



THIRD QUARTER FISCAL 2023
EARNINGS CALL JANUARY 25, 2023

MONRO
AUTO SERVICE AND TIRE CENTERS

TIRE CHOICE
AUTO SERVICE CENTERS

MR. TIRE
AUTO SERVICE CENTERS

**KEN TIRE & AutoCare
TOWERYS**

TIRE WAREHOUSE
TIRES FOR LESS

TIRE BARN
TIRE & AUTO

carX
TIRE & AUTO

**MONRO
COMMERCIAL
SOLUTIONS**

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

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

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

Financial Performance

- Sales of \$335.2M decreased 1.9%, due to the divestiture of Wholesale tire and distribution assets in first quarter fiscal 2023
- Comp store sales increased 5.6%; comp store sales in ~300 small or underperforming stores increased ~12%; comp store sales increased 4.4% adjusted for shift in Christmas holiday
- Gross margin decreased 150 basis points to 33.8%, driven by higher material costs and incremental investments in technician labor and wages
- Diluted EPS of \$.41; Adjusted Diluted EPS of \$.43

Balance Sheet / Cash Flow

- Record operating cash flow of ~\$171M for the first nine months of fiscal 2023
- Cash of ~\$13M and availability on credit facility of ~\$440M; net bank debt-to-EBITDA of 0.7x
- Third quarter fiscal 2023 dividend of \$.28 per share
- Repurchased ~584K shares of common stock in third quarter fiscal 2023; cumulative share repurchases of ~2.2M shares of common stock through third quarter fiscal 2023 at an average price of ~\$44.00 per share for a total of ~\$97M

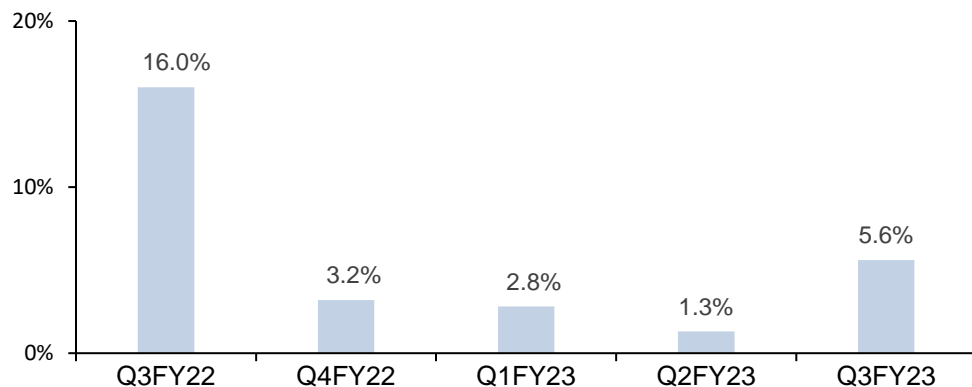
Strategy Update

- Continued progress on critical in-store initiatives including training and productivity improvements
- Capital return to shareholders through healthy dividend and share repurchase programs utilizing proceeds from divestiture as well as excess cash expected to be generated in fiscal 2023

Third Quarter Fiscal 2023 Highlights

Delivered Mid-Single Digit Comp Store Sales Growth led by Strength in Tires & Acceleration from 300 Small or Underperforming Stores

Quarterly Retail Comparable Store Sales Trends

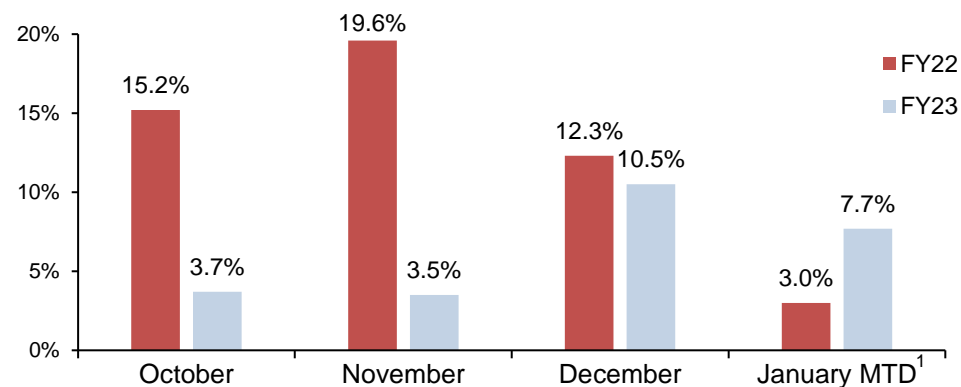


Q3FY23

Key Highlights

- Sales decreased 1.9% to \$335.2M, due to the divestiture of Wholesale tire and distribution assets in Q1FY23
- Comp store sales increased 5.6%, driven by an ~12% comp store sales increase in ~300 small or underperforming stores; comp store sales in remaining locations were up ~5%
- Adjusted for shift in Christmas holiday, comp store sales increased 4.4%
- Sales from new stores increased \$6M
- Generated record operating cash flow of ~\$171M driven by profitability and working capital reductions

