

# MSC INDUSTRIAL SUPPLY CO.

## General Investor Presentation

Fiscal 2021

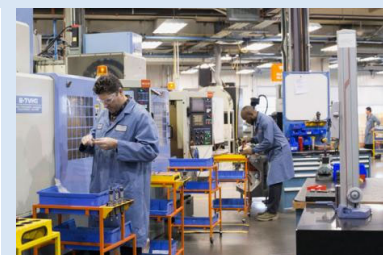
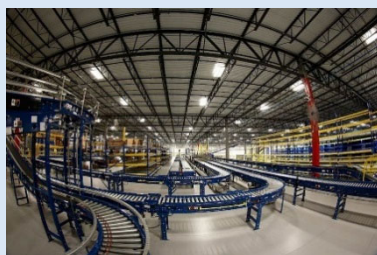
# Cautionary Note Regarding Forward-Looking Statements

Statements in this presentation may constitute "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, that address activities, events or developments that we expect, believe or anticipate will or may occur in the future, including statements about the future impact of COVID-19 on our business operations, results of operations and financial condition, expected future results, expected benefits from our investment and strategic plans and other initiatives, and expected future growth, profitability and return on invested capital, are forward-looking statements. The words "will," "may," "believes," "anticipates," "thinks," "expects," "estimates," "plans," "intends," and similar expressions are intended to identify forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those anticipated by these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The inclusion of any statement in this presentation does not constitute an admission by MSC Industrial or any other person that the events or circumstances described in such statement are material. Factors that could cause actual results to differ materially from those in forward-looking statements include the following, many of which are and will be amplified by the COVID-19 pandemic: the impact of the COVID-19 pandemic on our sales, operations and supply chain; general economic conditions in the markets in which we operate, including conditions resulting from the COVID-19 pandemic; changing customer and product mixes; competition, including the adoption by competitors of aggressive pricing strategies and sales methods; industry consolidation and other changes in the industrial distribution sector; our ability to realize the expected benefits from our investment and strategic plans, including our transition from being a spot-buy supplier to a mission-critical partner to our customers; our ability to realize the expected cost savings and benefits from our restructuring activities and structural cost reductions; the retention of key personnel; volatility in commodity and energy prices; the credit risk of our customers, including changes in credit risk as a result of the COVID-19 pandemic; the risk of customer cancellation or rescheduling of orders; difficulties in calibrating customer demand for our products, in particular personal protective equipment or "PPE" products, which could cause an inability to sell excess products ordered from manufacturers resulting in inventory write-downs or could conversely cause inventory shortages of such products; work stoppages, labor shortages or other business interruptions (including those due to extreme weather conditions or as a result of the COVID-19 pandemic) at transportation centers, shipping ports, our headquarters or our customer fulfillment centers; disruptions or breaches of our information systems, or violations of data privacy laws; the retention of qualified sales and customer service personnel and metalworking specialists; the risk of loss of key suppliers or key brands or supply chain disruptions, including due to import restrictions resulting from the COVID-19 pandemic; changes to governmental trade policies, including the impact from significant import restrictions or tariffs; risks related to opening or expanding our customer fulfillment centers; our ability to estimate the cost of healthcare claims incurred under our self-insurance plan; litigation risk due to the nature of our business; risks associated with the integration of acquired businesses or other strategic transactions; financial restrictions on outstanding borrowings; our ability to maintain our credit facilities; the interest rate uncertainty due to the London Interbank Offered Rate ("LIBOR") reform; the failure to comply with applicable environmental, health and safety laws and regulations, including government action in response to the COVID-19 pandemic, and other laws applicable to our business; the outcome of government or regulatory proceedings or future litigation; goodwill and intangible assets recorded resulting from our acquisitions could be impaired; our common stock price may be volatile due to factors outside of our control; and our principal shareholders exercise significant control over us, which may result in our taking actions or failing to take actions that are in the best interests of other shareholders. Additional information concerning these and other risks is described under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual and Quarterly Reports on Forms 10-K and 10-Q, respectively, and in the other reports and documents that we file with the U.S. Securities and Exchange Commission. We expressly disclaim any obligation to update any of these forward-looking statements, except to the extent required by applicable law.

# MSC Industrial Direct: Company Overview

**MSC is a leading value-add industrial distributor offering products, services and solutions that enable its customers to achieve higher levels of growth, productivity, and profitability**

- ✓ Founded in 1941 and listed on NYSE (MSM) since 1995
- ✓ Leader in highly fragmented industrial distribution market
- ✓ 6,300 associates
- ✓ 17 branches and 5 primary distribution centers
- ✓ Broad offering: 1.9 million+ SKUs from 3,000+ suppliers
- ✓ Value-add solutions: metalworking expertise, supply chain management, e-commerce, productivity improvement and training



<sup>1</sup>Year Ended August 29, 2020

<sup>2</sup>20-Year CAGR calculated through August 29, 2020

<sup>3</sup>Over the last three fiscal years ended August 29, 2020

## Key MSC Investment Highlights



Leader in the highly fragmented North American industrial distribution market with significant opportunities for organic and acquisitive growth



Value-added solutions approach focuses on addressing customer total cost of ownership with highly technical expertise and a broad portfolio of products and services



Industry-leading customer satisfaction ratings driven by customer-centric culture and obsession with delivering solutions that enable customer success



Implementing Mission Critical, a major program to return to above market growth and improve profitability

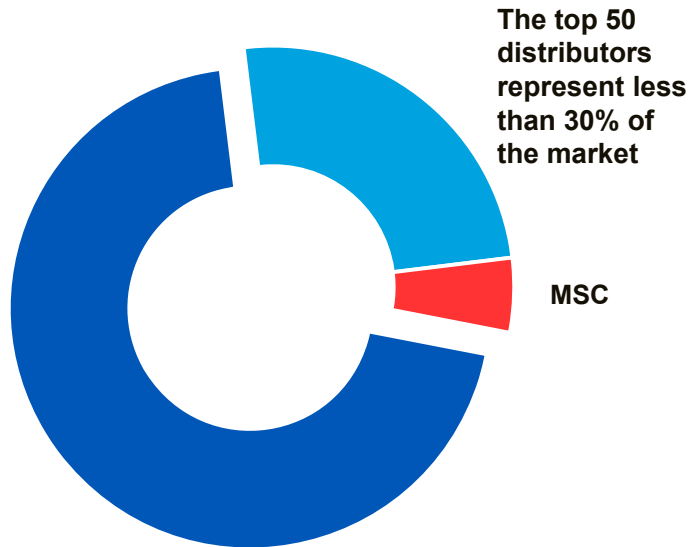


Capital allocation strategy based on an owner mindset and focused on long-term value creation for shareholders

# Highly Fragmented Industrial Distribution Market

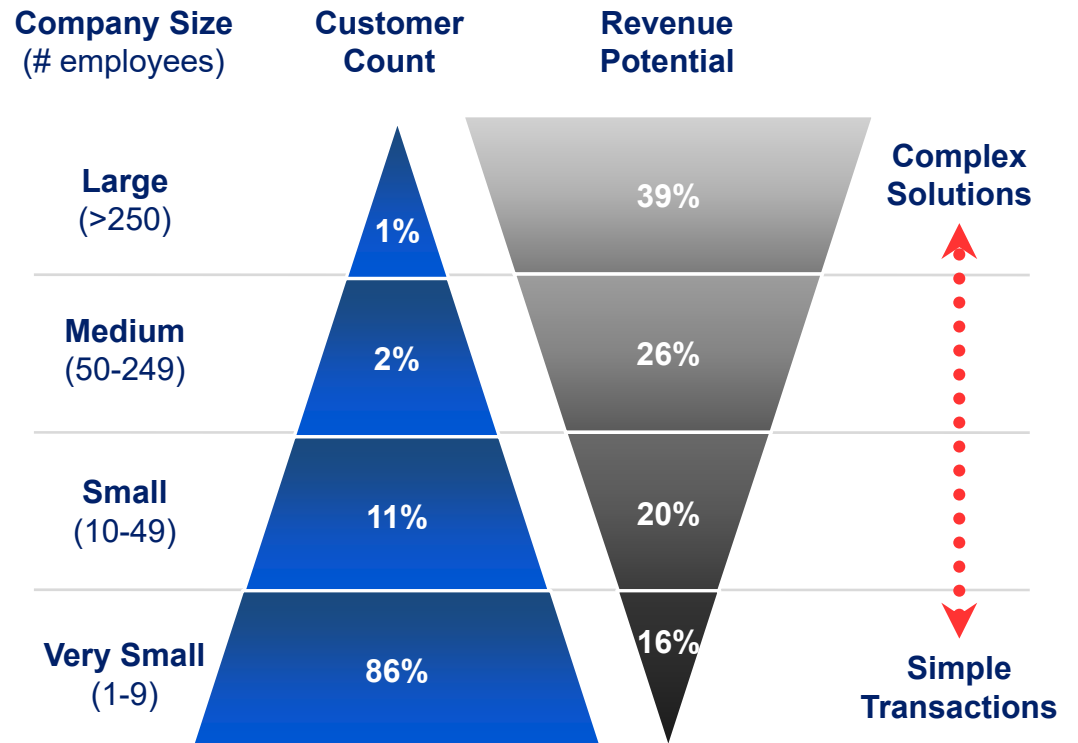
The North American industrial distribution market is very large and highly fragmented both across the addressable market and the customer landscape

