



THIRD QUARTER FISCAL 2024
EARNINGS CALL JANUARY 24, 2024

MONRO
AUTO SERVICE AND TIRE CENTERS

TIRE CHOICE
AUTO SERVICE CENTERS

MR. TIRE
AUTO SERVICE CENTERS

**KEN TIRE & AutoCare
TOWERY'S**

TIRE WAREHOUSE
TIRES FOR LESS

TIRE BARN
TIRE & AUTO

carx
TIRE & AUTO

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COMMERCIAL
SOLUTIONS**

Certain statements in this presentation, other than statements of historical fact, including estimates, projections, statements related to our business plans and operating results are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Monro has identified some of these forward-looking statements with words such as “believes,” “expects,” “estimates,” “outlook,” “strive,” “anticipates,” “could,” “may,” “will,” and the negative of these words or other comparable terminology. These forward-looking statements are based on Monro’s current expectations, estimates, projections and assumptions as of the date such statements are made, and are subject to risks and uncertainties that may cause results to differ materially from those expressed or implied in the forward-looking statements. Additional information regarding these risks and uncertainties are described in the Company’s filings with the Securities and Exchange Commission, including in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of our most recently filed periodic reports on Forms 10-K and Form 10-Q, which are available on Monro’s website at <https://corporate.monro.com/investors/financials/sec-filings/default.aspx>. Monro assumes no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

In addition to including references to diluted earnings per share (“EPS”), which is a generally accepted accounting principles (“GAAP”) measure, this presentation includes references to adjusted diluted earnings per share, which is a non-GAAP financial measure. Monro has included a reconciliation from adjusted diluted EPS to its most directly comparable GAAP measure, diluted EPS in Slide 8. Management views this non-GAAP financial measure as a way to better assess comparability between periods because management believes the non-GAAP financial measure shows the Company’s core business operations while excluding certain non-recurring items such as costs related to shareholder matters from the Company’s equity capital structure recapitalization, transition costs related to the Company’s back-office optimization, corporate headquarters relocation costs, and items related to store closings, as well as acquisition initiatives.

This non-GAAP financial measure is not intended to represent, and should not be considered more meaningful than, or as an alternative to, its most directly comparable GAAP measure. This non-GAAP financial measure may be different from similarly titled non-GAAP financial measures used by other companies.

Third Quarter Fiscal 2024 Highlights



Financial Performance

- Sales of \$317.7M decreased 5.2%, primarily due to lower tire unit sales
- Comp store sales decreased 6.1%
- Gross margin increased 170 basis points compared to prior year, primarily resulting from lower material costs as a percentage of sales and lower technician labor costs as a percentage of sales, which were partially offset by higher distribution and occupancy costs as a percentage of sales
- Diluted EPS of \$.38; Adjusted Diluted EPS of \$.39

Balance Sheet / Cash Flow

- Operating cash flow of ~\$130M for the first nine months of fiscal 2024
- Cash of ~\$24M and availability on credit facility of ~\$476M; net bank debt-to-EBITDA of 0.5x
- Distributed third quarter fiscal 2024 cash dividend of \$.28 per share
- Repurchased ~1.5M shares of common stock at an average price of \$28.50 for ~\$44M

Strategy Update

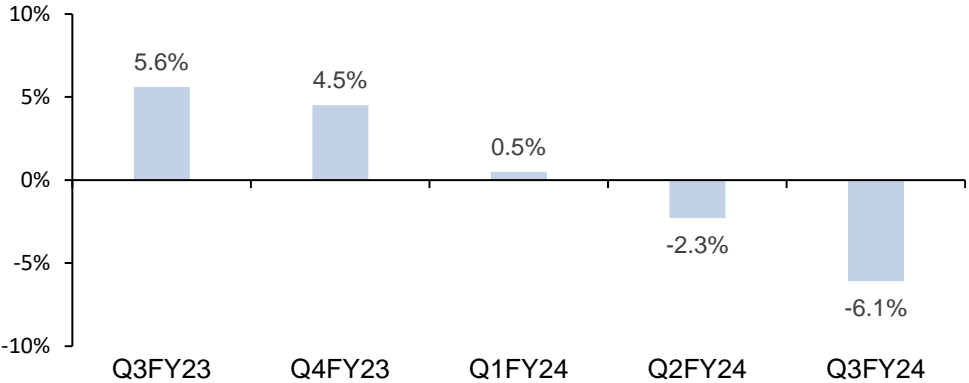
- Continued progress on critical in-store initiatives including training and productivity improvements
- Capital return to shareholders through a healthy dividend program and share repurchases utilizing proceeds from the divestiture as well as excess cash expected to be generated in fiscal 2024

Third Quarter Fiscal 2024 Highlights



Comparable Store Sales Decline Due to Customer Deferrals Causing Industry-Wide Slowdown in Tire Unit Sales

