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 December 24, 2022

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	**16-0838627**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
200 Holleder Parkway, Rochester, New York	**14615**
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code: **(585) 647-6400**

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	**MNRO**	**The Nasdaq Stock Market**

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 January 20, 2023, 31,396,352 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)	December 24, 2022	March 26, 2022
Assets		
Current assets		
Cash and equivalents	$ 12,999	$ 7,948
Accounts receivable	13,172	14,797
Inventories	141,348	166,271
Other current assets	101,062	56,486
Total current assets	268,581	245,502
Property and equipment, net	307,427	315,193
Finance lease and financing obligation assets, net	227,716	268,406
Operating lease assets, net	211,251	213,588
Goodwill	730,486	776,714
Intangible assets, net	17,265	26,682
Other non-current assets	34,091	20,174
Long-term deferred income tax assets	2,358	5,153
Total assets	$ 1,799,175	$ 1,871,412
Liabilities and shareholders' equity		
Current liabilities		
Current portion of finance leases and financing obligations	$ 40,102	$ 42,092
Current portion of operating lease liabilities	36,513	34,692
Accounts payable	228,355	131,989
Federal and state income taxes payable	5,190	2,921
Accrued payroll, payroll taxes and other payroll benefits	22,555	18,540
Accrued insurance	49,492	49,391
Deferred revenue	15,475	14,153
Other current liabilities	29,667	28,186
Total current liabilities	427,349	321,964
Long-term debt	130,000	176,466
Long-term finance leases and financing obligations	308,041	357,475
Long-term operating lease liabilities	191,199	192,637
Other long-term liabilities	11,737	10,821
Long-term deferred income tax liabilities	28,971	28,560
Long-term income taxes payable	695	583
Total liabilities	1,097,992	1,088,506
Commitments and contingencies - Note 9		
Shareholders' equity:		
Class C Convertible Preferred stock	29	29
Common stock	400	399
Treasury stock	(205,648)	(108,729)
Additional paid-in capital	249,072	244,577
Accumulated other comprehensive loss	(4,790)	(4,494)
Retained earnings	662,120	651,124
Total shareholders' equity	701,183	782,906
Total liabilities and shareholders' equity	$ 1,799,175	$ 1,871,412

Class C Convertible Preferred stock Authorized 150,000 shares, $1.50 par value, $0.064 conversion value; 19,664 shares issued and outstanding

Common stock Authorized 65,000,000 shares, $0.01 par value; 39,957,473 shares issued as of December 24, 2022 and 39,906,561 shares issued as of March 26, 2022

Treasury stock 8,561,121 shares as of December 24, 2022 and 6,359,871 shares as of March 26, 2022, at cost

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statements of Income and Comprehensive Income

(thousands, except per share data) (unaudited)	Three Months Ended December 24, 2022	Three Months Ended December 25, 2021	Nine Months Ended December 24, 2022	Nine Months Ended December 25, 2021
Sales	$ 335,193	$ 341,781	$ 1,014,546	$ 1,031,298
Cost of sales, including distribution and occupancy costs	221,742	221,199	662,171	654,102
Gross profit	113,451	120,582	352,375	377,196
Operating, selling, general and administrative expenses	89,605	93,146	278,802	287,366
Operating income	23,846	27,436	73,573	89,830
Interest expense, net of interest income	5,949	5,676	17,312	18,893
Other income, net	(98)	(43)	(275)	(138)
Income before income taxes	17,995	21,803	56,536	71,075
Provision for income taxes	4,961	5,516	17,897	18,122
Net income	$ 13,034	$ 16,287	$ 38,639	$ 52,953
Other comprehensive loss				
Changes in pension, net of tax	(98)	(102)	(296)	(308)
Other comprehensive loss	(98)	(102)	(296)	(308)
Comprehensive income	$ 12,936	$ 16,185	$ 38,343	$ 52,645
Earnings per share				
Basic	$ 0.41	$ 0.48	$ 1.18	$ 1.57
Diluted	$ 0.41	$ 0.48	$ 1.17	$ 1.56
Weighted average common shares outstanding				
Basic	31,470	33,542	32,386	33,521
Diluted	31,985	34,056	32,890	34,036

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Changes in Shareholders' Equity

	Class C Convertible Preferred Stock		Common Stock		Treasury Stock		Additional Paid-In	Accumulated Other Comprehensive	Retained	Total
(thousands) (unaudited)	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Loss	Earnings	Equity
Balance at September 25, 2021	20	$ 29	39,900	$ 399	6,360	$ (108,729)	$ 242,061	$ (4,825)	$ 643,983	$ 772,918
Net income									16,287	16,287
Other comprehensive loss										
Pension liability adjustment								(102)		(102)
Dividends declared										
Preferred									(120)	(120)
Common									(8,722)	(8,722)
Dividend payable									(38)	(38)
Stock options and restricted stock			6	—			30			30
Stock-based compensation							1,258			1,258
Balance at December 25, 2021	20	$ 29	39,906	$ 399	6,360	$ (108,729)	$ 243,349	$ (4,927)	$ 651,390	$ 781,511
Balance at September 24, 2022	20	$ 29	39,957	$ 400	7,977	$ (179,944)	$ 247,907	$ (4,692)	$ 658,070	$ 721,770
Net income									13,034	13,034
Other comprehensive loss										
Pension liability adjustment								(98)		(98)
Dividends declared										
Preferred									(129)	(129)
Common									(8,791)	(8,791)
Dividend payable									(64)	(64)
Repurchase of stock					584	(25,704)				(25,704)
Stock options and restricted stock							10			10
Stock-based compensation							1,155			1,155
Balance at December 24, 2022	20	$ 29	39,957	$ 400	8,561	$ (205,648)	$ 249,072	$ (4,790)	$ 662,120	$ 701,183
Balance at March 27, 2021	20	$ 29	39,848	$ 398	6,360	$ (108,729)	$ 238,244	$ (4,619)	$ 624,361	$ 749,684
Net income									52,953	52,953
Other comprehensive loss										
Pension liability adjustment								(308)		(308)
Dividends declared										
Preferred									(350)	(350)
Common									(25,483)	(25,483)
Dividend payable									(91)	(91)
Stock options and restricted stock			58	1			1,975			1,976
Stock-based compensation							3,130			3,130
Balance at December 25, 2021	20	$ 29	39,906	$ 399	6,360	$ (108,729)	$ 243,349	$ (4,927)	$ 651,390	$ 781,511
Balance at March 26, 2022	20	$ 29	39,907	$ 399	6,360	$ (108,729)	$ 244,577	$ (4,494)	$ 651,124	$ 782,906
Net income									38,639	38,639
Other comprehensive loss										
Pension liability adjustment								(296)		(296)
Dividends declared										
Preferred									(386)	(386)
Common									(27,096)	(27,096)
Dividend payable									(161)	(161)
Repurchase of stock					2,201	(96,919)				(96,919)
Stock options and restricted stock			50	1			296			297
Stock-based compensation							4,199			4,199
Balance at December 24, 2022	20	$ 29	39,957	$ 400	8,561	$ (205,648)	$ 249,072	$ (4,790)	$ 662,120	$ 701,183

We declared $0.28 and $0.26 dividends per common share or equivalent for the three months ended December 24, 2022 and December 25, 2021, respectively, and $0.84 and $0.76 dividends per common share or equivalent for the nine months ended December 24, 2022 and December 25, 2021, respectively.

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

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statements of Cash Flows

(thousands) (unaudited)	Nine Months Ended December 24, 2022	Nine Months Ended December 25, 2021
Operating activities		
Net income	$ 38,639	$ 52,953
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	58,201	60,454
Share-based compensation expense	4,199	3,130
Gain on disposal of assets	(2,748)	(507)
Gain on divestiture	(2,394)	—
Deferred income tax expense	3,306	9,633
Change in operating assets and liabilities (excluding acquisitions and divestitures)		
Accounts receivable	(2,360)	615
Inventories	(12,319)	(5,952)
Other current assets	(18,156)	(8,046)
Other non-current assets	27,732	26,042
Accounts payable	96,366	5,515
Accrued expenses	5,323	2,771
Federal and state income taxes payable	2,269	10,899
Other long-term liabilities	(26,979)	(30,442)
Long-term income taxes payable	112	172
Cash provided by operating activities	171,191	127,237
Investing activities		
Capital expenditures	(28,535)	(17,445)
Acquisitions, net of cash acquired	(954)	(83,167)
Proceeds from divestiture	56,586	—
Deferred proceeds received from divestiture	4,294	—
Proceeds from the disposal of assets	4,416	1,030
Other	(256)	122
Cash provided by (used for) investing activities	35,551	(99,460)
Financing activities		
Proceeds from borrowings	139,176	139,862
Principal payments on long-term debt, finance leases and financing obligations	(215,439)	(163,985)
Repurchase of stock	(96,919)	—
Exercise of stock options	—	2,110
Dividends paid	(27,482)	(25,713)
Deferred financing costs	(1,027)	(497)
Cash used for financing activities	(201,691)	(48,223)
Increase (decrease) in cash and equivalents	5,051	(20,446)
Cash and equivalents at beginning of period	7,948	29,960
Cash and equivalents at end of period	**$ 12,999**	**$ 9,514**
Supplemental information		
Leased assets (reduced) obtained in exchange for (reduced) new finance lease liabilities	$ (10,436)	$ 7,307
Leased assets obtained in exchange for new operating lease liabilities	$ 25,963	$ 8,114

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 1,296 Company-operated retail stores located in 32 states and 79 franchised locations as of December 24, 2022.