**Total Addressable Market**  
(~\$200 Billion in Sales)



- ✓ ~\$200B of the MRO market in N. America directly addressable by MSC<sup>2</sup>
- ✓ Highly fragmented with ~145K distributors in the US<sup>1</sup>

**Industrial Distribution Customer Landscape**

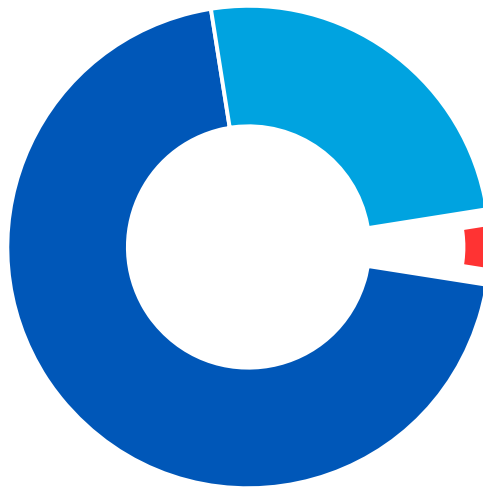


<sup>1</sup>MDM Analytics (figures are approximate)  
<sup>2</sup>Calculation performed by MSC (figures are approximate)

# MSC's Position in the Market

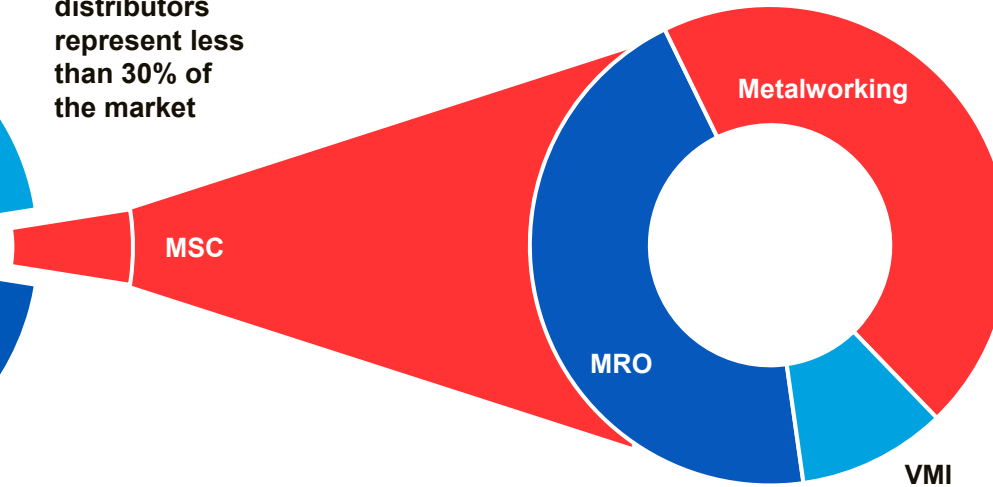
MSC's target manufacturing market makes up about 50% of total addressable marketplace spend, making brand awareness and equity critical to attract and maintain customers

**Total Addressable Market**  
(~\$200 Billion in Sales<sup>1,2</sup>)



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

**MSC Fiscal Year 2020 Sales**  
(\$3.2 Billion)



- ✓ ~\$200B of the MRO market in N. America directly addressable by MSC<sup>1,2</sup>
- ✓ Addressable market is comprised of approximately ~19M total potential customers<sup>2</sup>

- ✓ Within the approximately ~19M total potential customers, MSC can serve the ~700k metalworking customers<sup>2</sup>
- ✓ These ~700k customers make up a large amount of the overall spend in manufacturing<sup>2</sup>
- ✓ ~200K are larger customers, while ~500K are smaller customers<sup>2</sup>



<sup>1</sup>MDM Analytics (figures are approximate)  
<sup>2</sup>Calculation performed by MSC (figures are approximate for N. America)

# MSC's Differentiator in the Market: Built to Make You Better

MSC's value-added solutions approach focuses on addressing customer total cost of ownership with highly technical expertise with a broad portfolio of products and services

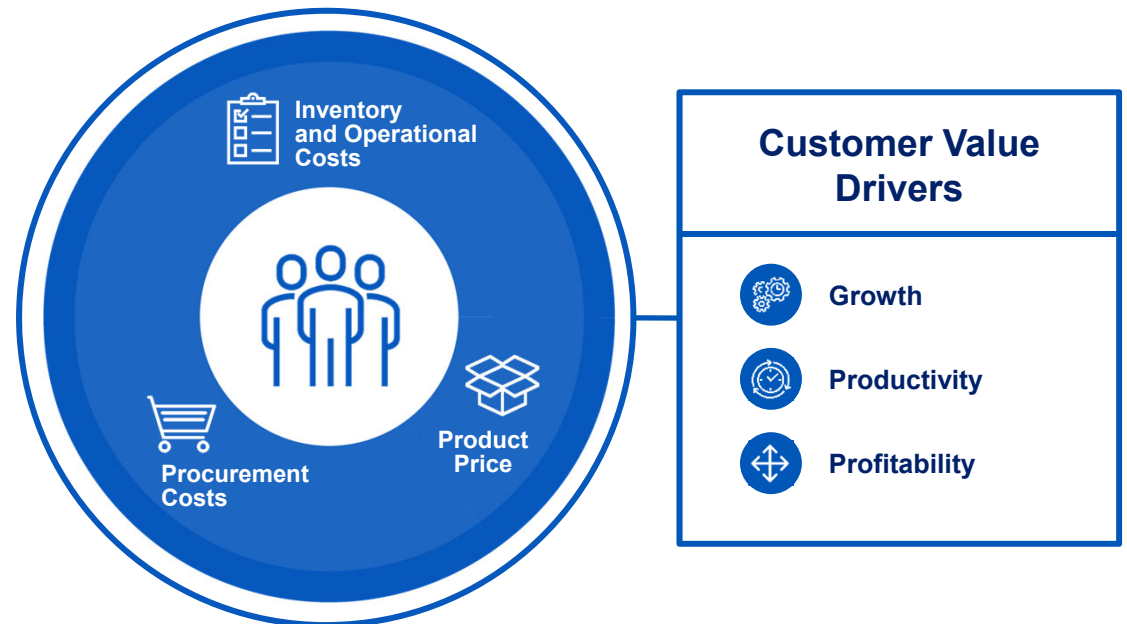
## Industry Model

(Product Price Driven)



## MSC Solutions Approach

(Total Cost of Ownership Focused)



# MSC Customer Care Ensuring Customer Satisfaction

*Obsession with delivering personalized and effortless customer experiences that enable success, measured directly from our customers*

## Customer Care Delivery



High-Touch Customer Care



Technical and Sourcing Experts



Consistent Customer Service



Creative Problem Solving

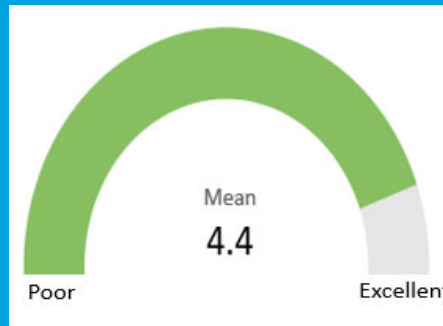


Focus on Customer Satisfaction

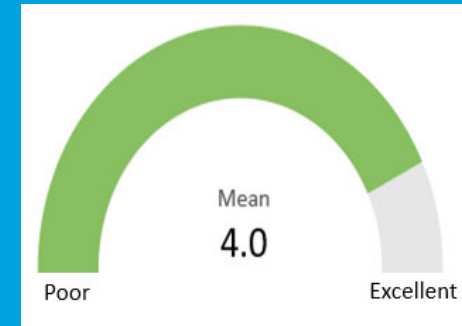


Build Trust and Loyalty

## Customer Care Center Satisfaction Levels



MSC



Other Contact  
Center Average

### CSAT Scale (1-5)

Excellent	5
Very Good	4
Good	3
Fair	2
Poor	1






# MSC Solutions: Turning Expertise and Data into Information and Savings

MSC provides continuous improvement solutions for customers by combining technical expertise and data analytics, driving significant and documented customer cost savings

Technical Solutions	MSC MillMax® (Ap Op™)	New Opportunity Capture (Ap Op™)
Industry	Aerospace & Defense	Medical Devices
Manufacturer	Kennametal	Iscar
Application	Solid Milling	Turning
Objective	Reduce Cycle Time	Improve Tool Life
Cycle Time Reduction	50%	32%
Capacity Gained	625 hours	1,150 hours
Annual Cost Savings	<b>\$78,125</b>	<b>\$179,998.50</b>



SKU Consolidation	Continuous Improvement			MSC Solution
Product	22 Oz. Multi-Purpose Cleaner	22 Oz. Premium Degreaser	 Consolidate to a single item and standardize in all locations.	32 Oz. All Purpose Cleaner and Degreaser
Cost (per unit)	\$0.277	\$1.32		\$0.20
Usage (units)	45,936	792		46,728
Total Cost	\$12,740.88	\$1,048.32		\$9,345.60
			<b>Annual Cost Savings</b>	<b>\$4,443.60</b>



# Customer Value: True Stories. True Results.

Documentation program delivered

**>\$350 million**

in cost savings for  
**MSC customers in 2020**



**\$43,000 ↑**  
**Profit Improvement**

## Energy Sector National Account

A simple, 15-minute MSC MillMax® impact test in a milling operation improved profits while reducing cycle time from 132 seconds to 34 seconds.



