MSC Reports Fiscal 2018 Second Quarter Results

MELVILLE, N.Y. and DAVIDSON, N.C., April 10, 2018 /PRNewswire/ --

FISCAL Q2 2018 HIGHLIGHTS

- Net sales of \$769 million, a 9.3% YoY increase, with approximately 430 basis points of acquisitive growth
- Operating income of \$98.1 million, an increase of approximately 13.2% YoY
 Operating margin of 12.8%, a 50 basis point expansion YoY
- Diluted EPS of \$2.06, which includes one-time tax adjustments, versus \$0.93 in the prior year guarter

MSC INDUSTRIAL SUPPLY CO. (NYSE: MSM), "MSC" or the "Company," a premier distributor of Metalworking and Maintenance, Repair and Operations ("MRO") products and services to industrial customers throughout North America, today reported financial results for its fiscal 2018 second quarter ended March 3, 2018.

Financial Highlights ¹	FY18 Q2	FY1	7 Q2		Change	FY18 YTD		FY17 YTD	Cł	nange
Net Sales	\$769.0		\$703.8	-	9.3%	\$1,537.5		\$1,390.1		10.6%
Operating Income	98.1		86.6		13.2%	197.4		177.2		11.4%
% of Net Sales	12.8%		12.3%			12.8%		12.8%		
Net Income	117.6		53.6		119.5%	177.1		107.8		64.2%
Diluted EPS	\$2.06	2	\$0.93	3	121.5%	\$3.12	2	\$1.89	3	65.1%

5.1.2 million and 56.9 million diluted shares outstanding for FY17 Q2 and FY17 YTD, respectively.

Reported results include a tax benefit attributable to the Tax Cuts and Jobs Act, which has the following components:

- A provisional benefit of \$41.2 million, or \$0.72 per diluted share, from the revaluation of the company's tax related balance sheet items; and
- A benefit of \$16.9 million, or \$0.30 per diluted share, attributable to the lower effective tax rate required to bring our first half into alignment with the expected full year rate.

Diluted earnings per share for the second quarter of fiscal 2018 excluding the positive impacts of the Tax Cuts and Jobs Act was \$1.04 per share, up 11.8% over the prior year.

Erik Gershwind, president and chief executive officer, said, "The manufacturing environment in the second fiscal quarter remained firm, and customer outlook remained positive. The pricing environment also continued to improve, and we implemented a moderate price increase in late January. As a result, we delivered improved gross margins, which along with productivity, resulted in strong incremental margins. We remain focused on growing technical and high-touch areas to create a deeper moat around our business, and while I am pleased with our progress, we have room for further improvement. Strengthening market demand and a better pricing environment, coupled with a continuing focus on driving productivity and our decision to begin growing our sales force, bode well for an even better future."

Rustom Jilla, executive vice president and chief financial officer, added, "Our reported fiscal second quarter average daily sales rose 9.3%, gross margin was 43.9%, operating expenses to sales improved to 31.1%, and operating income rose 13.2%. Excluding the impact of the DECO acquisition, our organic average daily sales growth was 5.0%, our gross margin was flat with the prior year, our operating expenses to sales ratio improved by 90 basis points, and operating income rose 12.8%, demonstrating strong leverage.* We also had another quarter of solid cash generation, with year to date net cash from operations up 22% on the prior year. During the quarter, we repurchased shares and paid out a dividend of 58 cents per share, up 29% from the prior year, indicative of our commitment to allocating capital to enhance total shareholder returns."

* An explanation and reconciliation of non-GAAP financial measures to GAAP financial measures is presented in schedules following this press release

Outlook

The Company expects net sales for the third quarter of fiscal 2018 to be between \$820 million and \$835 million. At the midpoint, average daily sales are expected to increase roughly 11% compared to last year's third quarter. Excluding DECO, the Company expects net sales for the third quarter of fiscal 2018 to be between \$789 million and \$803 million, with average daily sales at the midpoint expected to increase roughly 7% compared to last year's third quarter. The Company expects diluted earnings per share for the third quarter of fiscal 2018, including and excluding DECO, to be between \$1.37 and \$1.43.