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 ("U.S. 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 26, 2022.

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 26, 2022.

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 2023 and 2022 each contain 52 weeks. Unless specifically indicated otherwise, any references to "2023" or "fiscal 2023" and "2022" or "fiscal 2022" relate to the years ending March 25, 2023 and March 26, 2022, respectively.

Recent accounting pronouncements

In September 2022, the Financial Accounting Standards Board ("FASB") issued new accounting guidance which requires certain disclosure requirements for supplier finance programs used in connection with the purchase of goods and services. This guidance is effective for fiscal years and interim periods within those years beginning after December 15, 2022. Early adoption is permitted. We are currently evaluating the impact of adopting this guidance.

In October 2021, the FASB issued new accounting guidance which requires an acquiring entity to recognize and measure contract assets and contract liabilities acquired in a business combination as if they entered into the original contract at the same time and same date as the acquiree. This guidance is effective for fiscal years and interim periods within those years beginning after December 15, 2022. Early adoption is permitted. 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.

Working capital management

As part of our ongoing efforts to manage our working capital and improve our cash flow, we work with suppliers to optimize our purchasing terms and conditions, including extending payment terms. We also 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 at the sole discretion of both the supplier and the 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. We have concluded that the program is a trade payable program and not indicative of a borrowing arrangement.

Supplemental information

Property and equipment, net: Property and equipment balances are shown on the Consolidated Balance Sheets net of accumulated depreciation of $422.3 million and $414.2 million as of December 24, 2022 and March 26, 2022, respectively.

Note 2 – Acquisitions and Divestitures

Acquisitions

Monro's acquisitions are strategic moves in our plan to fill in and expand our presence in our existing and contiguous markets, expand into new markets and leverage fixed operating costs such as advertising and administration. Acquisitions in this note generally include acquisitions of five or more locations as well as acquisitions of one to four locations that are part of our greenfield store growth strategy.

Subsequent Event

Subsequent to December 24, 2022, we signed a definitive asset purchase agreement to complete the acquisition of five retail tire and automotive repair stores located in Iowa and Illinois. This transaction is expected to close during the fourth quarter of fiscal 2023 and is expected to be financed through our Credit Facility, as defined in Note 8.

2023

On December 4, 2022, we acquired one retail tire and automotive repair store located in Wisconsin from Spinler's Service Systems, Inc. for $0.4 million. This store operates under the Car-X name. The acquisition was financed through our Credit Facility. The results of operations for this acquisition are included in our financial results from the acquisition date.

The acquisition resulted in goodwill related to, among other things, growth opportunities, synergies and economies of scale expected from combining the business with ours, as well as unidentifiable intangible assets. All of the goodwill is expected to be deductible for tax purposes.

We expensed all costs related to the acquisition in the three months ended December 24, 2022. These costs are included in the Consolidated Statements of Income and Comprehensive Income primarily under operating, selling, general and administrative ("OSG&A") expenses and were not material to the Consolidated Statements of Income and Comprehensive Income for the three months and nine months ended December 24, 2022.

Sales related to the completed acquisition for the period from acquisition date through December 24, 2022 were not material to the Consolidated Statements of Income and Comprehensive Income for the three months and nine months ended December 24, 2022.

Supplemental pro forma information for the current or prior reporting periods has not been presented due to the impracticability of obtaining detailed, accurate or reliable data for the periods the acquired entity was not owned by Monro.

We accounted for the 2023 acquisition as a business combination using the acquisition method of accounting in accordance with the FASB ASC Topic 805, "Business Combinations." The assets acquired and liabilities assumed were recorded at their acquisition-date fair values and were consolidated with those of the Company as of the acquisition date. The acquisition-date fair values were assigned on preliminary valuations and estimates, and the excess of the consideration transferred over the net identifiable assets acquired was recorded as goodwill. The preliminary allocation of the consideration transferred was not material to the Consolidated Balance Sheet as of December 24, 2022.

We continue to refine the valuation data and estimates primarily related to inventory, property and equipment, intangible assets, real property leases, warranty reserves and certain liabilities for the 2023 acquisition and expect to complete the valuations no later than the first anniversary date of the acquisition. We anticipate that adjustments will continue to be made to the fair values of identifiable assets acquired and liabilities assumed, and those adjustments may or may not be material.

2022

During the first nine months of fiscal 2022, we acquired the following businesses for an aggregate purchase price of $83.1 million. The acquisitions were financed through our Credit Facility. The results of operations for these acquisitions are included in our financial results from the respective acquisition dates.

- On December 5, 2021, we acquired 11 retail tire and automotive repair stores operating as Car-X franchise locations in Iowa from KR Jones Enterprises, Inc. These stores operate under the Car-X name.
- On November 14, 2021, we acquired three retail tire and automotive repair stores located in California from Bud's Tire and Wheel, Inc. These stores will operate under the Tire Choice name.
- On November 14, 2021, we acquired two retail tire and automotive repair stores located in California from Eagle Auto & Tire, Inc. These stores will operate under the Mountain View Tire & Service name.
- On November 14, 2021, we acquired one retail tire and automotive repair store located in California from Golden Reflections. This store will operate under the Mountain View Tire & Service name.
- On April 25, 2021, we acquired 30 retail tire and automotive repair stores located in California from Mountain View Tire & Service, Inc. These stores operate under the Mountain View Tire & Service name.

The acquisitions resulted in goodwill related to, among other things, growth opportunities, synergies and economies of scale expected from combining the businesses with ours, as well as unidentifiable intangible assets. All of the goodwill is expected to be deductible for tax purposes.

We expensed all costs related to the acquisitions in the nine months ended December 25, 2021. The total costs related to the completed acquisitions were $0.2 million and $0.6 million for the three and nine months ended December 25, 2021, respectively. These costs are included in the Consolidated Statements of Income and Comprehensive Income primarily under OSG&A expenses.

Sales related to the completed acquisitions for the three and nine months ended December 25, 2021 totaled $13.7 million and $33.1 million, respectively, for the period from acquisition date through December 25, 2021.

Supplemental pro forma information for the current or prior reporting periods has not been presented due to the impracticability of obtaining detailed, accurate or reliable data for the periods the acquired entities were not owned by Monro.

We accounted for the 2022 acquisitions as a business combination using the acquisition method of accounting and we finalized the purchase accounting related to the 2022 acquisitions during fiscal 2023. As a result of the updated purchase price allocation for the acquisitions, certain of the fair value amounts previously estimated were adjusted during the measurement period. These measurement period adjustments resulted from updated valuation reports and appraisals received from our external valuation specialists, as well as revisions to internal estimates. The measurement period adjustments were not material to the Consolidated Balance Sheet as of December 24, 2022 and the Consolidated Statements of Income and Comprehensive Income for the three months and nine months ended December 24, 2022.

The acquired assets and liabilities assumed were recorded at their assigned acquisition-date fair values and were consolidated with those of the Company as of the acquisition date. The consideration transferred and net liabilities assumed were recorded as goodwill.

2022 Acquisition-date Fair Values Assigned		
(thousands)		
Inventory	$	1,298
Other current assets		424
Property and equipment		3,612
Finance lease and financing obligation assets		19,228
Operating lease assets		30,461
Intangible assets		4,820
Other non-current assets		79
Long-term deferred income tax assets		4,814
Total assets acquired		64,736
Current portion of finance leases and financing obligations		1,832
Current portion of operating lease liabilities		3,058
Deferred revenue		1,261
Other current liabilities		273
Long-term finance leases and financing obligations		26,061
Long-term operating lease liabilities		35,304
Other long-term liabilities		1,026
Total liabilities assumed		68,815
Total net identifiable liabilities assumed	$	(4,079)
Total consideration transferred	$	83,087
Less: total net identifiable liabilities assumed		(4,079)
Goodwill	$	87,166

The total consideration of $83.1 million is comprised of $82.0 million in cash and $1.1 million which is due upon finalization of certain lease assignment terms for one store location.

We recorded $4.8 million amortizable intangible assets, including customer lists and a trade name, with a weighted-average amortizable period of approximately eight years. We have recorded acquired right-of-use assets at the present value of remaining lease payments adjusted to reflect favorable or unfavorable market terms of the lease.

Divestitures

2023

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 is currently being held in escrow. The remaining $40 million (“Earnout”) of the total consideration of $102 million will be paid quarterly over approximately two years based on our tire purchases from or through ATD pursuant to a distribution and fulfillment agreement with ATD, of which $4.3 million was received during the three months ended December 24, 2022. Under the distribution agreement, ATD agreed to supply and sell tires to retail locations we own. After ATD satisfies the Earnout payments, 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 is five years after the completion of the Earnout Period, with automatic 12-month renewal periods thereafter. The divestiture enables us to focus our resources on our core retail business operations. In connection with this transaction, we recognized a pre-tax gain of $2.4 million within OSG&A expenses. We expensed $0.4 million of closing costs and costs associated with the closing of a related warehouse within OSG&A expenses, as finalized in September 2022. We also incurred $1.3 million in costs in connection with restructuring and elimination of certain executive management positions upon completion of the divestiture. The divestiture did not meet the criteria to be reported as discontinued operations in our consolidated financial statements as our decision to divest this business did not represent a strategic shift that will have a major effect on our operations and financial results. For additional information regarding discrete tax impacts because of the divestiture, see Note 4.