**\$1.5 million ↓**  
**Savings in Tooling Costs**

## Moeller

Aircraft division specializes in machined parts for the gas turbine aircraft engine and power generation industries, including airfoils



**430 hours ↑**  
**Annual Capacity Gained**

## Contract Machine Shop

Improving cycle time on a 6061T6 Aluminum Chassis created time on existing machines, Allowing the customer to add even more work.



**\$1.6 million ↓**  
**Total Cost Savings**

## Aerospace Defense Contractor

One of the US's largest manufacturers savings resulting from supply chain and operational improvements.



**\$2.3 million ↓**  
**Productivity Savings**

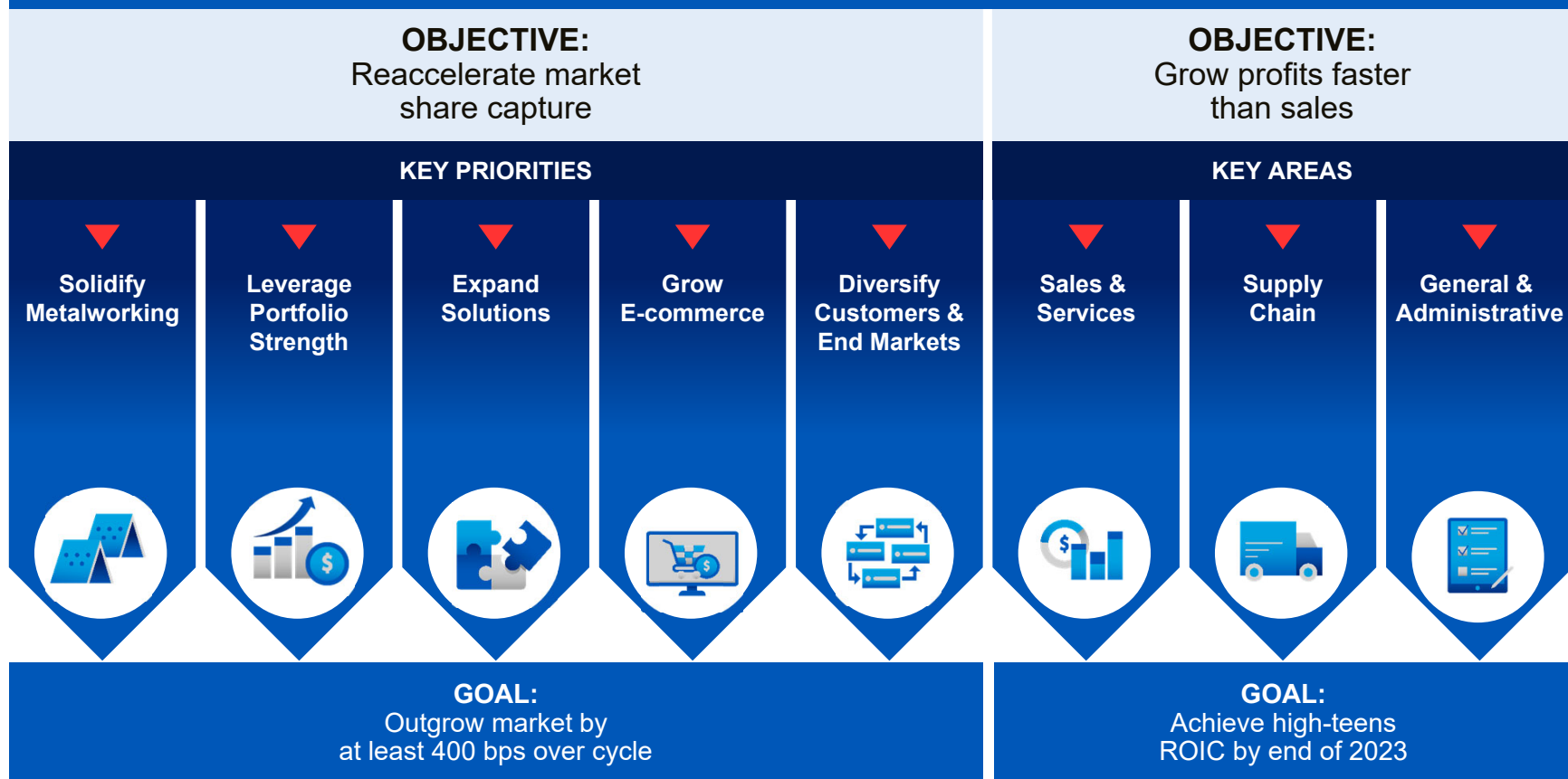
## Global Truck Manufacturer

One of North America's largest producers of heavy duty Class 8 trucks, engines and transmissions



# Overview of Mission Critical

- The Mission Critical growth initiative was established to recapture market share while delivering cost savings on the path to accelerating profitability
- Solid program execution and tracking to high end of targeted total gross savings of \$90M-\$100M by FY23 vs. FY19



