



MONRO

FIRST QUARTER FISCAL 2022
EARNINGS CALL JULY 28, 2021

MONRO AUTO SERVICE AND TIRE CENTERS | **TIRE CHOICE** AUTO SERVICE CENTERS | **MR. TIRE** AUTO SERVICE CENTERS | **KEN TIRE & AUTO CARE TOWERYS** | **TIRE WAREHOUSE** TIRES FOR LESS | **TIRE BARN** | **carX** TIRE & AUTO | **TIRES NOW** RIGHT TIRES. RIGHT NOW. | **MONRO COMMERCIAL SOLUTIONS**

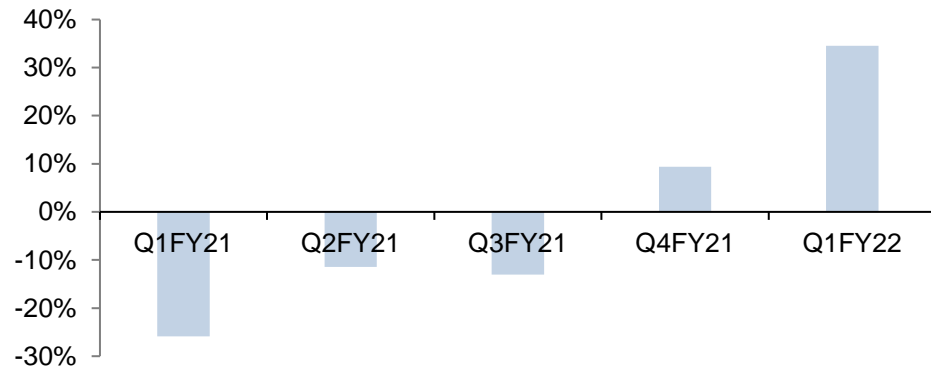
Certain statements in this presentation, other than statements of historical fact, including estimates, projections, statements related to our business plans and operating results are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Monro has identified 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.

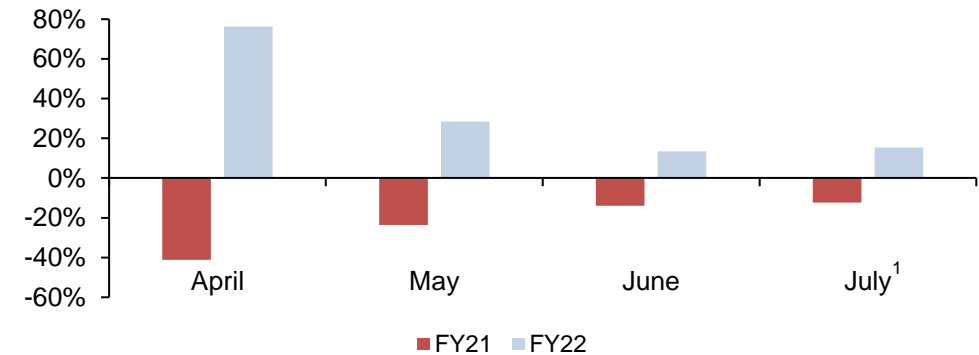
This non-GAAP financial measure is not intended to represent, and should not be considered more meaningful than, or as an alternative to, its most directly comparable GAAP measure. This non-GAAP financial measure may be different from similarly titled non-GAAP financial measures used by other companies.

Delivered Record First Quarter Sales and Strong Operating Cash Flow

Quarterly Comparable Store Sales Trends



Monthly Comparable Store Sales Trends



Q1FY22 Key Highlights

- Sales increased 38.4% to a record \$341.8M
- Comparable store sales of 34.5% is trending above pre-COVID performance and driven by strong demand recovery
- Sales from new stores added \$14.1M, including sales from recent acquisitions of \$13.6M
- Generated strong operating cash flow of ~\$63M driven by profitability and strong working capital management

Q1FY22 Key Highlights

- Double-digit comps in all product and service categories
 - Brakes: 57%
 - Alignments: 54%
 - Maintenance: 42%
 - Front End/Shocks: 40%
 - Tires: 25%

