

MSC INDUSTRIAL SUPPLY CO.

General Investor Presentation

Fiscal 2023

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, higher inflation and fluctuations in interest rates; the risk of customer cancellation or rescheduling of orders; difficulties in calibrating customer demand for our 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, 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.

MSC Industrial Direct: Company Overview

MSC is a leading value-add industrial distributor offering products, services and solutions that enable its customers to achieve higher levels of growth, productivity, and profitability

- ✓ Founded in 1941 and listed on NYSE (MSM) since 1995
- ✓ Leader in highly fragmented industrial distribution market
- ✓ ~7,000 associates
- ✓ 39 warehouses, 11 regional inventory centers, 6 distribution centers and 4 manufacturing locations
- ✓ Broad offering: 2.3 million SKUs from 3,000+ suppliers
- ✓ Value-add solutions: metalworking expertise, supply chain management, e-commerce, productivity improvement and training

\$3.7B

**Total
Revenues**

¹

8%

**20-Yr Sales
CAGR**

²

\$850M+

**Operating Cash
Flows**

(over the last 3 years)

12.9%*

**Adjusted
Operating
Margin**

¹

13%

**20-Year EPS
CAGR**

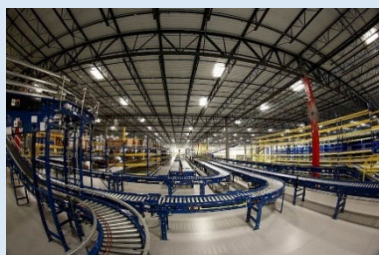
²

\$1.1B

**Returned to
Shareholders**

(over the last 3 years)

³



**Driving Growth,
Productivity,
and Profitability**

MSC is NYSE: MSM
Let's get to work. Here are ways to contact customer support. Find out about how to get financing.

Email customer support



¹Year Ended September 3, 2022

²20-Year CAGR calculated through September 3, 2022

³Over the last three fiscal years ended September 3, 2022

* See appendix for non-GAAP reconciliations

Key MSC Investment Highlights



Leader in the highly fragmented North American industrial distribution market with significant opportunities for organic and acquisitive growth



Value-added solutions approach focuses on addressing customer total cost of ownership with highly technical expertise and a broad portfolio of products and services



Industry-leading customer satisfaction ratings driven by customer-centric culture and obsession with delivering solutions that enable customer success



Implementing Mission Critical, a major program to return to above market growth and improve profitability



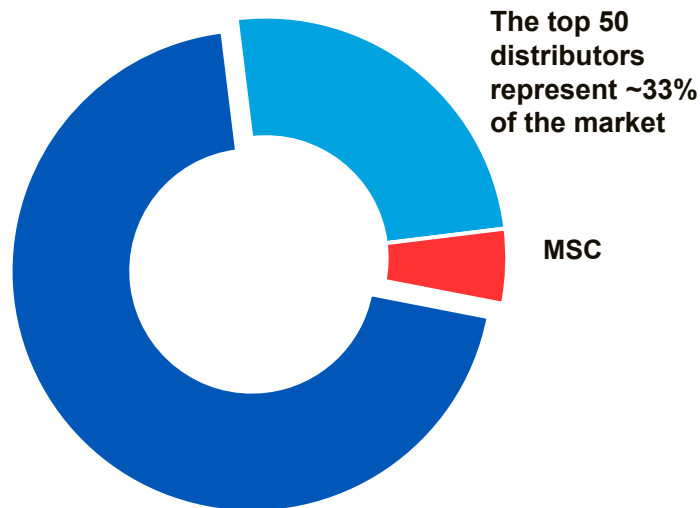
Capital allocation strategy based on an owner mindset and focused on long-term value creation for shareholders

Highly Fragmented Industrial Distribution Market

The North American industrial distribution market is very large and highly fragmented both across the addressable market and the customer landscape

Total Addressable Market

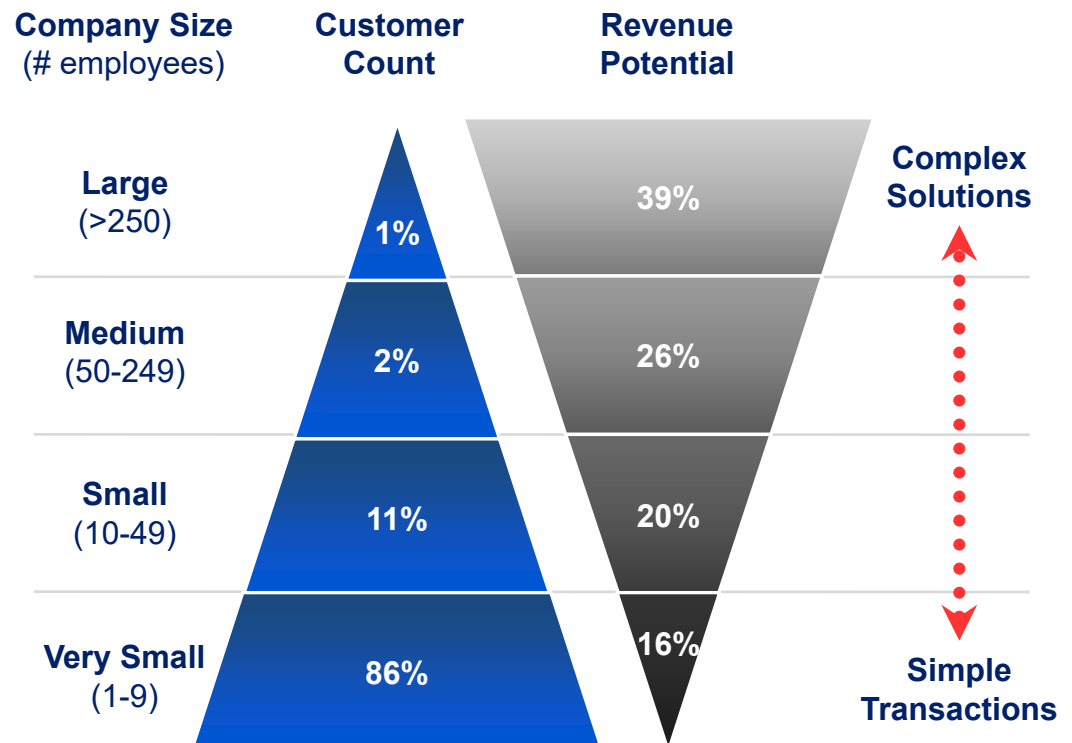
(~\$215 Billion in Sales)



