

MSC Industrial Supply Co.

Raymond James Conference
Orlando, FL
March 8-9, 2016



Safe Harbor Statement

CAUTIONARY STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995.

This presentation contains forward-looking statements within the meaning of U.S. securities laws, including guidance about expected future results, expectations regarding our ability to gain market share, expected benefits from our investment and strategic plans, and expected future margins. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those anticipated by these statements; are based on our current expectations; and we assume no obligation to update them. These risks include problems with successfully integrating acquired operations; current economic, political, and social conditions; general economic conditions in the markets in which the Company operates; changing customer and product mixes; competition; industry consolidation and other changes in the industrial distribution sector; volatility in commodity and energy prices; the outcome of potential government or regulatory proceedings or future litigation; credit risk of our customers; risk of cancellation or rescheduling of customer orders; work stoppages or other business interruptions (including those due to extreme weather conditions) at transportation centers or shipping ports; risk of loss of key suppliers, key brands or supply chain disruptions; dependence on our information systems and the risk of business disruptions arising from changes to our information systems, disruptions due to computer system or network failures, computer viruses, physical or electronics break-ins and cyber-attacks; dependence on key personnel; risk of delays in expanding our customer fulfillment centers; goodwill and intangible assets recorded as a result of our acquisitions could be impaired; and disclosing our use of “conflict minerals” in certain of the products we distribute could raise certain reputational and other risks.

Information about these risks is noted in the earnings press release and in the Risk Factors and MD&A sections of our latest annual and quarterly reports filed with the SEC, as well as in our other SEC filings. Investors are cautioned not to place undue reliance on these forward-looking statements.

Throughout this presentation we will reference both GAAP and adjusted financial results, which are non-GAAP financial measures. Please refer to the reconciliation tables at the end of this presentation and at the end of our earnings release for a reconciliation of the adjusted financial measures to the most directly comparable GAAP measures.

Company Overview

MSC is a value added distributor of services, solutions & products that helps customers reduce their MRO supply chain costs

Founded in 1941 by Sid Jacobson

> 6,500 associates

> 95 branches and 5 major distribution centers

> 3,000 suppliers

> 1 Million SKUs, many with 99% fill rates

\$2.9 Billion
Revenue

13%
20-Year Sales
CAGR

13%
Operating Margin*

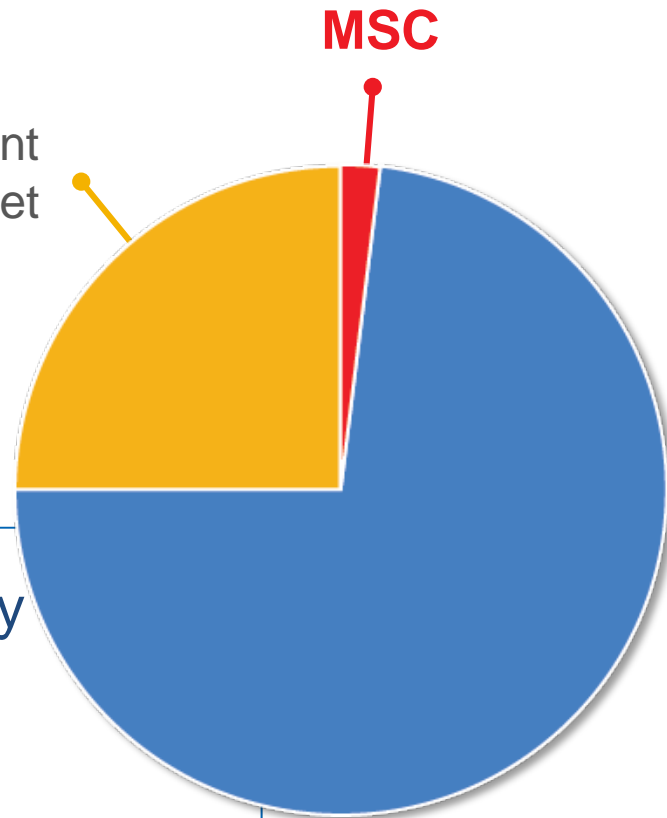
12%
20-Year EPS CAGR

* Unaudited data for fiscal year ended August 29, 2015.