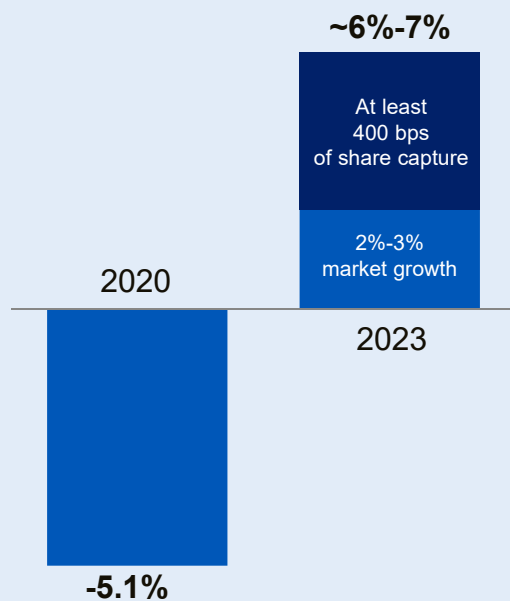
# Fiscal Year 2023 Targets

## Mission Critical Objectives

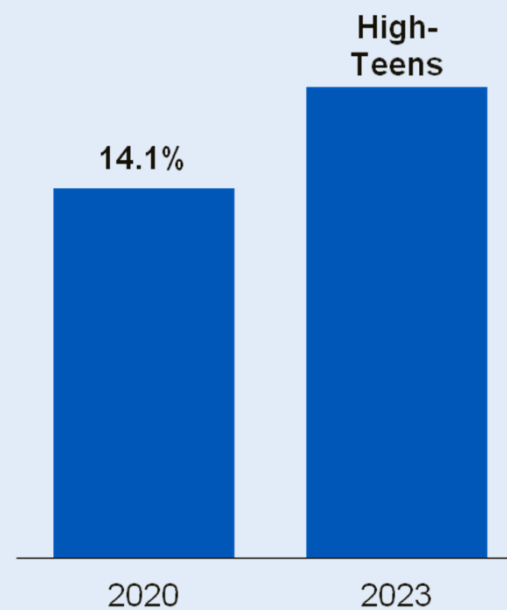
Reaccelerate market share capture

Grow profits faster than sales

### Sales Growth



### Return on Invested Capital (ROIC)\*

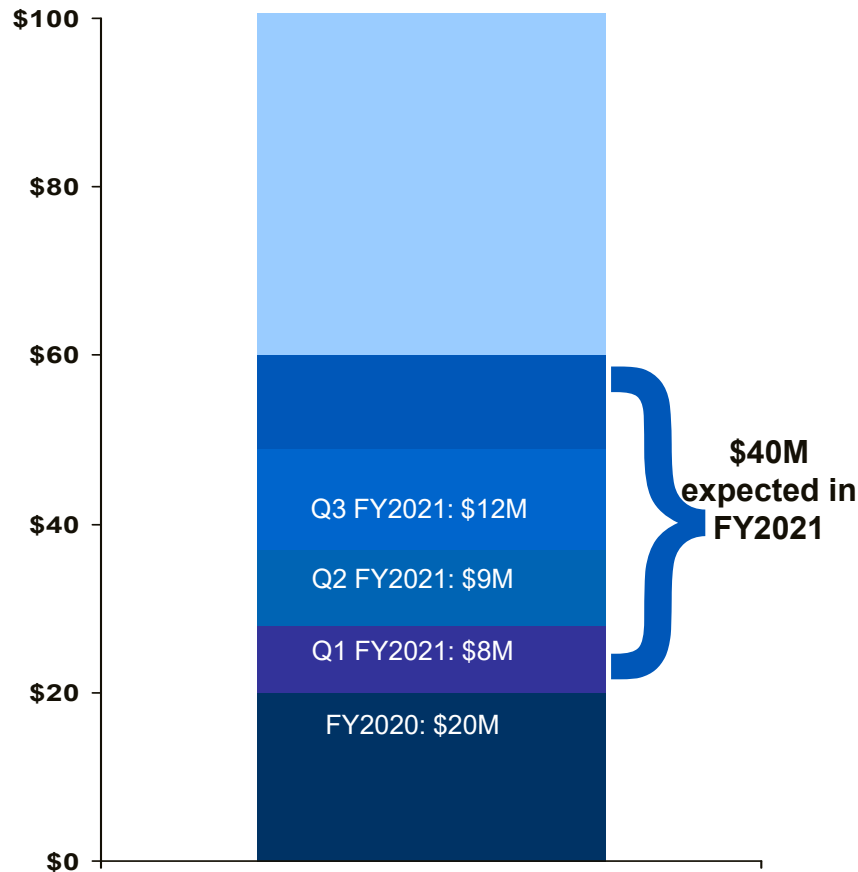


\* See appendix for non-GAAP reconciliations.



# Mission Critical: Strong Progress on Cost Savings

Total Gross Savings Target:  
\$90M – \$100M  
by end of FY23 versus FY19



**MSC**

## KEY AREAS



Sales and service



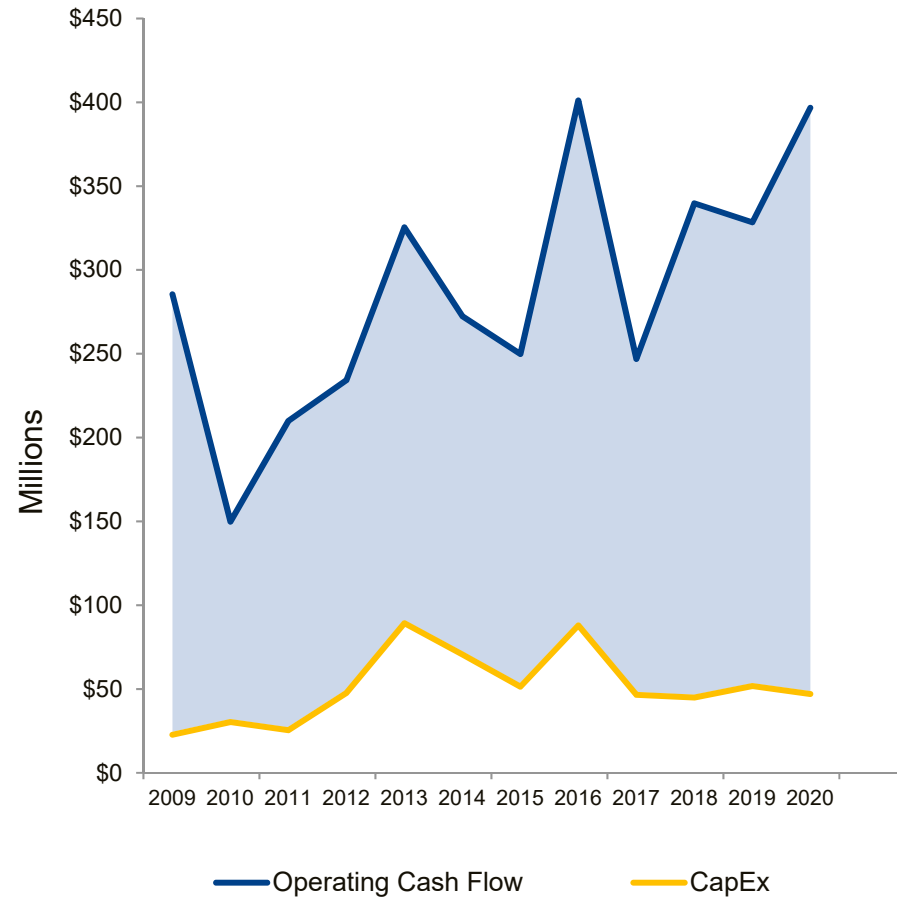
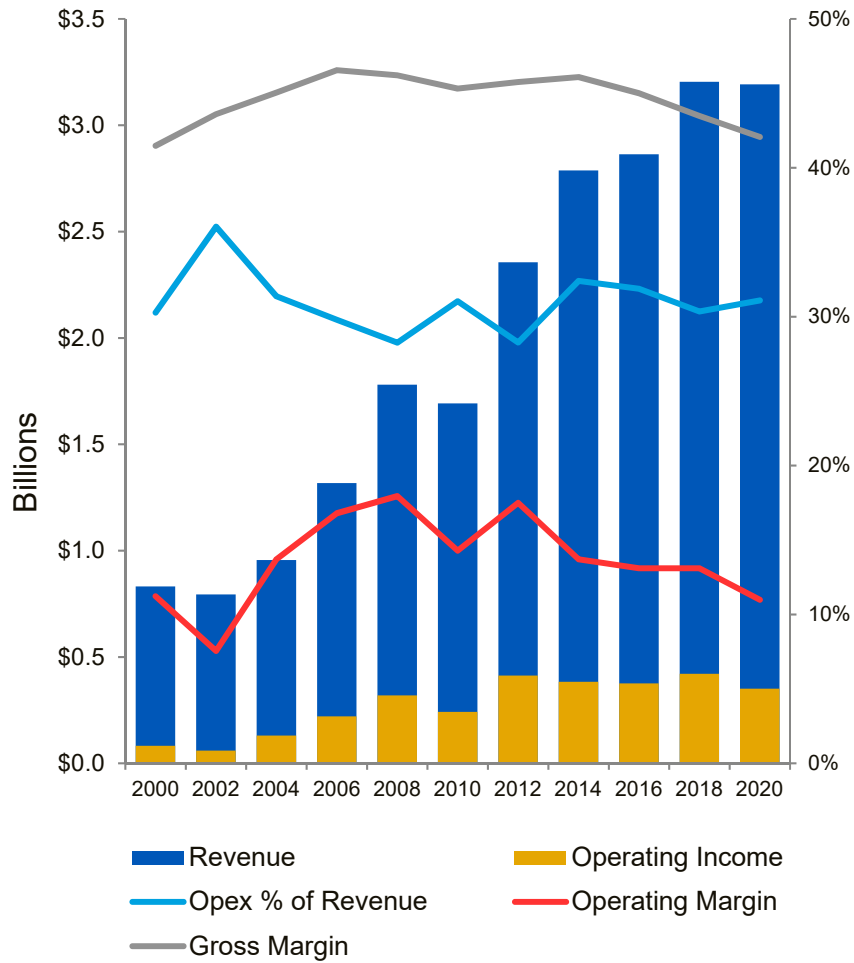
Supply chain



General &  
Administrative

- Raised FY21 target to ~\$40M gross cost savings
- FY21 growth investments ~\$25M
- Net savings of ~\$15M FY21
- Continue to target \$90M to \$100M in total cost savings by end of FY23 versus FY19; trending to high end of range
- Projected improvement in OpEx to Sales ratio of roughly 200 bps by end of FY23