✓ ~\$215B of the MRO market in N. America directly addressable by MSC²

✓ Highly fragmented with ~145K distributors in the US¹

Industrial Distribution Customer Landscape



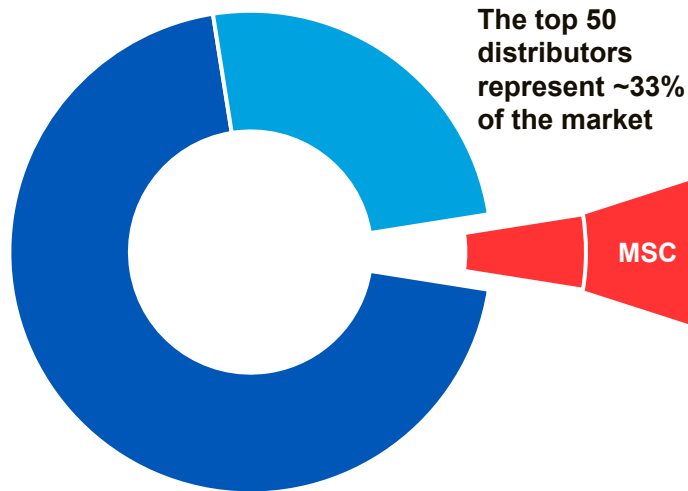
¹MDM Analytics (figures are approximate)

²Calculation performed by MSC (figures are approximate)

MSC's Position in the Market

MSC's target manufacturing market makes up about 50% of total addressable marketplace spend, making brand awareness and equity critical to attract and maintain customers

Total Addressable Market
(~\$215 Billion in Sales^{1,2})

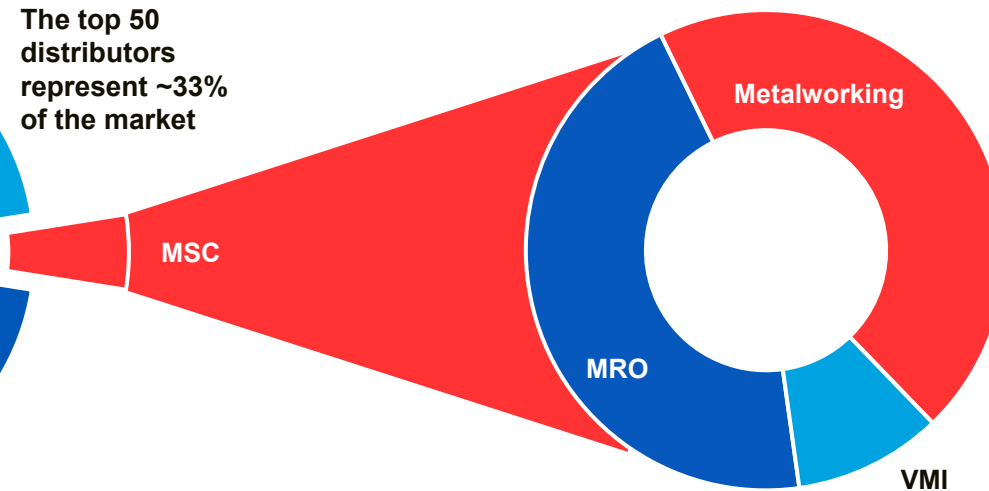


~\$215B of the MRO market in N. America directly addressable by MSC^{1,2}



Addressable market is comprised of approximately ~19.5M total potential customers²

MSC Fiscal Year 2022 Sales
(\$3.7 Billion)



Within the approximately ~19.5M total potential customers, MSC can serve the ~750k metalworking customers²



These ~750k customers make up a large amount of the overall spend in manufacturing²



~205K are larger customers, while ~545K are smaller customers²



¹MDM Analytics (figures are approximate)

²Calculation performed by MSC (figures are approximate for N. America)

MSC's Differentiator in the Market: Built to Make You Better

MSC's value-added solutions approach focuses on addressing customer total cost of ownership with highly technical expertise with a broad portfolio of products and services

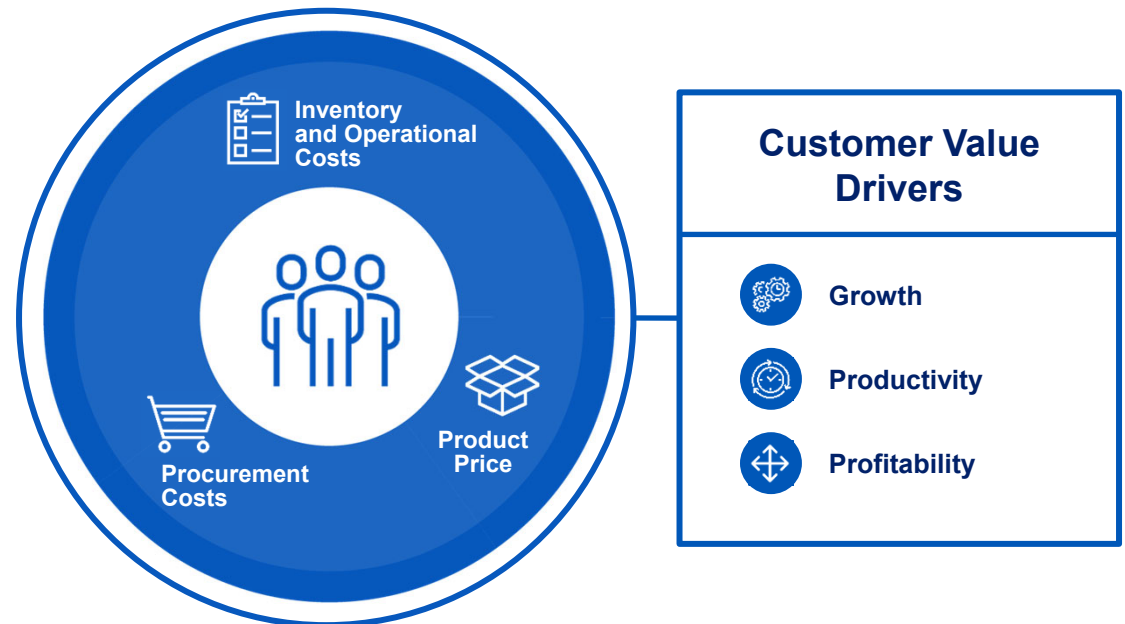
Industry Model

(Product Price Driven)



MSC Solutions Approach

(Total Cost of Ownership Focused)



MSC Customer Care Ensuring Customer Satisfaction

Obsession with delivering personalized and effortless customer experiences that enable success, measured directly from our customers