Note 3 – Earnings per Common Share

Basic earnings 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 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 per Common Share	Three Months Ended		Nine Months Ended	
(thousands, except per share data)	December 24, 2022	December 25, 2021	December 24, 2022	December 25, 2021
Numerator for earnings per common share calculation:				
Net income	$ 13,034	$ 16,287	$ 38,639	$ 52,953
Less: Preferred stock dividends	(129)	(120)	(386)	(350)
Income available to common shareholders	$ 12,905	$ 16,167	$ 38,253	$ 52,603
Denominator for earnings per common share calculation:				
Weighted average common shares - basic	31,470	33,542	32,386	33,521
Effect of dilutive securities:				
Preferred stock	460	460	460	460
Stock based awards	55	54	44	55
Weighted average common shares - diluted	31,985	34,056	32,890	34,036
Basic earnings per common share	$ 0.41	$ 0.48	$ 1.18	$ 1.57
Diluted earnings per common share	$ 0.41	$ 0.48	$ 1.17	$ 1.56

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

Note 4 – Income Taxes

For the three months and nine months ended December 24, 2022, our effective income tax rate was 27.6 percent and 31.7 percent, respectively, compared to 25.3 percent and 25.5 percent for the three months and nine months ended December 25, 2021, respectively. Our effective income tax rate for the nine months ended December 24, 2022 was higher by 4.7 percent because of discrete tax impacts from the divestiture of assets relating to our wholesale tire operations and internal tire distribution operations as well as the revaluation of deferred tax balances due to changes in the mix of pre-tax income in various U.S. state jurisdictions because of the divestiture. Our effective income tax rate for the three months and nine months ended December 24, 2022 was higher by 0.9 percent and 0.7 percent, respectively, due to the discrete tax impact related to share-based awards. Additionally, the increase in our effective income tax rate for the three months and nine months ended December 24, 2022 over the prior year comparable period was also due to other state income tax impacts from the divestiture.

Note 5 – Fair Value

Long-term debt had a carrying amount that approximates a fair value of $130.0 million as of December 24, 2022, as compared to a carrying amount and a fair value of $176.5 million as of March 26, 2022. The carrying value of our debt approximated its fair value due to the variable interest nature of the debt.

Note 6 – Cash Dividend

We paid dividends of $27.5 million during the nine months ended December 24, 2022. The declaration and payment 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 Credit Facility restrictions, and such other factors as the Board of Directors deems relevant. Under our Credit Facility, there are no restrictions on our ability to declare dividends as long as we are in compliance with the covenants in the Credit Facility. 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 as well as commissions earned from the delivery of tires on behalf of certain tire vendors.

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	Three Months Ended		Nine Months Ended	
(thousands)	December 24, 2022	December 25, 2021	December 24, 2022	December 25, 2021
Tires [a]	$ 176,532	$ 190,086	$ 507,501	$ 544,395
Maintenance	86,217	78,363	267,131	248,793
Brakes	41,396	41,556	137,613	135,704
Steering	25,379	25,894	82,973	82,246
Exhaust	5,006	5,107	17,202	17,477
Other	663	775	2,126	2,683
Total	$ 335,193	$ 341,781	$ 1,014,546	$ 1,031,298

(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 December 24, 2022 and March 26, 2022 were $22.5 million and $20.6 million, respectively, of which $15.5 million and $14.2 million, respectively, are reported in Deferred revenue and $7.0 million and $6.4 million, respectively, are reported in Other long-term liabilities in our Consolidated Balance Sheets.

Changes in Deferred Revenue (thousands)	
Balance at March 26, 2022	$ 20,632
Deferral of revenue	17,775
Recognition of revenue	(15,875)
Balance at December 24, 2022	$ 22,532

As of December 24, 2022, we expect to recognize $5.0 million of deferred revenue related to road hazard warranty agreements in the remainder of fiscal 2023, $12.6 million of deferred revenue during our fiscal year ending March 30, 2024, and $4.9 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

In April 2019, we entered into a new five year $600 million revolving credit facility agreement with eight banks (the “Credit Facility”). Interest only is payable monthly throughout the Credit Facility’s term. The borrowing capacity for the Credit Facility of $600 million includes an accordion feature permitting us to request an increase in availability of up to an additional $250 million. The Credit Facility initially bore interest at 75 to 200 basis points over the London Interbank Offered Rate (“LIBOR”) (or replacement index) or at the prime rate, depending on the type of borrowing and the rates then in effect.

On June 11, 2020, we entered into a First Amendment to the Credit Facility (the “First Amendment”), which, among other things, amended the terms of certain of the financial and restrictive covenants in the credit agreement through the first quarter of fiscal 2022 to provide us with additional flexibility to operate our business. The First Amendment amended the interest rate charged on borrowings to be based on the greater of adjusted one-month LIBOR or 0.75 percent. For the period from June 30, 2020 to June 30, 2021, the minimum interest rate spread charged on borrowings was 225 basis points over LIBOR. Additionally, during the same period, we were permitted to declare, make or pay any dividend or distribution up to $38.5 million in the aggregate and the acquisition of stores or other businesses up to $100 million in the aggregate were permitted if we were in compliance with the financial covenants and other restrictions in the First Amendment and Credit Facility. As of July 1, 2021, the ability of our Board of Directors to declare, make or pay any dividend or distribution and our ability to acquire stores or other businesses is no longer restricted by the terms of the Credit Facility, as amended by the First Amendment. The Credit Facility requires fees payable quarterly throughout the term between 0.125 percent and 0.35 percent of the amount of the average net availability under the Credit Facility during the preceding quarter.

On October 5, 2021, we entered into a Second Amendment to the Credit Facility (the “Second Amendment”). The Second Amendment amended the interest rate charged on borrowings to be based on the greater of adjusted one-month LIBOR or 0.00 percent. In addition, the Second Amendment updated certain provisions regarding a successor interest rate to LIBOR.

On November 10, 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 Agreement, as amended by the Second Amendment. 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. Except as amended by the First Amendment, Second Amendment and Third Amendment, the remaining terms of the credit agreement remain in full force and effect.

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 $29.6 million outstanding letter of credit at December 24, 2022.

There was $130.0 million outstanding and $440.4 million available under the Credit Facility at December 24, 2022.

We were in compliance with all debt covenants at December 24, 2022.

Note 9 – Commitments and Contingencies

Commitments

Commitments Due by Period (thousands)	Total	Within 1 Year	2 to 3 Years	4 to 5 Years	After 5 Years
Principal payments on long-term debt	$ 130,000			$ 130,000	
Finance lease commitments/financing obligations [(a)]	432,584	$ 54,725	$ 102,549	94,119	$ 181,191
Operating lease commitments [(a)]	262,202	43,232	78,285	61,243	79,442
Accrued rent	254	175	30	24	25
Total	$ 825,040	$ 98,132	$ 180,864	$ 285,386	$ 260,658

(a) Finance and operating lease commitments represent future undiscounted lease payments and include $94.6 million and $60.6 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.

A purported class action filed in March 2021 and a related Private Attorneys General Action (PAGA) filed in September 2021 in Los Angeles County Superior Court of California alleges we violated the rights of certain hourly, non-exempt employees in California under state wage and hour laws. The matter is in the early stage of discovery and we intend to vigorously defend the Company. The parties have participated in mediation and have agreed to continue settlement discussions. We included $0.5 million in OSG&A expenses in our Consolidated Statements of Income and Comprehensive Income for the three months and nine months ended December 24, 2022 for this matter.

Note 10 – Share Repurchase

On May 19, 2022, our Board of Directors authorized a share repurchase program for the repurchase of up to $150 million of shares of our common stock. The Board of Directors did not specify a date upon which the authorization will expire. Shares repurchased under this authorization will become treasury shares.

We periodically repurchased shares of our common stock under the repurchase program through open market transactions.

Share Repurchase Activity (thousands, except per share data)	Three Months Ended December 24, 2022	Nine Months Ended December 24, 2022
Number of shares purchased	583.8	2,201.3
Average price paid per share	$ 44.00	$ 44.00
Total repurchased	$ 25,687	$ 96,853

On August 16, 2022, the Inflation Reduction Act of 2022 (“IRA”) was enacted into law. The IRA includes a one percent excise tax on stock repurchases. The new excise tax equals one percent of the fair market value of the stock repurchased, less the fair market value of stock issued, during the tax year. The excise tax applies to repurchases of stock after December 31, 2022.

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

Economic Conditions

The United States economy has experienced high inflation during fiscal 2023 and there are market expectations that inflation may remain at elevated levels for a sustained period. In addition, labor availability has continued to be constrained and market labor costs have continued to increase. The U.S. Federal Reserve Board also has increased interest rates during fiscal 2023 and additional interest rate increases may occur in the coming months. These conditions may give rise to an economic slowdown, and perhaps a recession, and could further increase our costs and/or impact our revenues. It is unclear whether the current economic conditions and government responses to these conditions, including inflation, and increasing interest rates will result in an economic slowdown or recession in the United States. If that occurs, demand for our products and services may decline, possibly significantly, which may significantly and adversely impact our business, results of operations and financial position.