# Track Record of Growth and Resilience



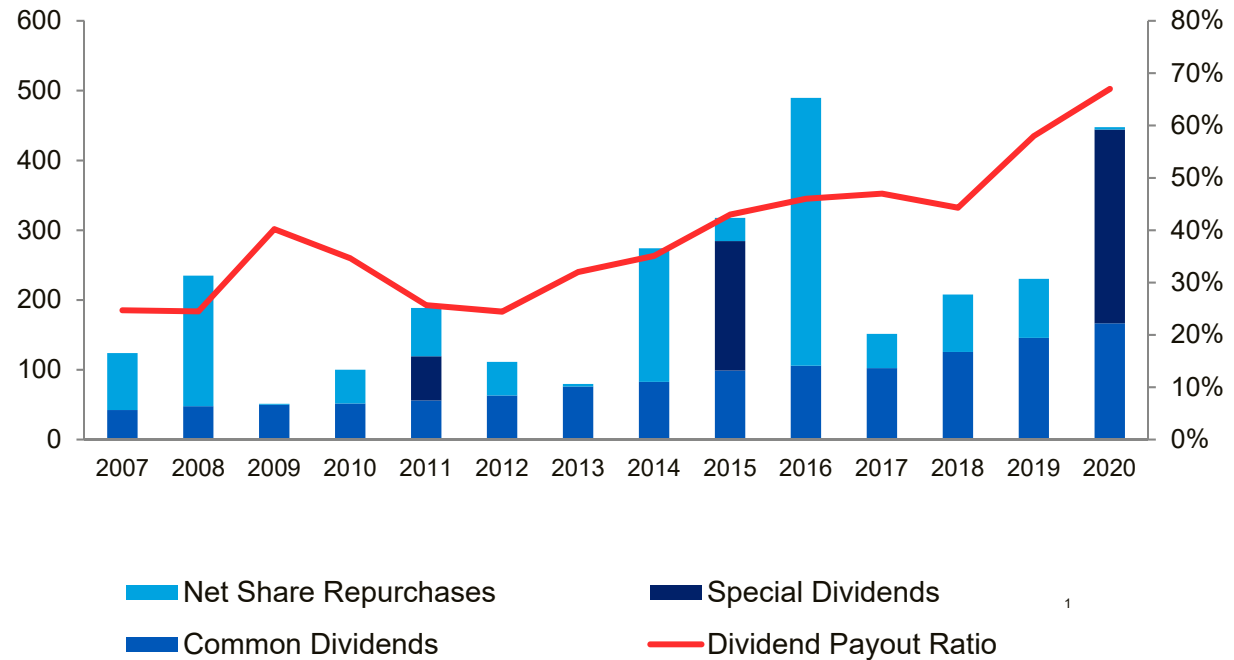
# Capital Allocation Philosophy

MSC's capital allocation strategy is based on an owner mindset and focused on long-term value creation for shareholders

## Priorities

- 1 Organic Investments
- 2 Cash Returned to Shareholders
- 3 Opportunistic M&A

## Cash Returned to Shareholders



<sup>1</sup>Dividend Payout Ratio calculated as common dividends per share / diluted EPS. 2018 ratio reflects the benefits to EPS from the Tax Cuts & Jobs Act.

## Key MSC Investment Highlights



Leader in the highly fragmented North American industrial distribution market with significant opportunities for organic and acquisitive growth



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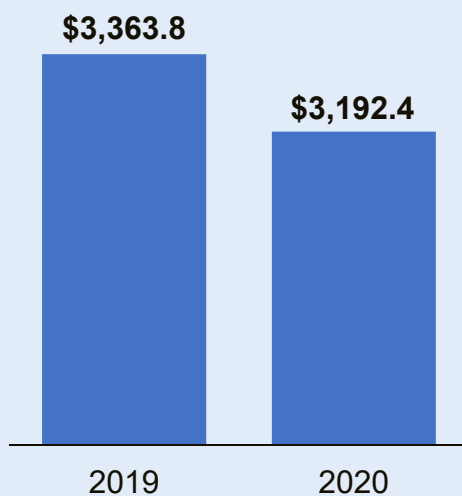




# APPENDIX

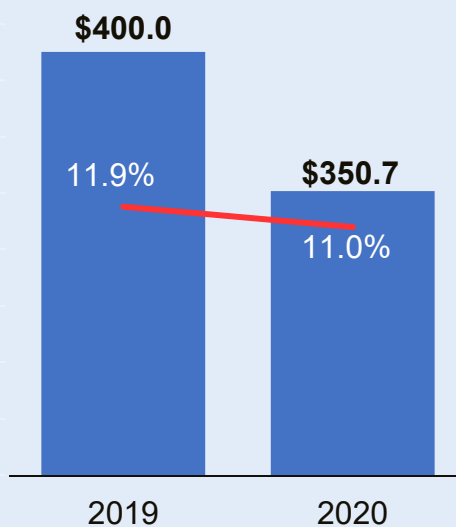
# Full Year 2020 Reported Results

## Sales (millions)



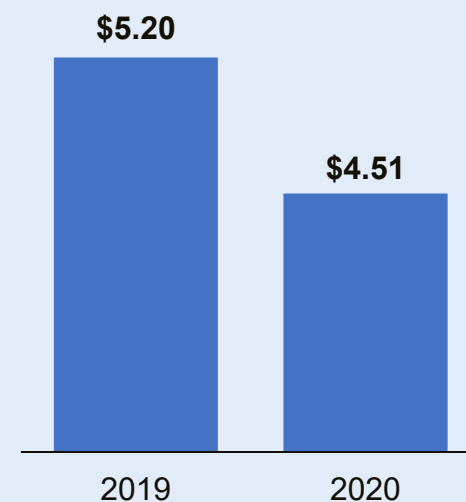
- Average Daily Sales (ADS) declined 5.1%
- Safety and janitorial product sales improved 30%+ YoY
- Sales for the rest of the business declined YoY

## Operating Profit (millions and % of sales)



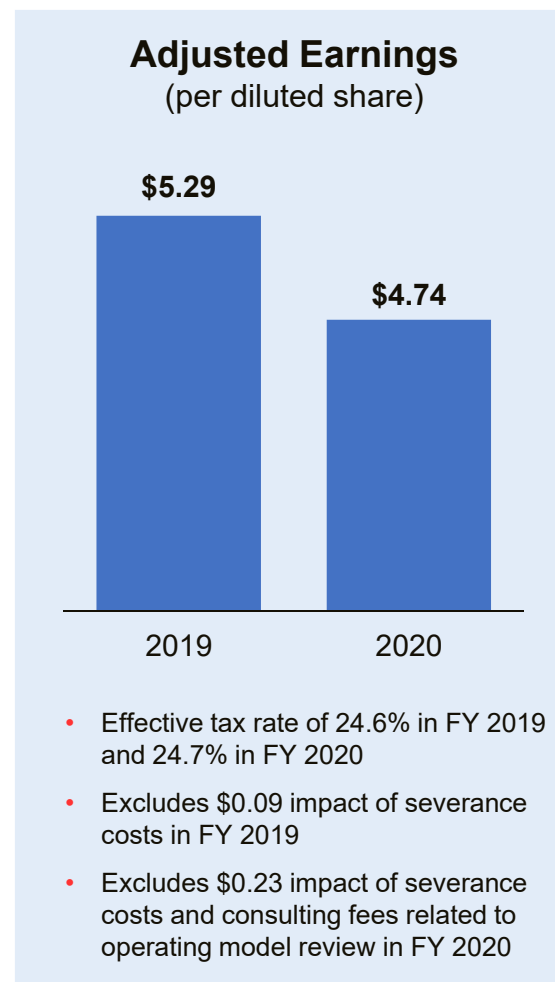
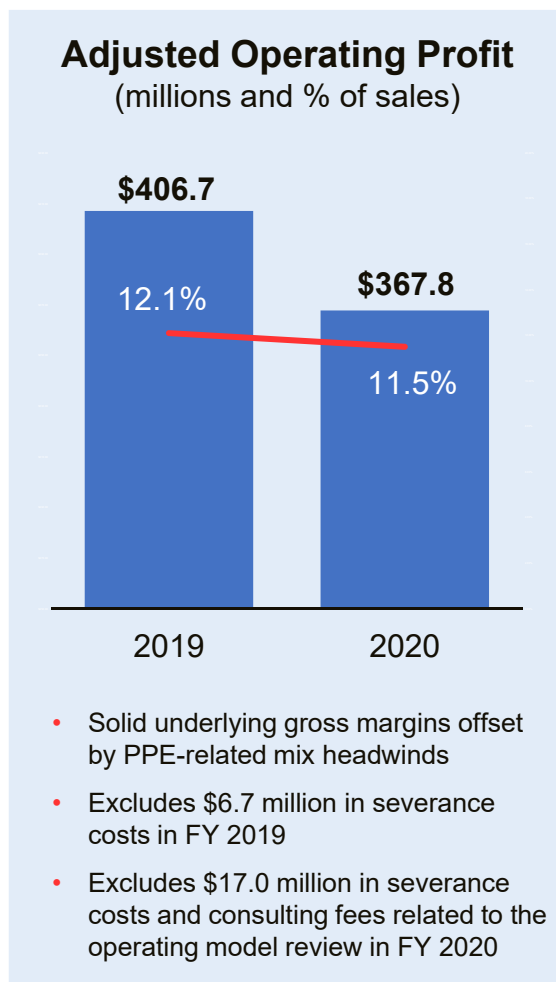
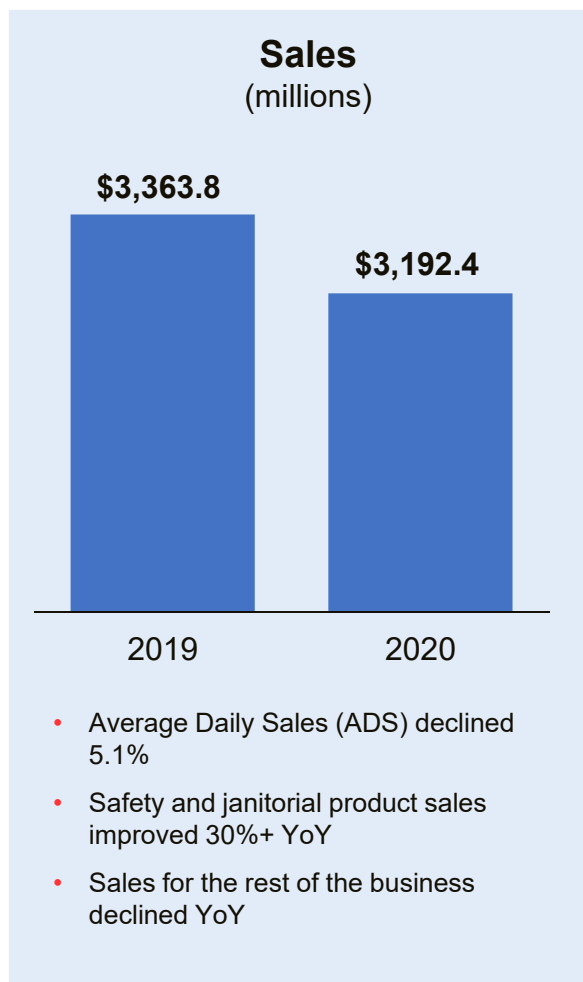
- FY 2020 gross margin was 42.1%, 50 bps lower than FY 2019
- Includes \$6.7 million in severance costs in FY 2019 and
- Includes \$17.0 million in severance costs and consulting fees related to the operating model review in FY 2020