Customer Care Delivery



High-Touch Customer Care



Technical and Sourcing Experts



Consistent Customer Service



Creative Problem Solving

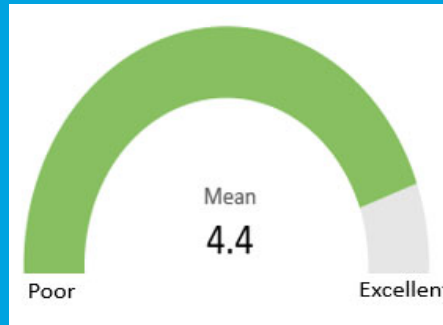


Focus on Customer Satisfaction

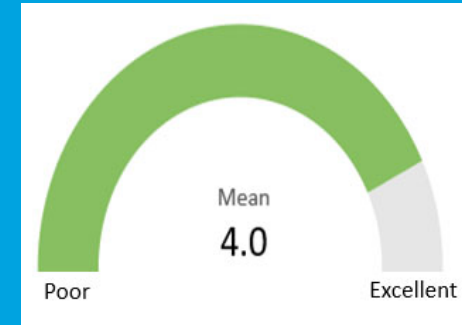


Build Trust and Loyalty

Customer Care Center Satisfaction Levels



MSC



Other Contact
Center Average

CSAT Scale (1-5)

Excellent	5
Very Good	4
Good	3
Fair	2
Poor	1




¹ ForeSee— Web Browse Measurement Feb. 28, 2021

MSC Solutions: Turning Expertise and Data into Information and Savings

MSC provides continuous improvement solutions for customers by combining technical expertise and data analytics, driving significant and documented customer cost savings

Technical Solutions	MSC MillMax® (Ap Op™)	New Opportunity Capture (Ap Op™)
Industry	Aerospace & Defense	Medical Devices
Manufacturer	Kennametal	Iscar
Application	Solid Milling	Turning
Objective	Reduce Cycle Time	Improve Tool Life
Cycle Time Reduction	50%	32%
Capacity Gained	625 hours	1,150 hours
Annual Cost Savings	\$78,125	\$179,998.50



SKU Consolidation	Continuous Improvement			MSC Solution
Product	22 Oz. Multi-Purpose Cleaner	22 Oz. Premium Degreaser	 Consolidate to a single Item and standardize in all locations.	32 Oz. All Purpose Cleaner and Degreaser
Cost (per unit)	\$0.277	\$1.32		\$0.20
Usage (units)	45,936	792		46,728
Total Cost	\$12,740.88	\$1,048.32		\$9,345.60
			Annual Cost Savings	\$4,443.60



Customer Value: True Stories. True Results.

Documentation program delivered

>\$375 million

in cost savings for

MSC customers in Fiscal 2022



> \$310k ↑
Profit Improvement

Contract Machine Shop

A simple, 15-minute MSC MillMax® impact test in a milling operation improved profits while reducing cycle time from 98 seconds to 35 seconds.



\$1.5 million ↓
Savings in Milling Process

Firearms Manufacturer

Reduced milling cycle time from 8 minutes to less than 3 minutes, saving time and enabling greater throughput on existing machine base.



\$2.7 million ↓
Annual Cost Savings

Paper Manufacturing

Large paper manufacturer realizes savings through MSC's broad across multiple US locations.



> \$370k ↑
Total Profit Improvement

Aerospace Defense Contractor

Reduced cycle time from 7 minutes to 1 minute, creating improved profit and increased capacity of over 1,000 hours annually.



\$2.9 million ↓
Productivity Savings

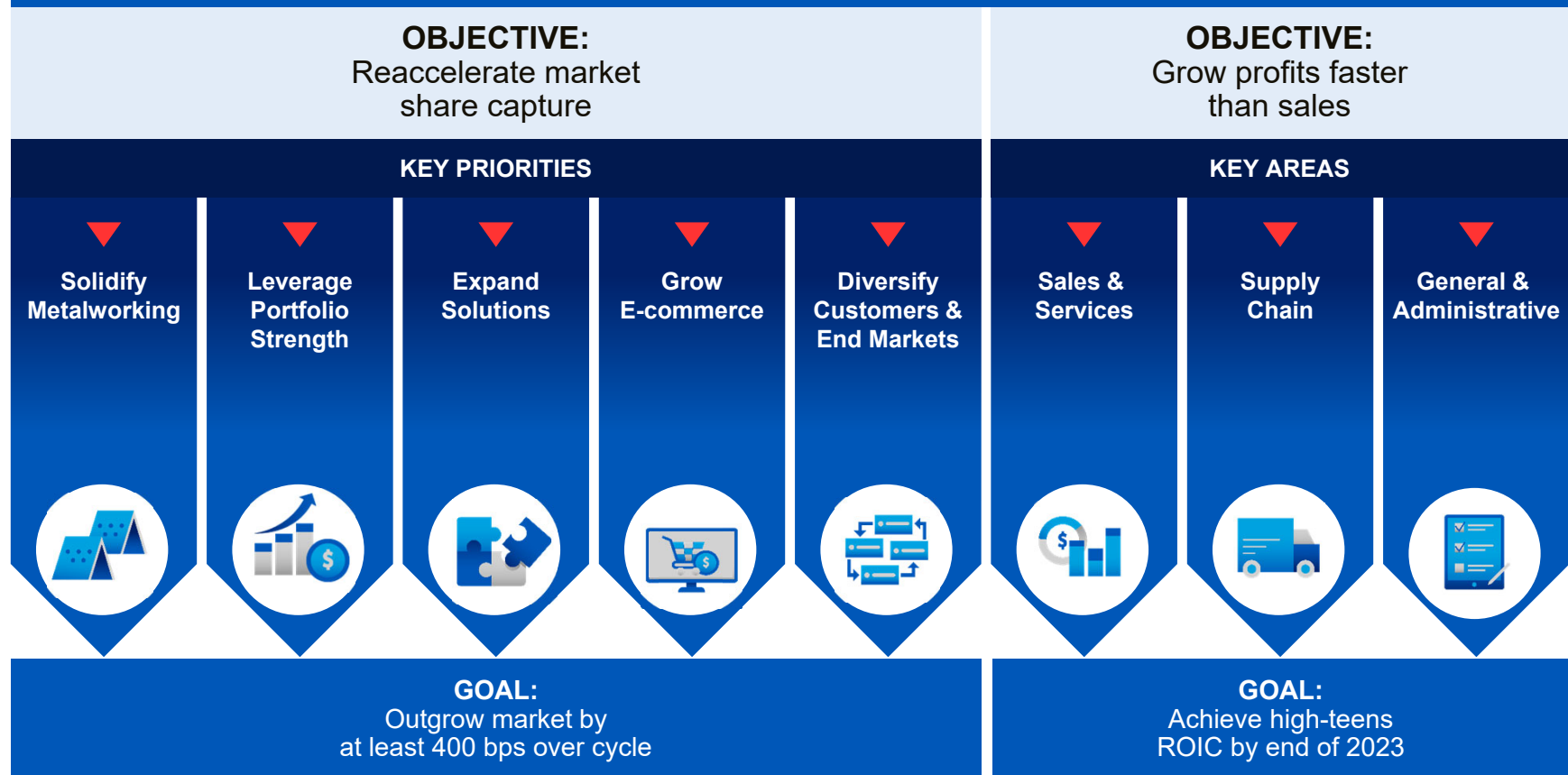
Global Truck Manufacturer

One of North America's largest producers of heavy-duty trucks, engines and transmissions annual savings across all MSC solutions.



