regions Securities LLC
TD Securities**

**Citizens Capital Markets
MUFG
SunTrust Robinson Humphrey**

The date of this prospectus supplement is May 10, 2018.

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

	Page
<u>ABOUT THIS PROSPECTUS SUPPLEMENT</u>	<u>S-iii</u>
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	<u>S-iii</u>
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	<u>S-iv</u>
<u>CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS</u>	<u>S-iv</u>
<u>SUMMARY</u>	<u>S-1</u>
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	<u>S-8</u>
<u>RISK FACTORS</u>	<u>S-9</u>
<u>USE OF PROCEEDS</u>	<u>S-15</u>
<u>CAPITALIZATION</u>	<u>S-16</u>
<u>DESCRIPTION OF OTHER INDEBTEDNESS</u>	<u>S-17</u>
<u>DESCRIPTION OF NOTES</u>	<u>S-19</u>
<u>U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS</u>	<u>S-33</u>
<u>UNDERWRITING (CONFLICTS OF INTEREST)</u>	<u>S-36</u>
<u>LEGAL MATTERS</u>	<u>S-42</u>
<u>EXPERTS</u>	<u>S-42</u>

Base Prospectus

<u>ABOUT THIS PROSPECTUS</u>	<u>ii</u>
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	<u>ii</u>
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	<u>iii</u>
<u>CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS</u>	<u>iii</u>
<u>THE COMPANY</u>	<u>1</u>
<u>RISK FACTORS</u>	<u>1</u>
<u>USE OF PROCEEDS</u>	<u>2</u>
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	<u>2</u>

<u>DESCRIPTION OF DEBT SECURITIES</u>	<u>2</u>
<u>PLAN OF DISTRIBUTION</u>	<u>15</u>
<u>LEGAL MATTERS</u>	<u>17</u>
<u>EXPERTS</u>	<u>17</u>

Table of Contents

You should rely only on the information contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus or any related free writing prospectus. Neither we nor the underwriters have authorized anyone to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. The information in this prospectus supplement, the accompanying prospectus or any free writing prospectus and the documents incorporated by reference herein and therein is accurate only as of their respective dates. Our business, financial condition, results of operations, cash flows and prospects may have changed since those dates.

The distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus supplement and the accompanying prospectus come should inform themselves about and observe any such restrictions. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus are each part of an automatic shelf registration statement on Form S-3 that we filed with the Securities and Exchange Commission, or the SEC, as a "well-known seasoned issuer" as defined in Rule 405 of the Securities Act of 1933, as amended, or the Securities Act. Under the shelf registration process, we may from time to time offer and sell to the public any or all of the debt securities described in the registration statement in one or more offerings. This document is in two parts. The first part, which is this prospectus supplement, describes the specific terms of the notes we are offering and other matters relating to us. The second part, which is the accompanying prospectus, gives more general information about debt securities we may offer from time to time, some of which may not apply to the notes offered by this prospectus supplement. Generally when we refer to the "prospectus supplement," we are referring to both parts combined. This prospectus supplement may add to, update or change the information in the accompanying prospectus. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus or any document incorporated by reference therein, on the other hand, you should rely on the information contained in this prospectus supplement.

You should not assume that the information contained in this prospectus supplement and the accompanying prospectus is accurate on any date subsequent to the date set forth on the front of the document or that any information we have incorporated by reference is correct on any date subsequent to the date of the document incorporated by reference, even though this prospectus supplement and the accompanying prospectus is delivered or the notes offered hereby are sold on a later date. Information that we file with the SEC subsequent to the date on the cover of this prospectus supplement, and prior to the completion of the offering of the notes, will automatically update and supersede the information contained in this prospectus supplement and the accompanying prospectus. See "Where You Can Find More Information" and "Incorporation of Certain Documents by Reference."

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and its rules and regulations. The Exchange Act requires us to file reports, proxy statements and other information with the SEC. Copies of these reports, proxy statements and other information can be read and copied at: SEC Public Reference Room, 100 F Street N.E., Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains a website that contains reports, proxy statements and other information regarding issuers that file electronically with the SEC. These materials may be obtained electronically by accessing the SEC's website at <http://www.sec.gov>.