## Earnings (per diluted share)



- Effective tax rate of 24.6% in FY 2019 and 24.7% in FY 2020
- EPS in FY 2020 includes \$0.23 impact of severance costs and consulting fees related to operating model review

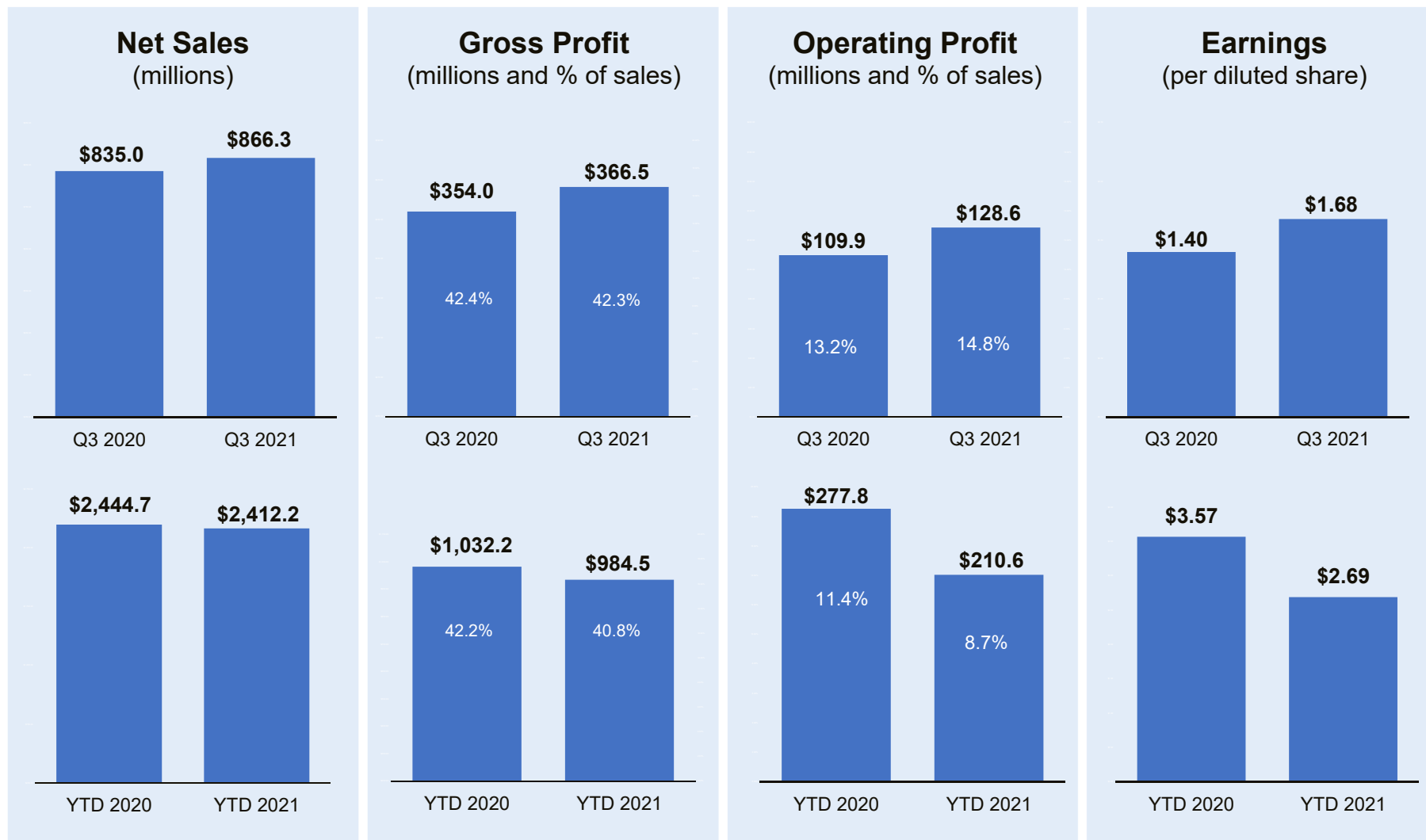
# Fiscal 2020 Adjusted Results\*



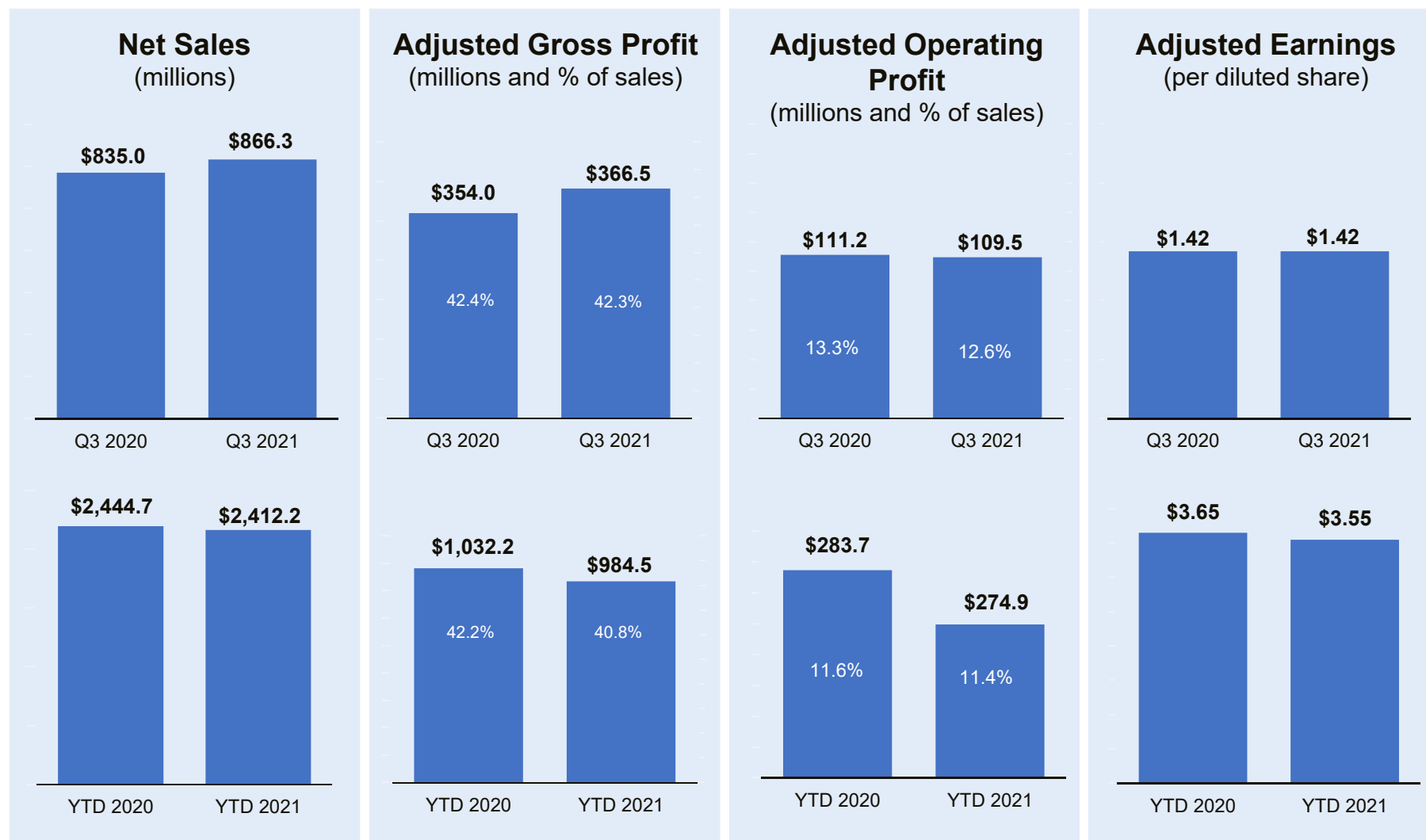
- See appendix for non-GAAP reconciliations.
- Individual amounts may not agree to the total due to rounding