Overview of Mission Critical

- The Mission Critical growth initiative was established to recapture market share while delivering cost savings on the path to accelerating profitability
- Solid program execution and tracking to high end of targeted total gross savings of more than \$100M by FY23 vs. FY19



FISCAL 2023 OUTLOOK AND ASSUMPTIONS

12.7–13.3%

**Adjusted
Operating Margin***

5–9%

**ADS Growth
(YoY)**

Additional Guidance

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

Fiscal 2023 Assumptions

- FY23 includes 6 less selling days vs. FY22, all in 2nd half
- Current sales growth tracking to middle to high end of range
- Recently acquired companies expected to dilute gross margin by 40-50 bps and operating margin by ~30 bps
- Overall, gross margin expected to be higher in back half of fiscal year
- Adjusted operating expense* as a percentage of sales expected to improve in the back half of the year
- Adjusted operating margin* tracking to middle of range

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

** The Company defines Operating Cash Flow Conversion as Net cash provided by operating activities as a percentage of Net income. The Company's management uses Operating Cash Flow Conversion to evaluate the Company's operating performance, in particular how efficiently the Company turns its sales and profits into cash, and to assess the efficiency of the Company's use of working capital. The Company believes Operating Cash Flow Conversion is useful to investors for the foregoing reasons and as a measure of the rate at which the Company converts its net income reported in accordance with GAAP to cash inflows, which helps investors assess whether the Company is generating sufficient cash flow to provide an adequate return.

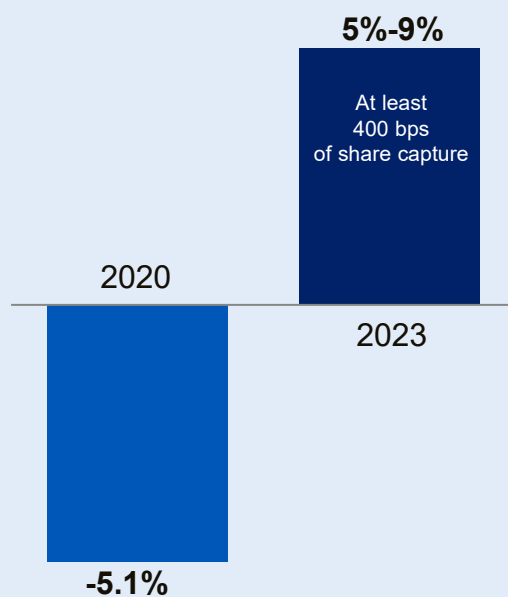
Fiscal Year 2023 Targets

Mission Critical Objectives

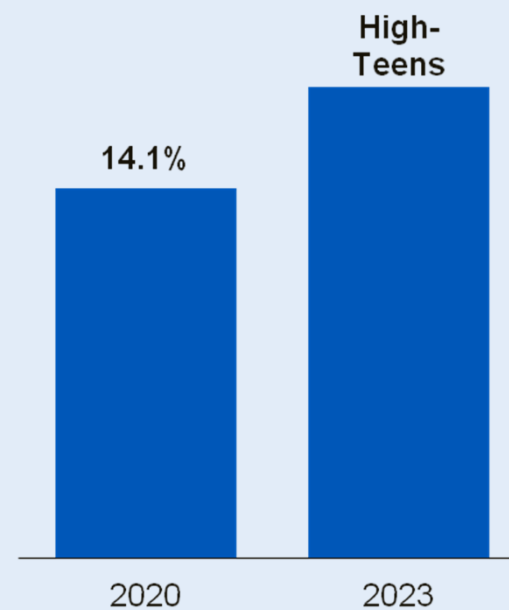
Reaccelerate market share capture

Grow profits faster than sales

Sales Growth



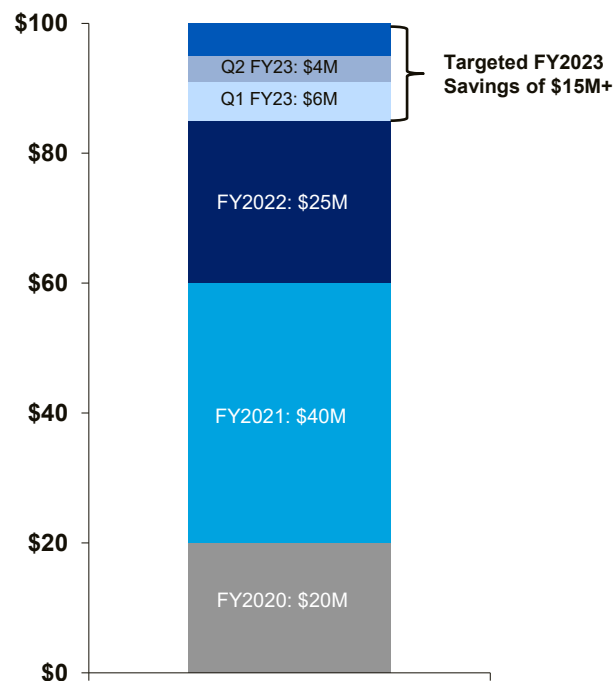
Return on Invested Capital (ROIC)*



* See appendix for non-GAAP reconciliations.

