

MSC INDUSTRIAL SUPPLY CO.

General Investor Presentation

Fiscal 2022

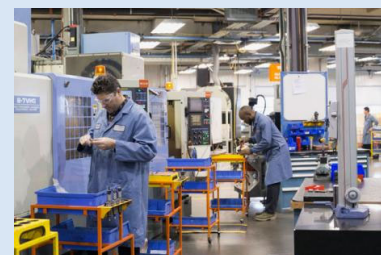
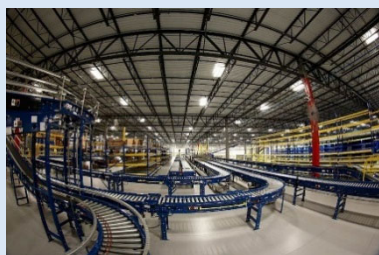
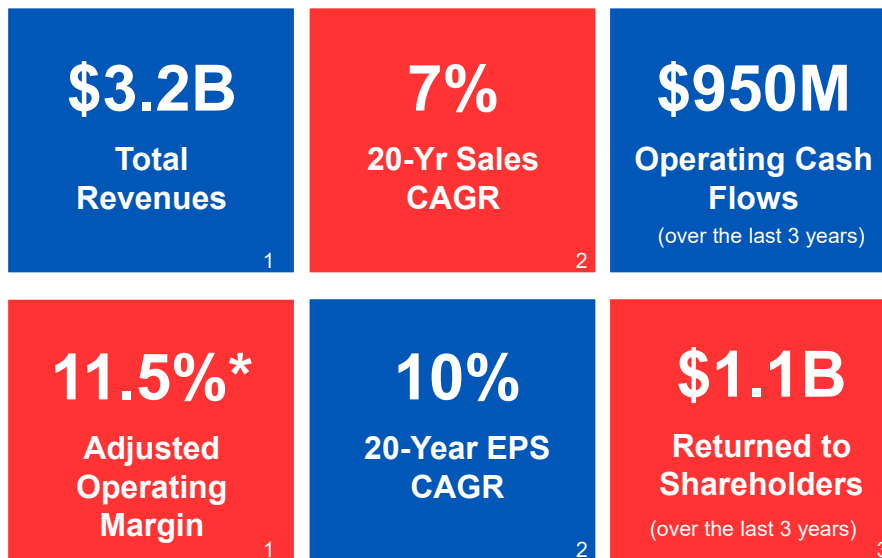
Cautionary Note Regarding Forward-Looking Statements

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 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 technology 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 contractors 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 which our other shareholders do not prefer. 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
- ✓ 6,500 associates
- ✓ 26 branches and 5 primary distribution centers
- ✓ Broad offering: 2 million SKUs from 3,000+ suppliers
- ✓ Value-add solutions: metalworking expertise, supply chain management, e-commerce, productivity improvement and training



¹Year Ended August 28, 2021
²20-Year CAGR calculated through August 28, 2021
³Over the last three fiscal years ended August 28, 2021
 * See appendix for non-GAAP reconciliations

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

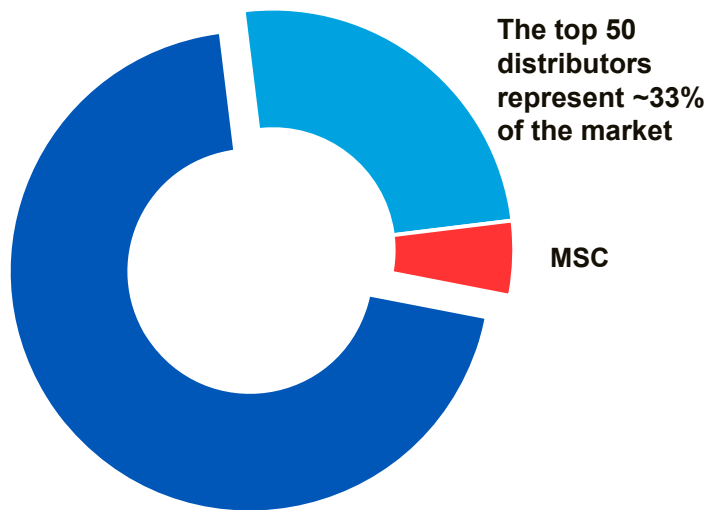


Capital allocation strategy based on an owner mindset and focused on long-term value creation for shareholders

