



Fiscal Fourth Quarter and Full Year 2022 Earnings Presentation

OCTOBER 20, 2022

Cautionary Note Regarding Forward-Looking Statements

Statements in this presentation 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 the future impact of COVID-19 on our business operations, results of operations and financial condition, expected future results, expected benefits from our investment and strategic plans and other initiatives, and expected future growth, profitability and return on invested capital, are forward-looking statements. The words "will," "may," "believes," "anticipates," "thinks," "expects," "estimates," "plans," "intends," and similar expressions are intended to identify forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those anticipated by these forward-looking statements. In addition, any statements which refer to expectations, projections or other characterizations of future events or circumstances, statements involving a discussion of strategy, plans or intentions, statements about management's assumptions, projections or predictions of future events or market outlook and any other statement other than a statement of present or historical fact are forward-looking statements. The inclusion of any statement in this presentation does not constitute an admission by MSC or any other person that the events or circumstances described in such statement are material. In addition, new risks may emerge from time to time and it is not possible for management to predict such risks or to assess the impact of such risks on our business or financial results. Accordingly, future results may differ materially from historical results or from those discussed or implied by these forward-looking statements. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements. These risks and uncertainties include, but are not limited to, the following; general economic conditions in the markets in which we operate; changing customer and product mixes; volatility in commodity and energy prices, the impact of prolonged periods of low, high and rapid inflation, and fluctuations in interest rates; competition, including the adoption by competitors of aggressive pricing strategies and sales methods; industry consolidation and other changes in the industrial distribution sector; our ability to realize the expected benefits from our investment and strategic plans, including our transition from being a spot-buy supplier to a mission-critical partner to our customers; our ability to realize the expected cost savings and benefits from our restructuring activities and structural cost reductions; the potential impact of the COVID-19 pandemic on our sales, operations and supply chain; the retention of key personnel; the credit risk of our customers, including changes in credit risk as a result of the COVID-19 pandemic, higher inflation and fluctuations in interest rates; the risk of customer cancellation or rescheduling of orders; difficulties in calibrating customer demand for our products, such as personal protective equipment or "PPE" products, which could cause an inability to sell excess products ordered from manufacturers resulting in inventory write-downs or could conversely cause inventory shortages of such products; work stoppages, labor shortages or other business interruptions (including those due to extreme weather conditions at transportation centers, shipping ports, our headquarters or our customer fulfillment centers; disruptions or breaches of our information technology systems, or violations of data privacy laws; the retention of qualified sales and customer service personnel and metalworking specialists; the risk of loss of key suppliers or contractors or key brands or supply chain disruptions, including due to import restrictions or global geopolitical conditions; changes to governmental trade or sanctions policies, including the impact from significant import restrictions or tariffs or moratoriums on economic activity with certain countries or regions; risks related to opening or expanding our customer fulfillment centers; our ability to estimate the cost of healthcare claims incurred under our self-insurance plan; litigation risk due to the nature of our business; risks associated with the integration of acquired businesses or other strategic transactions; financial restrictions on outstanding borrowings; our ability to maintain our credit facilities or incur additional borrowings on terms we deem attractive; the interest rate uncertainty due to the London InterBank Offered Rate (LIBOR) reform; the failure to comply with applicable environmental, health and safety laws and regulations, including government action in response to the COVID-19 pandemic, and other laws applicable to our business; the outcome of government or regulatory proceedings or future litigation; goodwill and intangible assets recorded resulting from our acquisitions could be impaired; our common stock price may be volatile due to factors outside of our control; and the significant control that our principal shareholders exercise over us, which may result in our taking actions or failing to take actions which our other shareholders do not prefer. Additional information concerning these and other risks is described under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual and Quarterly Reports on Forms 10-K and 10-Q, respectively, and in the other reports and documents that we file with the United States Securities and Exchange Commission. We expressly disclaim any obligation to update any of these forward-looking statements, except to the extent required by applicable law.

Fiscal Fourth Quarter 2022 Highlights

14.0% average daily sales growth, roughly 10 percentage points above the Industrial Production Index

Completed the acquisitions of Engman-Taylor and Tower Fasteners

Reduced operating expenses as a percentage of sales by 200 bps

Strong year over year operating margin improvement; GAAP and adjusted up approximately 300 bps and 200 bps, respectively*, **

GAAP EPS growth of 58% and adjusted EPS growth of 42% over prior year period**

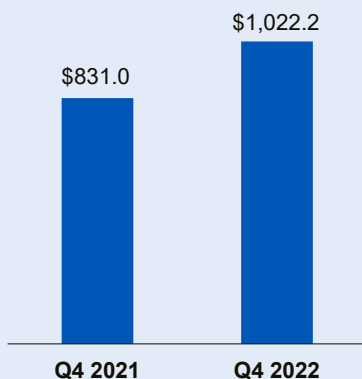
Achieved Adjusted ROIC of 17.9% for fiscal 2022, one year earlier than planned**

* See appendix for more information about Mission Critical.

** Represents a non-GAAP financial measure. See appendix for non-GAAP reconciliations.

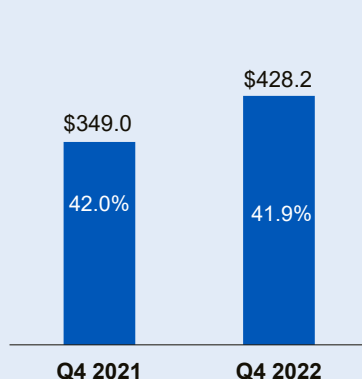
Fiscal Fourth Quarter 2022 Reported Results

Net Sales (millions)



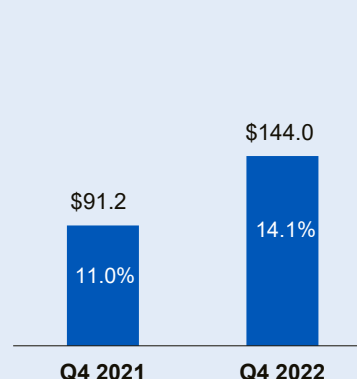
- Sales growth of 23% includes 53rd week; ADS up 14.0% driven by price and growth initiatives
- Acquisitions added 250 bps
- National Account ADS up high-teens
- Public sector ADS up 32%
- In-Plants reached 11.5% of total sales for the quarter

