



MONRO

FOURTH QUARTER FISCAL 2021
EARNINGS CALL MAY 20, 2021

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 | **TIRES NOW** RIGHT TIRES, RIGHT NOW | **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 “anticipates,” “believes,” “expects,” “estimates,” “is likely,” “predicts,” “projects,” “forecasts,” “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, to include the significant uncertainty relating to the duration and scope of the COVID-19 pandemic and its impact on our customers, executive officers and employees. 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/financial-information/>. 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 6. 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 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.

Well-Positioned to Capitalize on Strengthening Demand and Drive Long-Term, Sustainable Growth

- 1 Operational Excellence:** Focus on in-store execution complemented by the transformation of approximately 360 stores to date, migrating approximately 115 stores to a tire-oriented brand, with rebranded stores in key markets outperforming store base
- 2 Strategic Acquisitions:** Recently completed acquisitions of 30 stores, expanding presence in Western Region and bringing annualized sales from acquisitions completed and announced in fiscal 2021 to \$65 million
- 3 Significant Cash Flow:** Generated record cash flow in fiscal 2021, positioning us well to implement our strategic initiatives, execute attractive acquisition opportunities, pay down debt and return cash to shareholders

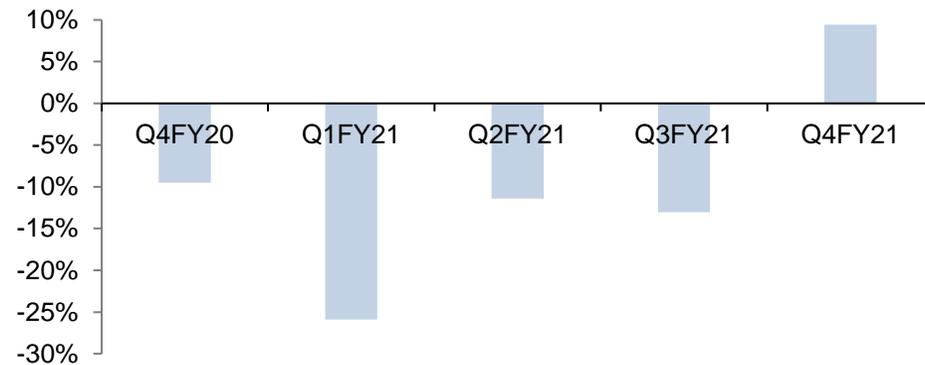
A Renewed Focus on Operational Execution To Realize the Full Potential of Our Business

- ✓ Enhance the customer experience and improve in-store execution to drive long-term organic growth
- ✓ Capitalize on strategic acquisition opportunities in our highly fragmented industry
- ✓ Generate strong cash flow through operational improvements and working capital optimization



Well Positioned to Drive Higher Sales and Generate Strong Cash Flow

Quarterly Comps Trends

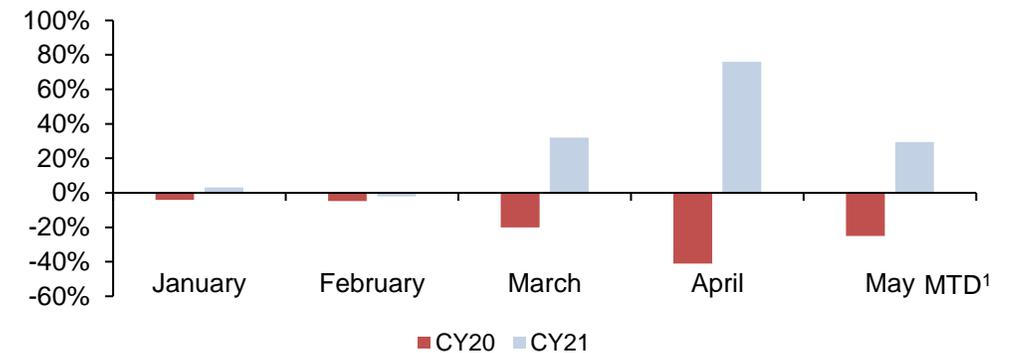


Q4FY21

Key Highlights

- Comparable store sales of 9.4% driven by strong demand recovery
- Sales from new stores added \$5.1M, including sales from recent acquisitions of \$4.6M
- Generated record operating cash flow of ~\$185M in fiscal 2021 driven by profitability and strong working capital management