Industry Overview

The top 50 companies represent less than 30% of the market



- \$500B US MRO Market (\$160B fully addressable by MSC)
- Highly Fragmented
- 150,000 Distributors in the US

Source: MDM and company estimates

Broad Product Offering



>1 Million
Items



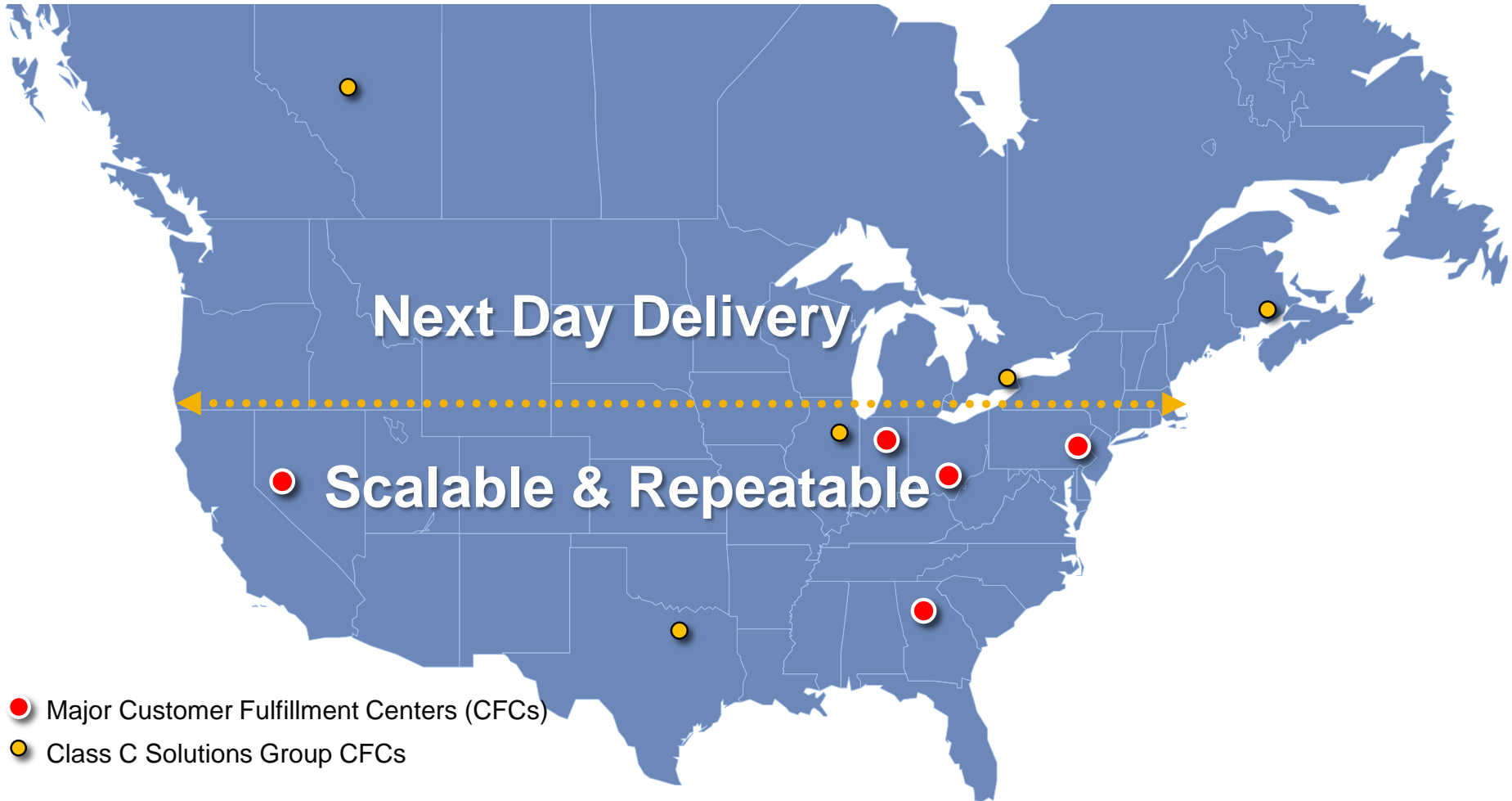
99%
Fill Rate*

Significant competitive advantage

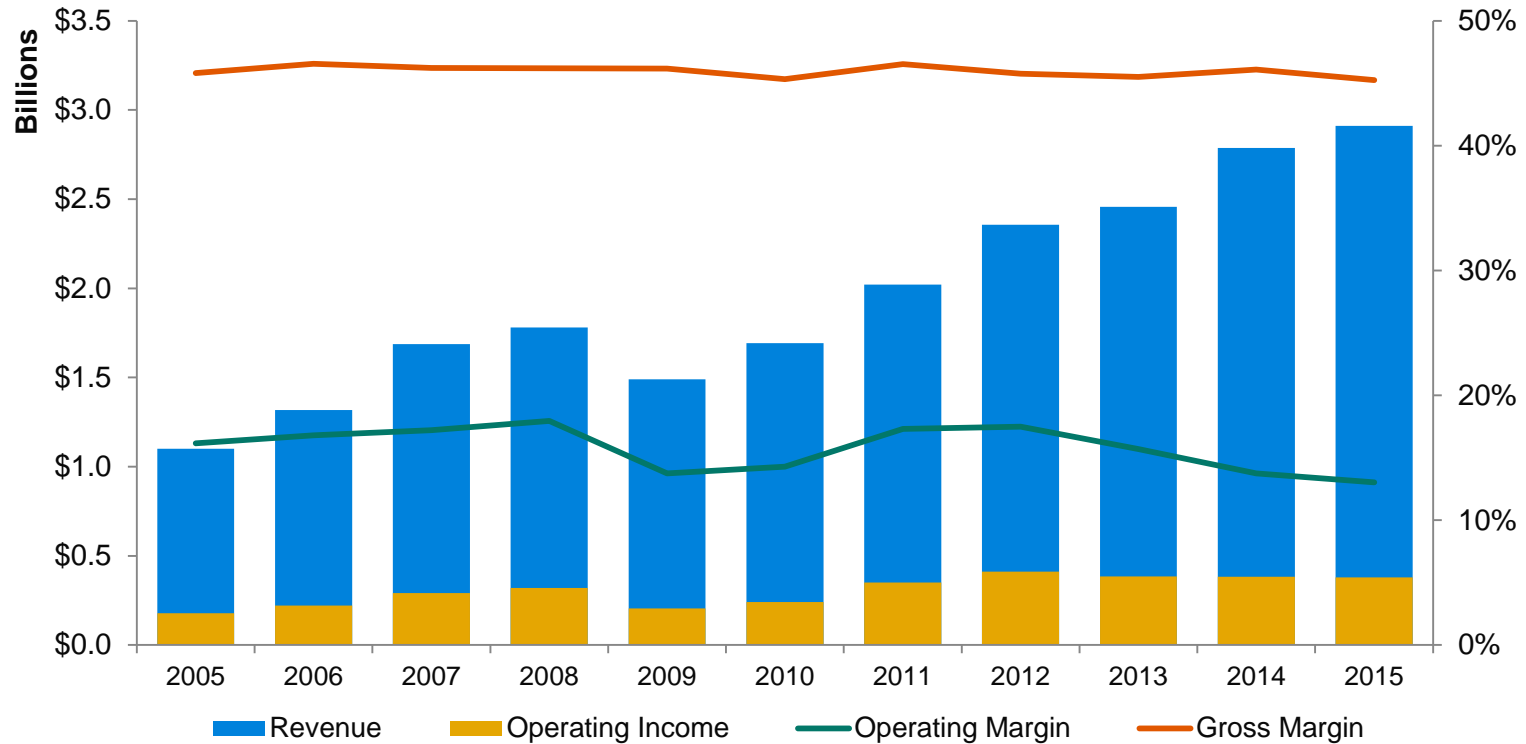


* Fill rate pertains to many products

Fulfillment Center Network