Conference Call Information

MSC will host a conference call today at 8:30 a.m. EDT to review the Company's fiscal 2018 second quarter results. The call, accompanying slides, and other operational statistics may be accessed at: http://investor.mscdirect.com. The conference call may also be accessed at 1-877-443-5575 (U.S.), 1-855-669-9657 (Canada) or 1-412-902-6618 (international).

An online archive of the broadcast will be available until April 17, 2018.

The Company's reporting date for fiscal 2018 third quarter results is scheduled for July 11, 2018.

About MSC Industrial Supply Co. MSC Industrial Supply Co. (NYSE:MSM) is a leading North American distributor of metalworking and maintenance, repair, and operations (MRO) products and services. We help our customers drive greater productivity, profitability and growth with more than 1 million products, inventory management and other supply chain solutions, and deep expertise from over 75 years of working with customers across industries.

Our experienced team of approximately 6,500 associates is dedicated to working side by side with our customers to help drive results for their businesses - from keeping operations running efficiently today to continuously rethinking, retooling, and optimizing for a more productive tomorrow.

For more information on MSC, please visit mscdirect.com.

Note Regarding Forward-Looking Statements:

Statements in this Press Release may constitute "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, that address activities, events or developments that we expect, believe or anticipate will or may occur in the future, including statements about expected future results, expected benefits from our investment and strategic plans, and expected future margins, are forward-looking statements. Forward-looking statements about expected future uncertainties that could cause actual results to differ materially from those anticipated by these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The inclusion of any statement in this release does not constitute an admission by MSC or any other person that the events or circumstances described in such statement are material. Factors that could cause actual results to differ materially from those in forward-looking statements, include: general economic conditions in the markets in which we operate, changing customer and product mixes, competition, including the adoption by competitors of aggressive pricing strategies and sales methods, industry consolidation, volatility in commodity and energy prices, the outcome of government or regulatory proceedings or future litigation, credit risk of our customers, risk of cancellation or rescheduling of orders, work stoppages or other business interruptions (including those due to extreme weather conditions) at transportation centers, shipping ports, our headquarters or our customer fulfillment centers, dependence on our information systems and the risk of business disruptions arising from changes to our information systems, disruptions due to computer system or network failures, computer viruses, physical or electronics break-ins and cyber-environmental, health and safety laws and regulations, goodwill and intangible assets recorded as a re

MSC INDUSTRIAL SUPPLY CO. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(In t	housan	ds)

	ľ	March 3, 2018	Se	ptember 2, 2017
ASSETS	(u	naudited)		
Current Assets:				
Cash and cash equivalents	\$	31,608	\$	16,083
Accounts receivable, net of allowance for doubtful accounts		501,067		471,795
Inventories		498,987		464,959
Prepaid expenses and other current assets		56,253		52,742
		1,087,915		1,005,579
Total current assets				

Broperty, plant and equipment, net Identifiable intangibles, net Other assets Total assets	308,124 633;405 105,306 30,472 \$ 2,165,222	319,305 639,728 110,429 32,871 \$ 2,098,912
LIABILITIES AND SHAREHOLDERS' EQUITY Current Liabilities: Short-term debt	\$ 260,347	\$ 331,986
Accounts payable Accrued liabilities	133,688 100,400	121,266 104,473
Total current liabilities	494,435	557,725
Long-term debt	250,896	200,991
Deferred income taxes and tax uncertainties	73,856	115,056
Total liabilities	819,187	873,772
Commitments and Contingencies Shareholders' Equity:		
Preferred Stock		
Class A common stock	55 11	54 12
Class B common stock	652.440	626.995
Additional paid-in capital Retained earnings	1,285,681	1,168,812
Accumulated other comprehensive loss	(18,079)	(17,263)
Class A treasury stock, at cost	(574,073)	(553,470)
Total shareholders' equity	1,346,035	1,225,140
Total liabilities and shareholders' equity	\$ 2,165,222	\$ 2,098,912
Total habilities and shareholders equity	ψ 2,103,222	φ 2,000,012

MSC INDUSTRIAL SUPPLY CO. AND SUBSIDIARIES Condensed Consolidated Statements of Income (In thousands, except per share data) (Unaudited)