MISSION CRITICAL: STRONG PROGRESS ON COST SAVINGS

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



Sales and service



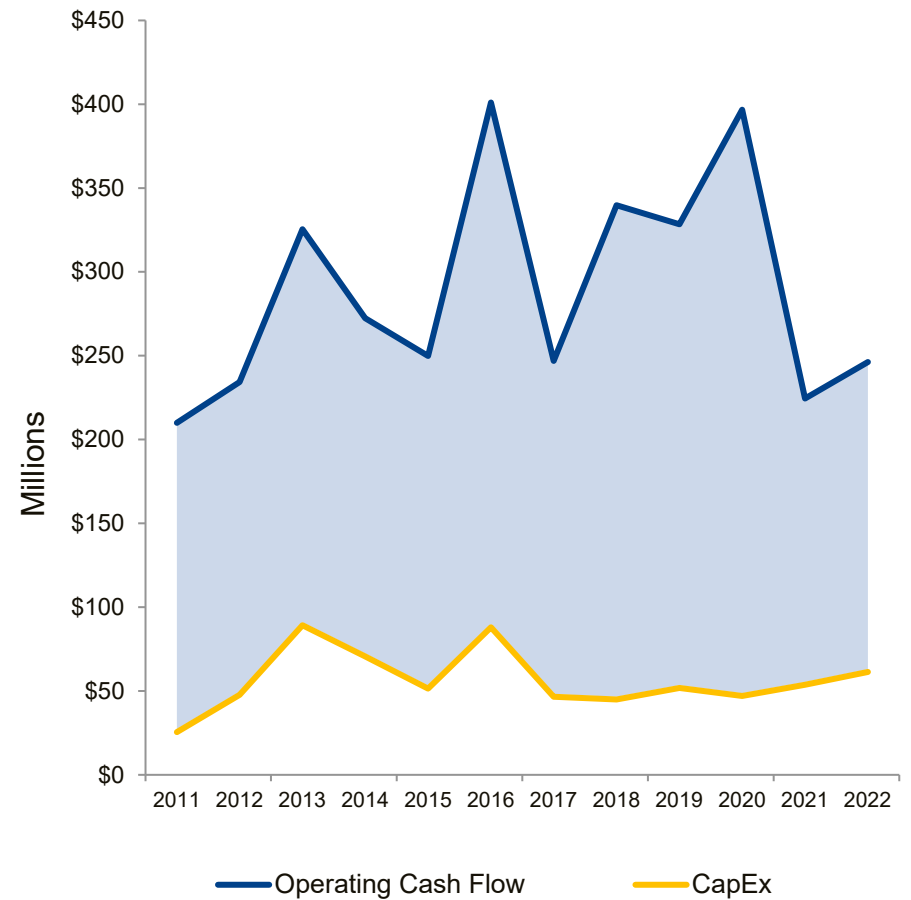
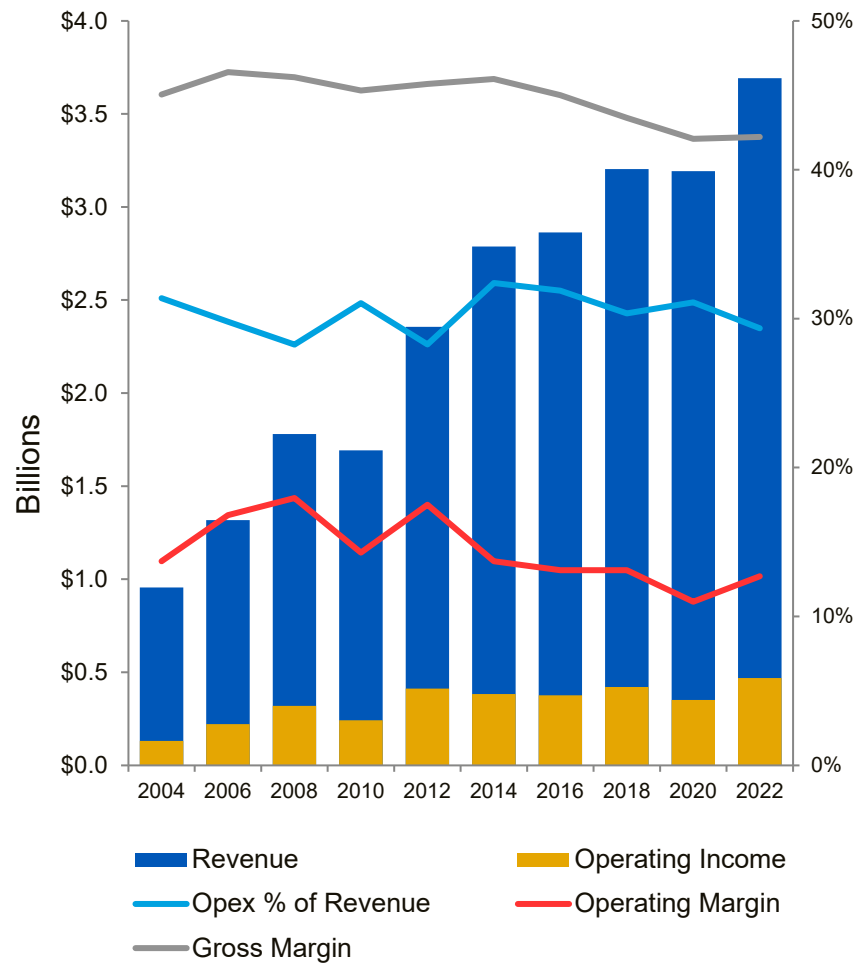
Supply chain