We make available, free of charge on our website, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statements and amendments to these reports filed or furnished pursuant to Section 13(a), 14 or 15(d) of the Exchange Act, as soon as reasonably practicable after we electronically file these documents with, or furnish them to, the SEC. These documents are posted on our website at www.oreillyauto.com. The information contained on our website (other than the SEC filings expressly referred to below) is not incorporated by reference herein and does not form a part of this prospectus supplement or the accompanying prospectus.

Copies of any of the above-referenced documents will also be made available, free of charge, upon written request to: O'Reilly Automotive, Inc., 233 South Patterson Avenue, Springfield, Missouri 65802, Attention: Secretary.

Table of Contents

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to incorporate into this prospectus supplement information we file with the SEC in other documents. The information incorporated by reference is considered to be part of this prospectus supplement, and information we later file with the SEC will, subject to the next sentence, automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act until all of the notes that are part of this offering have been sold or this offering has been terminated. The documents we have incorporated by reference are:

Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed with the SEC on February 28, 2018;

Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2018, filed with the SEC on May 7, 2018;

Portions of the Definitive Proxy Statement on Schedule 14A, filed with the SEC on March 23, 2018 that are incorporated by reference into Part III of our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed with the SEC on February 28, 2018; and

Current Reports on Form 8-K filed with the SEC on February 7, 2018 (Items 5.02 and 8.01 only), February 27, 2018, March 5, 2018 and May 8, 2018 (Items 5.02, 5.07 and 8.01 only).

Notwithstanding the above, information that is "furnished" to the SEC (including information furnished under Item 2.02 or 7.01 of Form 8-K and corresponding information furnished under Item 9.01 or included as an exhibit) shall not be incorporated by reference or deemed to be incorporated by reference into this prospectus supplement or the related registration statement.

We will provide, without charge, to each person, including any beneficial owner, to whom a copy of this prospectus supplement is delivered, upon written or oral request of such person, a copy of any or all of the documents incorporated by reference in this prospectus supplement, other than exhibits to such documents unless such exhibits are specifically incorporated by reference into such documents. Requests may be made by telephone at (417) 874-7161, or by sending a written request to O'Reilly Automotive, Inc., 233 South Patterson Avenue, Springfield, Missouri 65802, Attention: Secretary.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

We claim the protection of the safe harbor for forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. You can identify these statements by forward-looking words such as "estimate," "may," "could," "will," "believe," "expect," "would," "consider," "should," "anticipate," "project," "plan," "intend" or similar words. In addition, statements contained within this prospectus supplement that are not historical facts are forward-looking statements, such as statements discussing, among other things, expected growth, store development, integration and expansion strategy, business strategies, the impact of the U.S. Tax Cuts and Jobs Act, future revenues and future performance. These forward-looking statements are based on estimates, projections, beliefs and assumptions and are not guarantees of future events and results. Such statements are subject to risks, uncertainties and assumptions, including, but not limited to, the economy in general, inflation, product demand, the market for auto parts, competition, weather, risks associated with the performance of acquired businesses, our ability to hire and retain qualified employees, consumer debt levels, our increased debt levels, credit ratings on public debt, governmental regulations, terrorist activities, war and the threat of war. Actual results may materially differ from anticipated results described or implied in these forward-looking statements. For further information, see the section entitled "Risk Factors" in this prospectus supplement, the accompanying prospectus or any related free writing prospectus and any sections entitled "Business," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" contained in documents incorporated by reference into this

Table of Contents

prospectus supplement, the accompanying prospectus or any related free writing prospectus. Forward-looking statements speak only as of the date they were made, and we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