Gross Profit (millions and % of sales)



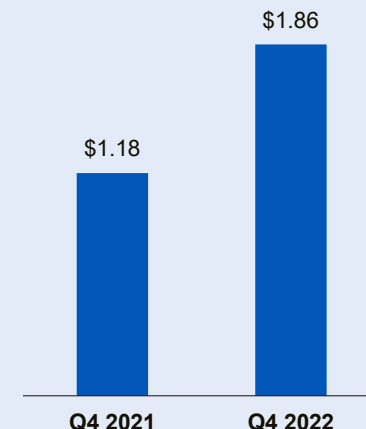
- Strong YoY gross margin performance reflects robust inflation and related pricing offset by 30-50 bps of headwind from channel & customer mix and another 30-40 bps of dilution from acquisitions

Operating Profit (millions and % of sales)



- Operating margin up 310 bps driven by higher sales, productivity initiatives, and gain on sale from property

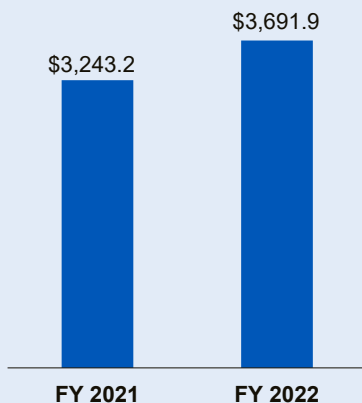
Earnings (per diluted share)



- Reflects effective tax rate of 24.0% in Q4 2021 and 24.2% in Q4 2022
- Q4 2022 EPS reflects higher sales, strong gross margin, and execution on productivity initiatives

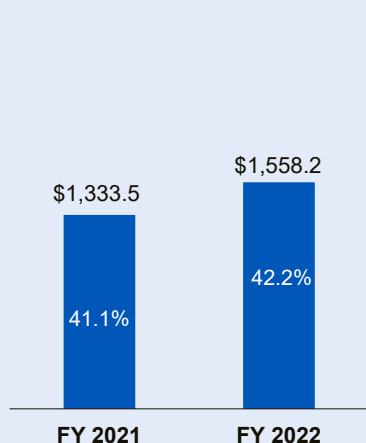
Fiscal Year 2022 Reported Results

Net Sales (millions)



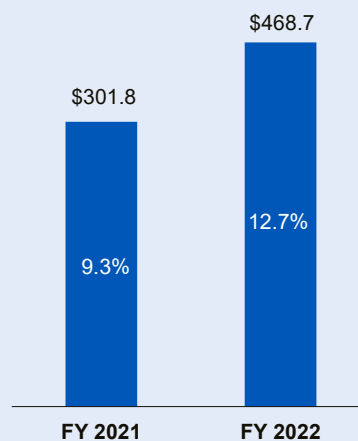
- Total sales up 10.7% on an ADS basis, driven by price and growth initiatives
- National Account sales up mid-teens
- Public sector sales down mid-single digits due to difficult comparisons from safety sales in fiscal 2021
- In-Plants reached 11% of total sales for the year

Gross Profit (millions and % of sales)



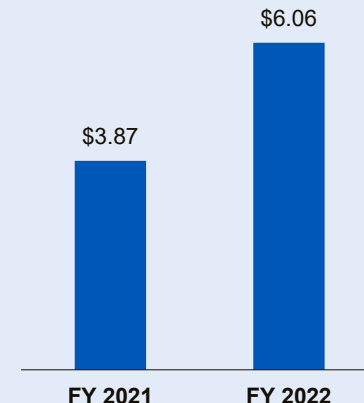
- FY21 gross margin reflects inventory write-downs
- FY22 gross margin reflects the robust inflationary environment and resulting strong pricing, which offset the annual headwinds from customer & channel mix, as well as the dilutive impact from acquisitions

Operating Profit (millions and % of sales)



- Operating margin up 340 bps driven mainly by higher sales, strong gross margin
- Mission Critical productivity initiatives also resulted in net savings of \$10M
- FY22 operating margin includes roughly 20 bps benefit from 53rd week

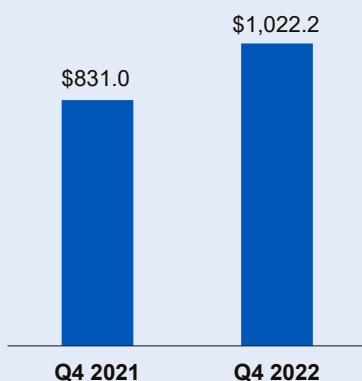
Earnings (per diluted share)



- Reflects effective tax rate of 24.4% for FY2021 and 24.5% for FY22
- FY22 EPS reflects strong sales growth, consistent gross margin execution and execution of our Mission Critical initiatives/cost takeout programs
- FY22 EPS includes roughly \$0.22 benefit from 53rd week

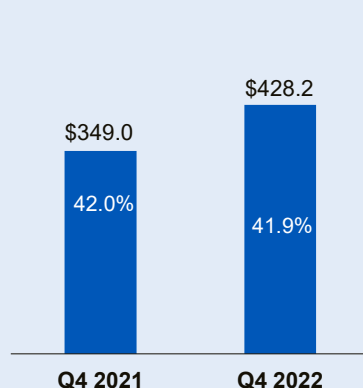
Fiscal Fourth Quarter 2022 Adjusted Results*

Net Sales (millions)



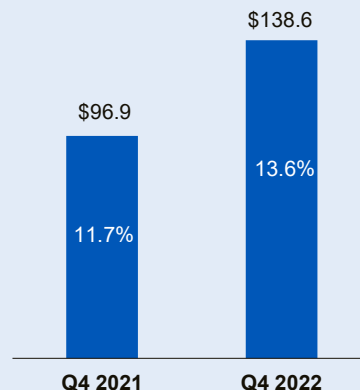
- Sales growth of 23% includes 53rd week; ADS up 14.0% driven by price and growth initiatives
- Acquisitions added 250 bps
- National Account ADS up high-teens
- Public sector ADS up 32%
- In-Plants reached 11.5% of total sales for the quarter

Gross Profit (millions and % of sales)