Monthly Retail Comparable Store Sales Trends



Q3FY23

Key Highlights

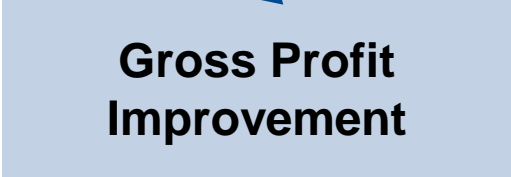
- Retail product and service category performance (adjusted for days):
 - Tires: 8%
 - Service: 7%
 - Brakes: -5%
 - Alignments: -5%
 - Front End/Shocks: -5%
- Service categories decreased to ~47% of Retail sales compared to ~48% in prior year period

¹ Preliminary results through January 21, 2023

Capitalize on Growing Retail Demand to Sustain Long Term Growth

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





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

Acquisitions



- Announced definitive asset purchase agreement to acquire four stores in Iowa and one store in Illinois
- Further expands the Company's geographic footprint in the Midwest
- Represents approximately \$6M in annualized sales
- Expected to close in fiscal fourth quarter

Fiscal 2023 Acquisition Outlook



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

Third Quarter Fiscal 2023 Results



Well Positioned to Capture Market Share Gains and Drive Store Traffic

	Q3FY23	Q3FY22 ¹	Δ
Sales (millions)	\$335.2	\$341.8	(1.9%)
Retail Same Store Sales²	5.6%	16.0%	(1,040) bps
Gross Margin	33.8%	35.3%	(150) bps
Operating Margin	7.1%	8.0%	(90) bps
Diluted EPS	\$.41	\$.48	(14.6%)
Excluded Costs³	\$.02	\$.01	
Adjusted Diluted EPS⁴	\$.43	\$.49	(12.2%)

¹ Financial performance includes the results of divested Wholesale tire and distribution assets, except for Retail Same Store Sales.

² Retail Same Store Sales growth adjusted for the Christmas holiday was 4.4% in the third quarter of FY23.

³ Please refer to the reconciliation of adjusted diluted EPS in our earnings release for further details regarding excluded costs in Q3FY23 and Q3FY22.

⁴ Adjusted Diluted EPS is a non-GAAP measure that excludes certain non-recurring items and items related to store closings as well as our Monro Forward or acquisition initiatives. A reconciliation of net income to adjusted net income and diluted EPS to adjusted diluted EPS is included in our earnings release dated January 25, 2023.

Record Operating Cash Flow Supports Growth Strategy and Capital Return to Shareholders

Disciplined Capital Allocation

YTD Fiscal 2023

- Received ~\$66M of divestiture proceeds¹
- Capex of ~\$29M
- Spent ~\$30M in principal payments for financing leases
- Paid ~\$27M in dividends
- Repurchased ~584K shares of common stock in third quarter fiscal 2023; cumulative share repurchases of ~2.2M shares of common stock through third quarter fiscal 2023 at an average price of ~\$44.00 per share for a total of ~\$97M

Strong Balance Sheet and Liquidity

- Generated record operating cash flow of ~\$171M during YTD fiscal 2023
- Net bank debt of ~\$117M as of December 2022
- Net bank debt-to-EBITDA ratio as of December 2022 of 0.7x

¹ \$5M of divestiture proceeds are currently being held in escrow.

Financial Assumptions as of January 25, 2023

Gross Margin

Continued pressure in fourth quarter of fiscal 2023 with mitigation through:

- Focus on driving sales in higher margin service categories
- Managing mix within product categories to improve profitability; and
- Opportunistic pricing actions

Operating Expenses

Consistent as a % of sales y/y in fourth quarter of fiscal 2023

Tax Rate

~25% for fiscal 2023

Capital Expenditures

~\$35M to ~\$45M

Q4 & FY Outlook Considerations

- Continued sales momentum into fiscal January, with preliminary comp store sales up approximately 8%
- Fiscal 2023 financial assumptions factor in P&L impacts from the divestiture of non-core Wholesale and tire distribution assets



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



Focus on operational excellence to increase customer lifetime value



Scalable platform with significant growth opportunity in acquisitions



Commitment to driving Monro.Forward Responsibly



Well-positioned to capitalize on a favorable industry backdrop



Low-cost operator with solid operating margins



Strong balance sheet and operating cash flow



Delivering consistent shareholder returns through dividend & share repurchase programs