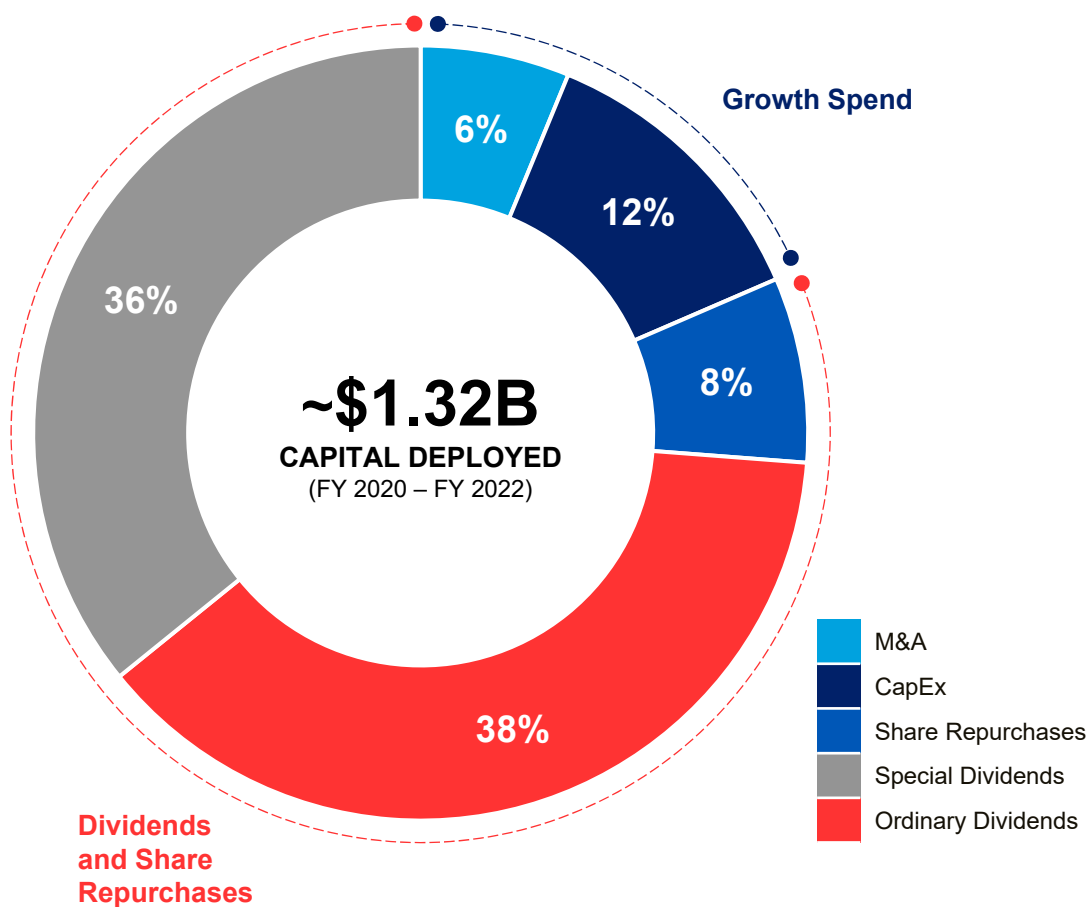
**General and
Administrative**

- Targeting \$15M+ in gross savings in FY23; \$10M achieved year to date
- Targeting total program gross savings of at least \$100M versus FY19
- Projected improvement in operating expense to sales ratio of ~200 bps over FY19

Track Record of Growth and Resilience



Clear Capital Allocation Priorities



Future Priorities

Growth

- Drive profitability with growth investments
- Pursue margin accretive deals through strategic M&A

Share Repurchases and Dividends

- \$1B in dividends since 2020
- Deprioritizing special dividend
- 4.4M shares remaining under current repurchase authorization

Maintain Strong Balance Sheet

- Target leverage ratio between 1.0x and 2.0x
- Flex up for right opportunity

Disciplined Focus on ROIC* and Delivering Total Return

FISCAL SECOND QUARTER 2023 REPORTED RESULTS

Net Sales

(millions)

\$862.5

\$961.6

Q2 2022

Q2 2023

- Sales growth of 11.5% driven by price, acquisitions and growth initiatives
- National Account up mid-teens, Public Sector up 20%, Core and Other up high single-digits
- Class C consumables product category up low-teens
- In-Plant sales up 20% and represent 12.5% of total sales

Gross Profit

(millions and % of sales)

\$366.3

\$396.7

42.5%

41.3%

Q2 2022

Q2 2023

- Organic YoY gross margin performance down 70 bps on unfavorable customer mix and higher product and freight costs
- Acquisitions diluted gross margins by roughly 50 bps

Operating Profit

(millions and % of sales)

\$97.2

\$114.3

11.3%

11.9%

Q2 2022

Q2 2023

- Operating margin up 60 bps driven by higher sales and operating expense leverage including productivity from the Mission Critical program

Earnings

(per diluted share)

\$1.25

\$1.41

Q2 2022

Q2 2023

- Q2 2023 EPS reflects higher sales and gross profit, and execution on productivity initiatives
- Higher Interest & Other costs reflect a \$0.08 YoY headwind in fiscal Q2

FISCAL SECOND QUARTER 2023 ADJUSTED RESULTS

Net Sales

(millions)

\$862.5 **\$961.6**

Q2 2022

Q2 2023

- Sales growth of 11.5% driven by price, acquisitions and growth initiatives
- National Account up mid-teens, Public Sector up 20%, Core and Other up high single-digits
- Class C consumables product category up low-teens
- In-Plant sales up 20% and represent 12.5% of total sales

Gross Profit

(millions and % of sales)

\$366.3 **\$396.7**

42.5%

41.3%

Q2 2022

Q2 2023

- Organic YoY gross margin performance down 70 bps on unfavorable customer mix and higher product and freight costs
- Acquisitions diluted gross margins by roughly 50 bps

Adj. Operating Profit*

(millions and % of sales)

\$100.3 **\$117.2**

11.6%

12.2%

Q2 2022

Q2 2023

- Adjusted operating margin* driven by higher sales and productivity initiatives; excludes \$1.8 million in restructuring and other costs, \$0.2 million in acquisition-related costs, and \$0.9 million in share reclassification proposal costs.
- Adjusted operating profit* in Q2 2022 excludes \$3.1 million in restructuring and other costs

Adj. Earnings*

(per diluted share)

\$1.29 **\$1.45**

Q2 2022

Q2 2023

- Higher Interest & Other costs reflect a \$0.08 YoY headwind in fiscal Q2
- Q2 2023 adjusted EPS* excludes \$0.02 impact from restructuring and other costs and \$0.01 impact from share reclassification proposal costs.
- Q2 2022 excludes \$0.04 impact from restructuring and other costs

Key MSC Investment Highlights



Leader in the highly fragmented North American industrial distribution market with significant opportunities for organic and acquisitive growth



Value-added solutions approach focuses on addressing customer total cost of ownership with highly technical expertise and a broad portfolio of products and services



Industry-leading customer satisfaction ratings driven by customer-centric culture and obsession with delivering solutions that enable customer success



Implementing Mission Critical, a major program to return to above market growth and improve profitability



