

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 27, 2025

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

**Commission File Number: 0-19357**



**Monro, Inc.**

(Exact name of registrant as specified in its charter)

**New York**

(State or other jurisdiction of  
incorporation or organization)

**295 Woodcliff Drive, Suite 202**

**Fairport, New York**

(Address of principal executive offices)

**16-0838627**

(I.R.S. Employer  
Identification No.)

**14450**

(Zip code)

Registrant's telephone number, including area code: **1 (800) 876-6676**

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class                             | Trading<br>Symbol(s) | Name of each exchange on which registered |
|-------------------------------------------------|----------------------|-------------------------------------------|
| <b>Common Stock, par value \$0.01 per share</b> | <b>MNRO</b>          | <b>The Nasdaq Stock Market</b>            |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

As of October 17, 2025, 30,019,660 shares of the registrant's common stock, \$0.01 par value per share, were outstanding.

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CONSOLIDATED FINANCIAL STATEMENTS  
**PART I - FINANCIAL INFORMATION**

**Item 1. Financial Statements**
**Consolidated Balance Sheets**

| (thousands, except footnotes) (unaudited)                   | September 27, 2025  | March 29, 2025      |
|-------------------------------------------------------------|---------------------|---------------------|
| <b>Assets</b>                                               |                     |                     |
| Current assets                                              |                     |                     |
| Cash and equivalents                                        | \$ 10,468           | \$ 20,762           |
| Accounts receivable                                         | 11,788              | 11,752              |
| Federal and state income taxes receivable                   | 4,113               | 3,992               |
| Inventory                                                   | 160,681             | 181,467             |
| Other current assets                                        | 55,785              | 59,426              |
| Total current assets                                        | 242,835             | 277,399             |
| Property and equipment, net                                 | 240,655             | 258,949             |
| Finance lease and financing obligation assets, net          | 152,923             | 159,794             |
| Operating lease assets, net                                 | 174,138             | 181,587             |
| Goodwill                                                    | 736,435             | 736,435             |
| Intangible assets, net                                      | 9,039               | 10,390              |
| Assets held for sale                                        | 11,481              | —                   |
| Other non-current assets                                    | 16,500              | 17,269              |
| <b>Total assets</b>                                         | <b>\$ 1,584,006</b> | <b>\$ 1,641,823</b> |
| <b>Liabilities and shareholders' equity</b>                 |                     |                     |
| Current liabilities                                         |                     |                     |
| Current portion of finance leases and financing obligations | \$ 38,733           | \$ 39,739           |
| Current portion of operating lease liabilities              | 39,717              | 40,061              |
| Accounts payable                                            | 298,966             | 322,642             |
| Accrued payroll, payroll taxes and other payroll benefits   | 21,568              | 23,599              |
| Accrued insurance                                           | 57,991              | 52,822              |
| Deferred revenue                                            | 13,947              | 14,696              |
| Other current liabilities                                   | 40,288              | 30,731              |
| Total current liabilities                                   | 511,210             | 524,290             |
| Long-term debt                                              | 60,000              | 61,250              |
| Long-term finance leases and financing obligations          | 205,870             | 220,783             |
| Long-term operating lease liabilities                       | 156,723             | 167,523             |
| Long-term deferred income tax liabilities                   | 37,239              | 37,111              |
| Other long-term liabilities                                 | 11,279              | 10,105              |
| Total liabilities                                           | 982,321             | 1,021,062           |
| Commitments and contingencies - <a href="#">Note 9</a>      |                     |                     |
| Shareholders' equity:                                       |                     |                     |
| Class C Convertible Preferred stock                         | 29                  | 29                  |
| Common stock                                                | 401                 | 401                 |
| Treasury stock                                              | (250,111)           | (250,111)           |
| Additional paid-in capital                                  | 259,735             | 258,804             |
| Accumulated other comprehensive loss                        | (3,404)             | (3,421)             |
| Retained earnings                                           | 595,035             | 615,059             |
| Total shareholders' equity                                  | 601,685             | 620,761             |
| <b>Total liabilities and shareholders' equity</b>           | <b>\$ 1,584,006</b> | <b>\$ 1,641,823</b> |

**Class C convertible preferred stock** Authorized 150,000 shares, \$1.50 par value, one preferred stock share to 61.275 common stock shares conversion value, 19,664 shares issued and outstanding as of September 27, 2025 and March 29, 2025

**Common stock** Authorized 65,000,000 shares, \$0.01 par value; 40,124,409 shares issued as of September 27, 2025 and 40,067,600 shares issued as of March 29, 2025

**Treasury stock** 10,104,688 shares as of September 27, 2025 and March 29, 2025, at cost

See accompanying [Notes to Consolidated Financial Statements](#).

# CONSOLIDATED FINANCIAL STATEMENTS

## Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

| (thousands, except per share data) (unaudited)          | Three Months Ended |                    | Six Months Ended   |                    |
|---------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                         | September 27, 2025 | September 28, 2024 | September 27, 2025 | September 28, 2024 |
| Sales                                                   | \$ 288,914         | \$ 301,391         | \$ 589,949         | \$ 594,573         |
| Cost of sales, including occupancy costs                | 185,800            | 195,014            | 379,929            | 379,010            |
| Gross profit                                            | 103,114            | 106,377            | 210,020            | 215,563            |
| Operating, selling, general and administrative expenses | 90,364             | 93,175             | 203,345            | 189,114            |
| Operating income                                        | 12,750             | 13,202             | 6,675              | 26,449             |
| Interest expense, net of interest income                | 4,350              | 5,136              | 9,134              | 10,279             |
| Other income, net                                       | (38)               | (110)              | (196)              | (201)              |
| Income (loss) before income taxes                       | 8,438              | 8,176              | (2,263)            | 16,371             |
| Provision for income taxes                              | 2,773              | 2,529              | 122                | 4,861              |
| <b>Net income (loss)</b>                                | <b>\$ 5,665</b>    | <b>\$ 5,647</b>    | <b>\$ (2,385)</b>  | <b>\$ 11,510</b>   |
| Other comprehensive income                              |                    |                    |                    |                    |
| Changes in pension, net of tax                          | 8                  | 34                 | 17                 | 68                 |
| Other comprehensive income                              | 8                  | 34                 | 17                 | 68                 |
| <b>Comprehensive income (loss)</b>                      | <b>\$ 5,673</b>    | <b>\$ 5,681</b>    | <b>\$ (2,368)</b>  | <b>\$ 11,578</b>   |
| <b>Earnings (loss) per share</b>                        |                    |                    |                    |                    |
| Basic                                                   | \$ 0.18            | \$ 0.18            | \$ (0.10)          | \$ 0.37            |
| Diluted                                                 | \$ 0.18            | \$ 0.18            | \$ (0.10)          | \$ 0.37            |
| Weighted average common shares outstanding              |                    |                    |                    |                    |
| Basic                                                   | 30,000             | 29,934             | 29,983             | 29,925             |
| Diluted                                                 | 31,363             | 31,224             | 29,983             | 31,201             |

See accompanying [Notes to Consolidated Financial Statements](#).

# CONSOLIDATED FINANCIAL STATEMENTS

## Consolidated Statements of Changes in Shareholders' Equity

| (thousands) (unaudited)            | Class C<br>Convertible<br>Preferred Stock |        | Common Stock |        | Treasury Stock |              | Additional<br>Paid-In<br>Capital | Accumulated<br>Other<br>Comprehensive<br>Loss | Retained<br>Earnings | Total<br>Equity |
|------------------------------------|-------------------------------------------|--------|--------------|--------|----------------|--------------|----------------------------------|-----------------------------------------------|----------------------|-----------------|
|                                    | Shares                                    | Amount | Shares       | Amount | Shares         | Amount       |                                  |                                               |                      |                 |
| Balance at June 29, 2024           | 20                                        | \$ 29  | 40,026       | \$ 400 | 10,105         | \$ (250,111) | \$ 255,039                       | \$ (3,417)                                    | \$ 652,481           | \$ 654,421      |
| Net income                         |                                           |        |              |        |                |              |                                  |                                               | 5,647                | 5,647           |
| Other comprehensive income         |                                           |        |              |        |                |              |                                  |                                               |                      |                 |
| Pension liability adjustment       |                                           |        |              |        |                |              |                                  | 34                                            |                      | 34              |
| Dividends declared                 |                                           |        |              |        |                |              |                                  |                                               |                      |                 |
| Preferred                          |                                           |        |              |        |                |              |                                  |                                               | (337)                | (337)           |
| Common                             |                                           |        |              |        |                |              |                                  |                                               | (8,387)              | (8,387)         |
| Dividend payable                   |                                           |        |              |        |                |              |                                  |                                               | (116)                | (116)           |
| Stock options and restricted stock |                                           |        | 28           | 1      |                |              | (156)                            |                                               |                      | (155)           |
| Stock-based compensation           |                                           |        |              |        |                |              | 832                              |                                               |                      | 832             |
| Balance at September 28, 2024      | 20                                        | \$ 29  | 40,054       | \$ 401 | 10,105         | \$ (250,111) | \$ 255,715                       | \$ (3,383)                                    | \$ 649,288           | \$ 651,939      |
| Balance at June 28, 2025           | 20                                        | \$ 29  | 40,084       | \$ 401 | 10,105         | \$ (250,111) | \$ 259,655                       | \$ (3,412)                                    | \$ 598,329           | \$ 604,891      |
| Net income                         |                                           |        |              |        |                |              |                                  |                                               | 5,665                | 5,665           |
| Other comprehensive income         |                                           |        |              |        |                |              |                                  |                                               |                      |                 |
| Pension liability adjustment       |                                           |        |              |        |                |              |                                  | 8                                             |                      | 8               |
| Dividends declared                 |                                           |        |              |        |                |              |                                  |                                               |                      |                 |
| Preferred                          |                                           |        |              |        |                |              |                                  |                                               | (337)                | (337)           |
| Common                             |                                           |        |              |        |                |              |                                  |                                               | (8,405)              | (8,405)         |
| Dividend payable                   |                                           |        |              |        |                |              |                                  |                                               | (217)                | (217)           |
| Stock options and restricted stock |                                           |        | 41           |        |                |              | (134)                            |                                               |                      | (134)           |
| Stock-based compensation           |                                           |        |              |        |                |              | 214                              |                                               |                      | 214             |
| Balance at September 27, 2025      | 20                                        | \$ 29  | 40,125       | \$ 401 | 10,105         | \$ (250,111) | \$ 259,735                       | \$ (3,404)                                    | \$ 595,035           | \$ 601,685      |
| Balance at March 30, 2024          | 20                                        | \$ 29  | 40,017       | \$ 400 | 10,105         | \$ (250,115) | \$ 254,484                       | \$ (3,451)                                    | \$ 655,428           | \$ 656,775      |
| Net income                         |                                           |        |              |        |                |              |                                  |                                               | 11,510               | 11,510          |
| Other comprehensive income         |                                           |        |              |        |                |              |                                  |                                               |                      |                 |
| Pension liability adjustment       |                                           |        |              |        |                |              |                                  | 68                                            |                      | 68              |
| Dividends declared                 |                                           |        |              |        |                |              |                                  |                                               |                      |                 |
| Preferred                          |                                           |        |              |        |                |              |                                  |                                               | (675)                | (675)           |
| Common                             |                                           |        |              |        |                |              |                                  |                                               | (16,762)             | (16,762)        |
| Dividend payable                   |                                           |        |              |        |                |              |                                  |                                               | (213)                | (213)           |
| Stock options and restricted stock |                                           |        | 37           | 1      |                | 4            | (266)                            |                                               |                      | (261)           |
| Stock-based compensation           |                                           |        |              |        |                |              | 1,497                            |                                               |                      | 1,497           |
| Balance at September 28, 2024      | 20                                        | \$ 29  | 40,054       | \$ 401 | 10,105         | \$ (250,111) | \$ 255,715                       | \$ (3,383)                                    | \$ 649,288           | \$ 651,939      |
| Balance at March 29, 2025          | 20                                        | \$ 29  | 40,068       | \$ 401 | 10,105         | \$ (250,111) | \$ 258,804                       | \$ (3,421)                                    | \$ 615,059           | \$ 620,761      |
| Net loss                           |                                           |        |              |        |                |              |                                  |                                               | (2,385)              | (2,385)         |
| Other comprehensive income         |                                           |        |              |        |                |              |                                  |                                               |                      |                 |
| Pension liability adjustment       |                                           |        |              |        |                |              |                                  | 17                                            |                      | 17              |
| Dividends declared                 |                                           |        |              |        |                |              |                                  |                                               |                      |                 |
| Preferred                          |                                           |        |              |        |                |              |                                  |                                               | (675)                | (675)           |
| Common                             |                                           |        |              |        |                |              |                                  |                                               | (16,796)             | (16,796)        |
| Dividend payable                   |                                           |        |              |        |                |              |                                  |                                               | (168)                | (168)           |
| Stock options and restricted stock |                                           |        | 57           |        |                |              | (267)                            |                                               |                      | (267)           |
| Stock-based compensation           |                                           |        |              |        |                |              | 1,198                            |                                               |                      | 1,198           |
| Balance at September 27, 2025      | 20                                        | \$ 29  | 40,125       | \$ 401 | 10,105         | \$ (250,111) | \$ 259,735                       | \$ (3,404)                                    | \$ 595,035           | \$ 601,685      |