S-v

Table of Contents

SUMMARY

This summary highlights material information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein but does not contain all of the information you need to consider in making your decision to invest in the notes. This summary is qualified in its entirety by the more detailed information and consolidated financial statements and notes thereto included in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein. You should read carefully this entire prospectus supplement and the accompanying prospectus and should consider, among other things, the matters set forth in the section entitled "Risk Factors" below and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed with the SEC on February 28, 2018, which is incorporated by reference herein before deciding to invest in the notes. Except where otherwise noted, the words "company," "the Company," "we," "our," "ours" and "us" refer to O'Reilly Automotive, Inc. and all of its subsidiaries. With respect to the discussion of the terms of the notes on the cover page, in the section entitled "Summary The Offering" and in the sections entitled "Description of Notes" and "Description of Other Indebtedness," "we," "our," "us" and "O'Reilly" refer only to O'Reilly Automotive, Inc.

The Company

We are one of the largest specialty retailers of automotive aftermarket parts, tools, supplies, equipment and accessories in the United States, selling our products to both do-it-yourself ("DIY") customers and professional service provider customers, our "dual market strategy." The business was founded in 1957 by Charles F. O'Reilly and his son, Charles H. "Chub" O'Reilly, Sr., and initially operated from a single store in Springfield, Missouri.

At March 31, 2018, we operated 5,097 stores in 47 states. Our stores carry an extensive product line, including:

new and remanufactured automotive hard parts, such as alternators, batteries, brake system components, belts, chassis parts, driveline parts, engine parts, fuel pumps, hoses, starters, temperature control and water pumps;

maintenance items, such as antifreeze, appearance products, engine additives, filters, fluids, lighting, oil and wiper blades;
and

accessories, such as floor mats, seat covers and truck accessories.

Our stores offer many enhanced services and programs to our customers, such as:

battery diagnostic testing;

battery, wiper and bulb replacement;

check engine light code extraction;

custom hydraulic hoses;

drum and rotor resurfacing;

electrical and module testing;

loaner tool program;

machine shops;

professional paint shop mixing and related materials; and

used oil, oil filter and battery recycling.

S-1

Table of Contents

Our goal is to continue to achieve growth in sales and profitability by capitalizing on our competitive advantages and executing our growth strategy. We remain confident in our ability to continue to gain market share in our existing markets and grow our business in new markets by focusing on our dual market strategy and the core O'Reilly values, including superior customer service and expense control. Our intent is to be the dominant auto parts provider in all the markets we serve by providing a higher level of customer service and a better value proposition than our competitors to both DIY and professional service provider customers.

We believe our effective dual market strategy, superior customer service, technically proficient store personnel, strategic distribution network and experienced management team make up our key competitive advantages, which cannot be easily duplicated.

For more than 35 years, we have established a track record of effectively serving, at a high level, both DIY and professional service provider customers. We believe our proven ability to effectively execute a dual market strategy is a unique competitive advantage. The execution of this strategy enables us to better compete by targeting a larger base of automotive aftermarket parts consumers, capitalizing on our existing retail and distribution infrastructure, operating profitably in both large markets and less densely populated geographic areas that typically attract fewer competitors, and enhancing service levels offered to DIY customers through the offering of a broad inventory and the extensive product knowledge required by professional service provider customers.

In 2017, we derived approximately 58% of our sales from our DIY customers and approximately 42% of our sales from our professional service provider customers. Historically, we have increased our sales to professional service provider customers at a faster pace than the increase in our sales to DIY customers due to the more fragmented nature of the professional service provider business, which offers a greater opportunity for consolidation. We believe we will continue to have a competitive advantage on the professional service provider portion of our business, due to our systems, knowledge and experience serving the professional service provider side of the automotive aftermarket, supported by our approximately 780 full-time sales staff dedicated solely to calling upon and servicing the professional service provider customer. We will also continue to expand and enhance the level of offerings focused on growing our DIY business and will continue to execute our proven dual market strategy in both existing and new markets.

