



FIRST QUARTER FISCAL 2026
EARNINGS CALL JULY 30, 2025

MONRO
AUTO SERVICE AND TIRE CENTERS

TIRE CHOICE
AUTO SERVICE CENTERS

MR. TIRE
AUTO SERVICE CENTERS

**KEN TIRE & AutoCare
TOWERYS**

TIRE WAREHOUSE
TIRES FOR LESS

TIRE BARN
TIRE & AUTO

carx
TIRE & AUTO

MOUNTAIN VIEW
TIRE & AUTO SERVICE

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 “continue,” “expect,” “may,” “believe,” “focus,” “will,” “would,” “plan,” 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 operating (loss) income, net (loss) income, and diluted (loss) earnings per share (“EPS”), which are generally accepted accounting principals (“GAAP”) measures, this presentation includes references to adjusted operating income, adjusted net income, and adjusted diluted EPS, which are non-GAAP financial measures. Monro has included reconciliations from adjusted operating income, adjusted net income, and adjusted diluted EPS to their most directly comparable GAAP measures, operating (loss) income, net (loss) income, and diluted EPS in the appendix to this presentation. Management views these non-GAAP financial measures as a way to better assess comparability between periods because management believes these non-GAAP financial measures show the Company’s core business operations while excluding certain items that are not part of our core operations such as store closing costs net of related gains on the sale of owned locations and early lease terminations, consulting costs related to our operational improvement plan, transition costs related to back-office optimization, costs related to store impairment charges, corporate headquarters relocation costs, and write-off of debt issuance costs.

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

Four Key Areas of Focus Identified as Opportunities for Improvement

Closing Unprofitable Stores

- Successfully completed the closing of 145 underperforming stores by the end of May
- Re-positioned a vast majority of inventory & removed IT equipment from these locations by the end of June
- Have now started a process to exit the real estate at these locations, including 40 owned stores
- This process is expected to generate positive cash flows & be largely completed over the next 12 months
- Enables us to focus on improving performance in 1,115 continuing locations for the remainder of fiscal 2026

Increasing Merchandising Productivity & Mitigating Tariff Risk

- Katy Chang joined Monro as SVP of Merchandising
- Have had constructive discussions with all of our largest vendors & tire distributors during which we addressed a wide range of priorities
- Will continue our dialog & expect to be well-positioned with the right product to meet customers' needs
- Our team continues to conduct fact-based negotiations with top suppliers to mitigate as much of the actual & anticipated tariffs, as possible
- Have experienced some materials cost-based & tariff-related increases; however, the impact on the first quarter was not significant
- Will closely monitor & manage tariff impact on us & customers

Driving Profitable Customer Acquisition & Activation

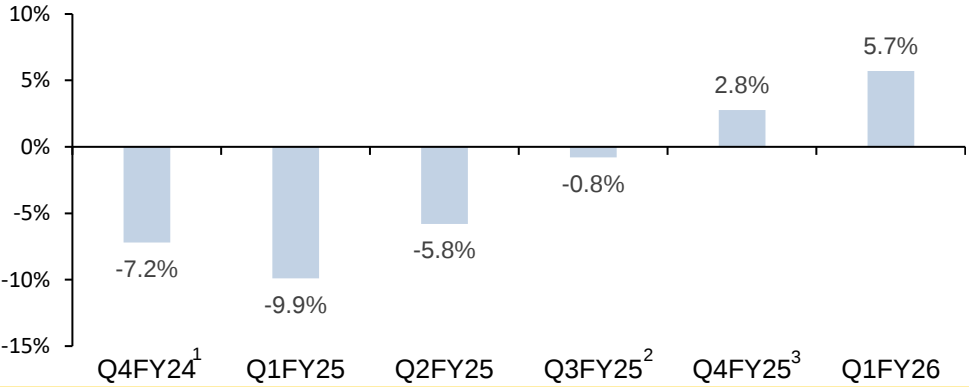
- During the first quarter, advanced targeting efforts through marketing tests that have been conducted at a significant number of stores
- Have deployed a wide range of digital tools to reach target audience, but have also selectively re-invigorated local media, such as radio & direct mail
- Now implementing refined targeting in a representative sample across several hundred stores in the chain
- The full impact of a more systematic approach to traffic generation won't be felt until later this fiscal year, but when assessing markets where this approach has already been implemented, early results are encouraging