2023 Divestiture

On June 17, 2022, we completed the sale of assets relating to our wholesale tire operations (seven locations) and internal tire distribution operations to American Tire Distributors, Inc. ("ATD"). The total purchase price was $102 million, consisting of $62 million paid by ATD at closing, of which $5 million is currently being held in escrow, and the remaining $40 million will be paid quarterly over approximately two years based on our tire purchases from or through ATD pursuant to a distribution and fulfillment agreement, of which $4.3 million was received during the three months ended December 24, 2022. For details regarding the sale, see Note 2 to our consolidated financial statements. In the nine months ended December 24, 2022, we experienced lower top-line sales due to the sale of our wholesale tire operations to ATD and we incurred $1.3 million in costs in connection with restructuring and elimination of certain executive management positions upon completion of the divestiture.

Financial Summary

Third quarter 2023 included the following notable items:

- Diluted earnings per common share ("EPS") were $0.41.
- Adjusted diluted EPS, a non-GAAP measure, were $0.43.
- Sales decreased 1.9 percent, due to lower overall tire sales because of the sale of our wholesale tire operations.
- Comparable store sales increased 5.6 percent, driven primarily by an approximately 12 percent comparable store sales increase in approximately 300 of our small or underperforming stores. Adjusted for selling days, comparable store sales increased 4.4 percent.
- Operating income of $23.8 million was 13.1 percent lower than the comparable prior-year period, driven primarily by a decrease in gross profit.
- Net income was $13.0 million.
- Adjusted net income, a non-GAAP measure, was $13.6 million.

Earnings Per Common Share	Three Months Ended			Nine Months Ended		
	December 24, 2022	December 25, 2021	Change	December 24, 2022	December 25, 2021	Change
Diluted EPS	$ 0.41	$ 0.48	(14.6) %	$ 1.17	$ 1.56	(25.0) %
Adjustments	0.02	0.01		0.10	0.09	
Adjusted diluted EPS	$ 0.43	$ 0.49	(12.2) %	$ 1.27	$ 1.66	(23.5) %

Note: Amounts may not foot due to rounding.

Adjusted net income and adjusted diluted EPS, each of which is a measure not derived in accordance with U.S. GAAP, exclude the impact of certain items. Management believes that adjusted net income and adjusted diluted EPS are useful in providing period-to-period comparisons of the results of our operations by excluding certain non-recurring items, such as litigation reserves and costs related to shareholder matters, and items related to store closings as well as Monro.Forward or acquisition initiatives. Reconciliations of these non-GAAP financial measures to GAAP measures are provided beginning on page 20 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			Nine Months Ended		
(thousands)	December 24, 2022	December 25, 2021	Change	December 24, 2022	December 25, 2021	Change
Sales	$ 335,193	$ 341,781	(1.9) %	$ 1,014,546	$ 1,031,298	(1.6) %
Cost of sales, including distribution and occupancy costs	221,742	221,199	0.2	662,171	654,102	1.2
Gross profit	113,451	120,582	(5.9)	352,375	377,196	(6.6)
Operating, selling, general and administrative expenses	89,605	93,146	(3.8)	278,802	287,366	(3.0)
Operating income	$ 23,846	$ 27,436	(13.1) %	$ 73,573	$ 89,830	(18.1) %

Sales

Sales include automotive undercar repair, tire replacement and tire related service sales, net of discounts, returns, etc., 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 of equivalent length. There were 90 selling days in the three months ended December 24, 2022 and 89 selling days in the three months ended December 25, 2021, and 271 selling days in the nine months ended December 24, 2022 and 270 selling days in the nine months ended December 25, 2021. We had one additional selling day in the three months and nine months ended December 24, 2022 due to a shift in timing of the Christmas holiday from the third quarter in fiscal 2022 to the fourth quarter in fiscal 2023.

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		Nine Months Ended	
(thousands)	December 24, 2022	December 25, 2021	December 24, 2022	December 25, 2021
Sales	$ 335,193	$ 341,781	$ 1,014,546	$ 1,031,298
Dollar change compared to prior year	$ (6,588)		$ (16,752)	
Percentage change compared to prior year	(1.9) %		(1.6) %	

The sales decrease was due to a decrease in sales from closed stores, driven by the sale of our wholesale tire operations in the first quarter of fiscal 2023. Sales for the wholesale locations were approximately $27.7 million in the three months ended December 25, 2021. This was partially offset by an increase in comparable store sales from an increase in average ticket amount across product categories and price points and an increase in sales from new stores. The following table shows the primary drivers of the change in sales for each of the three months and nine months ended December 24, 2022, as compared to the same periods ended December 25, 2021.

Sales Percentage Change	Three Months Ended December 24, 2022	Nine Months Ended December 24, 2022
Sales change	(1.9) %	(1.6) %
Primary drivers of change in sales		
Closed store sales [(a)]	(8.5) %	(6.1) %
Comparable store sales [(b)(c)]	4.9 %	2.1 %
New store sales [(d)]	1.8 %	2.5 %

(a) Sales from the wholesale locations sold to ATD constitute most of the change between the three months ended December 24, 2022 and December 25, 2021 and the nine months ended December 24, 2022 and December 25, 2021.

(b) On a comparable store sales basis, comparable store sales increased by 5.6 percent and 2.3 percent for the three months and nine months ended December 24, 2022, respectively. Adjusted for selling days, comparable store sales increased by 4.4 percent and 2.0 percent for the three months and nine months ended December 24, 2022, respectively, on a comparable store sales basis.

(c) On a comparable store sales basis, comparable store sales at our retail locations increased by 3.2 percent (3.0 percent adjusted for selling days) for the nine months ended December 24, 2022.

(d) Sales from the fiscal 2023 acquisition and fiscal 2022 acquisitions represent the change between the three months ended December 24, 2022 and December 25, 2021 and the nine months ended December 24, 2022 and December 25, 2021.

Broad-based inflationary pressures impacting consumers, including higher fuel prices and the negative impact on miles driven, partly led to lower demand in some of our key service categories during the three months and nine months ended December 24, 2022. We expect the inflationary environment to continue to impact our customers throughout the remainder of fiscal 2023.

Comparable Store Product Category Sales Change [a]	Three Months Ended		Nine Months Ended	
	December 24, 2022	December 25, 2021	December 24, 2022	December 25, 2021
Tires [b]	8 %	11 %	4 %	15 %
Maintenance service	7 %	11 %	3 %	22 %
Brakes	(5) %	28 %	(3) %	39 %
Alignment	(5) %	28 %	(5) %	37 %
Front end/shocks	(5) %	14 %	(1) %	23 %
Exhaust	(7) %	14 %	(4) %	18 %

(a) The comparable store product category sales change for the three months and nine months ended December 24, 2022 are adjusted for selling days.

(b) Adjusted for selling days, comparable store tire sales increased six percent at our retail locations during the nine months ended December 24, 2022.

For the three months and nine months ended December 25, 2021, the comparable store sales increase across all product categories reflect higher traffic and higher average ticket sales compared to the prior period in which the coronavirus ("COVID-19") pandemic had a more volatile impact on demand.

Sales by Product Category	Three Months Ended		Nine Months Ended	
	December 24, 2022	December 25, 2021	December 24, 2022	December 25, 2021
Tires	53 %	56 %	50 %	53 %
Maintenance service	26	23	26	24
Brakes	12	12	14	13
Steering [a]	8	8	8	8
Exhaust	1	1	2	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		Nine Months Ended	
	December 24, 2022	December 25, 2021	December 24, 2022	December 25, 2021
Beginning store count	1,297	1,288	1,304	1,263
Opened [a]	1	17	4	47
Closed	(2)	(2)	(12)	(7)
Ending store count	1,296	1,303	1,296	1,303

(a) The stores opened in the three months and nine months ended December 25, 2021 relate to stores acquired from the fiscal 2022 acquisitions.

Cost of Sales and Gross Profit

Gross Profit	Three Months Ended		Nine Months Ended	
(thousands)	December 24, 2022	December 25, 2021	December 24, 2022	December 25, 2021
Gross profit	$ 113,451	$ 120,582	$ 352,375	$ 377,196
Percentage of sales	*33.8 %*	*35.3 %*	*34.7 %*	*36.6 %*
Dollar change compared to prior year	$ (7,131)		$ (24,821)	
Percentage change compared to prior year	(5.9) %		(6.6) %	

The decrease in gross profit, as a percentage of sales, of 150 and 190 basis points ("bps") for the three months and nine months ended December 24, 2022, respectively, as compared to the prior year comparable period were primarily due to an increase in retail material costs, which increased as a percentage of sales, as a result of a shift to a higher mix of tire sales at our retail locations, along with customers trading down to opening price point tires and because we intentionally did not fully pass through in price increases the inflationary impact on material costs to a consumer already impacted by inflationary conditions. The decrease in gross profit, as a percentage of sales, was also partially due to an increase in technician labor costs, as a percentage of sales, as we have made incremental investment in technician labor costs during fiscal 2023 to support current and future sales growth. We do not expect further significant incremental investment in technician headcount. Partially offsetting these increases was the impact from our wholesale operations which were sold during the first three months of fiscal 2023. Additionally, there was a decrease in distribution and occupancy costs, as a percentage of sales, as we gained leverage on these largely fixed costs with higher overall comparable store sales.