We seek to provide our customers with an efficient and pleasant in-store experience by maintaining attractive stores in convenient locations with a wide selection of automotive products. We believe the satisfaction of DIY and professional service provider customers is substantially dependent upon our ability to provide, in a timely fashion, the specific automotive products needed to complete their repairs. Accordingly, each O'Reilly store carries, or has same or next day availability to carry, a broad selection of automotive products designed to cover a wide range of vehicle applications. We continuously refine the inventory levels and assortments carried in each of our stores and within our network based in large part on the sales movement tracked by our inventory control system, market vehicle registration data, failure rates and management's assessment of the changes and trends in the marketplace. We have no material backorders for the products we sell.

We seek to attract new DIY and professional service provider customers and retain existing customers by offering superior customer service, the key elements of which are identified below:

superior in-store service through highly-motivated, technically-proficient store personnel ("Professional Parts People");

an extensive selection and availability of products;

attractive stores in convenient locations;

Table of Contents

competitive pricing, supported by a good, better, best product assortment designed to meet all of our customers' quality and value preferences; and

a robust point-of-sale system integrated with our proprietary electronic catalog, which contains a wide variety of product images, schematics and technical specifications and equips our Team Members with highly effective tools to source products in our extensive supply network.

Our highly-motivated, technically-proficient Professional Parts People provide us with a significant competitive advantage, particularly over less specialized retail operators. We require our Professional Parts People to undergo extensive and ongoing training and to be knowledgeable, particularly with respect to hard part repairs, in order to better serve the technically-oriented professional service provider customers with whom they interact on a daily basis. Such technical proficiency also enhances the customer service we provide to our DIY customers who value the expert assistance provided by our Professional Parts People.

We believe our commitment to a robust, regional, tiered distribution network provides superior replenishment and access to hard-to-find parts and enables us to optimize product availability and inventory levels throughout our store network. Our strategic, regional, tiered distribution network includes distribution centers and Hub stores. Our inventory management and distribution systems electronically link each of our stores to one or more distribution centers, which provides for efficient inventory control and management. We currently operate 27 regional distribution centers, which provide our stores with same-day or overnight access to an average of 157,000 stock keeping units ("SKUs"), many of which are hard-to-find items not typically stocked by other auto parts retailers. To augment our robust distribution network, we operate 331 Hub stores that also provide delivery service and same-day access to an average of 48,000 SKUs to other stores within the surrounding area. We believe this timely access to a broad range of products is a key competitive advantage in satisfying customer demand and generating repeat business.

Our company philosophy is to "promote from within," and the vast majority of our senior management, district managers and store managers have been promoted from within the company. We augment this promote from within philosophy by pursuing strategic hires with a strong emphasis on automotive aftermarket experience. We have a strong management team comprised, as of December 31, 2017, of 190 senior managers who average 19 years of service; 244 corporate managers who average 16 years of service; and 496 district managers who average 12 years of service. Our management team has demonstrated the consistent ability to successfully execute our business plan and growth strategy by generating 25 consecutive years of record revenues and earnings and positive comparable store sales results since becoming a public company in April 1993.

We intend to continue to consolidate the fragmented automotive aftermarket. During 2017, we opened 190 net new stores. We plan to open approximately 200 net new stores in 2018 which will increase our penetration in existing markets and allow for expansion into new, contiguous markets. The sites for these new stores have been identified, and to date, we have not experienced significant difficulties in locating suitable sites for construction of new stores or identifying suitable acquisition targets for conversion to O'Reilly stores. We typically open new stores by (i) constructing a new facility or renovating an existing one on property we purchase or lease and stocking the new store with fixtures and inventory; (ii) acquiring an independently owned auto parts store, typically by the purchase of substantially all of the inventory and other assets (other than realty) of such store; or (iii) purchasing multi-store chains. New store sites are strategically located in clusters within geographic areas that complement our distribution network in order to achieve economies of scale in management, advertising and distribution. Other key factors we consider in the site selection process include population density and growth patterns, demographic lifestyle segmentation, age and per capita income, vehicle traffic counts, vehicles in operation, number and type of existing automotive repair facilities and competing auto parts stores within a predetermined radius.