We declared \$0.28 dividends per common share or equivalent for each of the three months ended September 27, 2025 and September 28, 2024, and \$0.56 per common share or equivalent for the six months ended September 27, 2025 and September 28, 2024.

See accompanying [Notes to Consolidated Financial Statements](#)

**Consolidated Statements of Cash Flows**

| (thousands) (unaudited)                                                              | Six Months Ended   |                    |
|--------------------------------------------------------------------------------------|--------------------|--------------------|
|                                                                                      | September 27, 2025 | September 28, 2024 |
| <b>Operating activities</b>                                                          |                    |                    |
| Net (loss) income                                                                    | \$ (2,385)         | \$ 11,510          |
| Adjustments to reconcile net (loss) income to cash provided by operating activities: |                    |                    |
| Depreciation and amortization                                                        | 30,866             | 35,238             |
| Share-based compensation expense                                                     | 1,198              | 1,497              |
| Net gain on disposal of assets                                                       | (5,080)            | (2,702)            |
| Impairment of long-lived assets                                                      | —                  | 1,551              |
| Deferred income tax expense                                                          | 122                | 3,378              |
| Change in operating assets and liabilities                                           |                    |                    |
| Accounts receivable                                                                  | (36)               | (1,381)            |
| Inventory                                                                            | 17,991             | (7,728)            |
| Other current assets                                                                 | 167                | 3,084              |
| Other non-current assets                                                             | 18,616             | 19,824             |
| Accounts payable                                                                     | (23,676)           | 46,983             |
| Accrued expenses                                                                     | 10,296             | (952)              |
| Federal and state income taxes payable                                               | —                  | (2,436)            |
| Other long-term liabilities                                                          | (17,683)           | (19,669)           |
| Cash provided by operating activities                                                | 30,396             | 88,197             |
| <b>Investing activities</b>                                                          |                    |                    |
| Capital expenditures                                                                 | (13,128)           | (13,797)           |
| Deferred proceeds received from divestiture                                          | 3,474              | 8,521              |
| Proceeds from the disposal of assets                                                 | 7,243              | 9,914              |
| Cash (used for) provided by investing activities                                     | (2,411)            | 4,638              |
| <b>Financing activities</b>                                                          |                    |                    |
| Principal payments on long-term debt, net borrowings                                 | (1,250)            | (40,000)           |
| Principal payments on finance leases and financing obligations                       | (19,081)           | (20,010)           |
| Dividends paid                                                                       | (17,471)           | (17,437)           |
| Excise tax on repurchase of stock paid                                               | —                  | (420)              |
| Deferred financing costs                                                             | (477)              | (670)              |
| Cash used for financing activities                                                   | (38,279)           | (78,537)           |
| (Decrease) increase in cash and equivalents                                          | (10,294)           | 14,298             |
| Cash and equivalents at beginning of period                                          | 20,762             | 6,561              |
| <b>Cash and equivalents at end of period</b>                                         | <b>\$ 10,468</b>   | <b>\$ 20,859</b>   |
| <b>Supplemental information</b>                                                      |                    |                    |
| Leased assets obtained in exchange for new finance lease liabilities                 | \$ 6,790           | \$ 13,256          |
| Leased assets obtained in exchange for new operating lease liabilities               | \$ 10,101          | \$ 12,264          |

See accompanying [Notes to Consolidated Financial Statements](#).

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**Note 1 – Description of Business and Basis of Presentation****Description of business**

Monro, Inc. and its direct and indirect subsidiaries (together, “Monro”, the “Company”, “we”, “us”, or “our”), are engaged principally in providing automotive undercar repair and tire replacement sales and tire related services in the United States. Monro had 1,116 Company-operated retail stores located in 32 states and 47 Car-X franchised locations as of September 27, 2025.

A certain number of our retail locations also service commercial customers. Our locations that serve commercial customers generally operate consistently with our other retail locations, except that the sales mix for these locations includes a higher number of commercial tires.

Monro’s operations are organized and managed as one single segment designed to offer to our customers replacement tires and tire related services, automotive undercar repair services as well as a broad range of routine maintenance services, primarily on passenger cars, light trucks and vans. We also provide other products and services for brakes; mufflers and exhaust systems; and steering, drive train, suspension and wheel alignment.

**Basis of presentation**

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (“SEC”) applicable to interim financial statements. While these statements reflect all adjustments (consisting of items of a normal recurring nature) that are, in the opinion of management, necessary for a fair statement of the results of the interim period, they do not include all of the information and footnotes required by United States generally accepted accounting principles (“GAAP”) for complete financial statement presentation. The consolidated financial statements should be read in conjunction with the financial statement disclosures in our [Form 10-K](#) for the fiscal year ended March 29, 2025.

We use the same significant accounting policies in preparing quarterly and annual financial statements. For a description of our significant accounting policies followed in the preparation of the financial statements, see [Note 1](#) of our [Form 10-K](#) for the fiscal year ended March 29, 2025.

Due to the seasonal nature of our business, quarterly operating results and cash flows are not necessarily indicative of the results that may be expected for other interim periods or the full year.

*Fiscal year*

We operate on a 52/53 week fiscal year ending on the last Saturday in March. Fiscal years 2026 and 2025 each cover 52 weeks. Unless specifically indicated otherwise, any references to “2026” or “fiscal 2026” and “2025” or “fiscal 2025” relate to the years ending March 28, 2026 and March 29, 2025, respectively.

*Recent accounting pronouncements*

In December 2023, the FASB issued new accounting guidance ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires income tax disclosure updates, primarily by requiring specific categories and greater disaggregation within the rate reconciliation and disaggregation of income taxes paid by jurisdiction. This guidance is effective for fiscal years beginning after December 15, 2024. We are required to adopt these disclosures for our annual reporting period ending March 28, 2026, and believe that the adoption will result in additional disclosures with no material impact to our consolidated financial statements.

In November 2024, the FASB issued new accounting guidance, ASU 2024-03, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires disclosures about specific expense categories, including but not limited to, purchases of inventory, employee compensation, depreciation, amortization and operating, selling, general and administrative expenses. The guidance is effective for annual reporting periods beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027. We are currently evaluating the impact of adopting this guidance.

In September 2025, the FASB issued new accounting guidance, ASU 2025-06, *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*, which removes references to prescriptive software development stages and includes an updated framework for capitalizing internal software costs. The guidance is effective for

annual reporting periods beginning after December 15, 2027, and for interim periods within that fiscal year. We are currently evaluating the impact of adopting this guidance.

Other recent authoritative guidance issued by the FASB (including technical corrections to the Accounting Standards Codification (“ASC”)) and the SEC did not or are not expected to have a material effect on our consolidated financial statements.

#### *Supplemental information*

**Property and equipment, net:** Property and equipment balances are shown on the Consolidated Balance Sheets net of accumulated depreciation of \$402.9 million and \$434.3 million as of September 27, 2025 and March 29, 2025, respectively.

#### *Store Closings*

On May 23, 2025, following an evaluation of market segmentation and demographic data specific to geographic areas where our stores are located, our Board of Directors approved a plan to close 145 underperforming stores that we identified to have failed to maintain an acceptable level of profitability (the “Store Closure Plan”). These stores were closed during the first quarter of fiscal 2026 and \$14.8 million of net store closing costs were recorded during the three months ended June 28, 2025. As of September 27, 2025, the Company had a remaining liability of \$6.8 million, representing such costs to be settled in future periods, with \$5.1 million and \$1.7 million included within Other current liabilities and Other long-term liabilities in our Consolidated Balance Sheets, respectively. We expect these costs to be settled within the next one to five years.

During the three months ended September 27, 2025, the Company sold three owned stores and related equipment. We received net proceeds of \$2.7 million and recorded a net gain of \$1.2 million. Additionally, the Company assigned 18 leases to a third party and early terminated three additional leases. We received net proceeds of \$2.8 million and recorded a net gain of \$6.4 million, which included the derecognition of lease liabilities. The total net gain of \$7.6 million was recorded in operating, selling, general and administrative expenses in our Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) for the quarter ended September 27, 2025.