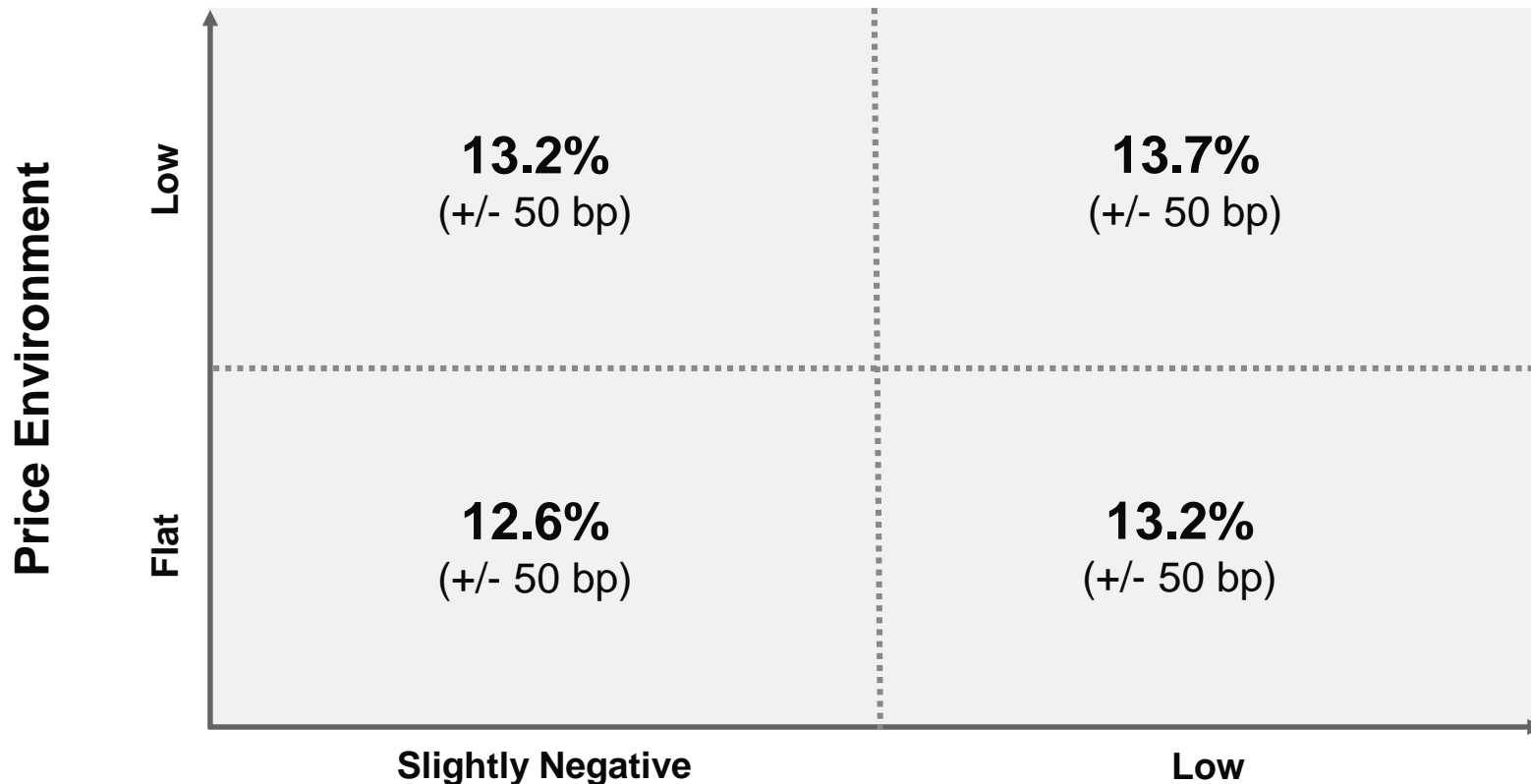


Track Record of Sales Growth and Sustained Profitability



Fiscal 2016 Operating Margin Framework*

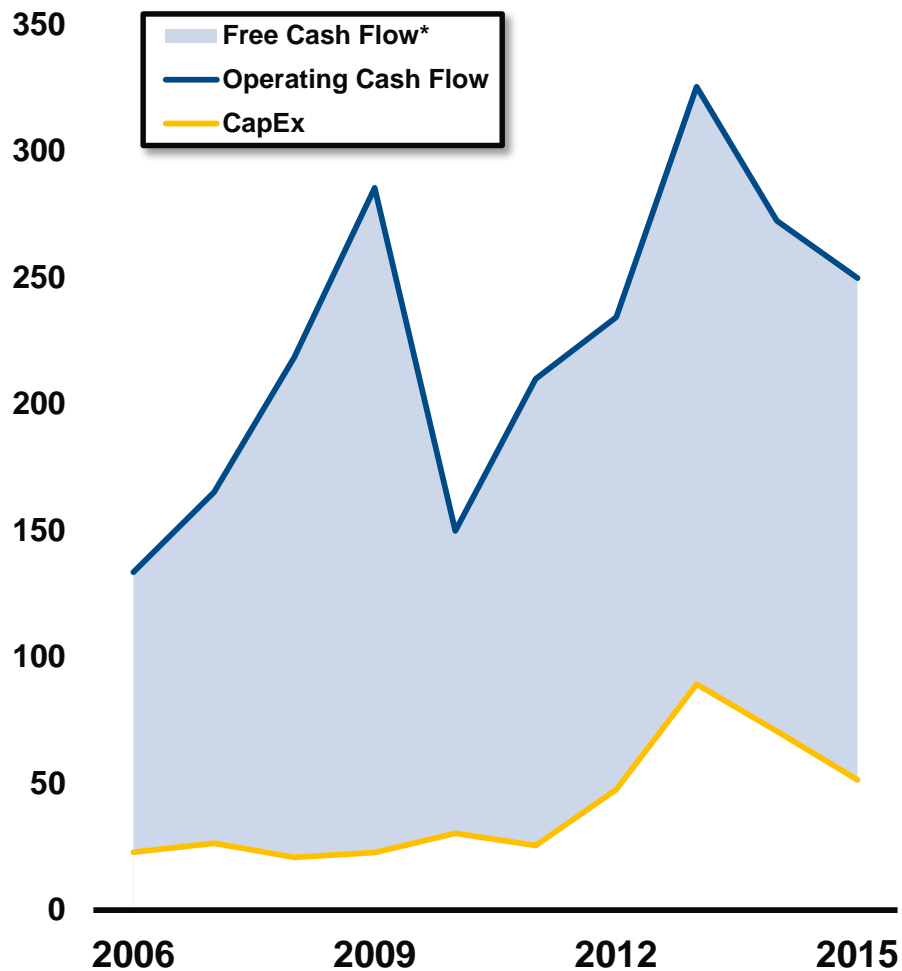
MSC Growth Level