Improving Our Customer Experience & Selling Effectiveness

- While we've made progress, we have opportunities to be more effective with ConfiDrive going forward
- Are systematically enhancing the customer experience through better preparation for customers before they even arrive at our stores
- When guests schedule appointments, we have opportunities to communicate with them by phone, text messages & e-mails to fully understand & confirm their tire & vehicle service needs prior to their visit
- To accelerate the implementation of an enhanced guest experience, have established a Task Force aimed at piloting improvements, including hands-on coaching & training in a range of locations across the network

Mid-Single-Digit Comparable Store Sales Growth Driven by Sales & Unit Growth in Tires & High-Margin Service Categories

Quarterly Comparable Store Sales Trends



Q1FY26

Key Highlights

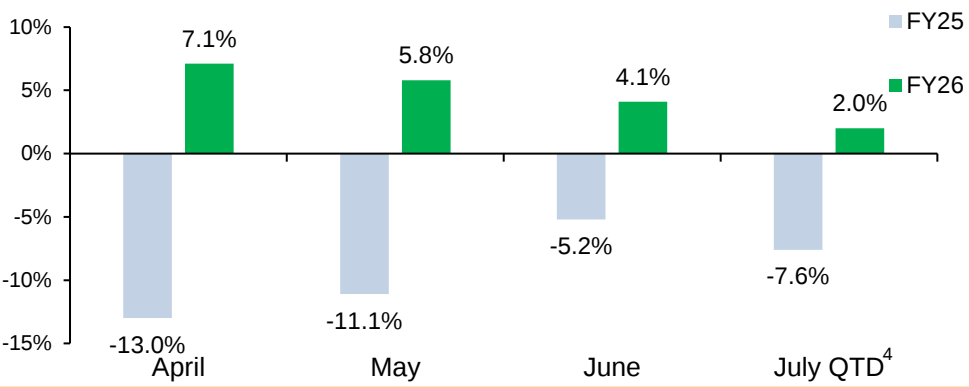
- Comp store sales increased 5.7%, which enabled us to report two consecutive quarters of positive comps for the first time in a couple of years
- Maintained prudent operating cost control
- Reduced inventory levels by ~\$10M
- Profitability on an adjusted diluted EPS basis was in-line with the prior year first quarter
- Preliminary fiscal July comparable stores sales up 2%

¹ Adjusted for extra week of sales in fiscal 2024

² Adjusted for one fewer selling day due to a shift in the timing of the Christmas holiday from the fourth quarter in fiscal 2024 to the third quarter in fiscal 2025

³ Adjusted for six fewer selling days in the current year quarter due to an extra week of sales in fiscal 2024 and a shift in the timing of the Christmas holiday from the fourth quarter in fiscal 2024 to the third quarter in fiscal 2025

Monthly Comparable Store Sales Trends



Q1FY26

Key Highlights

- Product and service category performance:
 - Front/End Shocks: +26%
 - Brakes: +9%
 - Batteries: +9%
 - Tires: +4%
 - Service: +4%
 - Alignments: flat
- Service categories ~54% of sales, consistent with the prior year period

⁴ Fiscal 2026 represents preliminary results through July 26, 2025

First Quarter Fiscal 2026 Results



Gross Margin Impacted by Increased Technician Labor Costs, Consumer Trade-Down, & Increased Self-Funded Promotions; Maintained Prudent Operating Cost Control; Adjusted Diluted EPS¹ In-Line with Prior Year