# Fiscal Third Quarter and YTD 2021 Reported Results



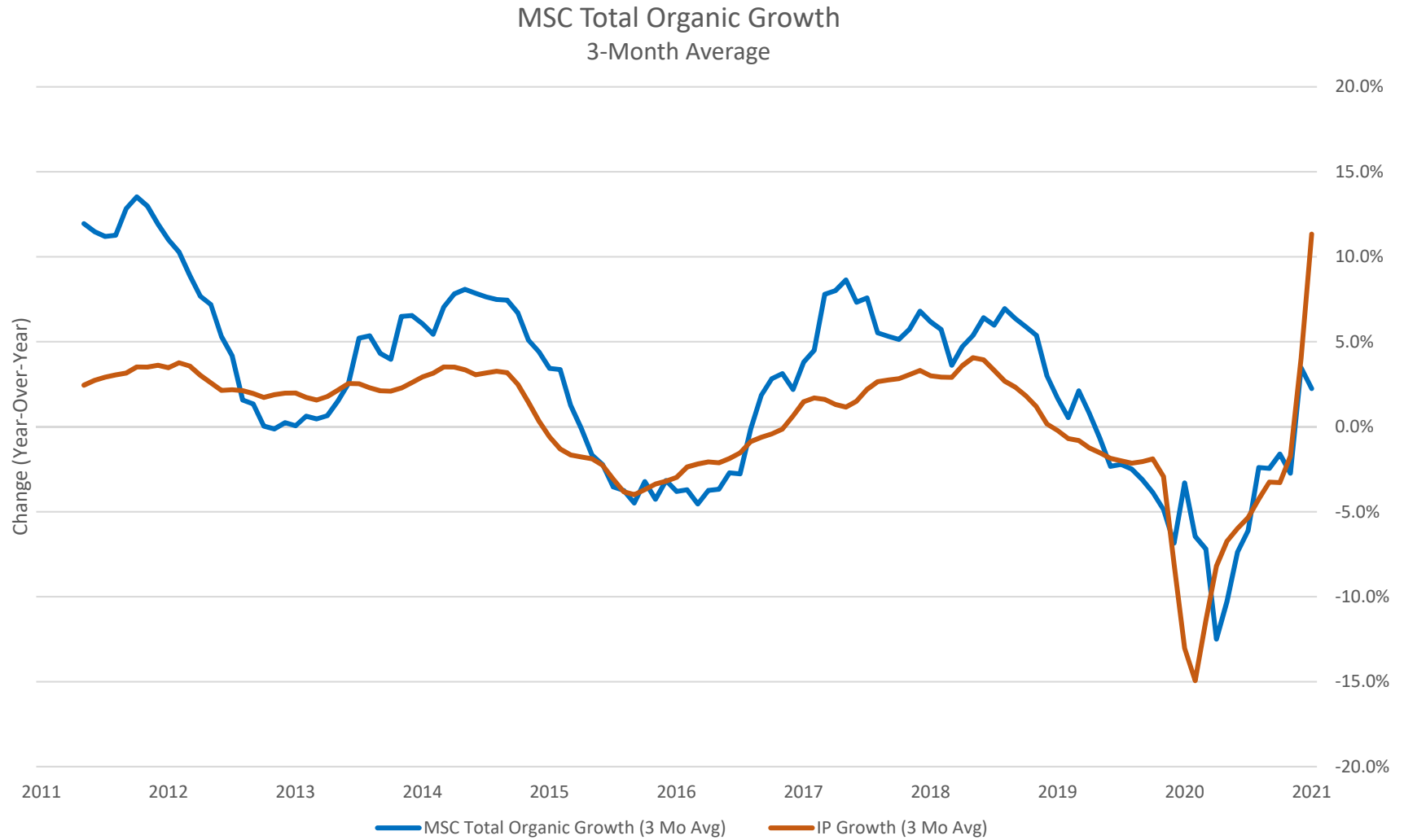
# Fiscal Third Quarter and YTD 2021 Adjusted Results\*






\* Represents a non-GAAP financial measure. See appendix for non-GAAP reconciliations. Individual amounts may not agree to the total due to rounding.






# Industrial Production Index (IP)



## Fiscal 2021 Framework\*

Revenue Growth (YoY)	Operating Margin Range (%)
 <b>Low single digits</b>	<b>10.2%- 10.6%</b>
 <b>Flat</b>	<b>9.9%- 10.3%</b>
 <b>Low single digits</b>	<b>9.6%- 10.0%</b>

## Fiscal 2021 Framework – Adjusted\*

Revenue Growth (YoY)	Adjusted Operating Margin Range (%)
 <b>Low single digits</b>	<b>11.5% - 11.9%</b>
 <b>Flat</b>	<b>11.2% - 11.6%</b>
 <b>Low single digits</b>	<b>11.0% - 11.4%</b>

\* Excludes approximately \$30 million of restructuring and other charges, \$30.1 million in PPE-related inventory write-downs, \$26.7 million in an asset impairment, partially offset by \$20.8 million in loss recovery



# Reconciliations

## Non-GAAP Financial Measures

- ***Free Cash Flow (“FCF”)***

FCF is a non-GAAP financial measure. FCF is used in addition to and in conjunction with results presented in accordance with accounting principles generally accepted in the United States (“GAAP”), and FCF should not be relied upon to the exclusion of GAAP financial measures. Management strongly encourages investors to review our financial statements and publicly-filed reports in their entirety and to not rely on any single financial measure. FCF, which we reconcile to “Net cash provided by operating activities,” is cash flow from operations reduced by “Expenditures for property, plant and equipment”. We believe that FCF, although similar to cash flow from operations, is a useful additional measure since capital expenditures are a necessary component of ongoing operations. Management also views FCF, as a measure of the Company’s ability to reduce debt, add to cash balances, pay dividends, and repurchase stock. FCF has limitations due to the fact that it does not represent the residual cash flow available for discretionary expenditures. For example, FCF does not incorporate payments made on finance lease obligations or required debt service payments. In addition, different companies define FCF differently. Therefore, we believe it is important to view FCF as a complement to our entire consolidated statements of cash flows. A reconciliation of cash provided by operating activities to FCF for the thirteen and thirty-nine-week periods ended May 29, 2021 and May 30, 2020, respectively is shown below.

- ***Return on Invested Capital (“ROIC”)***

ROIC is calculated using a non-GAAP financial measure. We calculate ROIC by dividing non-GAAP net operating profit after tax (“NOPAT”) by average invested capital, a GAAP measure. NOPAT is defined as tax effected income from operations. Average invested capital is defined as net debt plus shareholder’s equity using a trailing 13-month average. We believe that ROIC is useful to investors as a measure of performance and of the effectiveness of the use of capital in our operations. We use ROIC as one measure to monitor and evaluate operating performance. This method of determining non-GAAP ROIC may differ from other companies' methods and therefore may not be comparable to those used by other companies. ROIC should be considered in addition to, rather than as a substitute for, other information provided in accordance with GAAP. The financial measure calculated under GAAP which is most directly comparable to ROIC is considered to be the ratio of Net income to Average invested capital. See below for the calculation of ROIC and the reconciliation to the comparable GAAP measure.

# Reconciliations

- ***Results Excluding Impairment Loss (Loss Recovery), Restructuring Costs, Inventory Write-downs, and Other Charges***

To supplement MSC Industrial's unaudited selected financial data presented consistent with accounting principles generally accepted in the United States ("GAAP"), the Company discloses certain non-GAAP financial measures, including non-GAAP gross profit, non-GAAP operating expenses, non-GAAP income from operations, non-GAAP operating margin, non-GAAP provision for income taxes, non-GAAP net income and non-GAAP diluted earnings per share, that exclude impairment losses (loss recovery), restructuring costs, inventory write-downs related to certain PPE inventory, and other related costs and tax effects.

These non-GAAP financial measures are not presented in accordance with GAAP or an alternative for GAAP financial measures and may be different from similar non-GAAP financial measures used by other companies. The presentation of this additional information is not meant to be considered in isolation or as a substitute for the most directly comparable GAAP financial measures and should only be used to evaluate MSC Industrial's results of operations in conjunction with the corresponding GAAP financial measures.

In calculating non-GAAP financial measures, we exclude impairment losses (loss recovery), restructuring costs, inventory write-downs related to certain PPE inventory, and other related costs and tax effects. Management makes these adjustments to facilitate a review of the Company's operating performance on a comparable basis between periods, for comparison with forecasts and strategic plans, for identifying and analyzing trends in the Company's underlying business and for benchmarking performance externally against competitors. We believe that investors benefit from seeing results from the perspective of management in addition to seeing results presented in accordance with GAAP for the same reasons and purposes for which management uses such non-GAAP financial measures.