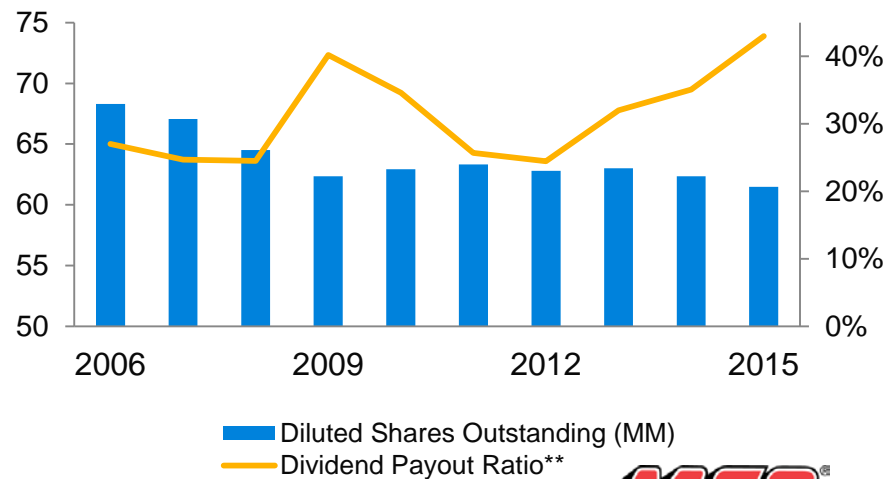
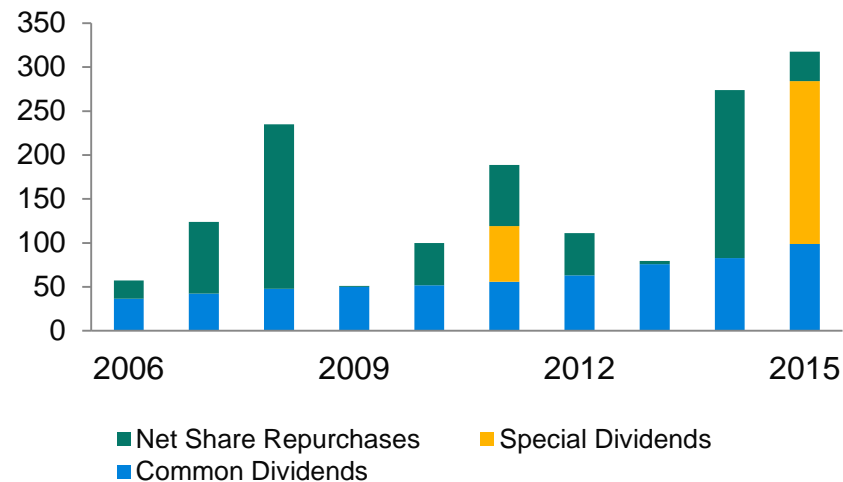
* Based on a 52-week fiscal year; fiscal 2016 has 53 weeks; the 53rd week adds approximately 15 to 20 basis points to each operating margin scenario in the above matrix.