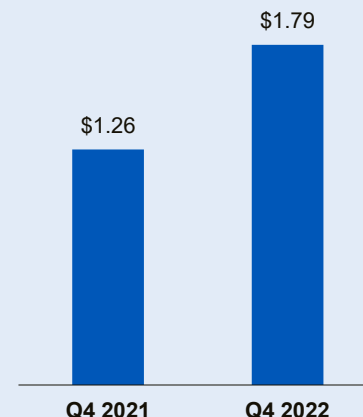
- Strong YoY gross margin performance reflects robust inflation and related pricing offset by 30-50 bps of headwind from channel & customer mix and another 30-40 bps of dilution from acquisitions

Adj. Operating Profit (millions and % of sales)



- Adjusted operating profit in Q4 2022 driven by higher sales and productivity initiatives; excludes \$10.1 million of gain on sale of property and \$4.8 million in restructuring and acquisition-related costs
- Adjusted operating profit in Q4 2021 excludes \$5.6 million in restructuring and acquisition-related costs

Adj. Earnings (per diluted share)

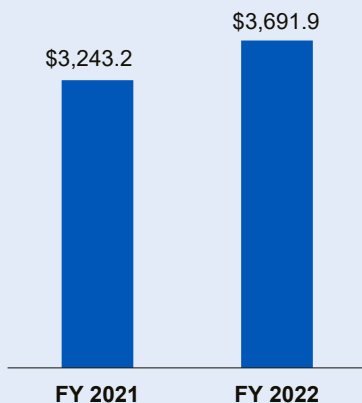


- Reflects adjusted effective tax rate of 23.8% in Q4 2021 and 24.2% in Q4 2022
- Q4 2022 adjusted EPS excludes \$0.14 impact from gain on sale of property and \$0.07 impact from restructuring and acquisition-related costs and Q4 2021 excludes \$0.06 impact from restructuring and \$0.02 impact from nonrecurring legal & acquisition related costs

* Represents a non-GAAP financial measure. See appendix for non-GAAP reconciliations. Individual amounts may not agree to the total due to rounding.

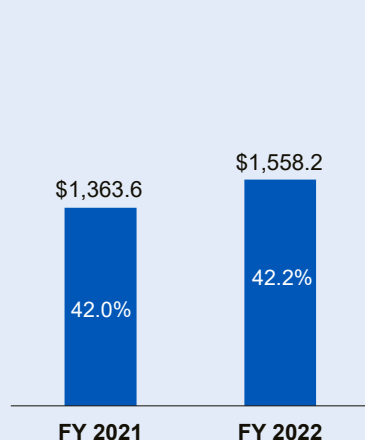
Fiscal Year 2022 Adjusted Results*

Net Sales (millions)



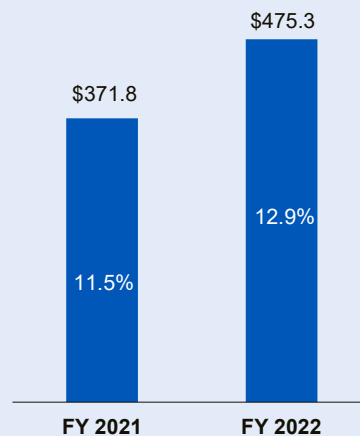
- Total sales up 10.7% on an ADS basis, driven by price and growth initiatives
- National Account sales up mid-teens
- Public sector sales down mid-single digits due to difficult comparisons from safety sales in fiscal 2021
- In-Plants reached 11% of total sales for the year

Gross Profit (millions and % of sales)



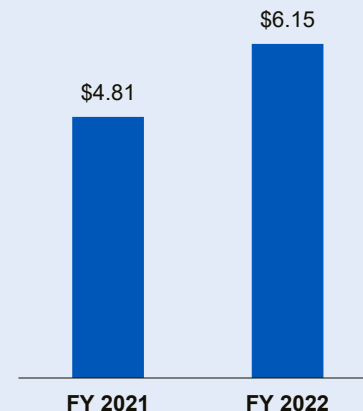
- FY22 gross margin reflects the robust inflationary environment and resulting strong pricing
- Positive price/cost spread more than offset the annual headwinds of 30-50 bps from channel and customer mix

Adj. Operating Profit (millions and % of sales)



- Operating margin up 140 bps driven mainly by higher sales, strong gross margin, and productivity initiatives
- FY21 adjusted operating profit excludes \$30.1 million of PPE inventory write-downs, \$31.4 million of restructuring, \$5.9 million of impairment loss, and \$2.6 million of nonrecurring legal & acquisition related costs