March 3, March 4, 1 2018 2017	March 3, 2018 1,537,548	March 4, 2017
2018 2017		2017
	1,537,548	
Net sales \$ 768,987 \$ 703,780 \$		\$ 1,390,051
Cost of goods sold 431,764 389,218	865,256	766,754
Gross profit 337,223 314,562	672,292	623,297
Operating expenses 239,120 227,917	474,911	446,052
Income from operations 98,103 86,645	197,381	177,245
Other (expense) income:		
Interest expense (3,550) (2,950)	(6,787)	(5,884)
Interest income 213 164	376	327
Other (expense) income, net 77 (54)	(331)	(338)
Total other expense (3,260) (2,840)	(6,742)	(5,895)
Income before provision for income taxes 94,843 83,805	190,639	171,350
(Benefit) provision for income taxes (22,709) 30,246	13,502	63,503
Net income \$ 117,552 \$ 53,559 \$	177,137	\$ 107,847
Per Share Information:		
Net income per common share:		
Basic \$ 2.08 \$ 0.94 \$	3.14	\$ 1.90
Diluted \$ 2.06 \$ 0.93 \$	3.12	\$ 1.89
Weighted average shares used in computing		
net income per common share:		
56,439 56,620	56,363	56,500
Basic 50,000	56.600	FC 010
Diluted 56,892 57,213	56,698	56,910
Cash dividends declared per common share <u>\$ 0.58</u> <u>\$ 0.45</u> <u>\$</u>	1.06	\$ 0.90

MSC INDUSTRIAL SUPPLY CO. AND SUBSIDIARIES <u>Condensed Consolidated Statements of Comprehensive Income</u> (In thousands) (Unaudited)

	Thirteen We	eks Ended	Twenty-Six W	leeks Ended
	March 3, 2018	March 4, 2017	March 3, 2018	March 4, 2017
Net income, as reported Foreign currency translation adjustments	\$ 117,552 27	\$ 53,559 (701)	\$ 177,137 (816)	\$ 107,847 (2.248)
Comprehensive income	\$ 117,579	\$ 52,858	\$ 176,321	\$ 105,599

MSC INDUSTRIAL SUPPLY CO. AND SUBSIDIARIES <u>Condensed Consolidated Statements of Cash Flows</u> (In thousands) (Unaudited)

	Twenty-Six	Week	s Ended
	March 3, 2018		March 4, 2017
Cash Flows from Operating Activities:		-	
Net income	\$ 177,137	\$	107,847
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	31,307		30,815
Stock-based compensation	7,589		6,925
Loss on disposal of property, plant, and equipment	178		333

Provision for doubtful accounts	2 407		2 415
Deferred income taxes and tax uncertainties	3,407 (41,199)		3,415
Changes in operating assets and liabilities:	(41,199)		
Accounts receivable	(32,461)		(41,680)
Inventories	(33,648)		(21,289)
Prepaid expenses and other current assets	(3,457)		(343)
Other assets	2,330		1,056
Accounts payable and accrued liabilities	7.004		9,577
Total adjustments	(58,950)		(11,191)
Net cash provided by operating activities	118,187		96,656
Cash Flows from Investing Activities:	110,107		50,050
Expenditures for property, plant and equipment	(17,261)		(25,508)
Cash used in business acquisition	(738)		(23,300)
Net cash used in investing activities	(17,999)	-	(25,508)
Cash Flows from Financing Activities:	(17)0007		(23)333)
Repurchases of common stock	(21,728)		(3,377)
Payments of cash dividends	(59.873)		(51,010)
Proceeds from sale of Class A common stock in connection with associate stock purchase plan	2.376		2.196
Proceeds from exercise of Class A common stock options	16,393		21,933
Borrowings under Credit Facility	74,000		78,000
Borrowings under Shelf Facility Agreement			
	50,000		_
	(146,000)		(136,000)
Payments of notes payable and revolving credit note under the Credit Facility			(2.5)
Other, net	71		(36)
Net cash used in financing activities	(84,761)		(88,294)
Effect of foreign exchange rate changes on cash and cash equivalents	98		(142)
Net increase (decrease) in cash and cash equivalents	15,525		(17,288)
Cash and cash equivalents - beginning of year	16,083	_	52,890
Cash and cash equivalents – end of year	\$ 31,608	\$	35,602
Supplemental Disclosure of Cash Flow Information:			
Cash paid for income taxes	\$ 50,279	\$	58,737
Cash paid for interest	\$ 6,553	\$	5,524