Gross Profit as a Percentage of Sales Change	Three Months Ended December 24, 2022	Nine Months Ended December 24, 2022
Gross profit change	(150) bps	(190) bps
Primary drivers of change in gross profit as a percentage of sales		
Retail material costs	(320) bps	(280) bps
Technician labor costs	(80) bps	(60) bps
Retail distribution and occupancy costs	50 bps	20 bps
Impact from sale of wholesale operations	200 bps	230 bps

OSG&A Expenses

OSG&A Expenses (thousands)	Three Months Ended December 24, 2022	Three Months Ended December 25, 2021	Nine Months Ended December 24, 2022	Nine Months Ended December 25, 2021
OSG&A Expenses	$ 89,605	$ 93,146	$ 278,802	$ 287,366
Percentage of sales	*26.7 %*	*27.3 %*	*27.5 %*	*27.9 %*
Dollar change compared to prior year	$ (3,541)		$ (8,564)	
Percentage change compared to prior year	(3.8) %		(3.0) %	

The decrease of $3.5 million and $8.6 million in OSG&A expenses for the three months and nine months ended December 24, 2022, respectively, from the comparable prior year period is primarily due to decreased expenses from comparable stores mainly a result of cost control. The decrease in OSG&A expenses for the three months and nine months ended December 24, 2022 is also partially due to lower expenses from 14 retail stores closed and our wholesale tire locations that were sold, as compared to the prior year comparable period. The decrease in OSG&A expenses for the nine months ended December 24, 2022 is also partially due to the gain on the sale of our wholesale tire locations and tire distribution assets, net of closing costs and costs associated with the closing of a related warehouse and a decrease in litigation reserve/settlement costs. However, for the three months ended December 24, 2022, there was an increase in litigation reserve/settlement costs, primarily related to the litigation described in Note 9 of our consolidated financial statements. Partially offsetting these decreases were increased expenses for the three months and nine months ended December 24, 2022 from five new stores, a full three months of expenses for stores acquired during the three months ended December 25, 2021, and an increase in costs related to shareholder matters.

OSG&A Expenses Change (thousands)	Three Months Ended December 24, 2022	Nine Months Ended December 24, 2022
OSG&A expenses change	$ (3,541)	$ (8,564)
Drivers of change in OSG&A expenses		
Decrease from comparable stores	$ (4,555)	$ (8,772)
Decrease from closed retail stores and wholesale tire locations sold	$ (1,343)	$ (3,057)
Decrease from gain on sale of wholesale tire locations and tire distribution assets, net	$ —	$ (1,968)
Increase / (decrease) in litigation reserve/settlement costs	$ 450	$ (3,470)
Increase from new stores	$ 1,671	$ 6,812
Increase in management restructuring costs	$ —	$ 1,338
Increase in costs related to shareholder matters	$ 236	$ 553

Other Performance Factors

Net Interest Expense

Net interest expense of $5.9 million for the three months ended December 24, 2022 increased $0.3 million as compared to the prior year period, and increased as a percentage of sales from 1.7 percent to 1.8 percent. Weighted average debt outstanding for the three months ended December 24, 2022 decreased by approximately $92 million as compared to the three months ended December 25, 2021. This decrease is primarily related to a decrease in debt outstanding under the Credit Facility. The weighted average interest rate increased approximately 100 basis points from the prior year quarter due primarily to an increase in the Credit Facility's floating borrowing rates.

Net interest expense for the nine months ended December 24, 2022 decreased $1.6 million as compared to the same period in the prior year, and decreased from 1.8 percent to 1.7 percent as a percentage of sales for the same periods. Weighted average debt outstanding decreased by approximately $83 million and the weighted average interest rate increased approximately 30 basis points as compared to the same period of the prior year.

Provision for Income Taxes

Our effective income tax rate for the three months and nine months ended December 24, 2022 was 27.6 percent and 31.7 percent, respectively, compared to 25.3 percent and 25.5 percent in the comparable prior-year periods. Our effective income tax rate for the nine months ended December 24, 2022 was higher by 4.7 percent because of discrete tax impacts from the divestiture of assets relating to our wholesale tire operations and internal tire distribution operations as well as the revaluation of deferred tax balances due to changes in the mix of pre-tax income in various U.S. state jurisdictions because of the divestiture. Our effective income tax rate for the three months and nine months ended December 24, 2022 was higher by 0.9 percent and 0.7 percent, respectively, due to the discrete tax impact related to share-based awards. Additionally, the increase in our effective income tax rate for the three months and nine months ended December 24, 2022 over the prior year comparable period was also due to other state income tax impacts from the divestiture.

Non-GAAP Financial Measures

In addition to reporting net income and diluted EPS, which are GAAP measures, this Form 10-Q includes adjusted net income and adjusted diluted EPS, which are non-GAAP financial measures. We have included reconciliations to adjusted net income and adjusted diluted EPS from our most directly comparable GAAP measures, net income and diluted EPS, 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 non-recurring items, such as litigation reserves and costs related to shareholder matters, and items related to store closings as well as Monro.Forward or acquisition initiatives.

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 net income is summarized as follows:

Reconciliation of Adjusted Net Income	Three Months Ended		Nine Months Ended	
(thousands)	December 24, 2022	December 25, 2021	December 24, 2022	December 25, 2021
Net income	$ 13,034	$ 16,287	$ 38,639	$ 52,953
Gain on sale of wholesale tire locations and tire distribution assets, net [(a)]	—	—	(1,968)	—
Store closing costs	6	5	232	(425)
Monro.Forward initiative costs	68	418	110	569
Acquisition due diligence and integration costs	—	170	(9)	590
Litigation reserve/settlement costs	450	(161)	450	3,759
Management restructuring/transition costs [(b)]	—	—	1,338	59
Costs related to shareholder matters	236	—	553	—
Provision for income taxes on pre-tax adjustments	(191)	(104)	(178)	(1,101)
Certain discrete tax items [(c)]	—	—	2,644	—
Adjusted net income	$ 13,603	$ 16,615	$ 41,811	$ 56,404

(a) Amount includes gain on sale, net of closing costs and costs associated with the closing of a related warehouse.

(b) Costs incurred in fiscal 2023 in connection with restructuring and elimination of certain executive management positions upon completion of our sale of wholesale tire locations and tire distribution assets.

(c) Certain discrete items related to the sale of our wholesale tire locations and tire distribution assets as well as the revaluation of deferred tax balances due to changes in the mix of pre-tax income in various U.S. state jurisdictions because of the sale.

In the Reconciliation of Adjusted Net Income, we determined the Provision for income taxes on pre-tax adjustments by calculating our estimated annual effective income tax rate on pre-tax income before giving effect to any discrete tax items and applying it to the pre-tax adjustments.

Adjusted diluted EPS is summarized as follows:

Reconciliation of Adjusted Diluted EPS	Three Months Ended		Nine Months Ended	
	December 24, 2022	December 25, 2021	December 24, 2022	December 25, 2021
Diluted EPS	$ 0.41	$ 0.48	$ 1.17	$ 1.56
Gain on sale of wholesale tire locations and tire distribution assets, net	—	—	(0.05)	—
Store closing costs [(a)]	0.00	0.00	0.01	(0.01)
Monro.Forward initiative costs [(a)]	0.00	0.01	0.00	0.01
Acquisition due diligence and integration costs [(a)]	—	0.00	(0.00)	0.01
Litigation reserve/settlement costs [(a)]	0.01	(0.00)	0.01	0.08
Management restructuring/transition costs [(a)]	—	—	0.03	0.00
Costs related to shareholder matters	0.01	—	0.02	—
Certain discrete tax items	—	—	0.08	—
Adjusted diluted EPS	$ 0.43	$ 0.49	$ 1.27	$ 1.66

(a) Amounts, in the periods presented, may be too minor in amount, net of the impact from income taxes, to have an impact on the calculation of adjusted diluted EPS.

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 by +/- $0.01 due to rounding.

The pre-tax adjustments to diluted EPS reflect estimated annual effective income tax rates on pre-tax income before giving effect to discrete items of 25.1 percent and 24.1 percent for the three months ended December 24, 2022 and December 25, 2021, respectively, and 25.1 percent and 24.2 percent for the nine months ended December 24, 2022 and December 25, 2021, respectively. See the pre-tax 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 the last three fiscal years. The cash we generate from our operations will allow us to continue to support business operations as well as invest in attractive acquisition opportunities intended to drive long-term sustainable growth, pay down debt, return cash to our shareholders through our dividend program and repurchase shares of our common stock under our common stock repurchase 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.

Material Cash Requirements

We currently expect our capital expenditures to support our projects, including upgrading our facilities and systems, to be $35 million to $45 million in the aggregate in 2023. Additionally, we have contractual finance lease and operating lease commitments with landlords through October 2040 for $539.9 million in lease payments, of which $96.8 million is due within one year. For details regarding these lease commitments, see Note 9 to our consolidated financial statements.

As of December 24, 2022, we had $130.0 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.

We paid cash dividends totaling $27.5 million ($0.84 per share) during the nine months ended December 24, 2022. For details regarding our cash dividend, see Note 6 to our consolidated financial statements.

We returned $96.9 million to shareholders through share repurchases during the nine months ended December 24, 2022. For details regarding our share repurchase program, see Part II, Item 2, "Unregistered Sales of Equity Securities and Use of Proceeds" of this report and Note 10 to our consolidated financial statements.