Advancing Our Vision To Be a Best-In-Class, Field-Led Service Organization

- ✓ Invest in our people to drive an engaged, inclusive and high-performing team
- ✓ Enhance the customer experience and improve in-store execution to drive long-term organic growth
- ✓ Capitalize on strategic acquisition opportunities and greenfield expansion to fill out footprint
- ✓ Generate strong cash flow through operational improvements and working capital optimization



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

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
- Significant growth prospects in the attractive and dynamic Western region
- Evaluating a robust pipeline of attractive M&A opportunities that support our strategy while maintaining strong financial discipline
- Leveraging greenfields to fill out our footprint and optimize store density, where needed.

First Quarter Fiscal 2022 Results



Solid Results Reflect Strong Momentum Entering Fiscal 2022

	Q1FY22	Q1FY21	Δ
Sales (millions)	\$341.8	\$247.1	38.4%
Same Store Sales	34.5%	-25.8%	6,030 bps
Gross Margin	36.8%	35.4%	140 bps
Operating Margin	8.2%	4.6%	360 bps
Diluted EPS	\$.46	\$.09	411.1%
Excluded Costs¹	\$.09	\$.06	
Adjusted Diluted EPS²	\$.55	\$.15	266.7%

¹Excluded costs in Q1FY22 include \$.09 per share related to one-time litigation settlement costs, \$.01 per share of acquisition due diligence and integration costs and \$.01 per share of benefit from an adjustment to the estimate for prior year store closing costs. Excluded costs in Q1FY21 include \$.06 per share in store closing costs.

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 July 28, 2021.

Note: The table may not add down +/- due to rounding

Ample Financial Flexibility to Support Growth Strategy and Business Operations

Disciplined Capital Allocation

First Quarter Fiscal 2022

- Capex of ~\$5M
- Paid ~\$62M for acquisitions
- Spent ~\$10M in principal payments (financing leases)
- Paid ~\$8M in dividends

Strong Balance Sheet and Liquidity

- Generated ~\$63M of operating cash flow during Q1FY22
- Net bank debt of \$181M as of June 2021
- Net bank debt-to-EBITDA ratio as of June 2021 of 1.1x
- Liquidity position of ~\$396M as of July 24, 2021

Financial Assumptions as of July 28, 2021

Tire and Oil Costs	Increase y/y
Interest Expense	~\$25M to ~\$27M
Depreciation and Amortization	~\$82M to ~\$87M
Tax Rate	~25%
Capital Expenditures	~\$30M to ~\$45M
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

Q2 Outlook Considerations

- Expect comparable store sales growth to moderate as compared to the first quarter as comparisons get less favorable
 - Fiscal July comps of ~15%
 - Comps expected to moderate in latter part of Q2 due to less favorable y/y comparison
- Expect continued gross margin improvement versus prior year as service category sales strengthen

Corporate Responsibility at Monro

Monro's corporate responsibility strategy is an important lens through which we identify Environmental, Social and Governance (ESG) risks and opportunities that could meaningfully impact our business over the long term.

Highlights and progress during fiscal 2021 included:

- Publishing [inaugural CR report](#) including mapping to SASB standards
- Strengthening the Board of Directors' ESG oversight
Re-named Nominating and **Corporate Responsibility** Committee
- Enhancing Teammate engagement and prioritizing safety
Reduced Workers' Compensation claims by **32% & lowest** turnover rates in more than 5 years
- Fostering diversity, equity and inclusion (DE&I)
Teammate Resource Group and training
- Making a positive impact in our communities
1.6 million meals served & **147** stores transformed
- Being good stewards of the environment
60% of our stores fitted with energy efficient lighting

In fiscal 2021, Monro recycled:



2.5 million
gallons of oil



73,000
vehicle batteries



3.3 million
tires



316 tons of
cardboard

Looking ahead:

- ☑ New Chief Human Resources Officer to further align talent development with business goals
- ☑ Focusing on solidifying DE&I and Community strategies
- ☑ Considering additional metrics, goals and targets relevant for investors