Table of Contents

We target both small and large markets for expansion of our store network. While we have faced, and expect to continue to face, aggressive competition in the more densely populated markets, we believe we have competed effectively, and are well positioned to continue to compete effectively, in such markets and to achieve our goal of continued profitable sales growth within these markets. We also believe that with our dual market strategy, we are better able to operate stores in less densely populated areas, which would not otherwise support a national chain store selling primarily to the retail automotive aftermarket. Therefore, we continue to pursue opening new stores in less densely populated market areas as part of our growth strategy.

We are a Missouri corporation, and the address of our principal executive offices is 233 South Patterson Avenue, Springfield, Missouri 65802. Our telephone number is (417) 862-6708, and our website is www.oreillyauto.com. Any references in this prospectus supplement and the accompanying prospectus to our website are inactive textual references only, and the information contained on or that can be accessed through our website (except for the SEC filings expressly incorporated by reference herein) is not incorporated in, and is not a part of, this prospectus supplement or the accompanying prospectus, and you should not rely on any such information in connection with your investment decision to purchase the notes.

Table of Contents

The Offering

The summary below describes the principal terms of the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. Please see the "Description of Notes" section of this prospectus supplement and the "Description of Debt Securities" section of the accompanying prospectus for a more detailed description of the terms of the notes and the subsections mentioned specifically in this summary for a more complete understanding of the notes.

Issuer	O'Reilly Automotive, Inc.
Securities Offered	\$500,000,000 aggregate principal amount of 4.350% Senior Notes due 2028.
Maturity	The notes will mature on June 1, 2028.
Interest Rate	The notes will bear interest at a rate of 4.350% per year.
Interest Payment Dates	Interest on the notes will be payable on June 1 and December 1 of each year, commencing on December 1, 2018. Interest will accrue from the issue date of the notes.
Future Subsidiary Guarantees	The notes initially will not be guaranteed by any of our subsidiaries. However, if in the future any of our subsidiaries incurs indebtedness or guarantees obligations under our credit facility or certain of our other credit facility debt or capital markets debt, such subsidiary will be required to guarantee the notes on a senior unsecured basis. Any such future subsidiary guarantee of the notes will be automatically released with respect to the notes, without the consent of the holders of the notes, if such subsidiary guarantor is released from its guarantee of such credit facility debt or capital markets debt, as applicable. A subsidiary's guarantee also may be released in certain other circumstances described under "Description of Notes Future Subsidiary Guarantees."
Priority	<p>The notes will be:</p> <p>our unsubordinated and unsecured obligations;</p> <p>equal in right of payment with all of our existing and future unsecured and unsubordinated indebtedness, including our credit facility and our existing notes;</p> <p>effectively junior to any of our future secured indebtedness to the extent of the value of the assets securing such indebtedness;</p> <p>structurally junior to any indebtedness and preferred equity of our subsidiaries (subject to the requirements under " Future Subsidiary Guarantees" above); and</p> <p>senior in right of payment to all of our future subordinated indebtedness.</p>