As a result, net store closing costs included in operating, selling, general and administrative expenses in our Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) were \$7.2 million for the six months ended September 27, 2025. Net store closing costs represent expected costs to be incurred related to the vacating of stores, utilities, real estate taxes, maintenance, other on-going costs related to the properties, and the disposal of inventory and other store assets, net of gains on early lease terminations, lease assignments and sales of owned locations.

We did not incur any material store closing costs in the three and six months ended September 28, 2024.

#### *Assets held for sale*

We classify long-lived assets to be sold as held for sale in the period in which all of the required criteria are met. We initially measure a long-lived asset that is classified as held for sale at the lower of its carrying value or fair value less any costs to sell. Any loss resulting from this measurement is recognized in the period in which the held-for-sale criteria are met. Conversely, gains are not recognized on the sale of a long-lived asset until the date of sale. Upon determining that a long-lived asset meets the criteria to be classified as held for sale, we cease depreciation and report long-lived assets, if material, as Assets held for sale in our Consolidated Balance Sheets.

We completed the closure of 145 underperforming stores under the Store Closure Plan during the first quarter of fiscal 2026 and determined that \$13.0 million of building, land and certain equipment met the criteria to be classified as held for sale for the quarter ended June 28, 2025. During the second quarter of fiscal 2026, approximately \$1.5 million of assets held for sale were sold. We received net proceeds of approximately \$2.7 million and recorded a net gain of approximately \$1.2 million in operating, selling, general and administrative expenses in our Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) for the quarter ended September 27, 2025. These net proceeds and net gain were recorded as a part of the Store Closure Plan amounts noted above. As of September 27, 2025, \$11.5 million of buildings, land and certain equipment remain classified as assets held for sale.

On June 1, 2023, we announced the planned sale of our corporate headquarters at 200 Holleder Parkway in Rochester, New York and our plan to relocate our corporate headquarters to another location in the greater Rochester area and determined that the related assets met the criteria to be classified as held for sale. On July 3, 2024, we completed the sale of our corporate headquarters. We received net

proceeds of approximately \$9.1 million and recorded a net gain of approximately \$2.8 million in our Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) for the quarter ended September 28, 2024.

## Note 2 – Divestiture

On June 17, 2022, we completed the divestiture of assets relating to our wholesale tire operations (seven locations) and internal tire distribution operations to American Tire Distributors, Inc. (“ATD”). We received \$62 million from ATD at the closing of the transaction, of which \$5 million was held in escrow and subsequently paid in December 2023. The remaining \$40 million (“Earnout”) of the total consideration of \$102 million was paid quarterly over the past three years, based on our tire purchases from or through ATD pursuant to a distribution and fulfillment agreement with ATD. All amounts were fully collected as of the first quarter of fiscal 2026.

Under a distribution agreement between us and ATD, ATD agreed to supply and sell tires to retail locations we own. Our company-owned retail stores will be required to purchase at least 90 percent of their forecasted requirements for certain passenger car tires, light truck replacement tires, and medium truck tires from or through ATD. Any tires that ATD is unable to supply or fulfill from those categories will be excluded from the calculation of our requirements for tires. The initial term of the distribution agreement will expire January 1, 2030, with automatic 12-month renewal periods thereafter.

## Note 3 – Earnings (Loss) per Common Share

Basic earnings (loss) per common share amounts are calculated by dividing income available to common shareholders, after deducting preferred stock dividends, by the weighted average number of shares of common stock outstanding. Diluted earnings (loss) per common share amounts are calculated by dividing net income by the weighted average number of shares of common stock outstanding adjusted to give effect to potentially dilutive securities.

| Earnings (Loss) per Common Share<br>(thousands, except per share data) | Three Months Ended |                    | Six Months Ended   |                    |
|------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                                        | September 27, 2025 | September 28, 2024 | September 27, 2025 | September 28, 2024 |
| Numerator for earnings (loss) per common share calculation:            |                    |                    |                    |                    |
| Net income (loss)                                                      | \$ 5,665           | \$ 5,647           | \$ (2,385)         | \$ 11,510          |
| Less: Preferred stock dividends                                        | (337)              | (337)              | (675)              | (675)              |
| Income (loss) available to common shareholders                         | \$ 5,328           | \$ 5,310           | \$ (3,060)         | \$ 10,835          |
| Denominator for earnings (loss) per common share calculation:          |                    |                    |                    |                    |
| Weighted average common shares - basic                                 | 30,000             | 29,934             | 29,983             | 29,925             |
| Effect of dilutive securities:                                         |                    |                    |                    |                    |
| Preferred stock                                                        | 1,205              | 1,205              | —                  | 1,205              |
| Restricted stock                                                       | 158                | 85                 | —                  | 71                 |
| Weighted average common shares - diluted                               | 31,363             | 31,224             | 29,983             | 31,201             |
| Basic earnings (loss) per common share                                 | \$ 0.18            | \$ 0.18            | \$ (0.10)          | \$ 0.37            |
| Diluted earnings (loss) per common share                               | \$ 0.18            | \$ 0.18            | \$ (0.10)          | \$ 0.37            |

Diluted earnings (loss) per share includes the potential dilutive effect of common stock equivalents as if such securities were converted or exercised during the period when the effect is dilutive. Because the impact of these items is generally anti-dilutive during periods of net loss, there is no difference between basic and diluted loss per common share for periods with net losses.

Weighted average common share equivalents that have an anti-dilutive impact are excluded from the computation of diluted earnings (loss) per common share.

## Note 4 – Income Taxes

For the three months and six months ended September 27, 2025, our effective income tax rate was 32.9 percent and (5.4) percent, respectively, compared to 30.9 percent and 29.7 percent for the three months and six months ended September 28, 2024, respectively. The difference from the statutory rate is primarily due to state taxes and the discrete tax expenses impact related to share-based awards and other adjustments, none of which are individually significant.

On July 4, 2025, the “H.R.1: One Big Beautiful Bill Act” (OBBA) became law. The OBBA contains a broad range of tax reform provisions with various effective dates affecting business taxpayers. The legislation did not have a material impact on our effective tax rate for the three and six months ended September 27, 2025, and we do not expect it to have a material impact on our consolidated financial statements for the year ending March 28, 2026.

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### Note 5 – Fair Value

Long-term debt had a carrying amount that approximates a fair value of \$60.0 million as of September 27, 2025, as compared to a carrying amount and a fair value of \$61.3 million as of March 29, 2025. The carrying value of our debt approximated its fair value due to the variable interest nature of the debt.

### Note 6 – Cash Dividend

We declared and paid dividends of \$0.28 per share totaling \$8.7 million for each of the three months ended September 27, 2025 and September 28, 2024 and \$0.56 per share totaling \$17.5 million and \$17.4 million for each of the six months ended September 27, 2025 and September 28, 2024, respectively. The declaration of future dividends will be at the discretion of the Board of Directors and will depend on our financial condition, results of operations, capital requirements, compliance with charter and contractual restrictions, and such other factors as the Board of Directors deems relevant. Our Credit Facility contains covenants that may limit, subject to certain exemptions, our ability to declare dividends and other distributions. For additional information regarding our Credit Facility, see [Note 8](#).

### Note 7 – Revenues

Automotive undercar repair, tire replacement sales and tire related services represent the vast majority of our revenues. We also earn revenue from the sale of tire road hazard warranty agreements, commissions earned from the delivery of tires on behalf of certain tire vendors, as well as franchise royalties.

Revenue from automotive undercar repair, tire replacement sales and tire related services is recognized at the time the customers take possession of their vehicle or merchandise. For sales to certain customers that are financed through the offering of credit on account, payment terms are established for customers based on our pre-established credit requirements. Payment terms may vary depending on the customer and generally are 30 days. Based on the nature of receivables, no significant financing components exist. Sales are recorded net of discounts, sales incentives and rebates, sales taxes and estimated returns and allowances. We estimate the reduction to sales and cost of sales for returns based on current sales levels and our historical return experience. Such amounts are immaterial to our consolidated financial statements.

| Revenues<br>(thousands) | Three Months Ended |                    | Six Months Ended   |                    |
|-------------------------|--------------------|--------------------|--------------------|--------------------|
|                         | September 27, 2025 | September 28, 2024 | September 27, 2025 | September 28, 2024 |
| Tires <sup>(a)</sup>    | \$ 135,150         | \$ 141,514         | \$ 273,546         | \$ 276,927         |
| Maintenance             | 79,001             | 83,075             | 161,929            | 166,135            |
| Brakes                  | 40,323             | 40,643             | 84,792             | 81,880             |
| Steering                | 25,076             | 24,981             | 51,817             | 49,840             |
| Batteries               | 4,627              | 6,285              | 8,833              | 10,087             |
| Exhaust                 | 4,338              | 4,513              | 8,244              | 8,900              |
| Franchise royalties     | 399                | 380                | 788                | 804                |
| Total                   | \$ 288,914         | \$ 301,391         | \$ 589,949         | \$ 594,573         |

(a) Includes the sale of tire road hazard warranty agreements and tire delivery commissions.

Revenue from the sale of tire road hazard warranty agreements is initially deferred and is recognized over the contract period as costs are expected to be incurred in performing such services, typically 21 to 36 months. The deferred revenue balances at September 27, 2025 and March 29, 2025 were \$19.8 million and \$21.0 million, respectively, of which \$13.9 million and \$14.7 million, respectively, are reported in Deferred revenue and \$5.9 million and \$6.3 million, respectively, are reported in Other long-term liabilities in our Consolidated Balance Sheets.

### Changes in Deferred Revenue

|                               |           |
|-------------------------------|-----------|
| (thousands)                   |           |
| Balance at March 29, 2025     | \$ 21,048 |
| Deferral of revenue           | 9,335     |
| Recognition of revenue        | (10,539)  |
| Balance at September 27, 2025 | \$ 19,844 |

As of September 27, 2025, we expect to recognize \$8.5 million of deferred revenue related to road hazard warranty agreements in the remainder of fiscal 2026, \$8.7 million of deferred revenue during our fiscal year ending March 27, 2027, and \$2.6 million of deferred revenue thereafter.

Under various arrangements, we receive from certain tire vendors a delivery commission and reimbursement for the cost of the tire that we may deliver to customers on behalf of the tire vendor. The commission we earn from these transactions is as an agent and the net amount retained is recorded as sales.