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

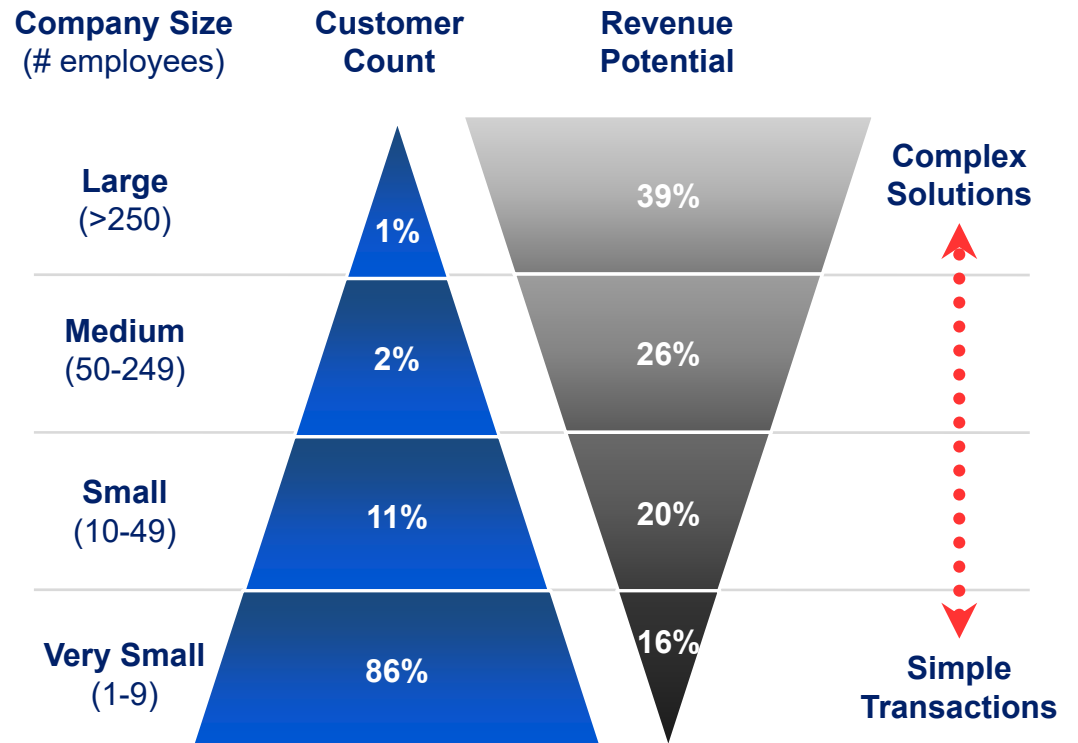
Total Addressable Market
(~\$215 Billion in Sales)



✓ ~\$215B of the MRO market in N. America directly addressable by MSC²

✓ Highly fragmented with ~145K distributors in the US¹

Industrial Distribution Customer Landscape



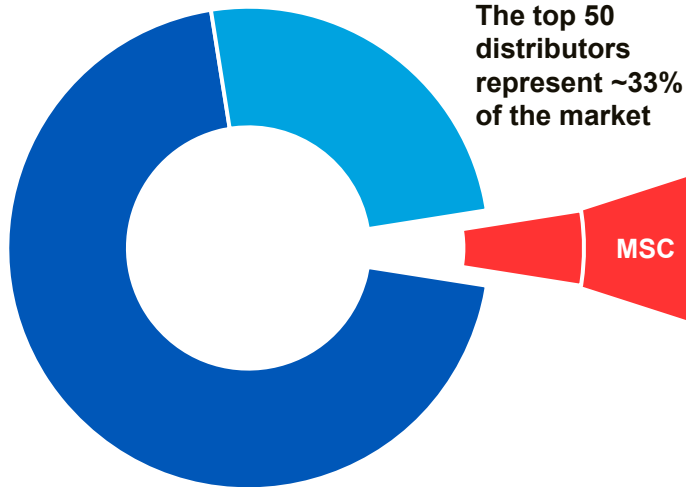
¹MDM Analytics (figures are approximate)