	Q1FY26	Q1FY25	Δ
Sales (millions)	\$301.0	\$293.2	2.7%
Same Store Sales	5.7%	-9.9%	1,560 bps
Gross Margin	35.5%	37.2%	(170) bps
Adjusted Operating Income¹ (% of sales)	4.7%	5.0%	(30) bps
Adjusted Diluted EPS¹	\$.22	\$.22	flat

¹ Please refer to the reconciliations of adjusted operating income and adjusted diluted EPS in the appendix to this presentation and in our earnings release for further details regarding excluded items in Q1FY26 and Q1FY25. Adjusted operating income and adjusted diluted EPS are non-GAAP measures that exclude certain items that are not part of our core operations such as store closing costs net of related gains on the sale of owned locations and early lease terminations, consulting costs related to our operational improvement plan, transition costs related to back-office optimization, costs related to store impairment charges, corporate headquarters relocation costs, and write-off of debt issuance costs. Reconciliations of operating (loss) income to adjusted operating income and diluted EPS to adjusted diluted EPS are included in our earnings release dated July 30, 2025.

Balance Sheet and Liquidity Support Capital Allocation Priorities

Disciplined Capital Allocation

First Quarter Fiscal 2026

- Received ~\$3M of divestiture proceeds
- Capex of ~\$7M
- Spent ~\$10M in principal payments for financing leases
- Paid ~\$9M in dividends

Strong Balance Sheet and Liquidity

- Net bank debt of ~\$64M as of June 2025
- Availability under credit facility of ~\$398M and cash and equivalents of ~\$8M as of June 2025

Fiscal 2026 Expectations

- Expects to continue to deliver year-over-year comparable store sales growth, primarily driven by the Company's improvement plan, as well as any tariff-related price adjustments to customers
- Continues to expect the results of store optimization plan to reduce total sales by approximately \$45M in fiscal 2026
- Expects that gross margin will continue to remain pressured (given expected baseline cost inflation as well as exposure to tariff-related cost increases)
- Expects to continue to partially offset some baseline cost inflation as well as some tariff-related cost increases with benefits from closing stores and operational improvements from the Company's improvement plan, which will allow the Company to deliver a year-over-year improvement in adjusted diluted earnings per share
- Expects to continue to generate sufficient operating cash flow that will allow the Company to maintain a strong financial position and to fund all capital allocation priorities, including the Company's dividend
- Expects CAPEX spend of \$25M to \$35M

Appendix

Reconciliation of Adjusted Operating Income (Unaudited)



(Dollars in Thousands)
Quarter Ended Fiscal
June

	2025	2024
Operating (Loss) Income	\$(6,075)	\$13,246
Store closing costs, net	14,816	181
Consulting costs related to operational improvement plan	4,722	-
Transition costs related to back-office optimization	571	597
Store impairment charges	-	520
Corporate headquarters relocation costs	-	125
Adjusted Operating Income	\$14,034	\$14,669

Reconciliation of Adjusted Net Income (Unaudited)



(Dollars in Thousands)
Quarter Ended Fiscal
June

	2025	2024
Net (Loss) Income	\$(8,050)	\$5,863
Store closing costs, net	14,816	181
Consulting costs related to operational improvement plan	4,722	-
Transition costs related to back-office optimization	571	597
Write-off of debt issuance costs	263	-
Store impairment charges	-	520
Corporate headquarters relocation costs	-	125
Provision for income taxes on pre-tax adjustments	(5,297)	(387)
Adjusted Net Income	\$7,025	\$6,899

Reconciliation of Adjusted Diluted EPS (Unaudited)



Quarter Ended Fiscal
June

	2025	2024
Diluted (Loss) Earnings Per Share	\$(.28)	\$.19
Store closing costs, net	.37	.00
Consulting costs related to operational improvement plan	.12	-
Transition costs related to back-office optimization	.01	.01
Write-off of debt issuance costs	.01	-
Store impairment charges	-	.01
Corporate headquarters relocation costs	-	.00
Adjusted Diluted EPS	\$.22	\$.22

Note: Amounts may not foot due to rounding.