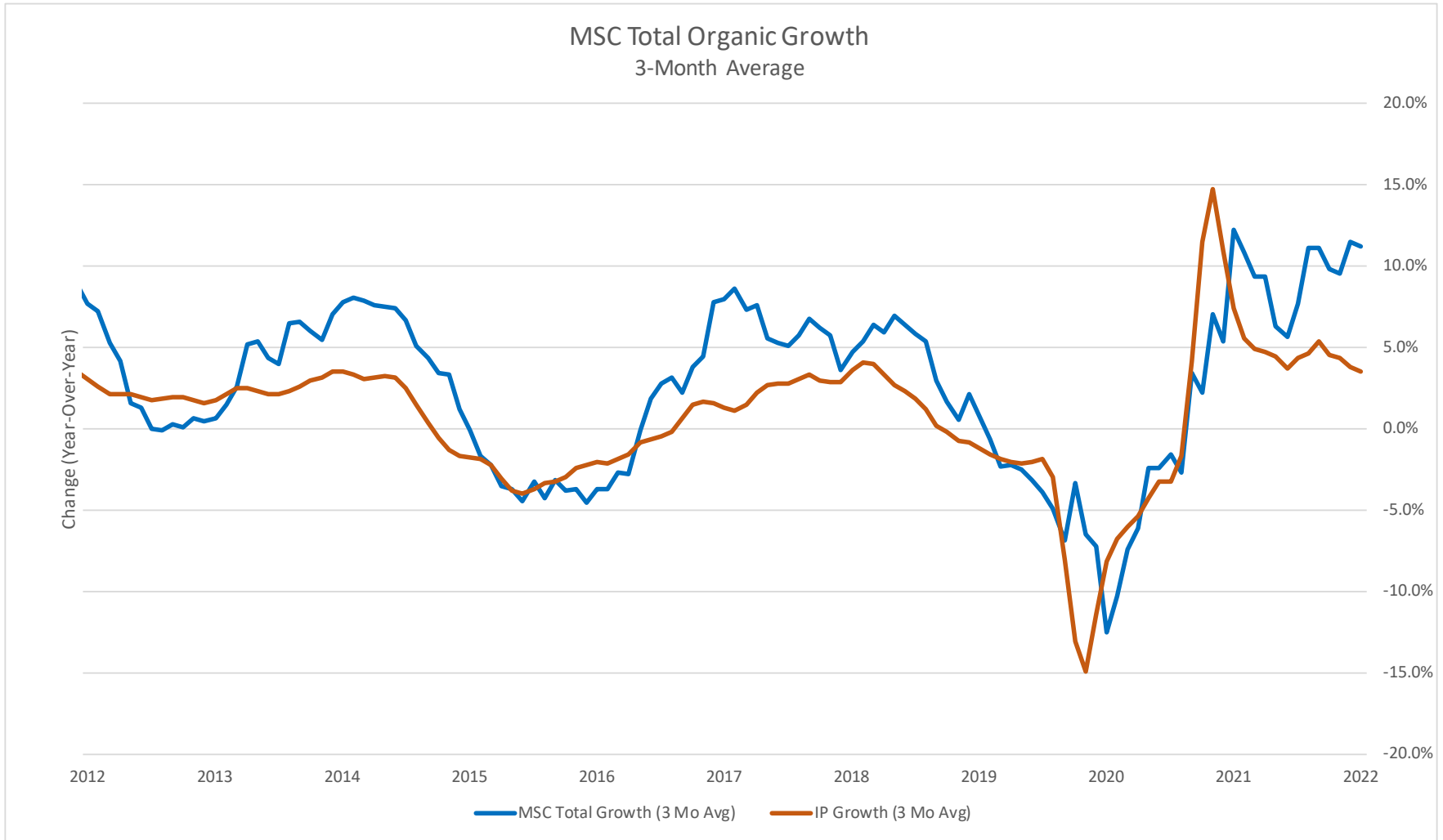
Adj. Earnings (per diluted share)



- Reflects effective tax rate of 24.4% for FY2021 and 24.5% for FY22
- FY22 adjusted EPS excludes \$0.22 restructuring and acquisition related costs and \$0.14 from gain on sale of property and FY21 excludes \$0.41 from PPE inventory write-downs, \$0.42 from restructuring, \$0.08 from impairment loss, and \$0.04 from nonrecurring legal & acquisition related costs

* Represents a non-GAAP financial measure. See appendix for non-GAAP reconciliations. Individual amounts may not agree to the total due to rounding.

Industrial Production Index (IP)



Fiscal 2022 Framework – Adjusted

ADS Growth (YoY)	Adjusted Operating Margin Range ¹
▲ Low-double digits	12.5% - 13.1%
▲ High-single digits	12.0% - 12.6%
▲ Mid-single digits	11.7% - 12.3%

Fiscal 2022 Actual Results

ADS Growth (YoY)

10.7%

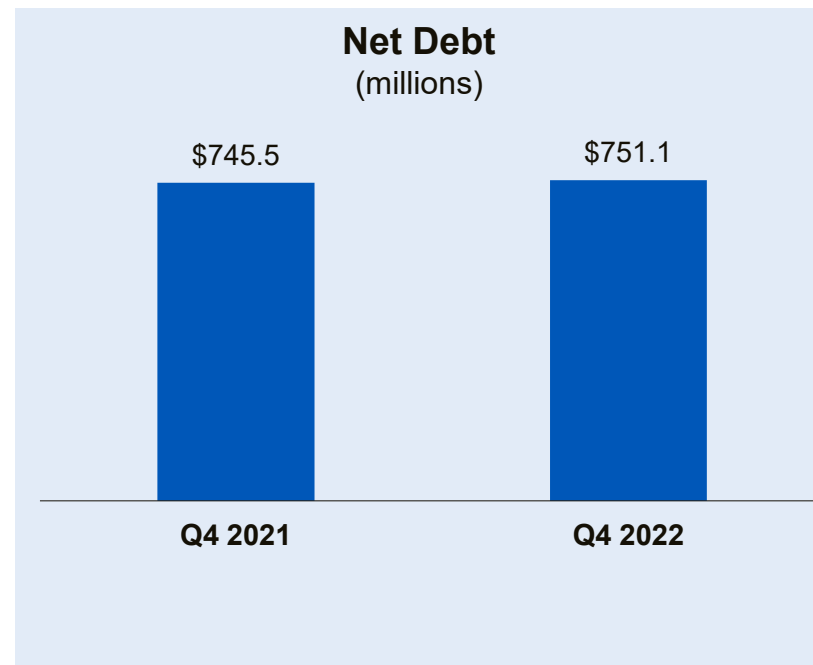
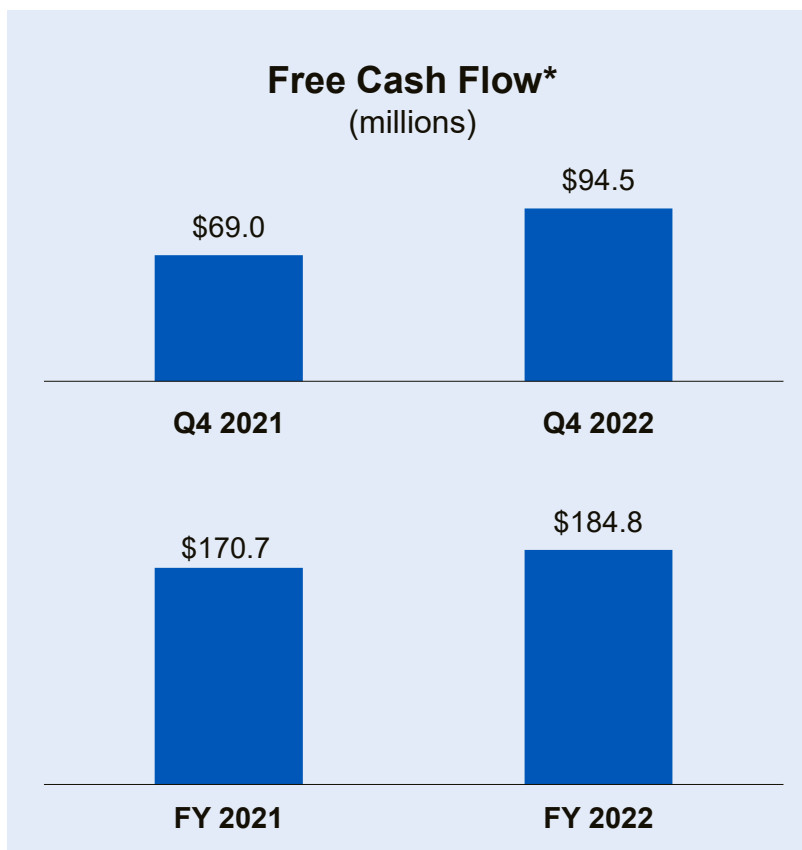
Adjusted Operating Margin²

12.9%

¹Excludes approximately \$5-\$10 million of expected restructuring and other costs.