## Note 8 – Long-term Debt

### *Credit Facility*

In April 2019, we entered into a five-year \$600 million revolving credit facility agreement with eight banks (the “Credit Facility”) that includes an accordion feature permitting us to request an increase in availability of up to an additional \$250 million. In November 2022, we entered into a Third Amendment to the Credit Facility (the “Third Amendment”). The Third Amendment, among other things, extended the term of the Credit Facility to November 10, 2027, and amended certain of the financial terms in the Credit Facility. The Third Amendment amended the interest rate charged on borrowings to be based on 0.10 percent over the Secured Overnight Financing Rate (“SOFR”), replacing the previously used LIBOR. In addition, one additional bank was added to the bank syndicate for a total of nine banks now within the syndicate. Under the Third Amendment, we were required to maintain an interest coverage ratio, as defined in the Credit Facility, of at least 1.55 to 1. In addition, our ratio of adjusted debt to EBITDAR, as defined in the Credit Facility, cannot exceed 4.75 to 1, subject to certain exceptions under the Credit Facility. These terms are modified during the “Extended Covenant Relief Period,” described below.

On May 23, 2024, we entered into a Fourth Amendment to the Credit Facility (the “Fourth Amendment”). Among other changes, the Fourth Amendment modified the definition of “EBITDAR” to permit add-backs relating to expenses, and restrict add-backs related to gains, associated with store closures of (a) all non-cash items and (b) cash items up to 20% of EBITDA from the first quarter of fiscal 2025 through the fourth quarter of fiscal 2026 and up to 15% of EBITDA from the first quarter of fiscal 2027 and thereafter.

See [Note 6](#) of our [Form 10-K](#) for the fiscal year ended March 29, 2025 for additional information.

On May 23, 2025, we entered into an amendment (the “Fifth Amendment”) to our Credit Facility. The Fifth Amendment amends the terms of certain of the financial and restrictive covenants in the Credit Facility to provide us with additional flexibility to operate our business from the first quarter of fiscal 2026 through the first quarter of fiscal 2027 (the “Extended Covenant Relief Period”). We may voluntarily exit the Extended Covenant Relief Period at any time, which would revert the terms of the Credit Facility to the terms existing before the Fourth Amendment, with the exception of the modified definition of “EBITDAR,” described below.

During the Extended Covenant Relief Period, the minimum interest coverage ratio is reduced from 1.55x to 1.00x to: (a) 1.15x to 1.00x from the first quarter of fiscal 2026 through the third quarter of fiscal 2026; (b) 1.25x to 1.00x from the fourth quarter of fiscal 2026 through the first quarter of fiscal 2027; and (c) 1.55x to 1.00x for the second quarter of fiscal 2027 and thereafter. During the Extended Covenant Relief Period, the maximum ratio of adjusted debt to EBITDAR remains at 4.75x to 1.00x, except that, if we completed a qualified acquisition during the Extended Covenant Relief Period, the maximum ratio would increase to 5.00x to 1.00x for a certain 12-month period after the qualified acquisition. In addition to the Fourth Amendment modifications, the Fifth Amendment further modifies the definition of “EBITDAR” to permit add-backs relating to non-cash impairment and other expenses, with the restriction for add-backs of certain cash expense items up to 20% of EBITDA from the first quarter of fiscal 2026 through the fourth quarter of fiscal 2026 and up to 15% of EBITDA from the first quarter of fiscal 2027 and thereafter.

During the Extended Covenant Relief Period, the interest rate spread charged on borrowings is 225 basis points.

During the Extended Covenant Relief Period, the restrictions on our ability to declare dividends were modified to reduce the cushion inside the threshold required for us to be able to declare dividends without restriction from 0.50x to 0.25x. In addition, during the Extended Covenant Relief Period, we must have minimum liquidity of at least \$300 million to declare dividends. We are prohibited from repurchasing our securities during the Extended Covenant Relief Period if there are outstanding amounts under the Credit Facility immediately before or after giving effect to the repurchase. During the Extended Covenant Relief Period, we may acquire stores or other businesses as long as we have minimum liquidity of at least \$300 million after completing the acquisition.

In addition, the Fifth Amendment permanently reduces the Credit Facility from \$600 million to \$500 million.

Except as amended by the First Amendment, Second Amendment, Third Amendment, Fourth Amendment and Fifth Amendment, the remaining terms of the Credit Facility remain in full force and effect.

We were in compliance with all debt covenants at September 27, 2025.

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Within the Credit Facility, we have a sub-facility of \$80 million available for the purpose of issuing standby letters of credit. The sub-facility requires fees aggregating 87.5 to 212.5 basis points annually of the face amount of each standby letter of credit, payable quarterly in arrears. There was a \$30.1 million outstanding letter of credit at September 27, 2025 and at March 29, 2025.

There was \$60.0 million outstanding and \$409.9 million available under the Credit Facility as of September 27, 2025, subject to compliance with our covenants, as compared to \$61.3 million outstanding and \$508.7 million available as of March 29, 2025.

## Note 9 – Commitments and Contingencies

### Commitments

| <b>Commitments Due by Period</b><br>(thousands)                |    | Total   | Within<br>1 Year | Within 2 to<br>3 Years | Within 4 to<br>5 Years | After<br>5 Years |
|----------------------------------------------------------------|----|---------|------------------|------------------------|------------------------|------------------|
| Principal payments on long-term debt                           | \$ | 60,000  | —                | \$ 60,000              | —                      | —                |
| Finance lease commitments/financing obligations <sup>(a)</sup> |    | 294,691 | \$ 48,581        | \$ 88,298              | \$ 64,230              | \$ 93,582        |
| Operating lease commitments <sup>(a)</sup>                     |    | 228,697 | 47,144           | 78,007                 | 47,829                 | 55,717           |
| Total                                                          | \$ | 583,388 | \$ 95,725        | \$ 226,305             | \$ 112,059             | \$ 149,299       |

(a) Finance and operating lease commitments represent future undiscounted lease payments and include \$50.7 million and \$30.4 million, respectively, related to options to extend lease terms that are reasonably certain of being exercised.

### Contingencies

We are currently a party to various claims and legal proceedings incidental to the conduct of our business. If management believes that a loss arising from any of these matters is probable and can reasonably be estimated, we will record the amount of the loss, or the minimum estimated liability when the loss is estimated using a range, and no point within the range is more probable than another.

As additional information becomes available, any potential liability related to these matters is assessed and the estimates are revised, if necessary. Litigation is subject to inherent uncertainties, and unfavorable rulings could occur and may include monetary damages. If an unfavorable ruling were to occur, there exists the possibility of a material adverse impact on the financial position and results of operations of the period in which any such ruling occurs, or in future periods.

## Note 10 – Supplier Finance Program

We facilitate a voluntary supply chain financing program to provide our suppliers with the opportunity to sell receivables due from us (our accounts payable) to a participating financial institution subject to the independent discretion of both the supplier and the participating financial institution. Should a supplier choose to participate in the program, it may receive payment from the financial institution in advance of agreed payment terms; our responsibility is limited to making payments to the respective financial institution on the terms originally negotiated with our supplier, which are generally for a term of up to 360 days.

Our outstanding supplier obligations eligible for advance payment under the program totaled \$232.6 million, \$245.5 million, and \$234.7 million as of September 27, 2025, March 29, 2025, and September 28, 2024, respectively, and are included within Accounts Payable on our Consolidated Balance Sheets. Our outstanding supplier obligations do not represent actual receivables sold by our suppliers to the financial institutions, which may be lower.

## Note 11 – Equity Capital Structure Reclassification

On May 12, 2023, we entered into a reclassification agreement (the “Reclassification Agreement”) with the holders (the “Class C Holders”) of our Class C Convertible Preferred Stock (the “Class C Preferred Stock”) to reclassify our equity capital structure to eliminate the Class C Preferred Stock.

Under the Reclassification Agreement, after receiving shareholder approval on August 15, 2023, we filed amendments to our certificate of incorporation (the “Certificate of Incorporation”) to create a mandatory conversion of any outstanding shares of Class C Preferred Stock prior to an agreed sunset date of the earliest of (i) August 15, 2026; (ii) the first business day immediately prior to the record date established for the determination of the shareholders of the Company entitled to vote at the Company’s 2026 annual meeting of shareholders; and (iii) the date on which the Class C Holders, in the aggregate, cease to beneficially own at least 50% of all shares of the Class C Preferred Stock issued and outstanding as of May 12, 2023. In exchange for this sunset of the Class C Preferred Stock, the conversion rate of Class C Preferred Stock was adjusted so that each share of Class C Preferred Stock will convert into 61.275 shares of common stock (the “adjusted conversion rate”), an increase from the prior conversion rate of 23.389 shares of common stock for each share of Class C Preferred Stock under the Certificate of Incorporation.

At the end of the sunset period, all shares of Class C Preferred Stock remaining outstanding will be automatically converted into shares of common stock at the adjusted conversion rate. In addition, the liquidation preference for the Class C Preferred Stock was amended to provide that, upon a liquidation event, each holder of Class C Preferred Stock would be entitled to receive, for each share of Class C Preferred Stock held by the holder upon a liquidation, dissolution, or winding up of the affairs of the Company, an amount equal to the greater of \$1.50 per share and the amount the holder would have received had each share of Class C Preferred Stock been converted to shares of common stock immediately prior to the liquidation, dissolution, or winding up. There was no Class C Preferred Stock converted during the six months ended September 27, 2025 or fiscal 2025. The Reclassification Agreement also provides that, during the sunset period, the Class C Holders will have the right to appoint one member of the Board of Directors. This designee is expected to be Peter J. Solomon, who is one of the Company's current directors and one of the Class C Holders.

We have determined the amendments to the Class C Preferred Stock, because of the Reclassification Agreement, should be accounted for as a modification.

## Note 12 – Segment Reporting

The Company has a single reportable operating segment “Monro, Inc.” The accounting policies of the operating segment are the same as those described in [Note 1](#) of our [Form 10-K](#). The Company's chief operating decision maker (“CODM”) is the Chief Executive Officer, who regularly reviews financial information presented on a consolidated basis for purposes of allocating resources and evaluating financial performance for the Company's single reportable segment. The CODM primarily focuses on consolidated net income to evaluate its reportable segment. The CODM also uses consolidated net income for evaluating pricing strategy and to assess the performance for determining the compensation of certain employees. All segment expenses reviewed, which represent the difference between segment revenue and segment net income, consisted of the following:

| Segment Reporting<br>(thousands)                        | Three Months Ended |                    | Six Months Ended   |                    |
|---------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                         | September 27, 2025 | September 28, 2024 | September 27, 2025 | September 28, 2024 |
| Sales                                                   | \$ 288,914         | \$ 301,391         | \$ 589,949         | \$ 594,573         |
| Less:                                                   |                    |                    |                    |                    |
| Cost of sales, including occupancy costs                | 172,902            | 180,320            | 353,991            | 349,522            |
| Operating, selling, general and administrative expenses | 87,987             | 90,373             | 198,417            | 183,364            |
| Depreciation and amortization expense                   | 15,275             | 17,496             | 30,866             | 35,238             |
| Interest expense, net                                   | 4,350              | 5,136              | 9,134              | 10,279             |
| Other segment items <sup>(a)</sup>                      | (38)               | (110)              | (196)              | (201)              |
| Provision for income taxes                              | 2,773              | 2,529              | 122                | 4,861              |
| Net income (loss)                                       | \$ 5,665           | \$ 5,647           | \$ (2,385)         | \$ 11,510          |

(a) Other segment items consist of other income, net, included in the accompanying Consolidated Statements of Income (Loss) and Comprehensive Income (Loss).