²Calculation performed by MSC (figures are approximate)

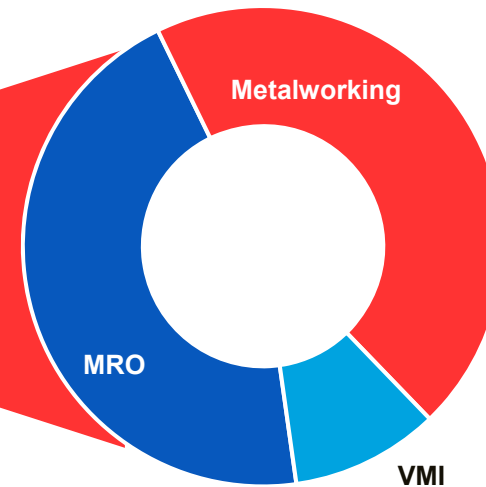
MSC's Position in the Market

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
(~\$215 Billion in Sales^{1,2})



MSC Fiscal Year 2021 Sales
(\$3.2 Billion)



- ✓ ~\$215B of the MRO market in N. America directly addressable by MSC^{1,2}
- ✓ Addressable market is comprised of approximately ~19.5M total potential customers²

- ✓ Within the approximately ~19.5M total potential customers, MSC can serve the ~750k metalworking customers²
- ✓ These ~750k customers make up a large amount of the overall spend in manufacturing²
- ✓ ~205K are larger customers, while ~545K are smaller customers²



¹MDM Analytics (figures are approximate)
²Calculation 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