Table of Contents

	<p>As of March 31, 2018, after giving effect to the offering (including the application of the net proceeds therefrom to repay borrowings under our credit facility), our total outstanding consolidated senior debt, including that of our subsidiaries but excluding unused commitments under our credit facility, would have been approximately \$3.22 billion, approximately \$500 million of which represents the notes and approximately \$2.65 billion of which represents our existing notes. As of March 31, 2018, we had \$560 million outstanding under our credit facility and approximately \$640 million available for borrowing under our credit facility (without giving effect to letters of credit outstanding). As of March 31, 2018, we had no subordinated or secured debt outstanding. As of March 31, 2018, our subsidiaries had no debt and no preferred equity outstanding.</p>
Use of Proceeds	<p>We intend to use the net proceeds from this offering to repay outstanding borrowings under our credit facility and, to the extent any net proceeds remain, for general corporate purposes, which may include ordinary course working capital, repurchases of shares of our common stock, and investments in other business opportunities, including acquisitions, and to pay related fees and expenses. See "Use of Proceeds."</p>
Conflicts of Interest	<p>J.P. Morgan Securities LLC, U.S. Bancorp Investments, Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, and Wells Fargo Securities, LLC and/or their affiliates are lenders under the credit facility and will each receive at least 5% of the net offering proceeds, and will, therefore, have a "conflict of interest" as defined in FINRA Rule 5121. Any of the other underwriters and/or their affiliates that are lenders under the credit facility also will have a conflict of interest pursuant to the rule if they receive at least 5% of the net offering proceeds. Accordingly, this offering will be made in compliance with FINRA Rule 5121 and any underwriter that has a conflict of interest pursuant to the rule will not confirm sales to accounts in which it exercises discretionary authority without the prior written consent of the customer. However, because the notes are investment grade rated, no "qualified independent underwriter" is required to be appointed in connection with this offering. See "Underwriting (Conflicts of Interest) Conflicts of Interest."</p>
Optional Redemption	<p>We may redeem some or all of the notes for cash at any time or from time to time at the applicable redemption price and in the manner described under "Description of Notes Optional Redemption."</p>

Edgar Filing: O REILLY AUTOMOTIVE INC - Form 424B2

Table of Contents

Repurchase Upon a Change of Control Triggering Event	In the event of a Change of Control Triggering Event as described herein, we will be required to offer to repurchase the notes for cash at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest to but not including the repurchase date. See "Description of Notes Change of Control Triggering Event."
Certain Covenants	The indenture under which the notes will be issued contains covenants restricting our ability, subject to certain exceptions, to incur debt secured by liens, to enter into sale and leaseback transactions or to merge or consolidate with another entity or sell substantially all of our assets to another person. See "Description of Notes Certain Covenants."
Further Issues	We may, from time to time, without notice to or the consent of the holders of the notes, increase the principal amount of notes under the indenture and issue such increased principal amount (or any portion thereof), in which case any additional notes so issued will have the same form and terms (other than the date of issuance, public offering price and, under certain circumstances, the date from which interest thereon will begin to accrue and the initial interest payment date), and will carry the same right to receive accrued and unpaid interest, as the notes and such additional notes will form a single series with the notes, including for voting purposes, <i>provided</i> , that if any such additional notes are not fungible with the notes initially offered hereby for U.S. federal income tax purposes, such additional notes will have a separate CUSIP number. See "Description of Notes Further Issuances."
No Listing	We do not intend to list the notes on any securities exchange or arrange for the quotation of the notes on any automated dealer quotation system.
Trustee, Registrar and Paying Agent	UMB Bank, N.A.
Risk Factors	You should carefully consider all of the information in this prospectus supplement and the accompanying prospectus. See "Risk Factors" beginning on page S-9 of this prospectus supplement, and Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, which is incorporated herein by reference. See also "Cautionary Statement Concerning Forward-Looking Statements" in this prospectus supplement.

Table of Contents**RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth our historical ratio of earnings to fixed charges:

	Three months ended March 31,		Year ended December 31,			
	2018	2017	2016	2015	2014	2013
	Ratio of earnings to fixed charges(1)	7.0x	8.0x	8.8x	9.2x	8.1x

(1)

For purposes of computing our consolidated ratio of earnings to fixed charges, earnings consist of income before income taxes plus fixed charges less capitalized interest. Fixed charges consist of interest expense, amortization of debt issuance costs and an estimate of the interest portion of rent expense.

Table of Contents

RISK FACTORS

The following risk factors, as well as those relating to our business under Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, which are incorporated herein by reference, should be considered prior to deciding to invest in any of the notes offered for sale pursuant to this prospectus supplement. These risk factors may be amended, supplemented or superseded from time to time by risk factors contained in Exchange Act reports that we file with the SEC, which will be incorporated herein by reference, or by a post-effective amendment to the registration statement of which this prospectus supplement forms a part. There may be additional risks that are not presently material or known. If any of the events described below occur, our business, financial condition, results of operations, liquidity or access to the debt or capital markets could be materially adversely affected. The following risks could cause our actual results to differ materially from our historical experience and from any estimates or expectations set forth in forward-looking statements made in or incorporated by reference into this prospectus supplement or the documents incorporated herein by reference. As used herein, "notes" refers to the notes offered hereby and "existing notes" refers to our 4.875% senior notes due 2021, our 4.625% senior notes due 2021, our 3.800% senior notes due 2022, our 3.850% senior notes due 2023, our 3.550% senior notes due 2026 and our 3.600% senior notes due 2027.