²Represents a non-GAAP financial measure. See appendix for non-GAAP reconciliations.

Fiscal Fourth Quarter 2022 Balance Sheet and Liquidity Position

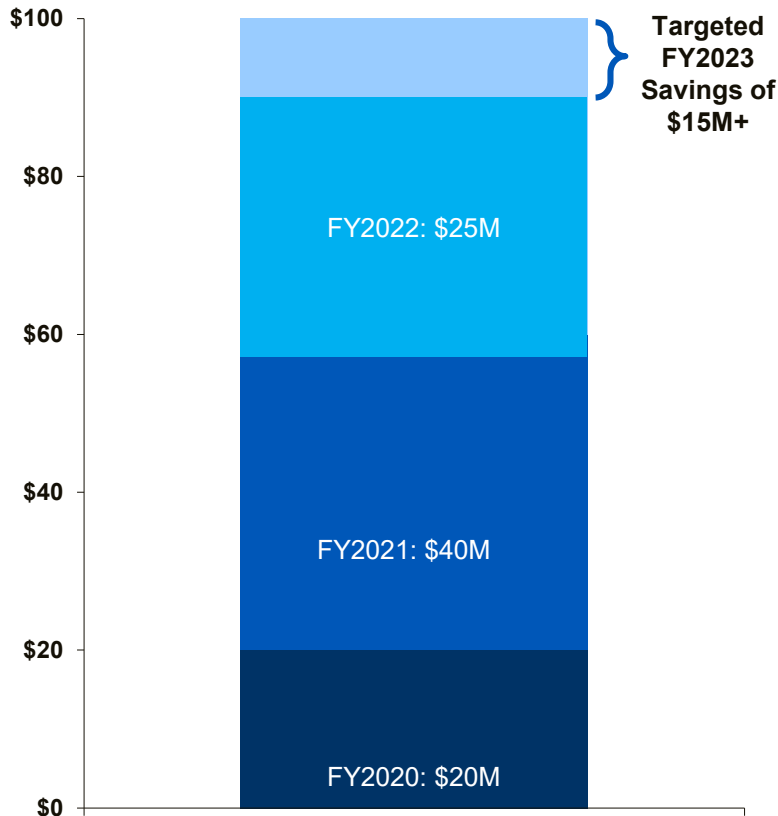


- Free cash flow increase for the quarter reflects increased net income Q4 2022 vs. Q4 2021.
- Net debt increased minimally despite high growth, reflecting strong free cash flow.
- Announced 5 percent ordinary dividend increase, payable in November.

* Represents a non-GAAP financial measure. See appendix for non-GAAP reconciliations.

Mission Critical: Strong Progress on Cost Savings

**Total Gross Savings Target:
>\$100M
by end of FY23 versus FY19**



KEY AREAS



Sales and service



Supply chain



General & Administrative

- FY22 targets of \$25M savings and \$15M investments achieved
- Targeting additional \$15M+ in FY23, which will bring total program savings to at least \$100M versus FY19
- Projected improvement in OpEx to Sales ratio of roughly 200 bps over FY19 by end of FY23

Fiscal 2023 Outlook and Assumptions

ADS Growth (YoY)

5% – 9%

Adjusted Operating Margin¹

12.7% to 13.3%

Additional Items

- Gross margins down 40 to 70 bps YoY
- Depreciation & amortization expense of \$77-\$82M
- Interest expense of \$33-\$38M
- Operating cashflow conversion > 100%
- \$15M+ of additional Mission Critical savings

Fiscal 2023 Assumptions

- FY23 includes 6 less selling days vs. FY22
- Low end of ADS range assumes contracting industrial economy; higher end assumes a flat industrial economy
- Acquisitions expected to dilute gross margins by 30 to 40 bps
- Gross margins expected to remain close to FY23 Q1 levels throughout year
- Adjusted operating expense as a percentage of sales expected to improve throughout the year
- FY23 adjusted operating margin expected YoY headwind of ~40 bps split evenly between fewer selling days and acquisitions

¹Excludes approximately \$5-\$10 million of expected restructuring and other costs.