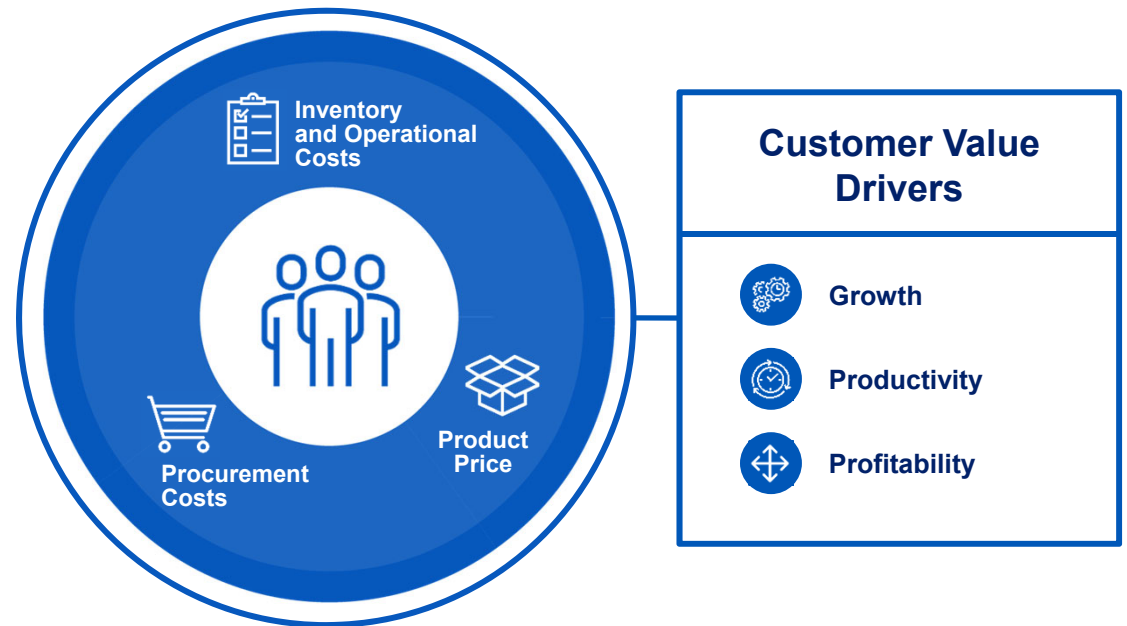
Industry Model

(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

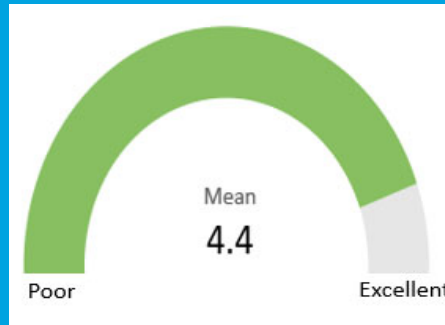


Focus on Customer Satisfaction

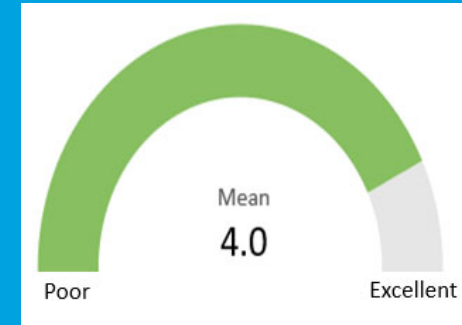


Build Trust and Loyalty

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	\$78,125	\$179,998.50



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
			Annual Cost Savings	\$4,443.60



Customer Value: True Stories. True Results.