Strong Cash Flows Fuel Shareholder Returns

Free Cash Flow (\$M)



Return to Shareholders (\$M)



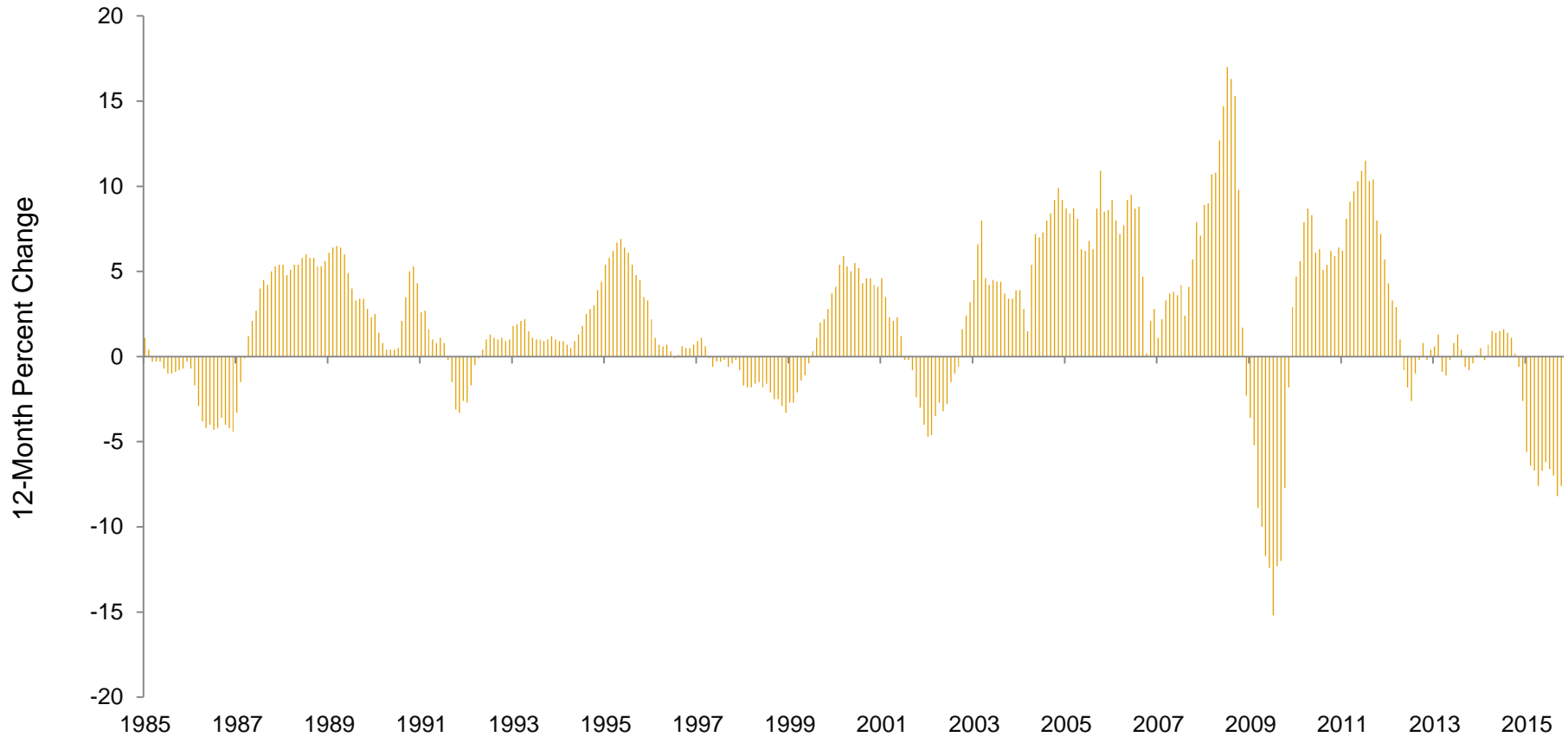
* Non-GAAP measure. Free cash flow equals operating cash flow minus capital expenditures.

** Dividend Payout Ratio calculated as common dividends per share / non-GAAP EPS.



APPENDIX

PPI: Processed Goods for Intermediate Demand



* 12-Month Percent Change: January 1985 – October 2015. Sourced from the Bureau of Labor Statistics (Series Id: WPUID61).