Summary

Sustaining high growth in a strong but dynamic environment

Growth initiatives delivering share gains and customer productivity improvements

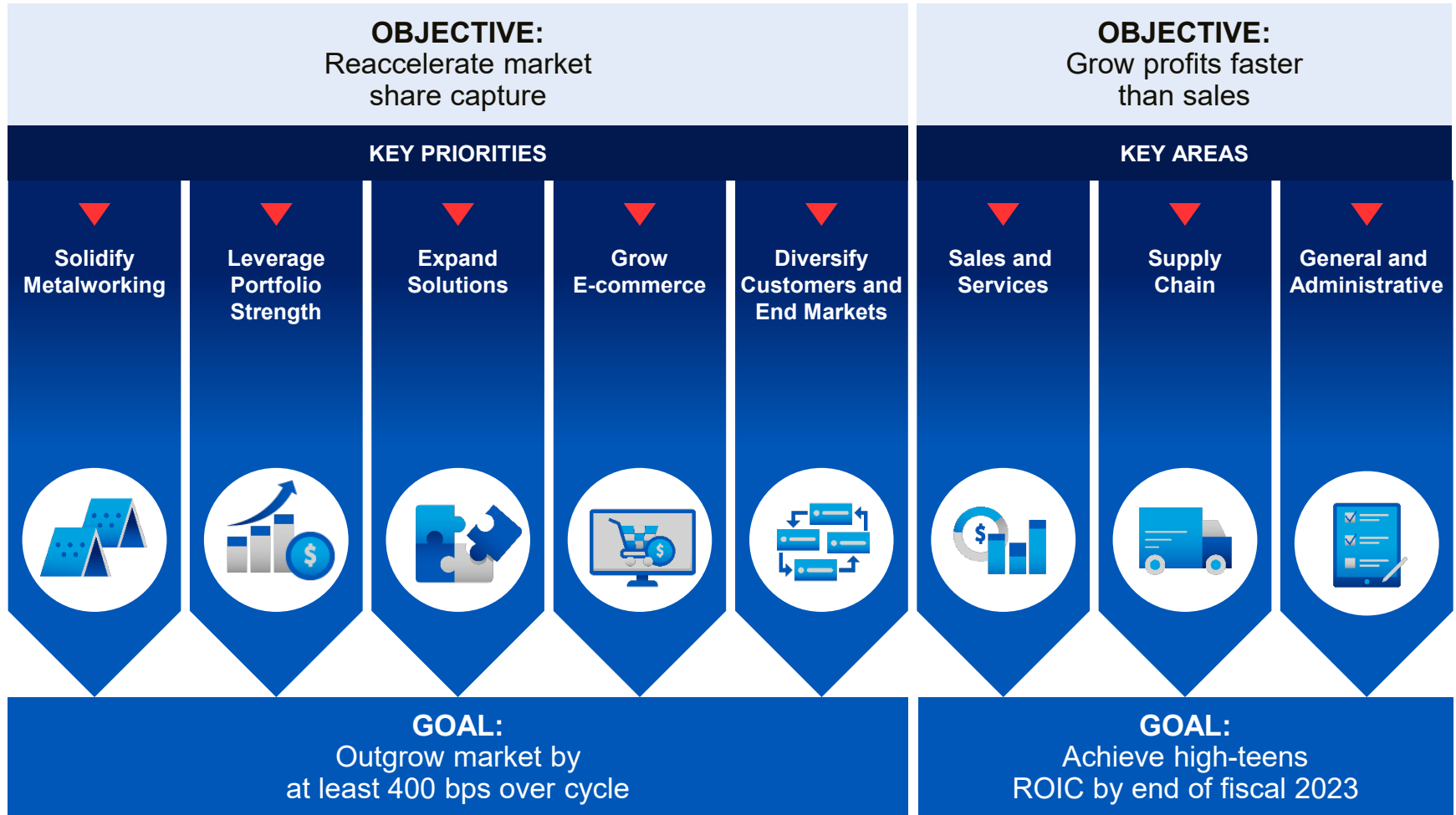
Mission Critical initiatives on track with ROIC improvement ahead of schedule

Finished fiscal 2022 in the top tier of the adjusted annual operating margin framework



Appendix

Overview of Mission Critical



Reconciliations

Non-GAAP Financial Measures

To supplement MSC's unaudited selected financial data presented consistent with accounting principles generally accepted in the United States ("GAAP"), the Company discloses certain non-GAAP financial measures, including non-GAAP gross profit, non-GAAP operating expenses, non-GAAP income from operations, non-GAAP operating margin, non-GAAP incremental margin, non-GAAP provision for income taxes, non-GAAP net income and non-GAAP diluted earnings per share, that exclude impairment loss and loss recovery (prior year), inventory write-downs (prior year), legal costs for impairment of prepaid PPE (prior year), acquisition-related costs, restructuring and other costs, and tax effects.

These non-GAAP financial measures are not presented in accordance with GAAP or an alternative for GAAP financial measures and may be different from similar non-GAAP financial measures used by other companies. The presentation of this additional information is not meant to be considered in isolation or as a substitute for the most directly comparable GAAP financial measures and should only be used to evaluate MSC's results of operations in conjunction with the corresponding GAAP financial measures.

Free Cash Flow

FCF is a non-GAAP financial measure. FCF is used in addition to and in conjunction with results presented in accordance with GAAP, and FCF should not be relied upon to the exclusion of GAAP financial measures. Management strongly encourages investors to review our financial statements and publicly-filed reports in their entirety and to not rely on any single financial measure. FCF, which we reconcile to "Net cash provided by operating activities," is cash flow from operations reduced by "Expenditures for property, plant and equipment". We believe that FCF, although similar to cash flow from operations, is a useful additional measure since capital expenditures are a necessary component of ongoing operations. Management also views FCF, as a measure of the Company's ability to reduce debt, add to cash balances, pay dividends, and repurchase stock. FCF has limitations due to the fact that it does not represent the residual cash flow available for discretionary expenditures. For example, FCF does not incorporate payments made on finance lease obligations or required debt service payments. In addition, different companies define FCF differently. Therefore, we believe it is important to view FCF as a complement to our entire consolidated statements of cash flows. A reconciliation of cash provided by operating activities to FCF for the fourteen week period and fiscal year ended September 3, 2022 and for the thirteen week period and fiscal year ended August 28, 2021, respectively, is shown below.

Return on Invested Capital ("ROIC")

ROIC is calculated using a non-GAAP financial measure. We calculate ROIC by dividing non-GAAP net operating profit after tax ("NOPAT") by average invested capital, a GAAP measure. NOPAT is defined as tax effected income from operations. Average invested capital is defined as net debt plus shareholder's equity using a trailing 13-month average. We believe that ROIC is useful to investors as a measure of performance and of the effectiveness of the use of capital in our operations. We use ROIC as one measure to monitor and evaluate operating performance. This method of determining non-GAAP ROIC may differ from other companies' methods and therefore may not be comparable to those used by other companies. ROIC should be considered in addition to, rather than as a substitute for, other information provided in accordance with GAAP. The financial measure calculated under GAAP which is most directly comparable to ROIC is considered to be the ratio of Net income to Average invested capital. See below for the calculation of ROIC and the reconciliation to the comparable GAAP measure.