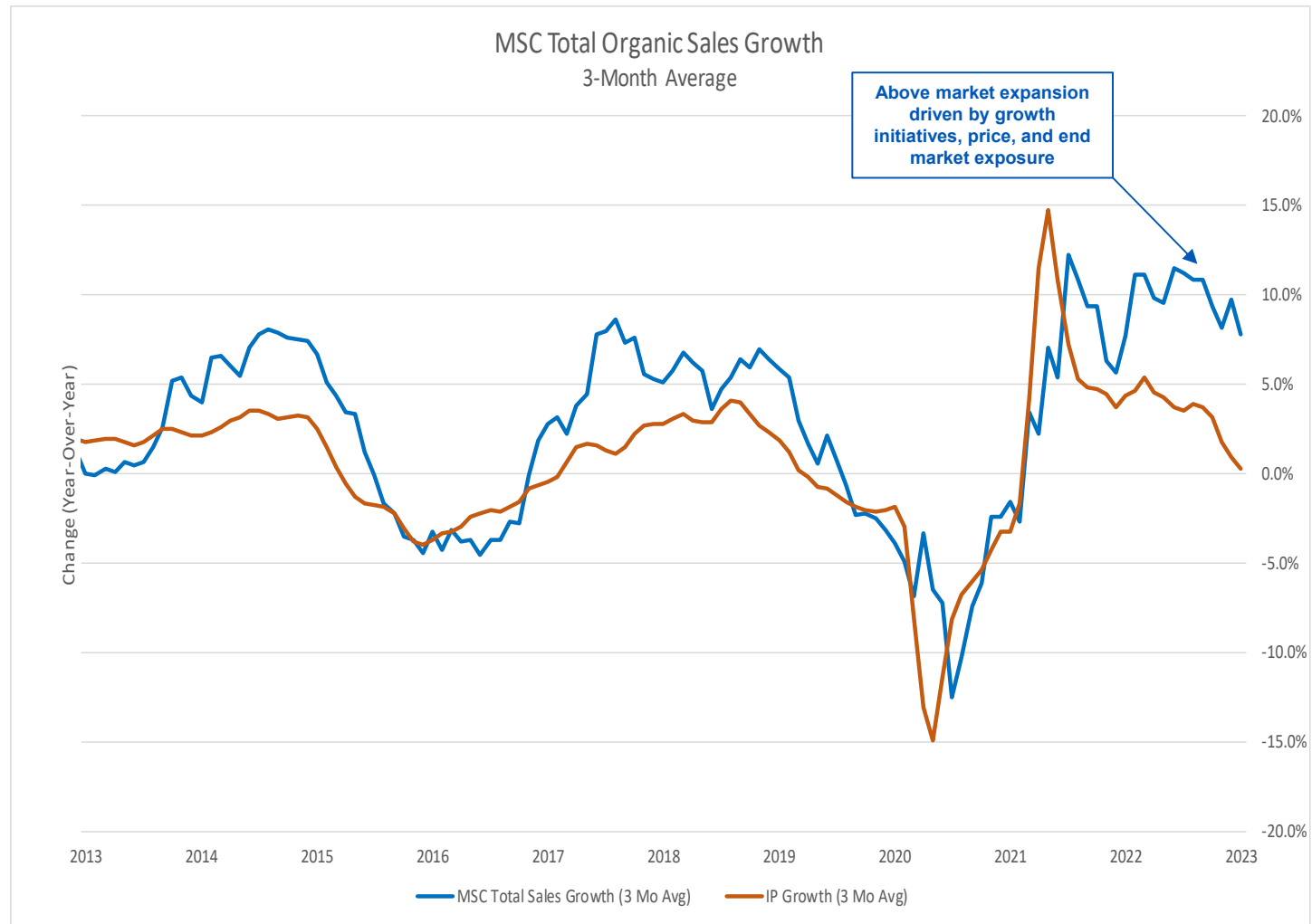
Capital allocation strategy based on an owner mindset and focused on long-term value creation for shareholders



APPENDIX

INDUSTRIAL PRODUCTION INDEX (IP)

MSC Total
Organic Sales
Growth
3-Month Average



MSC

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 acquisition-related costs, share reclassification proposal 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.

Financial data may also include certain forward-looking information that is not presented in accordance with GAAP. The Company believes that a quantitative reconciliation of such forward-looking information to the most directly comparable financial measure calculated and presented in accordance with GAAP cannot be made available without unreasonable efforts because a reconciliation of these non-GAAP financial measures would require the Company to predict the timing and likelihood of potential future events such as restructurings, M&A activity and other infrequent or unusual gains and losses. Neither the timing or likelihood of these events, nor their probable significance, can be quantified with a reasonable degree of accuracy. Accordingly, a reconciliation of such forward-looking information to the most directly comparable GAAP financial measure is not provided.

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 twenty-six-week periods ended March 4, 2023 and February 26, 2022, respectively, is shown below.



RECONCILIATIONS

Non-GAAP Financial Measures

Results Excluding Acquisition-Related Costs, Share Reclassification Proposal Costs and Restructuring and Other Costs

In calculating non-GAAP financial measures, we exclude acquisition-related costs, share reclassification proposal 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.

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.

Incremental Operating Margin

The Company defines Incremental Operating Margin as the change in year-over-year Income from Operations as a percentage of the change in year-over-year Net Sales and Adjusted Incremental Operating Margin as Incremental Operating Margin adjusted to exclude acquisition-related costs, share reclassification proposal costs and restructuring and other costs by excluding such items from Income from Operations. The Company's management believes that Incremental Operating Margin is useful because it shows the direction that operating profit margins are moving as a result of changes in net sales between periods, and that, by excluding the aforementioned items, Adjusted Incremental Operating Margin helps to more clearly show, on a comparable basis between periods, trends in the Company's underlying business and results of operations. The Company believes 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 DIRECT CO., INC.
Reconciliation of GAAP and Non-GAAP Financial Information
Thirteen and Twenty-Six Weeks Ended March 4, 2023 and February 26, 2022
(dollars in thousands)

GAAP Measure		Items Affecting Comparability		Non-GAAP Measure	
Net cash provided by operating activities		Expenditures for property, plant and equipment		Free cash flow	
Thirteen Weeks Ended		Thirteen Weeks Ended		Thirteen Weeks Ended	
	February 26,		February 26,		February 26,
March 4, 2023	2022	March 4, 2023	2022	March 4, 2023	2022
\$340,416	\$(383)	\$(15,067)	\$(15,917)	\$325,349	\$(16,300)

GAAP Measure		Items Affecting Comparability		Non-GAAP Measure	
Net cash provided by operating activities		Expenditures for property, plant and equipment		Free cash flow	
Twenty-Six Weeks Ended		Twenty-Six Weeks Ended		Twenty-Six Weeks Ended	
	February 26,		February 26,		February 26,
March 4, 2023	2022	March 4, 2023	2022	March 4, 2023	2022
\$416,440	\$57,421	\$(40,571)	\$(31,179)	\$375,869	\$26,242

RECONCILIATIONS

MSC INDUSTRIAL DIRECT CO., INC.
Reconciliation of GAAP and Non -GAAP Financial Information
Thirteen Weeks Ended March 4, 2023
(In thousands, except percentages and per share data)

	GAAP Financial Measure	Items Affecting Comparability			Non-GAAP Financial
	Total MSC Industrial	Restructuring and Other Costs	Acquisition-related Costs	Share Reclassification Proposal Costs	Adjusted Total MSC Industrial
Net Sales	\$ 961,632	\$ —	\$ —	\$ —	\$ 961,632
Cost of Goods Sold	564,937	—	—	—	564,937
Gross Profit	396,695	—	—	—	396,695
Gross Margin	41.3 %	— %	— %	— %	41.3 %
Operating Expenses	280,630	—	244	876	279,510
Operating Exp as % of Sales	29.2 %	— %	— %	(0.1) %	29.1 %
Restructuring and Other Costs	1,783	1,783	—	—	—
Income from Operations	114,282	(1,783)	(244)	(876)	117,185
Operating Margin	11.9 %	0.2 %	— %	0.1 %	12.2 %
Total Other Expense	(8,104)	—	—	—	(8,104)
Income before provision for income taxes	106,178	(1,783)	(244)	(876)	109,081
Provision for income taxes	26,863	(450)	(62)	(222)	27,597
Net income	79,315	(1,333)	(182)	(654)	81,484
Net income attributable to noncontrolling interest	175	—	—	—	175
Net income attributable to MSC Industrial	\$ 79,140	\$ (1,333)	\$ (182)	\$ (654)	\$ 81,309
Net income per common share:					
Diluted	\$ 1.41	\$ (0.02)	\$ —	\$ (0.01)	\$ 1.45