We have signed a definitive asset purchase agreement to acquire five retail tire and automotive repair stores located in Iowa and Illinois. This transaction is expected to close during the fourth quarter of fiscal 2023 and is expected to be financed through our Credit Facility.

Working Capital Management

We work with suppliers to optimize payment terms and conditions on accounts payable to enhance timing of working capital and cash flows. As part of these efforts, we facilitate a voluntary supply chain finance program to provide suppliers with the opportunity to sell receivables due from Monro to a participating financial institution. For details regarding our supply chain finance program, see Note 1 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 December 24, 2022, we had $13.0 million of cash and equivalents. In addition, we had $440.4 million available under the Credit Facility as of December 24, 2022.

We believe that our current sources of funds will provide us with adequate liquidity during the 12-month period following December 24, 2022, 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	Nine Months Ended	
(thousands)	December 24, 2022	December 25, 2021
Cash provided by operating activities	$ 171,191	$ 127,237
Cash provided by (used for) investing activities	35,551	(99,460)
Cash used for financing activities	(201,691)	(48,223)
Increase (decrease) in cash and equivalents	5,051	(20,446)
Cash and equivalents at beginning of period	7,948	29,960
Cash and equivalents at end of period	$ 12,999	$ 9,514

Cash provided by operating activities

For the nine months ended December 24, 2022, cash provided by operating activities was $171.2 million, which consisted of net income of $38.6 million, adjusted by non-cash charges of $60.6 million and by a change in operating assets and liabilities of $72.0 million. The non-cash charges were largely driven by $58.2 million of depreciation and amortization. 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 $94.8 million. This source of cash was partially offset by our inventory balance being a use of cash of $12.3 million due to increased inventory purchases as well as accounts payable and accrued liabilities, net of vendor rebate receivables, being a use of cash of $9.7 million driven by timing of payments.

For the nine months ended December 25, 2021, cash provided by operating activities was $127.2 million, which consisted of net income of $53.0 million, adjusted by non-cash charges of $72.7 million and by a change in operating assets and liabilities of $1.5 million. The non-cash charges were largely driven by $60.5 million of depreciation and amortization. The change in operating assets and liabilities was primarily due to our federal and state income taxes payable being a source of cash of $10.9 million due largely to an income tax refund that was received. This source of cash was partially offset by our inventory balance being a use of cash of $6.0 million due to increased inventory purchases to meet higher demand, as well as accounts payable and accrued liabilities, net of vendor receivables, being a use of cash of $4.0 million driven by timing of payments.

Cash provided by / used for investing activities

For the nine months ended December 24, 2022, cash provided by investing activities was $35.6 million. This was primarily due to cash from the sale of our wholesale tire locations and tire distribution assets for $60.9 million, partially offset by cash used for capital expenditures, including property and equipment, and acquisitions of $28.5 million and $1.0 million, respectively.

For the nine months ended December 25, 2021, cash used for investing activities was $99.5 million. This was primarily due to cash used for acquisitions and capital expenditures, including property and equipment, of $83.2 million and $17.4 million, respectively. Included in the $83.2 million used for acquisitions was $0.8 million paid to the seller of the 2021 acquisition as the lease assignment for one store location was finalized during the period.

Cash used for financing activities

For the nine months ended December 24, 2022, cash used for financing activities was $201.7 million which was primarily due to payment on our Credit Facility, net of amounts borrowed during the period, of $46.4 million, as well as payment of finance lease principal and dividends of $29.8 million and $27.5 million, respectively. Also, we used $96.9 million to repurchase common stock during the period.

For the nine months ended December 25, 2021, cash used for financing activities was $48.2 million which was primarily due to payment of finance lease principal and dividends of $29.1 million and $25.7 million, respectively. These uses of cash were partially offset by cash provided by borrowings on our Credit Facility, net of amounts paid during the period, of $5.0 million.

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 26, 2022. There have been no material changes to our critical accounting estimates since our Form 10-K for the year ended March 26, 2022.

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 December 24, 2022 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," "could," "estimate," "expect," "intend," "may," "plan," "potential," "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 potential effect of general business or economic conditions on our business, including the direct and indirect effects of inflation, consumer demand and spending levels, labor shortages in our markets, the COVID-19 pandemic and the Russian invasion of Ukraine on the economy;
- the impact of competitive services and pricing;
- the effect of economic conditions, seasonality, and the impact of weather conditions and natural disasters on customer demand;
- advances in automotive technologies;
- 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;
- the impact of changes in U.S. trade relations and the ongoing trade dispute between the United States and China, and other potential impediments to imports;
- our ability to service our debt obligations, including our expected annual interest expense;
- 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 business combinations, insurance liabilities, and valuations for our goodwill and indefinite-lived intangible assets impairment analyses;
- the impact of industry regulation, including changes in 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 failure to protect customer and employee personal data;
- our ability to realize the expected benefits of the transaction with American Tire Distributors, Inc.;
- 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, intangible assets, and long-lived assets;
- expected dividend payments;
- 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 26, 2022, 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 December 24, 2022, 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 $1.3 million based upon our debt position at December 24, 2022 and approximately $1.8 million based upon our debt position at March 26, 2022, given a change in SOFR (or prior index) of 100 basis points.

Debt financing had a carrying amount that approximates a fair value of $130.0 million as of December 24, 2022, as compared to a carrying amount and a fair value of $176.5 million as of March 26, 2022.

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 December 24, 2022 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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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.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

On May 19, 2022, our Board of Directors authorized a share repurchase program for the repurchase of up to $150 million of shares of our common stock with no stated expiration. Under the program, we have repurchased 2.2 million shares of common stock at an average price of $44.00, for a total investment of $96.9 million. The table below presents information with respect to Monro common stock purchases made during the three months ended December 24, 2022, by Monro or any "affiliated purchaser" of Monro, as defined in Rule 10b-18(a)(3) under the Exchange Act.

Share Repurchase Activity Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Dollar Value of Shares that May Yet Be Purchased Under Publicly Announced Programs
September 25, 2022 through October 22, 2022	524,435	$ 44.00	524,435	$ 55,757,378
October 23, 2022 through November 26, 2022	58,937	43.98	58,937	53,165,638
November 27, 2022 through December 24, 2022	433	43.99	433	53,146,592
Total	583,805	$ 44.00	583,805	$ 53,146,592

EXHIBITS

Item 6. ***Exhibits***

Exhibit Index

10.22c – Amendment No. 3 to Amended and Restated Credit Agreement, dated as of November 10, 2022
31.1 – Certification of Michael T. Broderick 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)

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: January 30, 2023	By:	/s/ Michael T. Broderick
		Michael T. Broderick President and Chief Executive Officer (Principal Executive Officer)
DATE: January 30, 2023	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)

AMENDMENT NO. 3 TO AMENDED AND RESTATED CREDIT AGREEMENT AND LOAN PAPERS

This **AMENDMENT NO. 3 TO AMENDED AND RESTATED CREDIT AGREEMENT AND LOAN PAPERS** (this "**Amendment**"), dated as of November 10, 2022, is entered into by and among MONRO, INC., a New York Corporation ("**Borrower**"), the several financial institutions party hereto as Lenders, CITIZENS BANK, N.A., as Administrative Agent for itself and the other Lenders (the "**Administrative Agent**"), Bank of America, N.A., JPMorgan Chase Bank, N.A., and Keybank National Association, as Co-Syndication Agents and Truist Bank (formerly known as Branch Banking and Trust Company), TD Bank, N.A. and Wells Fargo Bank, National Association, as Co-Documentation Agents, as well as MNRO Service Holdings, LLC, a Delaware limited liability company, MNRO Holdings, LLC, a Delaware limited liability company, CAR-X, LLC, a Delaware limited liability company, and MONRO SERVICE CORPORATION, a Delaware corporation (each a "**Guarantor**" and collectively the "**Guarantors**"). Unless otherwise defined herein, all capitalized terms used herein shall have the meanings ascribed to them in the Credit Agreement.

RECITALS

WHEREAS, Borrower, Lenders, Administrative Agent, as well as the Co-Syndication Agents and Co-Documentation Agents referred to above are parties to that certain Amended and Restated Credit Agreement dated as of April 25, 2019, as amended by that certain Amendment No. 1 to Amended and Restated Credit Agreement dated as of June 11, 2020 and that certain Amendment No. 2 to Amended and Restated Credit Agreement dated as of October 5, 2021 (as amended or modified from time to time, the "**Credit Agreement**").

WHEREAS, Borrower has requested that the Credit Agreement be modified as provided herein.

WHEREAS, Administrative Agent has advised Borrower that the requisite Lenders are willing to agree to its request on the terms and subject to the conditions set forth in this Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Amendments to Credit Agreement; Pro-Rata Reallocations; Joinder.

(a) Credit Agreement. Subject to and upon the satisfaction of the conditions set forth in Section 3 of this Amendment, the Credit Agreement is hereby amended as of the date hereof as set forth in Exhibit A attached to this Amendment to delete the stricken text (in each case, indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text).

(b) Schedule 1. Schedule 1 of the Credit Agreement is restated by the Schedule 1 attached to this Amendment.

(c) **Exhibits D and E.** Exhibit D and Exhibit E of the Credit Agreement are respectively restated by the corresponding Exhibit D and Exhibit E attached to this Amendment.