Documentation program delivered

>\$350 million

in cost savings for

MSC customers in fiscal 2021



\$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

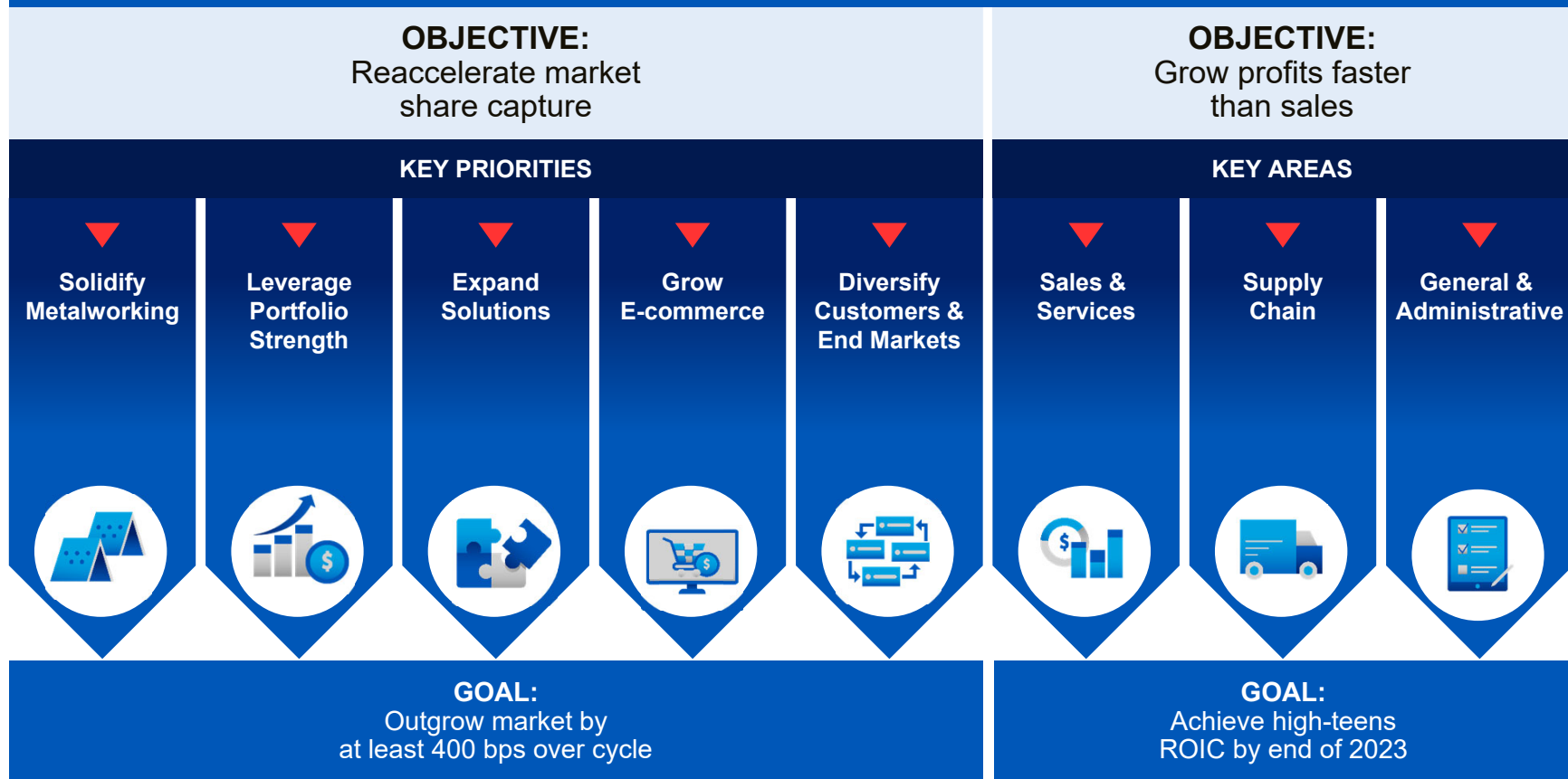
Global Truck Manufacturer

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 more than \$100M by FY23 vs. FY19