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



RECONCILIATIONS

MSC INDUSTRIAL DIRECT CO., INC.
Reconciliation of GAAP and Non-GAAP Financial Information
Twenty-Six Weeks Ended March 4, 2023
(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	Acquisition- related Costs	Share Reclassification Proposal Costs	Adjusted Total MSC Industrial
Net Sales	\$ 1,919,377	\$ —	\$ —	\$ —	\$ 1,919,377
Cost of Goods Sold	1,124,883	—	—	—	1,124,883
Gross Profit	794,494	—	—	—	794,494
Gross Margin	41.4 %	— %	— %	— %	41.4 %
Operating Expenses	560,325	—	398	876	559,051
Operating Exp as % of Sales	29.2 %	— %	— %	— %	29.1 %
Restructuring and Other Costs	3,877	3,877	—	—	—
Income from Operations	230,292	(3,877)	(398)	(876)	235,443
Operating Margin	12.0 %	0.2 %	— %	— %	12.3 %
Total Other Expense	(16,263)	—	—	—	(16,263)
Income before provision for income taxes	214,029	(3,877)	(398)	(876)	219,180
Provision for income taxes	53,502	(973)	(100)	(220)	54,795
Net income	160,527	(2,904)	(298)	(656)	164,385
Net income attributable to noncontrolling interest	73	—	—	—	73
Net income attributable to MSC Industrial	\$ 160,454	\$ (2,904)	\$ (298)	\$ (656)	\$ 164,312
Net income per common share:					
Diluted	\$ 2.86	\$ (0.05)	\$ (0.01)	\$ (0.01)	\$ 2.93

*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 and Twenty-Six Weeks Ended February 26, 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		Adjusted Total MSC Industrial	
	Thirteen Weeks Ended	Twenty-Six Weeks Ended	Thirteen Weeks Ended	Twenty-Six Weeks Ended	Thirteen Weeks Ended	Twenty-Six Weeks Ended
Net Sales	\$ 862,522	\$ 1,711,069	\$ —	\$ —	\$ 862,522	\$ 1,711,069
Cost of Goods Sold	496,247	992,198	—	—	496,247	992,198
Gross Profit	366,275	718,871	—	—	366,275	718,871
Gross Margin	42.5 %	42.0 %			42.5 %	42.0 %
Operating Expenses	265,973	522,554	—	—	265,973	522,554
Operating Exp as % of Sales	30.8 %	30.5 %			30.8 %	30.5 %
Restructuring and Other Costs	3,134	8,417	3,134	8,417	—	—
Income from Operations	97,168	187,900	(3,134)	(8,417)	100,302	196,317
Operating Margin	11.3 %	11.0 %	-0.4%	-0.5%	11.6 %	11.5 %
Total Other Expense	(3,505)	(7,627)	—	—	(3,505)	(7,627)
Income before provision for income taxes	93,663	180,273	(3,134)	(8,417)	96,797	188,690
Provision for income taxes	23,509	43,862	(787)	(2,178)	24,296	46,040
Net income	70,154	136,411	(2,347)	(6,239)	72,501	142,650
Net income attributable to noncontrolling interest	223	413	—	—	223	413
Net income attributable to MSC Industrial	\$ 69,931	\$ 135,998	\$ (2,347)	\$ (6,239)	\$ 72,278	\$ 142,237
Net income per common share:						
Diluted	\$ 1.25	\$ 2.43	\$ (0.04)	\$ (0.11)	\$ 1.29	\$ 2.54

*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
Twelve Months Ended March 4, 2023
(In thousands, except percentages)

	Twelve Months Ended March 4, 2023
(a) Net income attributable to MSC Industrial (twelve-month trailing)	\$ 364,242
NOPAT	
Income from Operations (twelve-month trailing)	511,105
Effective tax rate	24.8 %
(b) Non-GAAP NOPAT	384,312
(c) Adjusted Non-GAAP NOPAT	386,804 ¹
Invested Capital	
Total MSC Industrial shareholders' equity	\$ 1,420,934
Current portion of debt including obligations under finance leases	275,758
Long-term debt including obligations under finance leases	273,941
Total Debt	549,699
Cash and cash equivalents	49,615
Net debt	500,084
Invested capital	1,921,018
(d) Average invested capital (thirteen-month trailing average)	2,031,622
(e) Adjusted average invested capital (thirteen-month trailing average)	2,031,985 ¹
(a)/(d) Net income to Average invested capital	17.9 %
(b)/(d) Non-GAAP ROIC	18.9 %
(c)/(e) Adjusted Non-GAAP ROIC	19.0 %

⁽¹⁾ Adjusted Non-GAAP NOPAT and invested capital excludes \$11.3 million of restructuring and other costs, \$10.1 million gain on sale of property, \$1.3 million of acquisition-related charges and \$0.9 million of share reclassification proposal costs, net of an associated tax benefit of \$0.8 million.

RECONCILIATIONS

MSC INDUSTRIAL DIRECT CO., INC.
Reconciliation of GAAP and Non-GAAP Financial Information
Thirteen Weeks Ended March 4, 2023 and February 26, 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	Acquisition-related Costs	Share Reclassification Proposal Costs	Adjusted Total MSC Industrial	
Net Sales - thirteen weeks ended March 4, 2023	\$ 961,632	—	—	—	\$ 961,632	
Net Sales - thirteen weeks ended February 26, 2022	862,522	—	—	—	862,522	
Income from Operations - thirteen weeks ended March 4, 2023	114,282	(1,783)	(244)	(876)	117,185	
Income from Operations - thirteen weeks ended February 26, 2022	97,168	(3,134)	—	—	100,302	
Incremental Operating Margin - thirteen weeks ended March 4, 2023	17.3 %	(1.4)%	0.2 %	0.9 %	17.0 %	



RECONCILIATIONS

MSC INDUSTRIAL DIRECT CO., INC.
Reconciliation of GAAP and Non-GAAP Financial Information
Twenty-Six Weeks Ended March 4, 2023 and February 26, 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	Acquisition-related Costs	Share Reclassification Proposal Costs	Adjusted Total MSC Industrial
Net Sales - twenty-six weeks ended March 4, 2023	\$ 1,919,377	—	—	—	\$ 1,919,377
Net Sales - twenty-six weeks ended February 26, 2022	1,711,069	—	—	—	1,711,069
Income from Operations - twenty-six weeks ended March 4, 2023	230,292	(3,877)	(398)	(876)	235,443
Income from Operations - twenty-six weeks ended February 26, 2022	187,900	(8,417)	—	—	196,317
Incremental Operating Margin - twenty-six weeks ended March 4, 2023	20.4 %	(2.2)%	0.2 %	0.4 %	18.8 %