As of September 27, 2025, March 29, 2025 and September 28, 2024, assets held in the U.S. accounted for 100% of total assets.

There were no major customers individually accounting for 10% or more of consolidated net revenues.

## Note 13 – Related Parties and Transactions

The Board of Directors of the Company appointed Peter D. Fitzsimmons to serve as the President and Chief Executive Officer as of March 28, 2025. Mr. Fitzsimmons has served as a partner and managing director of AlixPartners, LLP (“AlixPartners”). In connection with Mr. Fitzsimmons' appointment, the Company entered into a consulting agreement with AP Services, LLC (“APS”), an affiliate of AlixPartners, pursuant to which APS will provide for Mr. Fitzsimmons to serve as the Company's Chief Executive Officer and for the additional resources of APS personnel as required.

On March 28, 2025, the Company also entered into a consulting agreement with AlixPartners pursuant to which AlixPartners will assess the Company's operations to develop a plan to improve the Company's financial performance.

On May 30, 2025, the Company entered into Addendum 1 of its consulting agreement with AlixPartners, pursuant to which AlixPartners will provide services to implement the plan developed from its detailed assessment of the Company (the “Operational Improvement Plan”) through July 31, 2025. Such services include the previously disclosed Store Closure Plan, improving customer experience and the Company's selling effectiveness, driving profitable customer acquisition and activation, and increasing merchandising productivity, including mitigating tariff risk.

On August 18, 2025, the Company entered into Amendment 1 to Addendum 1 of its consulting agreement with AlixPartners, effective as of July 31, 2025, pursuant to which AlixPartners will continue to provide services to implement the next phase of the Operational Improvement Plan through November 1, 2025. Such services will include store operations and selling effectiveness, marketing and pricing, merchandising and inventory management, customer segmentation and insights.

The Company incurred total expenses related to AlixPartners and APS of \$9.1 million and \$14.5 million in operating, selling, general and administrative expenses in our Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) during the three and six months ended September 27, 2025, respectively, of which \$2.5 million is within Other current liabilities in our Consolidated Balance Sheets at September 27, 2025.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### Recent Developments

On May 23, 2025, following an evaluation of market segmentation and demographic data specific to geographic areas where our stores are located, our Board of Directors approved a plan to close 145 underperforming stores that we identified to have failed to maintain an acceptable level of profitability (the "Store Closure Plan"). These stores were closed during the first quarter of fiscal 2026 and \$14.8 million of net store closing costs were recorded during the quarter ended June 28, 2025. During the three months ended September 27, 2025, the Company sold three owned stores, early terminated three leases, and assigned 18 leases to a third party. We received net proceeds of approximately \$5.5 million and recorded a net gain of approximately \$7.6 million in operating, selling, general and administrative expenses in our Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) for the quarter ended September 27, 2025. As a result of the store closures, we recorded net store closing costs of \$7.2 million during the six months ended September 27, 2025. See additional discussion related to the Store Closure Plan in [Note 1](#) to our consolidated financial statements.

On August 18, 2025, the Company entered into Amendment 1 to Addendum 1 of its consulting agreement with AlixPartners, LLP ("AlixPartners"), effective as of July 31, 2025, pursuant to which AlixPartners will continue to provide services to implement the next phase of the plan developed from its detailed assessment of the Company (the "Operational Improvement Plan") through November 1, 2025. Such services will include store operations and selling effectiveness, marketing and pricing, merchandising and inventory management, customer segmentation and insights. See additional discussion in [Note 13](#) to our consolidated financial statements.

### Financial Summary

Second quarter 2026 included the following notable items:

- Diluted earnings per common share ("EPS") was \$0.18.
- Adjusted diluted EPS, a non-GAAP measure, was \$0.21.
- Sales decreased 4.1 percent, due to closed stores partially offset by higher overall comparable store sales.
- Comparable store sales increased 1.1 percent from the prior year period.
- Operating income was \$12.8 million.
- Adjusted operating income, a non-GAAP measure, was \$14.0 million.
- Net income was \$5.7 million.
- Adjusted net income, a non-GAAP measure, was \$6.6 million.

| Earnings Per Common Share                  | Three Months Ended |                    |        | Six Months Ended   |                    |         |
|--------------------------------------------|--------------------|--------------------|--------|--------------------|--------------------|---------|
|                                            | September 27, 2025 | September 28, 2024 | Change | September 27, 2025 | September 28, 2024 | Change  |
| Diluted earnings (loss) per common share   | \$ 0.18            | \$ 0.18            | — %    | \$ (0.10)          | \$ 0.37            | (73.0)% |
| Adjustments                                | 0.03               | (0.02)             |        | 0.54               | 0.02               |         |
| Adjusted diluted earnings per common share | \$ 0.21            | \$ 0.17            | 23.5 % | \$ 0.43            | \$ 0.39            | 10.3 %  |

Note: Amounts may not foot due to rounding.

Adjusted operating income, adjusted net income and adjusted diluted EPS, each of which is a measure not derived in accordance with GAAP, exclude the impact of certain items. Management believes that adjusted operating income, adjusted net income and adjusted diluted EPS are useful in providing period-to-period comparisons of the results of our operations by excluding certain items that are not part of our core operations, such as consulting costs related to the Company's Operational Improvement Plan, store closing costs net of gains on sales of closed stores, lease assignments and early lease terminations, transition costs related to back-office optimization, store impairment charges, write-off of debt issuance costs, and gain on the sale of corporate headquarters net of closing and relocation costs. Reconciliations of these non-GAAP financial measures to GAAP measures are provided beginning on [page 19](#) under "Non-GAAP Financial Measures."

We define comparable store sales as sales for locations that have been opened or owned at least one full fiscal year. We believe this period is generally required for new store sales levels to begin to normalize. Management uses comparable store sales to assess the operating performance of the Company's stores and believes the metric is useful to investors because our overall results are dependent upon the results of our stores. Comparable sales measures vary across the retail industry. Therefore, our comparable store sales calculation is not necessarily comparable to similarly titled measures reported by other companies.

## Analysis of Results of Operations

| Summary of Operating Income                             | Three Months Ended |                    |         | Six Months Ended   |                    |          |
|---------------------------------------------------------|--------------------|--------------------|---------|--------------------|--------------------|----------|
|                                                         | September 27, 2025 | September 28, 2024 | Change  | September 27, 2025 | September 28, 2024 | Change   |
| (thousands)                                             |                    |                    |         |                    |                    |          |
| Sales                                                   | \$ 288,914         | \$ 301,391         | (4.1) % | \$ 589,949         | \$ 594,573         | (0.8) %  |
| Cost of sales, including occupancy costs                | 185,800            | 195,014            | (4.7)   | 379,929            | 379,010            | 0.2      |
| Gross profit                                            | 103,114            | 106,377            | (3.1)   | 210,020            | 215,563            | (2.6)    |
| Operating, selling, general and administrative expenses | 90,364             | 93,175             | (3.0)   | 203,345            | 189,114            | 7.5      |
| Operating income                                        | \$ 12,750          | \$ 13,202          | (3.4) % | \$ 6,675           | \$ 26,449          | (74.8) % |

### Sales

Sales include automotive undercar repair, tire replacement and tire related service sales, net of discounts, returns, and revenue from the sale of warranty agreements and commissions earned from the delivery of tires. See [Note 7](#) to our consolidated financial statements for further information. We use comparable store sales to evaluate the performance of our existing stores by measuring the change in sales for a period over the comparable, prior-year period. There were 91 selling days in each of the three months ended September 27, 2025 and September 28, 2024, and 181 selling days in each of the six months ended September 27, 2025 and September 28, 2024.

Sales growth – from both comparable store sales and new stores – represents an important driver of our long-term profitability. We expect that comparable store sales growth will significantly impact our total sales growth. We believe that our ability to successfully differentiate our customers', often referred to as "guests", experience through a careful combination of merchandise assortment, price strategy, convenience, and other factors will, over the long-term, drive both increasing guest traffic and the average ticket amount spent.

| Sales                                    | Three Months Ended |                    | Six Months Ended   |                    |
|------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                          | September 27, 2025 | September 28, 2024 | September 27, 2025 | September 28, 2024 |
| (thousands)                              |                    |                    |                    |                    |
| Sales                                    | \$ 288,914         | \$ 301,391         | \$ 589,949         | \$ 594,573         |
| Dollar change compared to prior year     | \$ (12,477)        |                    | \$ (4,624)         |                    |
| Percentage change compared to prior year | (4.1) %            |                    | (0.8) %            |                    |

The sales decrease was due to a decrease in sales from closed stores partially offset by an increase in comparable store sales. The following table shows the primary drivers of the change in sales for the three months and six months ended September 27, 2025, as compared to the same periods ended September 28, 2024.

| Sales Percentage Change            | Three Months Ended |  | Six Months Ended   |  |
|------------------------------------|--------------------|--|--------------------|--|
|                                    | September 27, 2025 |  | September 27, 2025 |  |
| Sales change                       | (4.1) %            |  | (0.8) %            |  |
| Primary drivers of change in sales |                    |  |                    |  |
| Comparable store sales             | 1.1 %              |  | 3.4 %              |  |
| Closed store sales                 | (5.2) %            |  | (4.2) %            |  |

During the three months and six months ended September 27, 2025, comparable store sales increased in our front end/shocks category, as well as our brakes category, each of which experienced declines during the three months and six months ended September 28, 2024. The following table shows the primary drivers of the comparable store product category sales change for the three months and six months ended September 27, 2025, as compared to the same periods ended September 28, 2024.

| Comparable Store Product Category Sales Change | Three Months Ended |                    | Six Months Ended   |                    |
|------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                | September 27, 2025 | September 28, 2024 | September 27, 2025 | September 28, 2024 |
| Front end/shocks                               | 18 %               | (5) %              | 22 %               | (10) %             |
| Brakes                                         | 6 %                | (12) %             | 8 %                | (12) %             |
| Maintenance service                            | 0 %                | (7) %              | 2 %                | (8) %              |
| Tires                                          | 0 %                | (4) %              | 2 %                | (6) %              |
| Alignment                                      | (5) %              | 0 %                | (3) %              | (5) %              |
| Batteries                                      | (21) %             | 20 %               | (9) %              | 8 %                |

# MANAGEMENT'S DISCUSSION AND ANALYSIS

| Sales by Product Category | Three Months Ended |                    | Six Months Ended   |                    |
|---------------------------|--------------------|--------------------|--------------------|--------------------|
|                           | September 27, 2025 | September 28, 2024 | September 27, 2025 | September 28, 2024 |
| Tires                     | 47 %               | 47 %               | 46 %               | 46 %               |
| Maintenance service       | 27                 | 28                 | 28                 | 28                 |
| Brakes                    | 14                 | 14                 | 14                 | 14                 |
| Steering <sup>(a)</sup>   | 9                  | 8                  | 9                  | 8                  |
| Batteries                 | 2                  | 2                  | 2                  | 2                  |
| Other                     | 1                  | 1                  | 1                  | 2                  |
| Total                     | 100 %              | 100 %              | 100 %              | 100 %              |

(a) Steering product category includes front end/shocks and alignment product category sales.

| Change in Number of Company-Operated Retail Stores | Three Months Ended |                    | Six Months Ended   |                    |
|----------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                    | September 27, 2025 | September 28, 2024 | September 27, 2025 | September 28, 2024 |
| Beginning store count                              | 1,115              | 1,284              | 1,260              | 1,288              |
| Opened <sup>(a)</sup>                              | 1                  | —                  | 1                  | —                  |
| Closed <sup>(b)</sup>                              | —                  | (12)               | (145)              | (16)               |
| Ending store count                                 | 1,116              | 1,272              | 1,116              | 1,272              |

(a) We reopened a store that was temporarily closed in a prior year during the three months ended September 27, 2025.