Quarterly Comparable Store Sales Trends

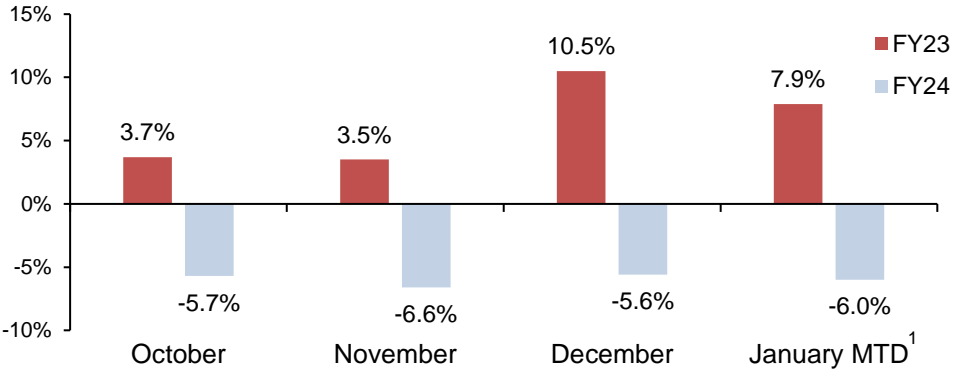


Q3FY24

Key Highlights

- Sales decreased 5.2% to \$317.7M, primarily due to lower tire unit sales
- Comp store sales decreased 6.1%
- Sales from new stores increased \$1.0M
- Generated operating cash flow of ~\$130M driven by profitability and working capital reductions

Monthly Comparable Store Sales Trends



Q3FY24

Key Highlights

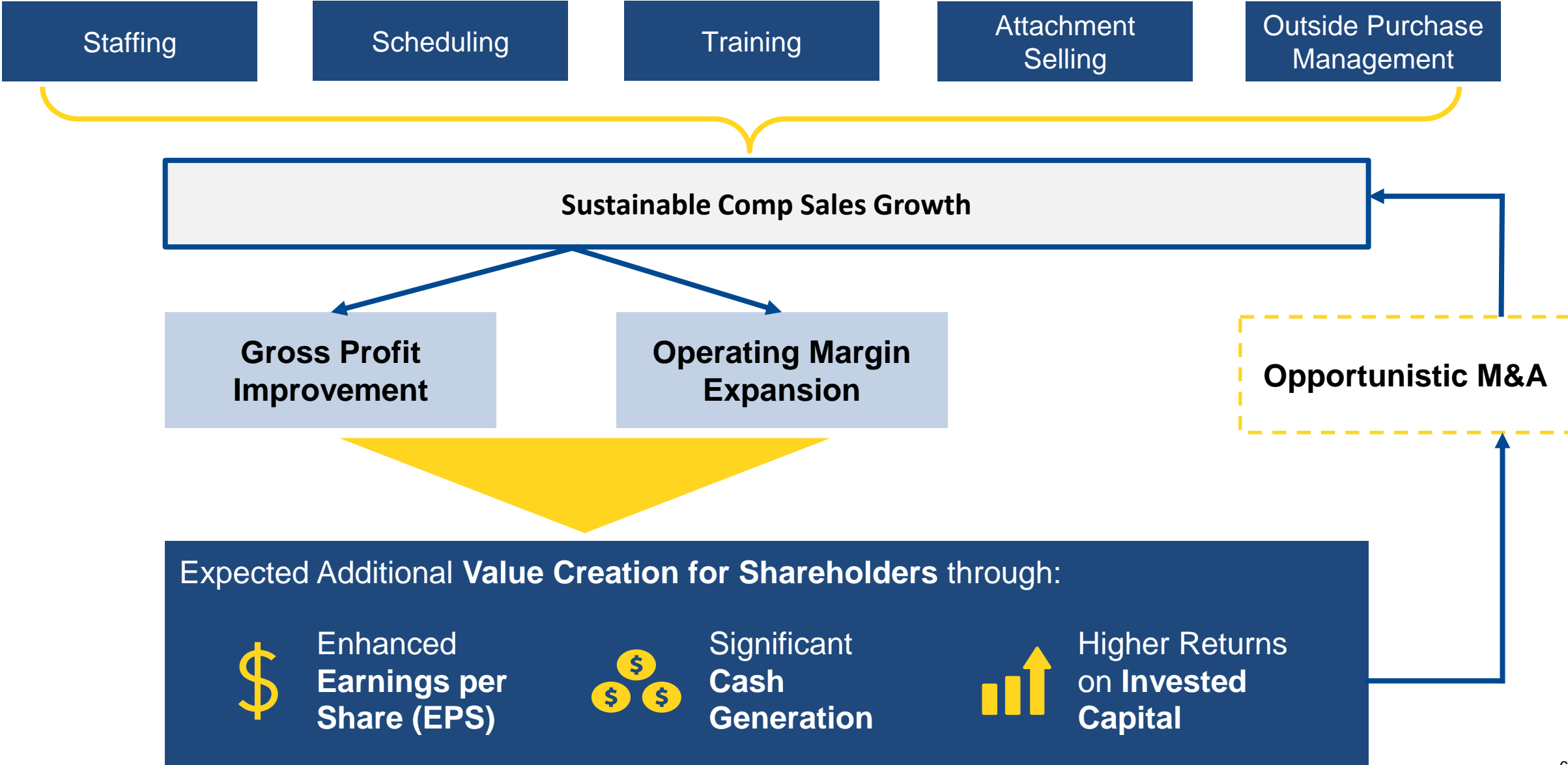
- Product and service category performance:
 - Batteries: flat
 - Brakes: -1%
 - Service: -3%
 - Front End/Shocks: -5%
 - Alignments: -5%
 - Tires: -9%
- Service categories ~49% of sales compared to ~47% in the prior year period