Non-GAAP Financial Measures

• Results excluding DECO Tool Supply Co

Results excluding (a) provisional one-time tax benefit and (b) adjustment from applying lower YTD rate due to the Tax Cuts and Jobs Act ("TCJA")

To supplement MSC's unaudited selected financial data presented consistent with Generally Accepted Accounting Principles ("GAAP"), the Company discloses certain non-GAAP financial measures, including Non-GAAP net sales, non-GAAP gross profit, non-GAAP income from operations, non-GAAP (benefit) provision for income taxes, non-GAAP net income and non-GAAP diluted earnings per share, that exclude the results of our acquisition of DECO Tool Supply Co. ("DECO") on July 31, 2017. These non-GAAP financial measures also exclude, for the thirteen and twenty-six-week periods ended March 3, 2018, the net estimated impact of the TCJA passed in December 2017, as these items will significantly impact comparability between years. This provisional benefit is an estimate subject to adjustment during a 12-month measurement period.

These non-GAAP measures are not in accordance with or an alternative for GAAP, and may be different from non-GAAP measures used by other companies. We believe that these non-GAAP measures have limitations in that they do not reflect MSC's results of operations as determined in accordance with GAAP, and that these measures should only be used to evaluate MSC's results of operations in conjunction with the corresponding GAAP measures. The presentation of this additional information is not meant to be considered in isolation or as a substitute for the most directly comparable GAAP measures. We compensate for the limitations of non-GAAP financial measures by relying upon GAAP results to gain a complete picture of the Company's performance.

In calculating non-GAAP financial measures, we exclude the results of DECO and the tax benefits attributable to the TCJA to facilitate a review of the Company's operating performance on a period-to-period basis, for comparison with forecasts and strategic plans, and for benchmarking performance externally against competitors. We believe that investors benefit from seeing results "through the eyes" of management in addition to seeing GAAP results. We believe that these non-GAAP measures, when read in conjunction with the Company's GAAP financials, provide useful information to investors by offering:

- the ability to make more meaningful period-to-period comparisons of the Company's on-going operating results;
- the ability to better identify trends in the Company's underlying business and perform related trend analyses;
 a better understanding of how management plans and measures the Company's underlying business; and
- an easier way to compare the Company's operating results against analyst financial models and operating results of competitors that supplement their GAAP results with non-GAAP financial measures

MSC INDUSTRIAL SUPPLY CO. AND SUBSIDIARIES Reconciliation of GAAP and Non-GAAP Information Thirteen and Twenty-Six Weeks Ended March 3, 2018 (dollars in thousands, except per share data)