Risks Related to the Notes

Our level of indebtedness could limit the cash flow available for our operations and could adversely affect our ability to service our debt or obtain additional financing, if necessary.

As of March 31, 2018, after giving effect to the offering (including the application of the net proceeds therefrom to repay borrowings under our credit facility), our total consolidated senior debt outstanding, including that of our subsidiaries and excluding unused commitments under our credit facility, would have been approximately \$3.22 billion. In addition, as of March 31, 2018, after giving effect to the offering (including the application of the net proceeds therefrom to repay borrowings under our credit facility), we would have been able to borrow an additional \$1.1 billion under our credit facility. Our level of indebtedness could have important consequences to our financial health. For example, our level of indebtedness could, among other things:

make it more difficult for us to satisfy our financial obligations, including those relating to the notes, our existing notes and our credit facility;

affect our liquidity by limiting our ability to obtain additional financing for working capital, or limit our ability to obtain financing for capital expenditures and acquisitions or make any available financing more costly;

require us to dedicate all or a substantial portion of our cash flow to service our debt, which would reduce funds available for other business purposes, such as capital expenditures, dividends or acquisitions, including our ability to open additional stores;

limit our flexibility in planning for or reacting to changes in the markets in which we compete;

place us at a competitive disadvantage relative to our competitors who may have less indebtedness and more available cash flow;

render us more vulnerable to general adverse economic and industry conditions; and

result in an event of default if we fail to satisfy our obligations under the notes or our other debt or fail to comply with the financial and other restrictive covenants contained in the indenture governing the notes or our other debt, which event of default could result in the notes and all of our debt becoming immediately due and payable and could permit certain of our lenders to foreclose on our assets securing such debt.

Table of Contents

In addition, the indenture governing our existing notes and our credit facility contain financial and/or other restrictive covenants, and the indenture governing the notes will contain restrictive covenants, that will limit our ability to engage in activities that may be in our long-term best interests. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all of our debt, including the notes.

Despite current indebtedness levels, we and our subsidiaries may incur substantially more debt. This could further exacerbate the risks associated with our leverage.

The terms of the indenture governing our existing notes and our credit facility do not, and the terms of the indenture governing the notes will not, prohibit us or our subsidiaries from incurring additional indebtedness. If new debt is added to our and our subsidiaries' current debt levels, the related risks (described in " Our level of indebtedness could limit the cash flow available for our operations and could adversely affect our ability to service our debt or obtain additional financing, if necessary") that we and they now face could intensify.

We are a holding company dependent on our subsidiaries for the ability to service our debt.

We are a holding company with no operations of our own. Consequently, the ability to service our debt is dependent upon the earnings and cash flows from the business conducted by our subsidiaries. Our subsidiaries are separate and distinct legal entities and have no obligation to provide us with funds for our payment obligations, whether by dividends, distributions, loans or other payments. Any distribution of earnings to us from our subsidiaries, or advances or other distributions of funds by our subsidiaries to us, are contingent upon our subsidiaries' earnings and cash flows and are subject to various business considerations. Our right to receive any assets of any of our subsidiaries upon their liquidation or reorganization will be structurally subordinated to the claims of that subsidiary's creditors and any preferred equity holders. In addition, even if we were a creditor of any of our subsidiaries, our rights as a creditor would be subordinated to any secured debt of our subsidiaries to the extent of the assets securing that debt and to any indebtedness of our subsidiaries senior to that held by us.

The notes will be unsecured. Therefore, any future secured creditors would have a prior claim, ahead of the notes, on our assets to the extent such assets secure that secured debt.