¹ Preliminary results through January 20, 2024

Capitalize on Growing Retail Demand to Sustain Long Term Growth

- ✓ Driving productivity improvements and delivering sales growth in all Retail locations with a focus on ~300 of our small or underperforming stores
- ✓ Generate significant cash flow through improved profitability and working capital reductions
- ✓ Continue to evaluate M&A opportunities as we invest for growth in our existing stores
- ✓ Capital return to shareholders through a healthy dividend program and share repurchases
- ✓ Further integrate ESG efforts into our strategy and operations





Disciplined M&A Strategy to Capitalize on Significant Opportunities for Consolidation in the Aftermarket

Acquisition Outlook



- Financial flexibility to continue to roll up attractive opportunities in a highly fragmented industry
- Significant growth prospects in the attractive and dynamic Western region
- Evaluating a robust pipeline of attractive M&A opportunities that support our growth strategy while maintaining strong financial discipline

Third Quarter Fiscal 2024 Results



Laser Focused on Maximizing Profitability through Prudent Cost Control

	Q3FY24	Q3FY23	Δ
Sales (millions)	\$317.7	\$335.2	(5.2%)
Same Store Sales	(6.1%)	5.6%	(1,170) bps
Gross Margin	35.5%	33.8%	170 bps
Operating Margin	6.7%	7.1%	(40) bps
Diluted EPS	\$.38	\$.41	(7.3%)
Excluded Costs¹	\$.01	\$.02	
Adjusted Diluted EPS²	\$.39	\$.43	(9.3%)

¹ Please refer to the reconciliation of adjusted diluted EPS in our earnings release for further details regarding excluded items in Q3FY24 and Q3FY23.

² Adjusted Diluted EPS is a non-GAAP measure that excludes certain non-recurring items such as costs related to shareholder matters from our equity capital structure recapitalization, transition costs related to our back-office optimization, corporate headquarters relocation costs, and items related to store closings, as well as acquisition initiatives. A reconciliation of net income to adjusted net income and diluted EPS to adjusted diluted EPS is included in our earnings release dated January 24, 2024.

Operating Cash Flow Supports Growth Strategy and Capital Return to Shareholders

Disciplined Capital Allocation

YTD Fiscal 2024

- Received ~\$16M of divestiture proceeds
- Capex of ~\$19M
- Spent ~\$29M in principal payments for financing leases
- Paid ~\$27M in dividends
- Repurchased ~1.5M shares of common stock at an average price of \$28.50 for ~\$44M

Strong Balance Sheet and Liquidity

- Generated operating cash flow of ~\$130M during YTD fiscal 2024
- Net bank debt of ~\$70M as of December 2023
- Net bank debt-to-EBITDA ratio as of December 2023 of 0.5x

Fiscal 2024 Outlook – Financial Assumptions



Financial Assumptions as of January 24, 2024

Total Company Sales

Lower y/y sales, inclusive of an extra week of sales in the fiscal fourth quarter

Gross Margin

Drive y/y improvements through:

- Pricing actions
- Tire mix optimization; and
- Productivity improvements from labor investments & reduction of non-productive payroll, which will be partially offset by continued wage inflation

Total Operating Expenses

Higher y/y as a % of sales due to increases in direct & departmental costs to support store base, as well as the impact of inflation & lower sales volume

Tax Rate

~25% for fiscal 2024

Capital Expenditures

~\$30M to ~\$35M

Q4 & FY Outlook Considerations

- Preliminary fiscal January comp store sales down approximately 6%



Leading national automotive service and tire provider with 1,296 locations in 32 states



Focus on operational excellence to increase customer lifetime value



Scalable platform with significant growth opportunity in acquisitions



Commitment to driving Monro.Forward Responsibly



Well-positioned to capitalize on a favorable industry backdrop



Low-cost operator with solid operating margins



Strong balance sheet and operating cash flow



Delivering consistent shareholder returns through dividends & share repurchases