GAAP Measure	Items Affecting Comparability	Non-GAAP Measure	GAAP Measure	Non-GAAP Measure		
Net Sales	DECO Tool Supply Co.	Net Sales, excluding DECO	Average Daily Sales Growth	Average Daily Sales Growth Excluding DECO		
Thirteen Twenty-Six	Thirteen Twenty-Six	Thirteen Twenty-Six	Thirteen Twenty-Six	Thirteen Twenty-Si		
Weeks Ended Weeks Ende March 3, 2018 March 3, 201		Weeks Ended Weeks Ended March 3, 2018 March 3, 2018	Weeks Ended Weeks Ended March 3, 2018 March 3, 2018	Weeks Ended Weeks End March 3, 2018 March 3, 2(
\$ 768,987 \$ 1,537,54	3 \$ 29,955 \$ 59,637	\$ 739,032 \$ 1,477,911	9.3 % 10.6 %	5.0 % 6.3 %		
GAAP Measure	Items Affecting Comparability	Non-GAAP Measure	GAAP Measure	Non-GAAP Measure		
Curren Durafit		Create Brafit, and Indian DECO	Corres Manuaia	Gross Margin, excluding		
Gross Profit Thirteen Twenty-Six	DECO Tool Supply Co. Thirteen Twenty-Six	Gross Profit, excluding DECO Thirteen Twenty-Six	Gross Margin Thirteen Twenty-Six	DECO Thirteen Twenty-Si		
Weeks Ended Weeks Ende		Weeks Ended Weeks Ended	Weeks Ended Weeks Ended	Weeks Ended Weeks End		
March 3, 2018 March 3, 201		March 3, 2018 March 3, 2018	March 3, 2018 March 3, 2018	March 3, 2018 March 3, 2(
\$ 337,223 \$ 672,29	2 \$ 6,647 \$ 13,088	\$ 330,576 \$ 659,204	43.9 % 43.7 %	44.7 % 44.6 %		
GAAP Measure	Items Affecting Comparability	Non-GAAP Measure	GAAP Measure	Non-GAAP Measure		
GAAP Measure	Items Affecting Comparability			Operating Expenses as a		
		Operating Expenses, excluding	Operating Expenses as a percentage	Operating Expenses as a percentage of Net Sales,		
Operating Expenses	DECO Tool Supply Co.	Operating Expenses, excluding DECO	Operating Expenses as a percentage of Net Sales	Operating Expenses as a percentage of Net Sales, Excluding DECO		
Operating Expenses Thirteen Twenty-Six	DECO Tool Supply Co. Thirteen Twenty-Six	Operating Expenses, excluding DECO Thirteen Twenty-Six	Operating Expenses as a percentage of Net Sales Thirteen Twenty-Six	Operating Expenses as a percentage of Net Sales, Excluding DECO Thirteen Twenty-Si		
Operating Expenses Thirteen Twenty-Six Weeks Ended Weeks Ende	DECO Tool Supply Co. Thirteen Twenty-Six Weeks Ended Weeks Ended	Operating Expenses, excluding DECO Thirteen Twenty-Six Weeks Ended Weeks Ended	Operating Expenses as a percentage of Net Sales Thirteen Twenty-Six Weeks Ended Weeks Ended	Operating Expenses as a percentage of Net Sales, Excluding DECO Thirteen Twenty-Si Weeks Ended Weeks End		
Operating Expenses Thirteen Twenty-Six	DECO Tool Supply Co. Thirteen Twenty-Six Weeks Ended Weeks Ended March 3, 2018 March 3, 2018	Operating Expenses, excluding DECO Thirteen Twenty-Six	Operating Expenses as a percentage of Net Sales Thirteen Twenty-Six	Operating Expenses as a percentage of Net Sales, Excluding DECO Thirteen Twenty-Si		