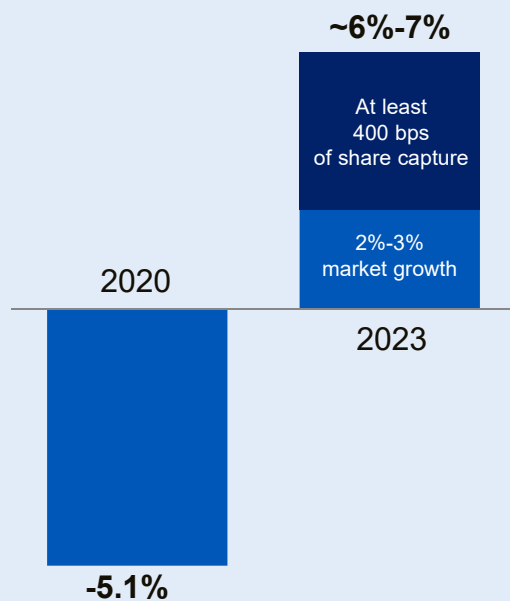
Fiscal Year 2023 Targets

Mission Critical Objectives

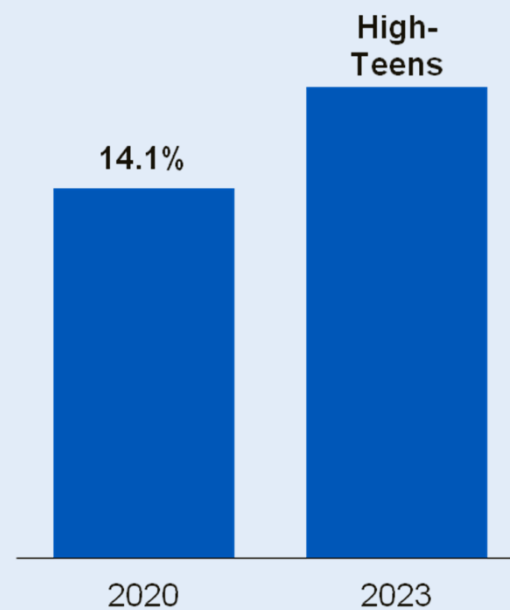
Reaccelerate market share capture

Grow profits faster than sales

Sales Growth



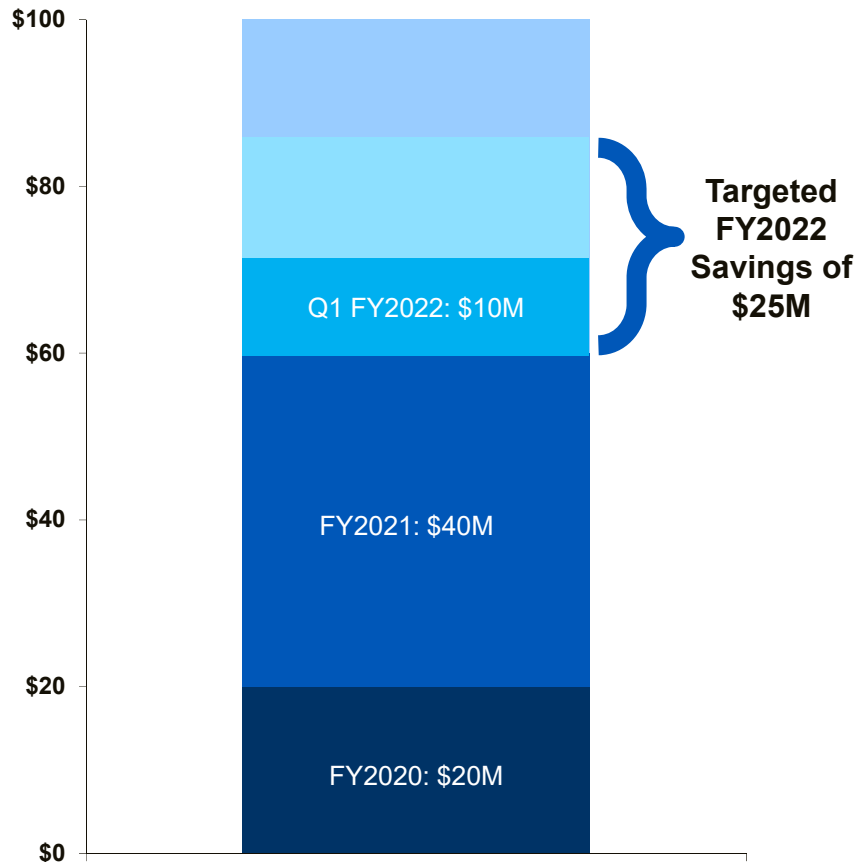
Return on Invested Capital (ROIC)*



* See appendix for non-GAAP reconciliations.