# Reconciliations

MSC INDUSTRIAL DIRECT CO., INC.  
 Reconciliation of GAAP and Non-GAAP Information  
 Thirteen and Thirty-Nine Weeks Ended May 29, 2021 and May 30, 2020  
 (dollars in thousands)

GAAP Measure		Items Affecting Comparability		Non-GAAP Measure	
Net cash provided by operating activities Thirteen Weeks Ended		Expenditures for property, plant and equipment Thirteen Weeks Ended		Free cash flow Thirteen Weeks Ended	
May 29, 2021	May 30, 2020	May 29, 2021	May 30, 2020	May 29, 2021	May 30, 2020
\$ 20,426	\$ 59,126	\$ (17,644)	\$ (10,183)	\$ 2,782	\$ 48,943

GAAP Measure		Items Affecting Comparability		Non-GAAP Measure	
Net cash provided by operating activities Thirty-Nine Weeks Ended		Expenditures for property, plant and equipment Thirty-Nine Weeks Ended		Free cash flow Thirty-Nine Weeks Ended	
May 29, 2021	May 30, 2020	May 29, 2021	May 30, 2020	May 29, 2021	May 30, 2020
\$ 139,360	\$ 214,941	\$ (37,598)	\$ (35,920)	\$ 101,762	\$ 179,021

# Reconciliations

MSC INDUSTRIAL DIRECT CO., INC.  
 Reconciliation of GAAP and Non-GAAP Financial Information  
 Thirteen Weeks Ended May 29, 2021  
 (dollars in thousands, except percentages and per share data)

	GAAP Financial Measure				Items Affecting Comparability			Non-GAAP Financial Measure
	Total MSC Industrial	Impairment Loss (Loss Recovery)	Restructuring Costs	Legal Costs-impairment of prepaid for PPE	Adjusted Total MSC Industrial			
Net Sales	\$ 866,294	\$ -	\$ -	\$ -	\$ 866,294			
Cost of Goods Sold	499,823	-	-	-	499,823			
Gross Profit	366,471	-	-	-	366,471			
Gross Margin	42.3%	-	-	-	42.3%			
Operating Expenses	257,336	-	-	401	256,935			
Operating Exp as % of Sales	29.7%	-	-	0.0%	29.7%			
Impairment Loss (Loss Recovery)	(20,840)	(20,840)	-	-	-			
Restructuring Costs	1,349	-	1,349	-	-			
Income from Operations	128,626	20,840	(1,349)	(401)	109,536			
Operating Margin	14.8%	2.4%	-0.2%	0.0%	12.6%			
Total Other Expense	(2,550)	-	-	-	(2,550)			
Income before provision for income taxes	126,076	20,840	(1,349)	(401)	106,986			
Provision for income taxes	31,141	5,263	(341)	(100)	26,319			
Net income	94,935	15,577	(1,008)	(301)	80,667			
Net income attributable to noncontrolling interest	501	-	-	-	501			
Net income attributable to MSC Industrial	\$ 94,434	\$ 15,577	\$ (1,008)	\$ (301)	\$ 80,166			
Net income per common share:								
Diluted	\$ 1.68	\$ 0.28	\$ (0.02)	\$ (0.01)	\$ 1.42			



# Reconciliations

MSC INDUSTRIAL DIRECT CO., INC.  
 Reconciliation of GAAP and Non-GAAP Financial Information  
 Thirty-Nine Weeks Ended May 29, 2021  
 (dollars in thousands, except percentages and per share data)

	GAAP Financial Measure		Items Affecting Comparability			Non-GAAP Financial Measure	
	Total MSC Industrial	Inventory Write-down	Restructuring Costs	Impairment Loss	Legal Costs - impairment of prepaid for PPE	Adjusted Total MSC Industrial	
Net Sales	\$ 2,412,193	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,412,193
Cost of Goods Sold	1,427,653	30,091	-	-	-	-	1,397,562
Gross Profit	984,540	(30,091)	-	-	-	-	1,014,631
Gross Margin	40.8%	-1.2%	-	-	-	-	42.1%
Operating Expenses	741,156	-	-	-	1,421	739,735	
Operating Exp as % of Sales	30.7%	-	-	-	0.1%	30.7%	
Impairment Loss	5,886	-	-	5,886	-	-	-
Restructuring Costs	26,943	-	26,943	-	-	-	-
Income from Operations	210,555	(30,091)	(26,943)	(5,886)	(1,421)	274,896	
Operating Margin	8.7%	-1.2%	-1.1%	-0.2%	-0.1%	11.4%	
Total Other Expense	(8,856)	-	-	-	-	(8,856)	
Income before provision for income taxes	201,699	(30,091)	(26,943)	(5,886)	(1,421)	266,040	
Provision for income taxes	49,639	(7,392)	(6,620)	(1,446)	(349)	65,446	
Net income	152,060	(22,699)	(20,323)	(4,440)	(1,072)	200,594	
Net income attributable to noncontrolling interest	1,087	-	-	-	-	1,087	
Net income attributable to MSC Industrial	\$ 150,973	\$ (22,699)	\$ (20,323)	\$ (4,440)	\$ (1,072)	\$ 199,507	
Net income per common share:							
Diluted	\$ 2.69	\$ (0.40)	\$ (0.36)	\$ (0.08)	\$ (0.02)	\$ 3.55	



# Reconciliations

MSC INDUSTRIAL DIRECT CO., INC.  
Reconciliation of GAAP and Non-GAAP Financial Information  
Thirteen and Thirty-Nine Weeks Ended May 30, 2020  
(dollars in thousands, except percentages and per share data)

	GAAP Financial Measure		Items Affecting Comparability <sup>1</sup>		Non-GAAP Financial Measure	
	Total MSC Industrial		Restructuring Costs		MSC Industrial excluding Restructuring Costs	
	Thirteen Weeks Ended May 30, 2020	Thirty-Nine Weeks Ended	Thirteen Weeks Ended May 30, 2020	Thirty-Nine Weeks Ended	Thirteen Weeks Ended May 30, 2020	Thirty-Nine Weeks Ended
Net Sales	\$ 834,972	\$ 2,444,667	\$ -	\$ -	\$ 834,972	\$ 2,444,667
Cost of Goods Sold	481,010	1,412,457	-	-	481,010	1,412,457
Gross Profit	353,962	1,032,210	-	-	353,962	1,032,210
Gross Margin	42.4%	42.2%	-	-	42.4%	42.2%
Operating Expenses	242,751	748,519	-	-	242,751	748,519
Operating Exp as % of Sales	29.1%	30.6%	-	-	29.1%	30.6%
Restructuring Costs	1,359	5,871	1,359	5,871	-	-
Income from Operations	109,852	277,820	(1,359)	(5,871)	111,211	283,691
Operating Margin	13.2%	11.4%	-0.2%	-0.2%	13.3%	11.6%
Total Other Expense	(5,838)	(12,375)	-	-	(5,838)	(12,375)
Income before provision for income taxes	104,014	265,445	(1,359)	(5,871)	105,373	271,316
Provision for income taxes	25,900	66,323	(338)	(1,468)	26,238	67,791
Net income	78,114	199,122	(1,021)	(4,403)	79,135	203,525
Net income attributable to noncontrolling interest	411	501	-	-	411	501
Net income attributable to MSC Industrial	\$ 77,703	\$ 198,621	\$ (1,021)	\$ (4,403)	\$ 78,724	\$ 203,024
Net income per common share:						
Diluted	\$ 1.40	\$ 3.57	\$ (0.02)	\$ (0.08)	\$ 1.42	\$ 3.65

<sup>1</sup>The thirteen and thirty-nine weeks ended May 30, 2020 include only restructuring costs. Items of note excluded from the current period results, including inventory write-downs, an impairment loss (loss recovery) and associated legal costs, did not occur in the prior year periods.



# Reconciliations

MSC INDUSTRIAL DIRECT CO., INC.  
 Reconciliation of GAAP and Non-GAAP Information  
 As of August 29, 2020  
 (dollars in thousands, except percentages)

	Fiscal Year Ended
	August 29, 2020
(a) Net income attributable to MSC Industrial (twelve-month trailing)	\$ 251,117
<b>NOPAT</b>	
Income from Operations (twelve-month trailing)	350,740
Effective tax rate	24.7%
(b) Non-GAAP NOPAT	264,177
<b>Invested Capital</b>	
Total MSC Industrial shareholders' equity	\$ 1,314,945
Current portion of debt including obligations under finance leases	122,248
Long-term debt including obligations under finance leases	497,018
Total Debt	619,266
Cash and cash equivalents	125,211
Net debt	494,055
Invested capital	1,809,000
(c) Average invested capital (thirteen-month trailing average)	1,876,934
(a)/(c) Net income to Average invested capital	13.4%
(b)/(c) Non-GAAP ROIC	14.1%





***MSC***