Operating Expenses Thirteen Twenty-Six Weeks Ended Weeks Ende March 3, 2018 March 3, 201	DECO Tool Supply Co. Thirteen Twenty-Six Weeks Ended Weeks Ended March 3, 2018 March 3, 2018	Operating Expenses, excluding DECO Thirteen Twenty-Six Weeks Ended Weeks Ended March 3, 2018 March 3, 2018	Operating Expenses as a percentage of Net Sales Thirteen Twenty-Six Weeks Ended Weeks Ended March 3, 2018 March 3, 2018	Operating Expenses as a percentage of Net Sales, Excluding DECO Thirteen Twenty-Si Weeks Ended Weeks End March 3, 2018 March 3, 2(
Operating Expenses Thirteen Twenty-Six Weeks Ended Weeks Ende March 3, 2018 March 3, 201 \$ 239,120 \$ 474,91	DECO Tool Supply Co. Thirteen Twenty-Six Weeks Ended Weeks Ended March 3, 2018 March 3, 2018 \$ 6,295 \$ 12,160	Operating Expenses, excluding DECO Thirteen Twenty-Six Weeks Ended Weeks Ended March 3, 2018 March 3, 2018	Operating Expenses as a percentage of Net Sales Thirteen Twenty-Six Weeks Ended Weeks Ended March 3, 2018 March 3, 2018 31.1 % 30.9 %	Operating Expenses as a percentage of Net Sales, Excluding DECO Thirteen Twenty-Si Weeks Ended Weeks End March 3, 2018 March 3, 2(
Operating Expenses Thirteen Twenty-Six Weeks Ended Weeks Ende March 3, 2018 March 3, 201	DECO Tool Supply Co. Thirteen Twenty-Six Weeks Ended Weeks Ended March 3, 2018 March 3, 2018	Operating Expenses, excluding DECO Thirteen Twenty-Six Weeks Ended Weeks Ended March 3, 2018 March 3, 2018 \$ 232,825 \$ 462,751	Operating Expenses as a percentage of Net Sales Thirteen Twenty-Six Weeks Ended Weeks Ended March 3, 2018 March 3, 2018	Operating Expenses as a percentage of Net Sales, Excluding DECO Thirteen Twenty-Si Weeks Ended Weeks End March 3, 2018 March 3, 2(31.5 % 31.3 % Non-GAAP Measure		
Operating Expenses Thirteen Twenty-Six Weeks Ended Weeks Ende March 3, 2018 March 3, 201 \$ 239,120 \$ 474,91 GAAP Measure Operating Income (Loss)	DECO Tool Supply Co. Thirteen Twenty-Six Weeks Ended Weeks Ended March 3, 2018 March 3, 2018 \$ 6,295 \$ 12,160	Operating Expenses, excluding DECO Thirteen Twenty-Six Weeks Ended Weeks Ended March 3, 2018 March 3, 2018 \$ 232,825 \$ 462,751 Non-GAAP Measure	Operating Expenses as a percentage of Net Sales Thirteen Twenty-Six Weeks Ended Weeks Ended March 3, 2018 March 3, 2018 31.1 % 30.9 %	Operating Expenses as a percentage of Net Sales, Excluding DECO Thirteen Twenty-Si Weeks Ended Weeks End March 3, 2018 March 3, 20 31.5 % 31.3 %		
Operating Expenses Thirteen Twenty-Six Weeks Ended March 3, 2018 March 3, 201 \$ 239,120 \$ 474,91 GAAP Measure	DECO Tool Supply Co. Thirteen Twenty-Six Weeks Ended Weeks Ended March 3, 2018 March 3, 2018 \$ 6,295 \$ 12,160 Items Affecting Comparability	Operating Expenses, excluding DECO Thirteen Twenty-Six Weeks Ended Weeks Ended March 3, 2018 March 3, 2018 \$ 232,825 \$ 462,751 Non-GAAP Measure Operating Income (Loss),	Operating Expenses as a percentage of Net Sales Thirteen Twenty-Six Weeks Ended Weeks Ended March 3, 2018 March 3, 2018 31.1 % 30.9 % GAAP Measure	Operating Expenses as a percentage of Net Sales, Excluding DECO Thirteen Twenty-Si Weeks Ended Weeks End March 3, 2018 March 3, 2(31.5 % 31.3 % Non-GAAP Measure Operating Margin, excluding		