(b) All 145 stores were closed in the first quarter of fiscal 2026 as a result of the Store Closure Plan.

## Cost of Sales and Gross Profit

| Gross Profit<br>(thousands)              | Three Months Ended |                    | Six Months Ended   |                    |
|------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                          | September 27, 2025 | September 28, 2024 | September 27, 2025 | September 28, 2024 |
| Gross profit                             | \$ 103,114         | \$ 106,377         | \$ 210,020         | \$ 215,563         |
| Percentage of sales                      | 35.7 %             | 35.3 %             | 35.6 %             | 36.3 %             |
| Dollar change compared to prior year     | \$ (3,263)         |                    | \$ (5,543)         |                    |
| Percentage change compared to prior year | (3.1) %            |                    | (2.6) %            |                    |

Gross profit, as a percentage of sales, increased 40 basis points (“bps”) for the three months ended September 27, 2025, as compared to the prior year comparable period. Occupancy costs decreased, as a percentage of sales, as we gained leverage on these largely fixed costs with higher comparable store sales and benefit from store closures. Material costs decreased, as a percentage of sales, due primarily to better material margin on our service categories. Partially offsetting this was an increase in technician labor costs, as a percentage of sales, due primarily to wage inflation. Gross profit, as a percentage of sales, decreased 70 basis points for the six months ended September 27, 2025, as compared to the prior year comparable period. The decrease in gross profit, as a percentage of sales, was primarily due to increased technician labor, due primarily to wage inflation, and increased material costs, due primarily to mix within tires, partially offset by a decrease in occupancy costs.

| Gross Profit as a Percentage of Sales Change                       | Three Months Ended | Six Months Ended   |
|--------------------------------------------------------------------|--------------------|--------------------|
|                                                                    | September 27, 2025 | September 27, 2025 |
| Gross profit change                                                | 40 bps             | (70) bps           |
| Primary drivers of change in gross profit as a percentage of sales |                    |                    |
| Occupancy costs                                                    | 70 bps             | 80 bps             |
| Material costs                                                     | 50 bps             | (30) bps           |
| Technician labor costs                                             | (80) bps           | (120) bps          |

## OSG&A Expenses

| OSG&A Expenses<br>(thousands)            | Three Months Ended |                    | Six Months Ended   |                    |
|------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                          | September 27, 2025 | September 28, 2024 | September 27, 2025 | September 28, 2024 |
| OSG&A Expenses                           | \$ 90,364          | \$ 93,175          | \$ 203,345         | \$ 189,114         |
| Percentage of sales                      | 31.3 %             | 30.9 %             | 34.5 %             | 31.8 %             |
| Dollar change compared to prior year     | \$ (2,811)         |                    | \$ 14,231          |                    |
| Percentage change compared to prior year | (3.0) %            |                    | 7.5 %              |                    |

The decrease of \$2.8 million in operating, selling, general and administrative (“OSG&A”) expenses for the three months ended September 27, 2025, from the comparable prior year period is primarily due to a decrease in store closing costs net of gains on the sales of closed stores, lease assignments and early lease terminations and a decrease in costs from closed stores, partially offset by consulting costs related to our Operational Improvement Plan. The following table shows the impact of these costs on the change in OSG&A expenses for the three months and six months ended September 27, 2025, as compared to the same periods ended September 28, 2024.

| OSG&A Expenses Change<br>(thousands)                                                                                               | Three Months Ended |         | Six Months Ended   |          |
|------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------|--------------------|----------|
|                                                                                                                                    | September 27, 2025 |         | September 27, 2025 |          |
| OSG&A expenses change                                                                                                              | \$                 | (2,811) | \$                 | 14,231   |
| Drivers of change in OSG&A expenses                                                                                                |                    |         |                    |          |
| (Decrease) increase in store closing costs, net of gains on sales of closed stores, lease assignments and early lease terminations | \$                 | (8,092) | \$                 | 6,543    |
| Decrease from closed stores                                                                                                        | \$                 | (7,356) | \$                 | (10,874) |
| Decrease in store impairment charges                                                                                               | \$                 | (1,031) | \$                 | (1,551)  |
| Decrease from transition costs related to back-office optimization                                                                 | \$                 | (26)    | \$                 | (52)     |
| Increase from comparable stores                                                                                                    | \$                 | 2,666   | \$                 | 4,540    |
| Increase from gain on sale of corporate headquarters, net of closing and relocation costs                                          | \$                 | 2,764   | \$                 | 2,639    |
| Increase in consulting costs related to Operation Improvement Plan                                                                 | \$                 | 8,264   | \$                 | 12,986   |

## Other Performance Factors

### Net Interest Expense

Net interest expense of \$4.4 million for the three months ended September 27, 2025 decreased \$0.8 million as compared to the prior year period, and decreased as a percentage of sales from 1.7 percent to 1.5 percent. Weighted average debt outstanding for the three months ended September 27, 2025 decreased by approximately \$48.9 million as compared to the three months ended September 28, 2024. This decrease is primarily related to lower debt outstanding under the Credit Facility as well as lower finance lease debt related to our stores. The weighted average interest rate decreased approximately 20 basis points as compared to the same period of the prior year.

Net interest expense of \$9.1 million for the six months ended September 27, 2025 decreased \$1.1 million compared to the prior year period, and decreased as a percentage of sales from 1.7 percent to 1.5 percent. Weighted average debt outstanding for the six months ended September 27, 2025 decreased by approximately \$55.0 million as compared to the prior year period. The weighted average interest rate for the six months ended September 27, 2025 remained relatively flat as compared to the prior year period.

### Provision for Income Taxes

Our effective income tax rate for the three months and six months ended September 27, 2025 was 32.9 percent and (5.4) percent, respectively, compared with 30.9 percent and 29.7 percent in the comparable prior-year period. The year-over-year difference in effective tax rate is primarily related to the discrete tax expenses impact related to share-based awards and other adjustments, none of which are individually significant.

On July 4, 2025, the "H.R.1: One Big Beautiful Bill Act" (OBBBA) became law. The OBBBA contains a broad range of tax reform provisions with various effective dates affecting business taxpayers. The legislation did not have a material impact on our effective income tax rate for the three and six months ended September 27, 2025, and we do not expect it to have a material impact on our consolidated financial statements for the year ending March 28, 2026.

## Non-GAAP Financial Measures

In addition to reporting operating income, net income (loss) and diluted earnings (loss) per common share, which are GAAP measures, this Form 10-Q includes adjusted operating income, adjusted net income and adjusted diluted EPS, which are non-GAAP financial measures. We have included reconciliations to adjusted operating income, adjusted net income and adjusted diluted EPS from our most directly comparable GAAP measures, operating income, net income (loss), and diluted earnings (loss) per common share, below. Management views these non-GAAP financial measures as indicators to better assess comparability between periods because management believes these non-GAAP financial measures reflect our core business operations while excluding certain items that are not part of our core operations, such as consulting costs related to the Company's Operational Improvement Plan, store closing costs net of gains on sales of closed stores, lease assignments and early lease terminations, transition costs related to back-office optimization, store impairment charges, write-off of debt issuance costs, and gain on sale of corporate headquarters net of closing and relocation 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.

Adjusted operating income is summarized as follows:

| Reconciliation of Adjusted Operating Income<br>(thousands)   | Three Months Ended |                    | Six Months Ended   |                    |
|--------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                              | September 27, 2025 | September 28, 2024 | September 27, 2025 | September 28, 2024 |
| Operating income                                             | \$ 12,750          | \$ 13,202          | \$ 6,675           | \$ 26,449          |
| Consulting costs related to the Operational Improvement Plan | 8,264              | —                  | 12,986             | —                  |
| Transition costs related to back-office optimization         | 527                | 553                | 1,098              | 1,150              |
| Store closing costs, net <sup>(a)</sup>                      | (7,561)            | 531                | 7,255              | 712                |
| Store impairment charges                                     | —                  | 1,031              | —                  | 1,551              |
| Net gain on sale of corporate headquarters <sup>(b)</sup>    | —                  | (2,764)            | —                  | (2,639)            |
| Adjusted operating income                                    | \$ 13,980          | \$ 12,553          | \$ 28,014          | \$ 27,223          |

(a) Amounts include the closing costs and asset write-offs related to the closure of 145 underperforming stores, in accordance with the Store Closure Plan, net of gains on the sale of closed stores, lease assignments and early lease terminations.

(b) Amounts include the gain on sale of the corporate headquarters building net of associated closing and relocation costs.