The notes will be our senior unsecured indebtedness. As of March 31, 2018, neither we nor our subsidiaries had any secured indebtedness. Holders of our future secured indebtedness will have claims that are prior to your claims as holders of the notes to the extent of the value of the assets securing such indebtedness. In the event of any distribution or payment of our assets in any foreclosure, dissolution, winding-up, liquidation, reorganization or other bankruptcy proceeding, holders of our future secured indebtedness will have prior claim to our assets that constitute their collateral. Holders of the notes will participate ratably with all holders of our unsecured indebtedness (including our credit facility and our existing notes) that is deemed to be of the same class as the notes. In that event, because the notes will not be secured by any of our assets, it is possible that our remaining assets might be insufficient to satisfy your claims in full. In addition, if we fail to meet our payments or other obligations under any future secured debt, the holders of that secured debt would be entitled to foreclose on our assets securing that secured debt and liquidate those assets to the exclusion of the holders of the notes, even if an event of default existed under the indenture governing the notes at such time.

The notes will be structurally junior to the indebtedness and other liabilities of our subsidiaries.

The notes initially will not be guaranteed by any of our subsidiaries, and are not required to be guaranteed by any of our subsidiaries in the future, except in the limited circumstances described under "Description of Notes Future Subsidiary Guarantees." You will not have any claim as a creditor

Table of Contents

against any of our subsidiaries, and all existing and future indebtedness and other liabilities, including trade payables, whether secured or unsecured, of our subsidiaries will be structurally senior to the notes. Furthermore, in the event of any bankruptcy, liquidation or reorganization of any of our subsidiaries, the rights of the holders of the notes to participate in the assets of such subsidiary will be behind the claims of that subsidiary's creditors, including trade creditors (except to the extent we have a claim as a creditor of such subsidiary). As a result, the notes will be structurally junior to the outstanding debt and other liabilities, including trade payables, of our subsidiaries. In addition, the indentures governing the notes and our existing notes do not prohibit our subsidiaries from incurring additional indebtedness which could be structurally senior to the notes and will not contain any limitation on the amount of other liabilities, such as trade payables, that may be incurred or issued by our subsidiaries. Accordingly, there may be insufficient funds to satisfy claims of holders of the notes.

Our ability to service our debt and meet our cash requirements depends on many factors, some of which are beyond our control.

Our ability to satisfy our obligations under our debt will depend on our ability to generate sufficient cash flow to service our debt, which in turn depends on our future operating performance and financial results. Our future performance and results will be subject, in part, to factors beyond our control, including interest rates and general economic, financial and business conditions. In addition, if we consummate significant acquisitions in the future, our cash requirements may increase significantly. If we are unable to generate sufficient cash flow to service our debt, we may be required to:

refinance all or a portion of our debt, including our existing notes, our credit facility and the notes;

obtain additional financing;

sell some of our assets or operations;

reduce or delay capital expenditures and/or acquisitions; or

revise or delay our strategic plans.

If we are required to take any of these actions, it could have a material adverse effect on our business, financial condition, liquidity and results of operations. In addition, we cannot assure you that we would be able to take any of these actions, that these actions would enable us to continue to satisfy our capital requirements or that these actions would be permitted under the terms of our various debt instruments, including our credit facility and the indentures governing the notes and our existing notes.

Our failure to remain in compliance with the covenants in our existing debt agreements may result in an event of default.

Our credit facility contains negative and affirmative covenants affecting us and our existing and future subsidiaries, including a number of covenants that, subject to customary exceptions, restrict our ability to, among other things:

create, incur or assume liens;

incur or assume certain subsidiary debt;

make certain fundamental changes; and

materially change the nature of our business and the business conducted by our subsidiaries.

In addition, our credit facility requires us to comply with financial covenants, including (i) a minimum consolidated fixed charge coverage ratio and (ii) a maximum consolidated leverage ratio, in each case, as set forth in the documentation relating to our credit facility.

Table of Content