(d) **Exhibit H**. Exhibit H of the Credit Agreement is amended as follows:

(i) to add the provisions set forth in Section 2(d) below, being added to the existing Guaranty, to the end of Section 1 of the Exhibit H.

(ii) to add the following clause to the beginning of the first sentence of clause a. of Section 18 as follows:

"THE GUARANTOR AGREES THAT IT IS BOUND BY THE PROVISIONS OF SECTION 14.9 OF THE CREDIT AGREEMENT, AND WITHOUT LIMITING SUCH SECTION 14.9, THAT"

(e) **Other Schedules.** Schedules 7.2, 7.12, 7.20 and 7.21are respectively restated by the corresponding Schedule 7.2, 7.12, 7.20 and 7.21 attached to this Amendment.

(f) **Pro-Rata Redistribution.** In connection with the New Lenders joining the Credit Agreement in accordance herewith, and in accordance with the Credit Agreement as amended hereby and this Amendment, the Borrower and each Lender acknowledges and agrees, that, as of the Amendment Effective Date: (A) the outstanding Borrowings under the Credit Agreement will be redistributed and reallocated among the Lenders, each in accordance with their respective Committed Sum of such outstanding Borrowings, (B) the Borrower shall be deemed to have repaid and reborrowed all outstanding Borrowings of each Lender equal to its respective Committed Sum of such outstanding Borrowings (with such reborrowing to consist of the Types of Borrowings, with related Interest Periods if applicable, specified in the applicable Borrowing Request delivered by the Borrower in accordance with the requirements of Section 2.2 of the Credit Agreement) and (C) the participations in issued LCs shall be adjusted to reflect changes in Commitment Sums. The deemed payments made pursuant to clause (B) of the immediately preceding sentence in respect of each Borrowing that is a LIBOR Rate Borrowing or SOFR Loan shall be subject to indemnification by the Borrowers pursuant to the provisions of Section 3.18 of the Credit Agreement if the deemed payment occurs other than on the last day of the related Interest Periods.

(g) **Joinder.** From and after the effective date of this Amendment, the New Lender shall be a party to the Credit Agreement and have the rights and obligations of a Lender thereunder.

2. **Amendments to Loan Papers.**

(a) All references to "this Agreement" in the Credit Agreement and to "the Credit Agreement" in the other Loan Papers shall be deemed to refer to the Credit Agreement as amended hereby.

(b) Any and all references to the Notes or Facility Notes collectively in the Loan Papers shall be deemed to include, along with any existing Facility Notes (to the extent not amended and restated in connection herewith) and Swing Line Note, the Facility Note executed in favor of any New Lender (as defined below) and Facility Notes or amended and restated Facility Notes, if any, executed in connection herewith in favor of any other Lenders.

(c) Any and all references to a Lender's respective Note in the Loan Papers shall be deemed to be references to the respective Facility Note or A&R Swing Line Note, as applicable.

(d) That certain Guaranty dated January 25, 2016, as amended or modified, that is a Loan Paper, is hereby amended to add the following to the end of Section 1 thereof:

Notwithstanding anything to the contrary contained herein:

(i) *with respect to Obligations that are CEA Swap Obligations (as defined below), if a Guarantor is not a Qualified ECP Guarantor (as defined below), then the Obligations as to such Guarantor shall not include CEA Swap Obligations;*

(ii) *each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by the Borrower and each Guarantor to honor all of its obligations under this Guaranty in respect of CEA Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this clause (ii) for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this this clause (ii), or otherwise under this Guaranty, voidable under any Debtor Relief Laws, and not for any greater amount).*

(iii) *the obligations of each Qualified ECP Guarantor under clause (ii) shall remain in full force and effect until the end of the term as provided in Section 22 hereof. Each Qualified ECP Guarantor intends that the provisions of clauses (i) to (iii) above shall constitute, and such provisions shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of Borrower and each other Guarantor for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.*

"CEA Swap Obligation" means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.) and any successor statute.

"Qualified ECP Guarantor" means, in respect of any CEA Swap Obligation, each Guarantor that has total assets exceeding $10,000,000 at the time the relevant guarantee or grant of the relevant security interest becomes effective with respect to such CEA Swap Obligation or such other Person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another Person to

qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

3. **Conditions to Effectiveness.** This Amendment shall be effective as of the date (the "**Amendment Effective Date**") on which the following conditions precedent shall have been satisfied or waived:

(a) Administrative Agent shall have received an executed counterpart of this Amendment signed by Borrower, each Guarantor, the requisite Lenders, including each New Lender, and Administrative Agent;

(b) for each applicable Lender requesting the same, a Facility Note in favor of the Lenders executed by a duly authorized officer of Borrower;

(c) all corporate and other proceedings and all documents incidental to the transactions contemplated hereby shall be reasonably satisfactory in substance and form to the Administrative Agent;

(d) there shall not exist any pending or threatened Litigation that could reasonably be expected to give rise to a Material Adverse Event;

(e) the Administrative Agent shall have received a good standing certificate or certificate of existence from the Secretary of State of the state of incorporation or formation of Borrower and each Guarantor, dated as of a recent date certifying as to the good standing of such Company;

(f) the Administrative Agent shall have received a certificate of the Secretary or an Assistant Secretary of Borrower and each Guarantor in substantially the same forms as those provided in 2019 or otherwise as may be approved by the Administrative Agent in its sole discretion;

(g) the Administrative Agent shall have received the results of a recent search by a Person reasonably satisfactory to the Administrative Agent, under the UCC in all relevant jurisdictions and all customary litigation, judgment and tax Lien searches for financing transactions of this nature, and the results of such search shall be reasonably satisfactory to the Administrative Agent;

(h) the Administrative Agent shall have received both a closing certificate, solvency certificate and an updated perfection certificate, which shall be reasonably satisfactory in substance and form to the Administrative Agent; and

(i) Borrower shall have (A) paid to the Administrative Agent or other party the fees required to be paid by it on or before the effective date hereof, including any fees set forth in any applicable fee letter or engagement letter, and (B) paid or caused to be paid all reasonable fees and expenses of the Administrative Agent and of counsel to the Administrative Agent that have been invoiced on or prior to the effective date hereof that the Borrower would have to pay in accordance with the Credit Agreement.

Administrative Agent shall notify Borrower and Lenders of the effective date of this Amendment, and such notice shall be conclusive and binding.

4. **<u>Representations, Warranties and Covenants</u>.** Borrower and each Guarantor hereby represents and warrants to and covenants and agrees with Administrative Agent and Lenders that:

(a) The representations and warranties set forth in the Loan Papers (except to the extent (i) that the representations and warranties speak to a specific date or refer to an earlier date, in which case they shall be true and correct in all material respects as of such specific or earlier date, or (ii) the facts on which such representations and warranties are based have been changed by transactions contemplated or permitted by the Credit Agreement) are true and correct in all material respects (except for any representation and warranty qualified by materiality, in which case each representation and warranty is true and correct in all respects) as of the date hereof and with the same effect as though made on and as of the date hereof.

(b) Assuming effectiveness of this Amendment, no Default or Potential Default now exists, or would exist as a result of this Amendment.

(c) (i) The execution, delivery and performance by Borrower and each Guarantor, respectively, of this Amendment is within its organizational powers and have been duly authorized by all necessary action (corporate or otherwise) on the part of Borrower and each and each Guarantor, (ii) this Amendment is the legal, valid and binding obligation of Borrower and each Guarantor, enforceable against Borrower and each Guarantor in accordance with its terms, except as enforceability may be limited by applicable Debtor Relief Laws and general principles of equity, and (iii) neither this Amendment nor the execution, delivery and performance by Borrower and each Guarantor hereof: (A) violate any provision of Borrower’s or each Guarantor’s charter, bylaws, certificate of formation, operating agreement or similar governing document, (B) violate any Material Agreements to which it is a party, other than violations which would not cause a Material Adverse Event, (C) do not result in the creation or imposition of any Lien (other than the Lender Liens) on any of its assets, or (D) violate any provision of Law or order of any Tribunal applicable to it, other than violations that individually or collectively are not a Material Adverse Event.

5. **<u>New Lenders</u>.** Each undersigned Person not party to the Credit Agreement immediately prior to Amendment Effective Date (each, a “**<u>New Lender</u>**”) acknowledges and agrees that no Lender party to the Credit Agreement (a) has made any representation or warranty and shall have no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Paper or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement, any other Loan Paper or any other instrument or document furnished pursuant thereto; or (b) has made any representation or warranty and shall have no responsibility with respect to the financial condition of Borrower or any Guarantor or the performance or observance by Borrower or any Guarantor of any of their respective obligations under the Credit Agreement or any other Loan Papers or any other instrument or document furnished pursuant hereto or thereto. Each New Lender represents and warrants that it is legally authorized to enter into this Amendment, and (i) confirms that it has received a copy of the Credit Agreement and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Amendment; (ii) agrees that it will, independently and without reliance upon the Lenders, the Administrative Agent or any other agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement, the other Loan Papers or any other instrument or document furnished pursuant hereto or thereto; (iii) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement, the other Loan Papers or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto; (iv) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender; and (v) on the Amendment Effective Date, subject to satisfaction or waiver of the conditions set forth in Section 3 above, agrees that it shall make available to the Administrative Agent such amounts in immediately available funds as the Administrative Agent shall determine, for the benefit of the other Lenders, as being required in order to cause, after giving effect to such advance and the use of such amounts to make payments to such other relevant Lenders, each Lender's portion of the outstanding Borrowings to equal its Committed Sum of such Borrowings.