Monthly Comparable Store Sales



Q4FY21

Key Highlights

- Sequential comp improvement in all product and service categories, with tires outperforming all other categories
 - Tires: 17%
 - Alignments: 15%
 - Front End/Shocks: 1%
 - Maintenance: 0%
 - Brakes: -1%

Fourth Quarter Fiscal 2021 Results



Solid Results Reflect Strong Momentum Exiting Fiscal 2021

	Q4FY21	Q4FY20	Δ	FY21	FY20	Δ
Sales (millions)	\$305.5	\$286.1	6.8%	\$1,125.7	\$1,256.5	(10.4%)
Same Store Sales	9.4%	-9.5%	1,890 bps	-11.1%	-2.3%	(880 bps)
Gross Margin	35.1%	35.7%	(60 bps)	35.1%	37.9%	(280 bps)
Operating Margin	6.8%	0.1%	670 bps	6.4%	8.1%	(170 bps)
Diluted EPS	\$.35	(\$.12)	NM	\$1.01	\$1.71	(40.9%)
Excluded Costs¹	\$.03	\$.20		\$.12	\$.29	
Adjusted Diluted EPS²	\$.38	\$.08	375.0%	\$1.14	\$2.00	(43.0%)

¹Excluded costs in Q4FY21 include \$.02 per share in Monro.Forward initiatives and \$.01 per share related to management transition costs and a distribution center closure. Excluded costs in Q4FY20 include \$.15 per share of store impairment costs, \$.03 per share in Monro.Forward initiatives, \$.01 per share of one-time costs related to the Company's headquarters expansion and \$.01 per share of costs related to litigation reserve. Excluded costs in FY21 include \$.06 per share related to store closing costs, \$.05 per share in Monro.Forward initiatives, \$.01 per share of costs related to acquisition due diligence, \$.01 per share of costs related to management transition and a distribution center closure, and \$.01 per share of benefit related to a reserve for litigation that was no longer necessary. Excluded costs in FY20 include \$.15 per share of store impairment costs, \$.09 per share in Monro.Forward initiatives, \$.03 per share of costs related to acquisition due diligence and integration, and \$.02 per share of costs related to headquarters expansion costs and litigation reserve.

²Adjusted EPS is a non-GAAP measure that excludes certain non-recurring items and items related to 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 May 20, 2021.
Note: The table may not add down +/- due to rounding

Ample Financial Flexibility to Support Growth Strategy and Business Operations

Disciplined Capital Allocation

Fiscal 2021

- Reduced bank debt, net of cash by ~\$61M
- Capex of ~\$52M
- Spent ~\$17M on acquisitions
- Paid ~\$30M in dividends
- Strategically reduced cost structure

Strong Balance Sheet and Liquidity

- Generated record ~\$185M of operating cash flow during FY21
- Net bank debt of \$160M as of March 2021
- Net bank debt-to-EBITDA ratio as of March 2021 of 1.1x
- Liquidity position of ~\$380M as of May 15, 2021

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

Announced Acquisitions



- Completed acquisition of 30 Mountain View Tire & Service stores in the Los Angeles area
- Further expands the Company's geographic footprint in the Western United States
- Represents \$45M in annualized sales
- Sales mix of 70% service and 30% tires

Fiscal 2022 Acquisition Outlook



- Well positioned to execute attractive consolidation opportunities in highly fragmented industry
- M&A remains a critical pillar of Monro's growth strategy
- Evaluating a robust pipeline of attractive M&A opportunities that support our strategy while maintaining strong financial discipline

Financial Assumptions as of May 20, 2021

Tire and Oil Costs	Increase y/y
Interest Expense	~\$25M to ~\$28M
Depreciation and Amortization	~\$82M to ~\$88M
Tax Rate	~25%
Capital Expenditures	~\$40M to ~\$55M
Weighted Average Number of Diluted Shares Outstanding	~34M
Store Closure Operating Income Benefit	~\$5M vs. Fiscal 2020
Structural Cost savings	~\$15M to \$20M vs. Fiscal 2020

Q1 Outlook Considerations

- Expect double digit comparable store sales growth
 - Fiscal first quarter-to-date comps of ~53% as of May 15, 2021
 - Comps expected to moderate in June due to less favorable y/y comparison
- Expect gross margin to reflect the negative impact of a higher sales mix of tires compared to Q1 Fiscal 2020