Mission Critical: Strong Progress on Cost Savings

**Total Gross Savings Target:
>\$100M
by end of FY23 versus FY19**

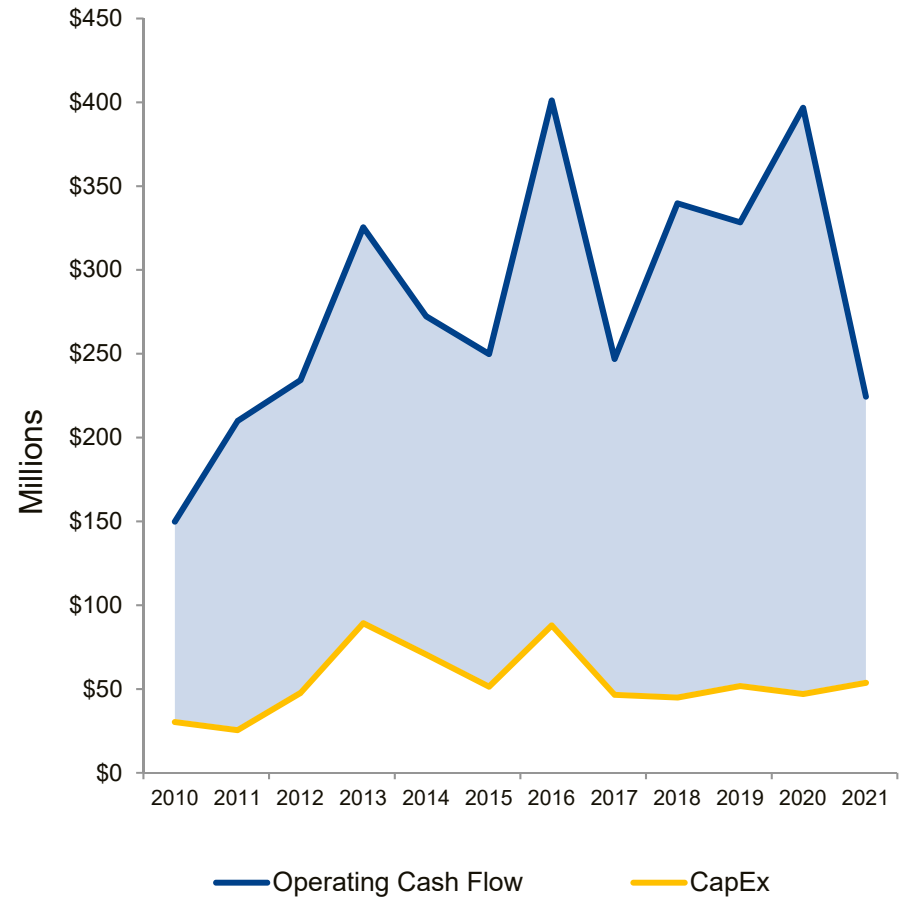
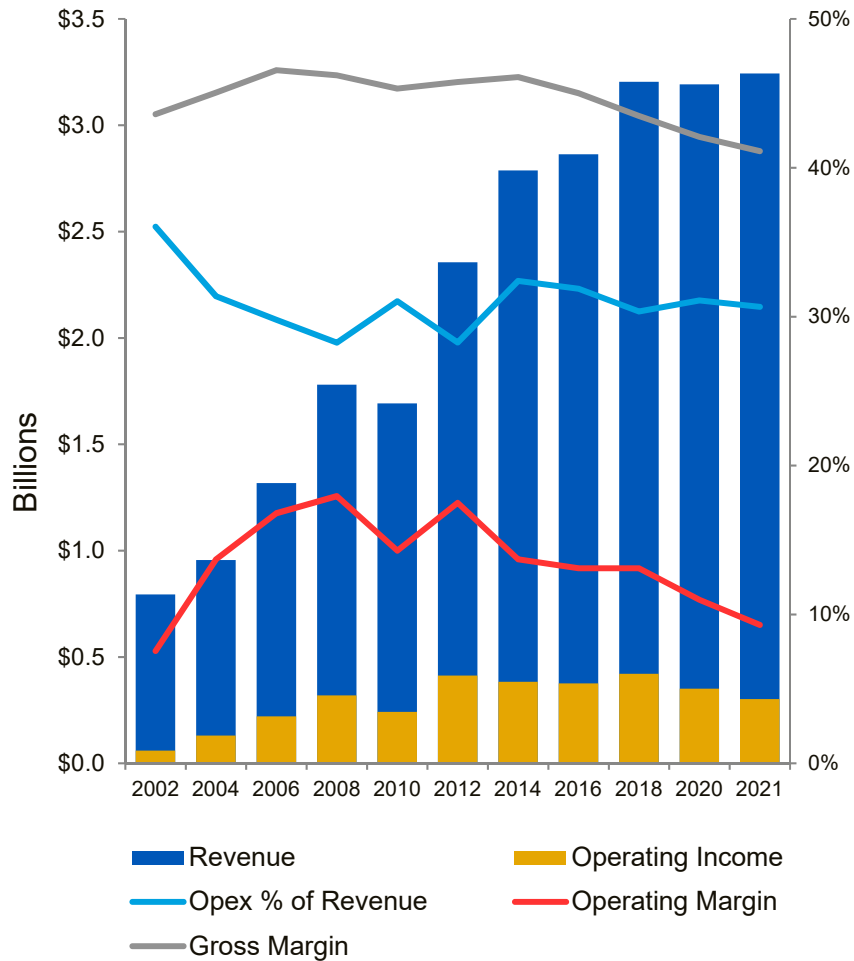