Reconciliations

Non-GAAP Financial Measures

Results Excluding Impairment Loss and Loss Recovery (prior year), Inventory Write-downs (prior year), Legal Costs (prior year), Acquisition-related Costs and Restructuring and Other Costs

In calculating non-GAAP financial measures, we exclude impairment loss and loss recovery (prior year), inventory write-downs (prior year), legal costs for impairment of prepaid PPE (prior year), acquisition-related costs, restructuring and other costs, and tax effects. Management makes these adjustments to facilitate a review of the Company's operating performance on a comparable basis between periods, for comparison with forecasts and strategic plans, for identifying and analyzing trends in the Company's underlying business and for benchmarking performance externally against competitors. We believe that investors benefit from seeing results from the perspective of management in addition to seeing results presented in accordance with GAAP for the same reasons and purposes for which management uses such non-GAAP financial measures.

Reconciliations

MSC INDUSTRIAL SUPPLY CO. AND SUBSIDIARIES
 Reconciliation of GAAP and Non-GAAP Financial Information
 Quarters and Years Ended September 3, 2022 and August 28, 2021
 (dollars in thousands)

GAAP Financial Measure		Items Affecting Comparability		Non-GAAP Financial Measure	
Net cash provided by operating activities		Expenditures for property, plant and equipment		Free cash flow	
Fourteen Weeks Ended	Thirteen Weeks Ended	Fourteen Weeks Ended	Thirteen Weeks Ended	Fourteen Weeks Ended	Thirteen Weeks Ended
September 3, 2022	August 28, 2021	September 3, 2022	August 28, 2021	September 3, 2022	August 28, 2021
\$ 110,881	\$ 85,102	\$ (16,430)	\$ (16,148)	\$ 94,451	\$ 68,954

GAAP Financial Measure		Items Affecting Comparability		Non-GAAP Financial Measure	
Net cash provided by operating activities		Expenditures for property, plant and equipment		Free cash flow	
Fiscal Year Ended		Fiscal Year Ended		Fiscal Year Ended	
September 3, 2022	August 28, 2021	September 3, 2022	August 28, 2021	September 3, 2022	August 28, 2021
\$ 246,183	\$ 224,462	\$ (61,373)	\$ (53,746)	\$ 184,810	\$ 170,716

Reconciliations

MSC INDUSTRIAL DIRECT CO., INC.
Reconciliation of GAAP and Non-GAAP Financial Information
Years Ended September 3, 2022 and August 28, 2021
(dollars in thousands, except percentages)

	Fiscal Year Ended September 3, 2022	Fiscal Year Ended August 28, 2021
(a) Net income attributable to MSC Industrial	\$ 339,786	\$ 216,907
NOPAT		
Income from Operations (twelve-month trailing)	468,713	301,769
Effective tax rate	24.5%	24.4%
(b) Non-GAAP NOPAT	353,751	228,056
(c) Adjusted Non-GAAP NOPAT	358,664 ⁽¹⁾	280,949 ⁽²⁾
Invested Capital		
Total MSC Industrial shareholders' equity	\$ 1,350,434	\$ 1,150,871
Current portion of debt including obligations under finance leases	325,680	202,433
Long-term debt including obligations under finance leases	468,912	583,616
Total Debt	794,592	786,049
Cash and cash equivalents	43,537	40,536
Net debt	751,055	745,513
Invested capital	2,101,489	1,896,384
(d) Average invested capital (thirteen-month trailing average)	1,999,142	1,823,088
(e) Adjusted average invested capital (thirteen-month trailing average)	1,999,810 ⁽¹⁾	1,829,147 ⁽²⁾
(a)/(d) Net income to Average invested capital	17.0%	11.9%
(b)/(d) Non-GAAP ROIC	17.7%	12.5%
(c)/(e) Adjusted Non-GAAP ROIC	17.9%	15.4%

⁽¹⁾ Adjusted Non-GAAP NOPAT and invested capital excludes \$15.8 million of restructuring and other costs, \$10.1 million gain on sale of property, and \$0.9 million of acquisition-related charges, net of an associated tax benefit of \$1.7 million.

⁽²⁾ Adjusted Non-GAAP NOPAT and invested capital excludes \$31.4 million of restructuring and other costs, \$30.1 million PPE-related impairment, a \$5.9 million impairment charge and \$2.6 million of other charges, net of an associated tax benefit of \$17.0 million.

Reconciliations

MSC INDUSTRIAL DIRECT CO., INC.
Reconciliation of GAAP and Non-GAAP Financial Information
Fourteen Weeks Ended September 3, 2022
(In thousands, except percentages and per share data)

	Items Affecting Comparability				Non-GAAP Financial Measure
	GAAP Financial Measure	Restructuring and Other Costs	Gain on Sale of Property	Acquisition- Related Costs	
Net Sales	\$ 1,022,245	\$ -	\$ -	\$ -	\$ 1,022,245
Cost of Goods Sold	594,017	-	-	-	594,017
Gross Profit	428,228	-	-	-	428,228
Gross Margin	41.9%	-	-	-	41.9%
Operating Expenses	290,262	-	-	665	289,597
Operating Exp as % of Sales	28.4%	-	-	0.1%	28.3%
Restructuring and Other Costs	4,121	4,121	-	-	-
Gain on Sale of Property	(10,132)	-	(10,132)	-	-
Income from Operations	143,977	(4,121)	10,132	(665)	138,631
Operating Margin	14.1%	-0.4%	1.0%	-0.1%	13.6%
Incremental Margin	27.6%				21.8%
Total Other Expense	(6,252)	-	-	-	(6,252)
Income before provision for income taxes	137,725	(4,121)	10,132	(665)	132,379
Provision for income taxes	33,371	(1,080)	2,655	(174)	31,970
Net income	104,354	(3,041)	7,477	(491)	100,409
Net income attributable to noncontrolling interest	223	-	-	-	223
Net income attributable to MSC Industrial	\$ 104,131	\$ (3,041)	\$ 7,477	\$ (491)	\$ 100,186
Net income per common share:					
Diluted	\$ 1.86	\$ (0.06)	\$ 0.14	\$ (0.01)	\$ 1.79

*Individual amounts may not agree to the total due to rounding

Reconciliations

MSC INDUSTRIAL DIRECT CO., INC.
Reconciliation of GAAP and Non-GAAP Financial Information
Fiscal Year Ended September 3, 2022
(In thousands, except percentages and per share data)