6. **Effect; No Waiver; Reaffirmation; Release.**

(a) Borrower and each Guarantor hereby (i) reaffirms and admits the validity and enforceability of the Loan Papers and all of its obligations thereunder and (ii) agrees and admits that it has no defenses (other than payment) to or offsets against any such obligation. Except as specifically set forth herein, the Credit Agreement and the other Loan Papers shall remain in full force and effect in accordance with their terms and are hereby ratified and confirmed. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any existing or future Default, whether known or unknown or any right, power or remedy of Administrative Agent or Lenders under the Credit Agreement, nor constitute a waiver of any provision of the Credit Agreement, except as specifically set forth herein.

(b) Borrower and Guarantor hereby (i) reaffirms all of its agreements and obligations under the Security Documents, (ii) reaffirms that all Obligations of Borrower under or in connection with the Credit Agreement as modified hereby are "**Obligations**" as that term is defined in the Security Documents and (iii) reaffirms that all such Obligations continue to be secured by the Security Documents, which remain in full force and effect and are hereby ratified and confirmed.

(c) **Release.** The Borrower and each Guarantor, and their respective subsidiaries, affiliates and the successors, assigns, heirs and representatives of each of the foregoing (collectively, the "**Releasors**") hereby absolutely and unconditionally releases and forever discharges the Administrative Agent, in all capacities, whether as an agent, Lender or otherwise, and each Lender, and any and all participants, parent entities, subsidiary entities, affiliated entities, insurers, indemnitors, successors and assigns thereof, together with all of the present and former directors, officers, managers, agents, attorneys and employees of any of the foregoing (collectively, the "**Released Parties**"), from (x) any and all liabilities, obligations, duties, responsibilities, promises or indebtedness of any kind of the Released Parties to the Releasors or any of them except for the obligations of the Released Parties under the Loan Papers, and (y) any and all claims, demands or causes of action of any kind, nature or description, whether arising in law or equity or upon contract or tort or under any state or federal law or otherwise, which the Releasors or any of them has had, now have or have made claim to have against any such person for or by reason of any act, omission, event, contract, liability, indebtedness, claim, circumstance, matter of any kind, cause or thing known to the Borrower arising from the beginning of time to and including the date of this Amendment, whether such claims, demands and causes of action are matured or unmatured, provided further that the Borrower and each Guarantor hereby represents and warrants that as of the date hereof to its knowledge no such claims, demands or causes or action exist. For purposes of the release contained in this clause (d), any reference to any Releasor shall mean and include, as applicable, such Releasor's successors and assigns, including, without limitation, any receiver, trustee or debtor-in-possession, acting on behalf of such person. As to each and every claim released hereunder, Borrower and each Guarantor hereby represents that it has received the advice of legal counsel with regard to the releases contained herein and agrees to waive, to the extent permitted by law, any common law or statutory rule or principle that could affect the validity or scope or any other aspect of such release.

(d) Special California Provisions. The Borrower and each Guarantor, with the advice of competent California counsel, by executing this Amendment and executing any other Loan Papers in connection herewith, freely, irrevocably and unconditionally:

(i) waives all rights of subrogation, reimbursement, indemnification and contribution and any other rights and defenses (other than payment) that are or may become available to the Borrower and each Guarantor by reason of Sections 2787 to 2855, inclusive, 2899 and 3433, of the California Civil Code;

(ii) agrees that the Borrower and each Guarantor will not assert any of the foregoing defenses (other than payment) in any action or proceeding which the Administrative Agent or any Lender may commence to enforce its rights under the Loan Papers;

(iii) acknowledges and agrees that the rights and defenses (other than payment) waived by the Borrower and each Guarantor hereunder include any right or defense (other than payment) that the Borrower or any Guarantor may have or be entitled to assert based upon or arising out of any one or more of the following: Sections 580a, 580b, 580d or 726 of the California Code of Civil Procedure or Sections 2809, 2810, 2819, 2839, 2845, 2847, 2848, 2849, 2850, 2899 and 3433 of the California Civil Code;

(iv) acknowledges and agrees that the Administrative Agent and Lenders are relying on this waiver in entering into this Amendment and other Loan Papers, and that this waiver is a material part of the consideration which the Administrative Agent and Lenders are receiving for making the loans to the Borrower evidenced by the Loan Papers; and

(v) acknowledges and agrees that the Borrower and each Guarantor intends the foregoing to be express waivers of each and every one of said specific rights and/or defenses (other than payment) as contemplated under California Civil Code Section 2856.

7. Miscellaneous.

(a) Borrower and each of the other Companies will take, and Borrower will cause the other Companies to take, all actions that may be required under the Loan Papers to effectuate the transactions contemplated hereby or to grant, preserve, protect or perfect the Liens created or intended to be created by the Security Documents or the validity or priority of any such Lien, all at the expense of Borrower.

(b) Subject to and in accordance with Section 8.7 of the Credit Agreement, the Borrower and each Guarantor shall pay Administrative Agent upon demand for all reasonable out-of-pocket expenses, including reasonable attorneys' fees and expenses of Administrative Agent, incurred by Administrative Agent in connection with the preparation, negotiation and execution of this Amendment.

(c) The Laws (other than conflict-of-laws provisions) of the State of New York and of the United States of America govern the rights and duties of the parties to this Amendment and the validity, construction, enforcement, and interpretation of this Amendment.

(d) This Amendment shall be binding upon Borrower, Administrative Agent and Lenders and their respective successors and assigns, and shall inure to the benefit of Borrower, Administrative Agent and Lenders and the respective successors and assigns of Administrative Agent and Lenders.

(e) This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed signature page counterpart hereof by telecopy, emailed .pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart hereof. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic association of signatures and records on electronic platforms, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, any other similar state laws based on the Uniform Electronic Transactions Act or the Uniform Commercial Code, each as amended, and the parties hereto hereby waive any objection to the contrary, provided that (x) nothing herein shall require the Administrative Agent to accept electronic signature counterparts in any form or format and (y) the Administrative Agent reserves the right to require, at any time and at its sole discretion, the delivery of manually executed counterpart signature pages to this Amendment or any document signed in connection with this Amendment and the parties hereto agree to promptly deliver such manually executed counterpart signature pages.

[*Signature pages follow*.]

AS EVIDENCE of the agreement by the parties hereto to the terms and conditions herein contained, each such party has caused this Amendment to be executed on its behalf.

MONRO, INC., *as Borrower*

By: /s/ Brian J. D’Ambrosia________________
Brian J. D’Ambrosia
Executive Vice President - Finance, Chief Financial Officer, and Treasurer

CAR-X, LLC, *as a Guarantor*

By: /s/ Maureen E. Mulholland_____________
Maureen E. Mulholland
Secretary

MONRO SERVICE CORPORATION, *as a Guarantor*

By: /s/ Brian J. D’Ambrosia________________
Brian J. D’Ambrosia
Secretary

MNRO HOLDINGS, LLC, *as a Guarantor*

By: /s/ Maureen E. Mulholland_____________
Maureen E. Mulholland
Secretary

MNRO SERVICE HOLDINGS, LLC, *as a Guarantor*

By: /s/ Maureen E. Mulholland_____________
Maureen E. Mulholland
Secretary

CITIZENS BANK, N.A.,
as Administrative Agent and a Lender

By: /s/ Patrick Keffer______________
Patrick Keffer
Senior Vice President

BANK OF AMERICA, N.A.,
as Co-Syndication Agent and a Lender

By: /s/ Matt Smith____________
Matt Smith
Senior Vice President

JPMORGAN CHASE BANK, N.A.,
as Co-Syndication Agent and a Lender

By: /s/ Alicia Schreibstein_____________
Alicia Schreibstein
Executive Director

KEYBANK NATIONAL ASSOCIATION,
as Co-Syndication Agent and a Lender

By: /s/ Daniel J. Kennell_____________
Daniel J. Kennell
Vice President

TRUST BANK (formerly known as Branch Banking and Trust Company),
as Co-Documentation Agent and a Lender

By: /s/ Jonathon M Austin_____________
Jonathon M Austin
Director CIB Credit Delivery

TD BANK, N.A.,
as Co-Documentation Agent and a Lender

By: /s/ Maciej Niedzwiecki_____________
Maciej Niedzwiecki
Senior Vice President

WELLS FARGO BANK, N.A.,
as Co-Documentation Agent and a Lender

By: /s/ Melissa LoBocchiaro______________
Melissa LoBocchiaro
Director

CITIBANK N.A.,
As a Lender

By: /s/ Jonathan Weiner_____________
Jonathan Weiner
Authorized Signatory

CITY NATIONAL BANK
As a Lender

By: /s/ Louis Serio_____________
Louis Serio
Senior Vice President

Exhibit 31.1

CERTIFICATION

I, Michael T. Broderick, 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: January 30, 2023

/s/ Michael T. Broderick
Michael T. Broderick
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

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: January 30, 2023

/s/ Brian J. D'Ambrosia

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

Exhibit 32.1

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 December 24, 2022 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/ Michael T. Broderick
Michael T. Broderick
Chief Executive Officer
(Principal Executive Officer)

Dated: January 30, 2023

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

Dated: January 30, 2023