Weeks Ended March 3, 2018	Weeks Ended March 3, 2018	Weeks En March 3. 2	nded 2018	Weeks March 3	Ended	Weeks Ender March 3, 201	d 1	Weeks Er March 3.	ded	Weeks Ended March 3, 2018	Weeks Ended March 3, 2018	Weeks Ended March 3, 2018	Weeks End March 3, 2(
\$ 98,103	\$ 197,381	\$	352	\$	928	\$ 97,75	1	\$ 196	,453	12.8 %	12.8 %	13.2 %	13.3 %
GAAP N	leasure			Iter	ns Affecti	ng Comparabil	ity			No	on-GAAP Measure		
											rovision for income		
	provision ne taxes	DEC		Supply C	'n	Provisiona	alone	-time tax	henefit	excluding DE	CO and one-time p benefit	rovisional	
Thirteen	Twenty-Six	Thirtee	en	Twen	ty-Six	Thirteen		Twe	nty-Six	Thirteen	Twe	nty-Six	
Weeks Ended	Weeks Ended	Weeks Er			Ended	Weeks End			s Ended	Weeks Ende		s Ended	
March 3, 2018 \$ (22,709)	March 3, 2018 \$ 13,502	March 3, 1 \$	2018	March \$	3, 2018 127	March 3, 20 \$ 41,	199	Marcr \$	3, 2018 41.199	March 3, 20 \$ 18	18 March .484 \$	3, 2018 54,574	
φ (22,705)	φ 15,502	Ψ	0	Ψ	127	φ ,	155	Ψ	41,155	φ 10	,+0+ ψ	54,574	
GAAP N	leasure			lter	ns Affecti	ng Comparabil	ity				on-GAAP Measure	<u> </u>	
						Provisional	ono ti	mo tay bo	nofit and		rovision for income CO and one-time p		
(Benefit)	provision					adjustment					justment from app		
for incor	ne taxes			Supply C			ra	ate			YTD rate		
Thirteen Weeks Ended	Twenty-Six Weeks Ended	Thirtee Weeks Er			ty-Six Ended	Thirteen Weeks End			nty-Six s Ended	Thirteen Weeks Ende		nty-Six s Ended	
March 3, 2018	March 3, 2018	March 3,			3, 2018	March 3, 20			3, 2018	March 3, 20		3, 2018	
\$ (22,709)	\$ 13,502	\$	6	\$	127		128	\$	58,128		,413 \$	71,503	
GAAP	Measure			ltor	ns Affacti	ng Comparabil	itv			No	on-GAAP Measure		
GAAFT	leasure			itei	IIS AIIECU	ng comparabil	ity				e (Loss), excluding	DECO	
	me (Loss)			Supply C		Provisiona				and one-	time provisional be	enefit	
Thirteen Weeks Ended	Twenty-Six Weeks Ended	Thirtee Weeks Er			ty-Six Ended	Thirteen Weeks End			nty-Six s Ended	Thirteen Weeks Ende		nty-Six s Ended	
March 3, 2018	March 3, 2018	March 3,			3, 2018	March 3, 20			3, 2018	March 3, 20		3, 2018	
\$ 117,552	\$ 177,137	\$	106	\$	306	\$ 41,	199	\$	41,199	\$ 76	,247 \$	135,632	
GAAP	Measure			Itor	ns Affacti	ng Comparabil	itv			No	on-GAAP Measure		
				iter	IIS AIICCU	Provisional (me tax be	nefit and		(Loss), excluding D	ECO and	
						adjustment			ower YTD		sional benefit and		
Net Inco Thirteen	me (Loss) Twenty-Six	DEC		Supply C	o. Ity-Six	Thirteen		ate Two	nty-Six	from ap Thirteen	plying lower YTD r	ate hty-Six	
Weeks Ended	Weeks Ended	Weeks Er			Ended	Weeks End			s Ended	Weeks Ende		s Ended	
March 3, 2018	March 3, 2018	March 3,			3, 2018	March 3, 20			3, 2018	March 3, 20		3, 2018	
\$ 117,552	\$ 177,137	\$	106	\$	306	\$ 58,	128	\$	58,128	\$ 59	,318 \$	118,703	
GAAP N	leasure			Iter	ns Affecti	ng Comparabil	ity			No	on-GAAP Measure		
											nings Per Share, ex		
Diluted Earni Thirteen	ngs Per Share Twenty-Six	DEC Thirtee		Supply C	o. Ity-Six	Provisiona Thirteen			benefit nty-Six	DECO and o Thirteen	ne-time provisiona	l benefit hty-Six	
Weeks Ended	Weeks Ended	Weeks Er			Ended	Weeks End			s Ended	Weeks Ende		s Ended	
March 3, 2018	March 3, 2018	March 3,	2018		3, 2018	March 3, 20			3, 2018	March 3, 20		3, 2018	
\$ 2.06	\$ 3.12	\$	-	\$	-	\$ 0).72	\$	0.72	\$	1.34 \$	2.40	
GAAP N	leasure			Iter	ns Affecti	ng Comparabil					on-GAAP Measure		
						Provisional					nings Per Share, ex		
Diluted Farni	ngs Per Share			Supply C	0	adjustment		applying l ate	ower YTD		-time provisional b om applying lower		
Thirteen	Twenty-Six	Thirtee			ity-Six	Thirteen			nty-Six	Thirteen		nty-Six	
Weeks Ended	Weeks Ended	Weeks Er	nded	Weeks	Énded	Weeks End	led	Week	s Énded	Weeks Ende	ed Week	s Énded	
March 3, 2018 \$ 2.06	March 3, 2018 \$ 3.12	March 3,	2018		3, 2018	March 3, 20			3, 2018	March 3, 20	18 March 1.04 \$	3, 2018	
\$ 2.06	\$ 3.12	\$	-	\$	-	\$ 1	02	\$	1.02	\$	1.04 Þ	2.10	

SOURCE MSC Industrial Supply Co.

For further information: Investors: John G. Chironna, Vice President, Investor Relations and Treasurer, (704) 987-5231; Media: Paul Mason, Director, Corporate Communications, (704) 987-5313

https://investor.mscdirect.com/2018-04-10-MSC-Reports-Fiscal-2018-Second-Quarter-Results