	GAAP Financial Measure		Items Affecting Comparability			Non-GAAP Financial Measure
	Total MSC Industrial	Restructuring and Other Costs	Gain on Sale of Property	Acquisition-Related Costs	Adjusted Total MSC Industrial	
Net Sales	\$ 3,691,893	\$ -	\$ -	\$ -	\$ 3,691,893	
Cost of Goods Sold	2,133,645	-	-	-	2,133,645	
Gross Profit	1,558,248	-	-	-	1,558,248	
Gross Margin	42.2%	-	-	-	42.2%	
Operating Expenses	1,083,862	-	-	876	1,082,986	
Operating Exp as % of Sales	29.4%	-	-	0.0%	29.3%	
Restructuring and Other Costs	15,805	15,805	-	-	-	
Gain on Sale of Property	(10,132)	-	(10,132)	-	-	
Income from Operations	468,713	(15,805)	10,132	(876)	475,262	
Operating Margin	12.7%	-0.4%	0.3%	0.0%	12.9%	
Incremental Margin	37.2%				23.1%	
Total Other Expense	(17,581)	-	-	-	(17,581)	
Income before provision for income taxes	451,132	(15,805)	10,132	(876)	457,681	
Provision for income taxes	110,650	(4,016)	2,574	(223)	112,315	
Net income	340,482	(11,789)	7,558	(653)	345,366	
Net income attributable to noncontrolling interest	696	-	-	-	696	
Net income attributable to MSC Industrial	\$ 339,786	\$ (11,789)	\$ 7,558	\$ (653)	\$ 344,670	
Net income per common share:						
Diluted	\$ 6.06	\$ (0.21)	\$ 0.14	\$ (0.01)	\$ 6.15	

*Individual amounts may not agree to the total due to rounding

Reconciliations

MSC INDUSTRIAL DIRECT CO., INC.
Reconciliation of GAAP and Non-GAAP Financial Information
Thirteen Weeks Ended August 28, 2021
(In thousands, except percentages and per share data)

	GAAP Financial Measure		Items Affecting Comparability		Non-GAAP Financial Measure
	Total MSC Industrial	Restructuring and Other Costs	Legal and Acquisition Costs ⁽¹⁾	Adjusted Total MSC Industrial	
Net Sales	\$ 831,031	\$ -	\$ -	\$ 831,031	
Cost of Goods Sold	482,056	-	-	482,056	
Gross Profit	348,975	-	-	348,975	
Gross Margin	42.0%	-	-	42.0%	
Operating Expenses	253,312	-	1,199	252,113	
Operating Exp as % of Sales	30.5%	-	0.1%	30.3%	
Restructuring and Other Costs	4,449	4,449	-	-	
Income from Operations	91,214	(4,449)	(1,199)	96,862	
Operating Margin	11.0%	-0.5%	-0.1%	11.7%	
Total Other Expense	(4,534)	-	-	(4,534)	
Income before provision for income taxes	86,680	(4,449)	(1,199)	92,328	
Provision for income taxes	20,803	(922)	(249)	21,974	
Net income	65,877	(3,527)	(950)	70,354	
Net income attributable to noncontrolling interest	(57)	-	-	(57)	
Net income attributable to MSC Industrial	<u>\$ 65,934</u>	<u>\$ (3,527)</u>	<u>\$ (950)</u>	<u>\$ 70,411</u>	
Net income per common share:					
Diluted	<u>\$ 1.18</u>	<u>\$ (0.06)</u>	<u>\$ (0.02)</u>	<u>\$ 1.26</u>	

⁽¹⁾Legal and acquisition costs incurred during the fourth fiscal quarter includes \$180 related to the impairment of prepaid PPE and \$1,019 related to the acquisitions of Wm. F. Hurst Co., LLC and the outsourcing and logistics business of TAC Insumos Industriales, S. de R.L. de C.V. and certain of its affiliates.

*Individual amounts may not agree to the total due to rounding

Reconciliations

MSC INDUSTRIAL DIRECT CO., INC.
Reconciliation of GAAP and Non-GAAP Financial Information
Fiscal Year Ended August 28, 2021
(In thousands, except percentages and per share data)

	GAAP Financial Measure					Non-GAAP Financial Measure	
	Total MSC Industrial	Inventory Write-down	Items Affecting Comparability			Adjusted Total MSC Industrial	
			Restructuring and Other Costs	Impairment Loss, net	Legal and Acquisition Costs ⁽¹⁾		
Net Sales	\$ 3,243,224	\$ -	\$ -	\$ -	\$ -	\$ 3,243,224	
Cost of Goods Sold	1,909,709	30,091	-	-	-	1,879,618	
Gross Profit	1,333,515	(30,091)	-	-	-	1,363,606	
Gross Margin	41.1%	-0.9%	-	-	-	42.0%	
Operating Expenses	994,468	-	-	-	2,620	991,848	
Operating Exp as % of Sales	30.7%	-	-	-	0.1%	30.6%	
Impairment Loss, net	5,886	-	-	5,886	-	-	
Restructuring and Other Costs	31,392	-	31,392	-	-	-	
Income from Operations	301,769	(30,091)	(31,392)	(5,886)	(2,620)	371,758	
Operating Margin	9.3%	-0.9%	-1.0%	-0.2%	-0.1%	11.5%	
Total Other Expense	(13,390)	-	-	-	-	(13,390)	
Income before provision for income taxes	288,379	(30,091)	(31,392)	(5,886)	(2,620)	358,368	
Provision for income taxes	70,442	(7,309)	(7,625)	(1,430)	(636)	87,442	
Net income	217,937	(22,782)	(23,767)	(4,456)	(1,984)	270,926	
Net income attributable to noncontrolling interest	1,030	-	-	-	-	1,030	
Net income attributable to MSC Industrial	<u>\$ 216,907</u>	<u>\$ (22,782)</u>	<u>\$ (23,767)</u>	<u>\$ (4,456)</u>	<u>\$ (1,984)</u>	<u>\$ 269,896</u>	
Net income per common share:							
Diluted	<u>\$ 3.87</u>	<u>\$ (0.41)</u>	<u>\$ (0.42)</u>	<u>\$ (0.08)</u>	<u>\$ (0.04)</u>	<u>\$ 4.81</u>	

⁽¹⁾ Legal and acquisition costs incurred during fiscal year 2021 include \$1,601 related to the impairment of prepaid PPE and \$1,019 related to the acquisitions of Wm. F. Hurst Co., LLC and the outsourcing and logistics business of TAC Insumos Industriales, S. de R.L. de C.V. and certain of its affiliates.

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