Adjusted net income is summarized as follows:

| Reconciliation of Adjusted Net Income<br>(thousands)         | Three Months Ended |                    | Six Months Ended   |                    |
|--------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                              | September 27, 2025 | September 28, 2024 | September 27, 2025 | September 28, 2024 |
| Net income (loss)                                            | \$ 5,665           | \$ 5,647           | \$ (2,385)         | \$ 11,510          |
| Consulting costs related to the Operational Improvement Plan | 8,264              | —                  | 12,986             | —                  |
| Transition costs related to back-office optimization         | 527                | 553                | 1,098              | 1,150              |
| Store closing costs, net <sup>(a)</sup>                      | (7,561)            | 531                | 7,255              | 712                |
| Store impairment charges                                     | —                  | 1,031              | —                  | 1,551              |
| Write-off of debt issuance costs                             | —                  | —                  | 263                | —                  |
| Net gain on sale of corporate headquarters <sup>(b)</sup>    | —                  | (2,764)            | —                  | (2,639)            |
| Provision for income taxes on pre-tax adjustments            | (320)              | 177                | (5,617)            | (210)              |
| Adjusted net income                                          | \$ 6,575           | \$ 5,175           | \$ 13,600          | \$ 12,074          |

(a) Amounts include the closing costs and asset write-offs related to the closure of 145 underperforming stores, in accordance with the Store Closure Plan, net of gains on the sale of closed stores, lease assignments and early lease terminations.

(b) Amounts include the gain on sale of the corporate headquarters building net of associated closing and relocation costs.

Adjusted diluted EPS is summarized as follows:

| Reconciliation of Adjusted Diluted EPS                       | Three Months Ended |                    | Six Months Ended   |                    |
|--------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                              | September 27, 2025 | September 28, 2024 | September 27, 2025 | September 28, 2024 |
| Diluted EPS                                                  | \$ 0.18            | \$ 0.18            | \$ (0.10)          | \$ 0.37            |
| Consulting costs related to the Operational Improvement Plan | 0.19               | —                  | 0.32               | —                  |
| Transition costs related to back-office optimization         | 0.01               | 0.01               | 0.03               | 0.03               |
| Store closing costs, net <sup>(a)</sup>                      | (0.18)             | 0.01               | 0.18               | 0.02               |
| Store impairment charges                                     | —                  | 0.02               | —                  | 0.04               |
| Write-off of debt issuance costs                             | —                  | —                  | 0.01               | —                  |
| Net gain on sale of corporate headquarters <sup>(b)</sup>    | —                  | (0.06)             | —                  | (0.06)             |
| Adjusted diluted EPS                                         | \$ 0.21            | \$ 0.17            | \$ 0.43            | \$ 0.39            |

(a) Amounts include the closing costs and asset write-offs related to the closure of 145 underperforming stores, in accordance with the Store Closure Plan, net of gains on the sale of closed stores, lease assignments and early lease terminations.

(b) Amounts include the gain on sale of the corporate headquarters building net of associated closing and relocation costs.

Note: The calculation of the impact of non-GAAP adjustments on diluted EPS is performed on each line independently. The table may not add down +/- \$0.01 due to rounding.

The other adjustments to diluted EPS reflect estimated annual effective income tax rates of 26.0 percent and 27.3 percent for the three months ended September 27, 2025 and September 28, 2024, respectively and 26.0 percent and 27.1 percent for the six months ended September 27, 2025 and September 28, 2024, respectively. This represents the tax effect of non-GAAP adjustments calculated at an estimated blended statutory tax rate. See adjustments from the Reconciliation of Adjusted Net Income table above for pre-tax amounts.

## Analysis of Financial Condition

### Liquidity and Capital Resources

#### *Capital Allocation*

We expect to continue to generate positive operating cash flow as we have done in each of the last three fiscal years. We believe the cash we generate from our operations will allow us to continue to support business operations, pay down debt, and return cash to our shareholders through our dividend program.

In addition, because we believe a large portion of our future expenditures will be to fund our growth, through acquisition of retail stores and/or opening greenfield stores, we continually evaluate our cash needs and may decide it is best to fund the growth of our business through borrowings on our Credit Facility. Conversely, we may also periodically determine that it is in our best interests to voluntarily repay certain indebtedness early.

#### *Future Cash Requirements*

We currently expect our capital expenditures to support our projects, including upgrading our facilities and systems, to be \$25 million to \$35 million in the aggregate in fiscal 2026. Additionally, we have contractual finance lease and operating lease commitments with landlords through October 2040 for \$442.3 million in lease payments, of which \$95.4 million is due within one year. For details regarding these lease commitments, see [Note 9](#) to our consolidated financial statements.

As of September 27, 2025 we had \$60.0 million outstanding under the Credit Facility, none of which is due in the succeeding 12 months. For details regarding our indebtedness that is due, see [Note 8](#) to our consolidated financial statements.

#### *Dividends*

We declared and paid dividends of \$0.28 per share totaling \$8.7 million for each of the three months ended September 27, 2025 and September 28, 2024 and \$0.56 per share totaling \$17.5 million and \$17.4 million for each of the six months ended September 27, 2025 and September 28, 2024, respectively.

#### *Working Capital Management*

As of September 27, 2025, we had a working capital deficit of \$268.4 million, an increase of \$21.5 million from a deficit of \$246.9 million as of March 29, 2025. The overall working capital deficit is a result of extended payment terms negotiated with certain suppliers. As part of our working capital management, we facilitate a voluntary supply chain finance program to provide our suppliers with the opportunity to sell receivables due from Monro to a participating financial institution subject to the independent discretion of both the supplier and participating financial institution. For details regarding our supply chain finance program, see [Note 10](#) to our consolidated financial statements.

#### *Sources and Conditions of Liquidity*

Our sources to fund our material cash requirements are predominantly cash from operations, availability under our Credit Facility, and cash and equivalents on hand.

As of September 27, 2025, we had \$10.5 million of cash and equivalents. In addition, we had \$409.9 million available under the Credit Facility as of September 27, 2025, subject to compliance with our covenants.

We believe that our current sources of funds will provide us with adequate liquidity during the 12-month period following September 27, 2025, as well as in the long-term.

### Summary of Cash Flows

The following table presents a summary of our cash flows from operating, investing, and financing activities.

| Summary of Cash Flows<br>(thousands)             | Six Months Ended   |                    |
|--------------------------------------------------|--------------------|--------------------|
|                                                  | September 27, 2025 | September 28, 2024 |
| Cash provided by operating activities            | \$ 30,396          | \$ 88,197          |
| Cash (used for) provided by investing activities | (2,411)            | 4,638              |
| Cash used for financing activities               | (38,279)           | (78,537)           |
| (Decrease) increase in cash and equivalents      | (10,294)           | 14,298             |
| Cash and equivalents at beginning of period      | 20,762             | 6,561              |
| Cash and equivalents at end of period            | \$ 10,468          | \$ 20,859          |

#### Cash provided by operating activities

For the six months ended September 27, 2025, cash provided by operating activities was \$30.4 million, which consisted of a net loss of \$2.4 million, offset by non-cash adjustments of \$27.1 million, and a change in operating assets and liabilities of \$5.7 million. The non-cash charges were largely driven by \$30.9 million of depreciation and amortization, as well as \$1.2 million in share-based compensation expense, partially offset by a \$5.1 million net gain on disposal of assets. The change in operating assets and liabilities was primarily driven by our inventory balance providing a source of cash of \$18.0 million. This was partially offset by timing of payments that caused accounts payable and accrued expenses to be a use of cash of \$13.4 million.

For the six months ended September 28, 2024, cash provided by operating activities was \$88.2 million, which consisted of net income of \$11.5 million, increased by non-cash adjustments of \$39.0 million and net change in operating assets and liabilities of \$37.7 million. The non-cash charges were largely driven by \$35.2 million of depreciation and amortization, as well as \$3.4 million in deferred income tax expense. The change in operating assets and liabilities was primarily due to our supply chain finance program being a source of cash as we improved our cash flow by \$67.5 million. This was partially offset by accrued expenses and other current assets being a use of cash of \$17.0 million, as well as our inventory balance being a use of cash of \$7.7 million.

#### Cash (used for) provided by investing activities

For the six months ended September 27, 2025, cash used for investing activities was \$2.4 million. This was primarily due to cash used for capital expenditures, including property and equipment, of \$13.1 million, partially offset by subsequent proceeds from the sale of our wholesale tire locations and distribution assets and proceeds from the disposal of property and equipment of \$3.5 million and \$7.2 million, respectively.

For the six months ended September 28, 2024, cash provided by investing activities was \$4.6 million. This was primarily due to cash provided by payments from the disposal of property and equipment, including the proceeds related to the sale of our corporate headquarters, for \$9.9 million, and cash provided by the earnout payment from the sale of our wholesale tire locations and distribution assets of \$8.5 million. This was partially offset by cash used for capital expenditures, including property and equipment, of \$13.8 million.

#### Cash used for financing activities

For the six months ended September 27, 2025, cash used for financing activities was \$38.3 million. This was primarily due to payment of finance lease principal and dividends of \$19.1 million and \$17.5 million, respectively, deferred financing costs of \$0.5 million, and payments on our Credit Facility, net of amounts borrowed during the period, of \$1.2 million.

For the six months ended September 28, 2024, cash used for financing activities was \$78.5 million, which was primarily due to payments on our Credit Facility, net of amounts borrowed during the period, of \$40.0 million, as well as payment of finance lease principal and dividends of \$20.0 million and \$17.4 million, respectively.

### Critical Accounting Estimates

The consolidated financial statements are prepared in accordance with GAAP. The preparation of the consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses, and related disclosures. We base our estimates on historical experience, as appropriate, and on various other assumptions that we believe to be reasonable under the circumstances. Changes in the accounting estimates are reasonably likely to occur from period to period. Accordingly, actual results could differ significantly from the estimates made by management. We evaluate our estimates and assumptions on an ongoing basis. To the extent that there are material differences between these estimates and actual results, our future financial statement presentation, financial condition, results of operations, and cash flows may be affected.

For a description of our critical accounting estimates, refer to [Part II, Item 7](#), “[Management's Discussion and Analysis of Financial Condition and Results of Operations](#)” of our [Form 10-K](#) for the fiscal year ended March 29, 2025. There have been no material changes to our critical accounting estimates since our Form 10-K for the year ended March 29, 2025.

### Recent Accounting Pronouncements

See “Recent Accounting Pronouncements” in [Note 1](#) to our consolidated financial statements for a discussion of the impact of recently issued accounting standards on our consolidated financial statements as of September 27, 2025 and the expected impact on the consolidated financial statements for future periods.

### Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains “forward-looking statements” as that term is used in the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the fact that they address future events, developments, and results and do not relate strictly to historical facts. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements include, without limitation, statements preceded by, followed by, or including words such as “anticipate,” “believe,” “can,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “should,” “strategy,” “will,” “would” and variations thereof and similar expressions. Forward-looking statements are subject to risks, uncertainties, and other important factors that could cause actual results to differ materially from those expressed. For example, our forward-looking statements include, without limitation, statements regarding:

- the impact of competitive services and pricing;
- the effect of economic conditions and geopolitical uncertainty, seasonality, and the impact of weather conditions and natural disasters on customer demand;
- advances in automotive technologies including adoption of electronic vehicle technology;
- our dependence on third-party vendors for certain inventory;
- the risks associated with vendor relationships and international trade, particularly imported goods such as those sourced from China and other countries targeted with import tariffs;
- the impact of changes in U.S. trade relations and ongoing trade disputes between the United States, China, and other countries and other potential impediments to imports;
- our ability to generate sufficient cash flows from operations and service our debt obligations, including our expected annual interest expense, and to comply with the debt covenants of our Credit Facility;
- our cash needs, including our ability to fund our future capital expenditures and working capital requirements;
- our anticipated sales, comparable store sales, gross profit margin, costs of goods sold (including product mix), OSG&A expenses and other fixed costs, and our ability to leverage those costs;
- management’s estimates and expectations as they relate to income tax liabilities, deferred income taxes, and uncertain tax positions;
- management’s estimates associated with our critical accounting policies, including insurance liabilities, income taxes, and valuations for our goodwill and long-lived assets impairment analyses;
- the impact of industry regulation, including changes in environmental, consumer protection, and labor laws;
- potential outcomes related to pending or future litigation matters;
- business interruptions;
- risks relating to disruption or unauthorized access to our computer systems;
- our ability to protect customer and employee personal data;
- risks relating to acquisitions and the integration of acquired businesses with ours;
- our growth plans, including our plans to add, renovate, re-brand, expand, remodel, relocate, or close stores and any related costs or charges, our leasing strategy for future expansion, and our ability to renew leases at existing store locations;
- the impact of costs related to planned store closings or potential impairment of goodwill, other intangible assets, and long-lived assets;

- expected dividend payments;
- our ability to protect our brands and our reputation;
- our ability to attract, motivate, and retain skilled field personnel and our key executives; and
- the potential impacts of climate change on our business.

Any of these factors, as well as such other factors as discussed in [Part I, Item 1A](#), “[Risk Factors](#)” of our [Form 10-K](#) for the fiscal year ended March 29, 2025 as well as in our periodic filings with the SEC, could cause our actual results to differ materially from our anticipated results. The information provided in this report is based upon the facts and circumstances known as of the date of this report, and any forward-looking statements made by us in this report speak only as of the date on which they are made. Except as required by law, we undertake no obligation to update these forward-looking statements after the date of this Form 10-Q to reflect events or circumstances after such date, or to reflect the occurrence of unanticipated events.

**Item 3. *Quantitative and Qualitative Disclosures about Market Risk***

We are exposed to market risk from potential changes in interest rates. As of September 27, 2025, excluding finance leases and financing obligations, we had no debt financing at fixed interest rates, for which the fair value would be affected by changes in market interest rates. Our cash flow exposure on floating rate debt would result in annual interest expense fluctuations of approximately \$0.6 million based upon our debt position at September 27, 2025 and at March 29, 2025, given a change in SOFR of 100 basis points.

Debt financing had a carrying amount that approximates a fair value of \$60.0 million as of September 27, 2025, as compared to a carrying amount and a fair value of \$61.3 million as of March 29, 2025.

**Item 4. *Controls and Procedures*****Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in reports that we file or submit to the SEC pursuant to the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

In conjunction with the close of each fiscal quarter and under the supervision of our Chief Executive Officer (our principal executive officer) and Chief Financial Officer (our principal financial officer), we conduct an update, a review and an evaluation of the effectiveness of our disclosure controls and procedures. It is the conclusion of our Chief Executive Officer and Chief Financial Officer, based upon an evaluation completed as of the end of the most recent fiscal quarter reported on herein, that our disclosure controls and procedures were effective.

**Changes in Internal Controls Over Financial Reporting**

There were no changes in our internal control over financial reporting during the quarter ended September 27, 2025 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**PART II – OTHER INFORMATION****Item 1. *Legal Proceedings***

From time to time we are a party to or otherwise involved in legal proceedings arising out of the normal course of business. Legal matters are subject to inherent uncertainties and there exists the possibility that the ultimate resolution of one or more of these matters could have a material adverse impact on the Company, its financial condition and results of operations.

EXHIBITS

**Item 6. Exhibits**

Exhibit Index

[10.02d – First Amendment to the Amended and Restated 2007 Stock Incentive Plan \(August 2025 Form S-8, Exhibit No. 4.12\)\\*](#)

[10.68 - Letter agreement regarding severance benefits, effective August 12, 2025 between the Company and Nicholas Hawryschuk \(August 2025 Form 8-K, Exhibit No. 10.68\)\\*](#)

[10.79b – Amendment No. 1 to Addendum 1 under the Agreement by and between the Company and AlixPartners, LLP, effective as of July 31, 2025.](#)

[31.1 – Certification of Peter D. Fitzsimmons pursuant to Section 302 of the Sarbanes – Oxley Act of 2002](#)

[31.2 – Certification of Brian J. D'Ambrosia pursuant to Section 302 of the Sarbanes – Oxley Act of 2002](#)

[32.1 – Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes – Oxley Act of 2002](#)

101.INS – XBRL Instance Document

101.LAB – XBRL Taxonomy Extension Label Linkbase

101.PRE – XBRL Taxonomy Extension Presentation Linkbase

101.SCH – XBRL Taxonomy Extension Schema Linkbase

101.DEF – XBRL Taxonomy Extension Definition Linkbase

101.CAL – XBRL Taxonomy Extension Calculation Linkbase

104 – Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

\* Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MONRO, INC.

DATE: October 29, 2025

By: /s/ Peter D. Fitzsimmons  
Peter D. Fitzsimmons  
President and Chief Executive Officer  
(Principal Executive Officer)

DATE: October 29, 2025

By: /s/ Brian J. D'Ambrosia  
Brian J. D'Ambrosia  
Executive Vice President – Finance, Chief Financial Officer and Treasurer  
(Principal Financial Officer and Principal Accounting Officer)

August 12, 2025

Rob Mellor  
Chairman of the Board  
Monro, Inc.  
295 Woodcliff Drive  
Fairport, New York 14450  
United States

**Re: Amendment 1 to Addendum 1 under the Agreement for Consulting Services**

This letter is amendment 1 ("Amendment 1") to addendum 1 between AlixPartners, LLP ("AlixPartners") and Monro, Inc. (the "Company") dated May 30, 2025, ("Addendum 1") issued under the Engagement Letter dated March 28, 2025 (the "Agreement"). Unless otherwise modified herein, the terms and conditions of the Addendum and the Agreement remain in full force and effect. Capitalized terms not otherwise defined herein shall have the meaning given to them in Addendum 1 or the Agreement, as applicable.

**Amendment**

The Parties wish to extend the time period for performance of the scope of work set forth in Addendum 1, as well as amend the fees associated with such scope.

The Parties agree to amend Addendum 1 as follows, effective as of July 31, 2025:

1. The term of Addendum 1 shall be extended to November 1, 2025.
2. AlixPartners will continue to perform the Implementation with a focus on four primary areas:
  - Store Operations and Selling Effectiveness
    - Leverage Phase I implementation Task Force learnings to drive further improvement to core store operating model
    - Refine in-store coaching and training approach to complement current corporate process disciplines
    - Adjust DM job definition and build further accountability into DM performance measurement
    - Finalize incremental reporting (operational metrics) and integrate into enhanced District Manager ("DM") tool kit
    - Develop next-level staffing model to optimize capacity by store cohort
  - Marketing and Pricing
    - Deliver media plan for company review and implementation - utilizing learnings from marketing tests – targeting increase in customer traffic

- Recommend weekly marketing metrics and coach relevant company executives on how to utilize in weekly decision making
  - Implement CRM (customer relationship management) re-targeting based on revised customer segmentation
  - Refine pricing and promotion analytics and processes to align to customer needs objectives
  - Transition and train marketing approach and tools to relevant company executives for ongoing use
- Merchandising and Inventory Management
  - Together with SVP of Merchandising, develop assortment and marketing program with the intention of meeting customer needs
  - Develop tools and train relevant company executives to allow for transition from history-based to forward-looking demand forecasting that allows for changes in assortment and promotion calendar
  - Support SVP of Merchandising in re-calibrating vendor supply agreements as part of supported negotiations process
  - Provide support to SVP of Merchandising to redefine merchandising time operating model and reporting re-design
  - Transition KPIs and calculations developed to company for on-going use
- Customer Segmentation and Insights
  - Define core customer segments that more clearly align with preferred customer profile
  - Conduct management workshops to align on priority customer segments and current and future initiatives to attract and retain more customers within these priority segments
  - Identify, procure and utilize third-party data with a goal of better defining customer targets
  - Incorporate core customer segmentation into in-flight marketing initiatives, including both acquisition and retention

3. The Fees for the extension of work shall be as follows:

\$575,000 per week in August (August 3 through August 30, 2025)

\$500,000 per week in September (August 31 through October 4, 2025)

\$400,000 per week in October (October 5 through November 1, 2025)

If work is required beyond November 1, 2025, the parties will mutually agree to a fee structure for the additional work.

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\* \* \*

If these terms meet with your approval, please sign and return a copy of this Amendment 1.

We look forward to working with you

Sincerely yours,

/s/ Gaurav Chhabra

/s/ Arun Kumar

/s/ Jeremy Lambert

Gaurav Chhabra  
Partner & Managing Director

Arun Kumar  
Partner & Managing Director

Jeremy Lambert  
Partner

For and on behalf of AlixPartners, LLP

Agreement and acceptance confirmed

By: /s/ Robert E. Mellor

Its: Chairman

Dated: 8/18/2025

For and on behalf of Monro, Inc.

## CERTIFICATION

I, Peter D. Fitzsimmons, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Monroe, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 29, 2025

/s/ Peter D. Fitzsimmons

Peter D. Fitzsimmons  
President and Chief Executive Officer  
(Principal Executive Officer)

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## CERTIFICATION

I, Brian J. D'Ambrosia, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Monro, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 29, 2025

/s/ Brian J. D'Ambrosia

Brian J. D'Ambrosia

Executive Vice President – Finance, Chief Financial Officer and Treasurer  
(Principal Financial Officer and Principal Accounting Officer)

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**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)**

Pursuant to, and solely for purposes of, 18 U.S.C. Section 1350 (Section 906 of the Sarbanes-Oxley Act of 2002), each of the undersigned hereby certifies in the capacity and on the date indicated below that:

1. The Quarterly Report of Monro, Inc. ("Monro") on Form 10-Q for the period ended September 27, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Monro.

/s/ Peter D. Fitzsimmons

Dated: October 29, 2025

Peter D. Fitzsimmons  
President and Chief Executive Officer  
(Principal Executive Officer)

/s/ Brian J. D'Ambrosia

Dated: October 29, 2025

Brian J. D'Ambrosia  
Executive Vice President – Finance, Chief Financial Officer and Treasurer  
(Principal Financial Officer and Principal Accounting Officer)

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