KEY AREAS

- Sales and service**
- Supply chain**
- General & Administrative**

- Established FY22 targets of \$25M in savings and \$15M in investments
- Solid progress of \$10M savings achieved in Q1 2022
- Targeting at least \$100M in total program savings by end of FY23 versus FY19
- Projected improvement in OpEx to Sales ratio of roughly 200 bps by end of FY23

Track Record of Growth and Resilience



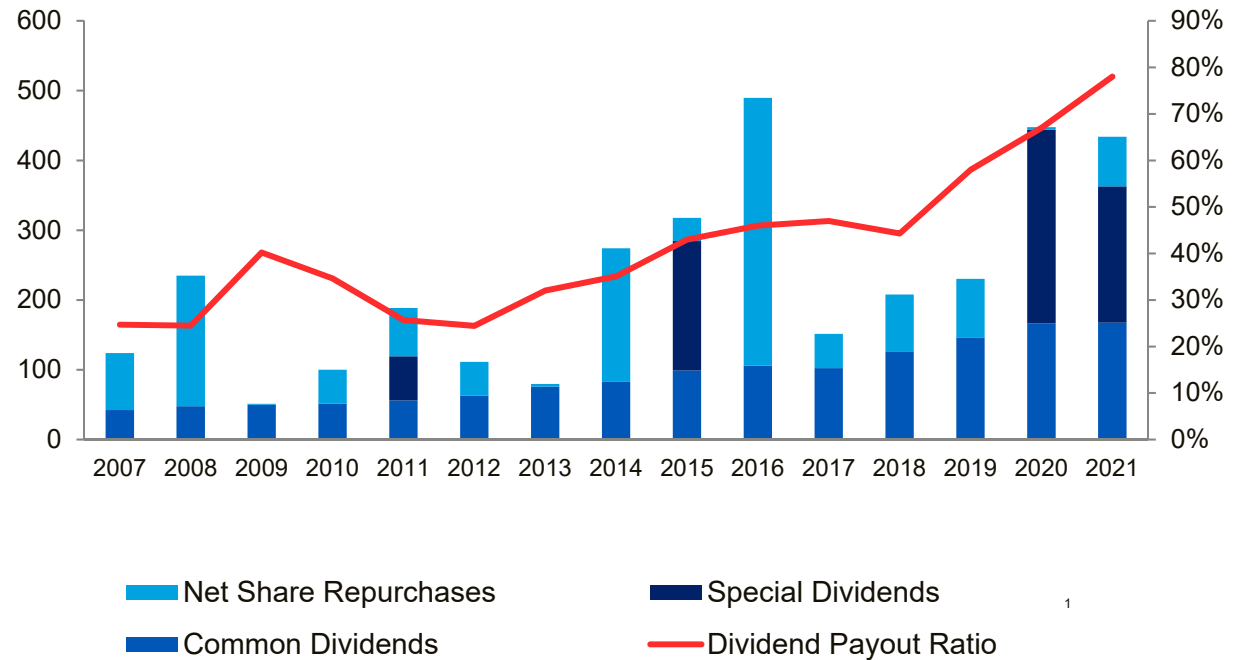
Capital Allocation Philosophy

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



¹Dividend 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



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



APPENDIX

Fiscal First Quarter 2022 Reported Results

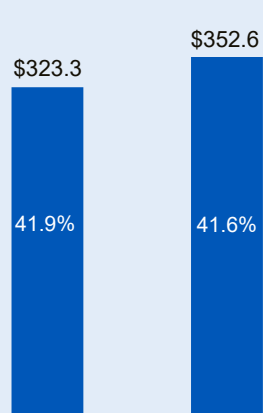
Net Sales (millions)



Q1 2021 Q1 2022

- Average Daily Sales (ADS) increased 9.9%, driven by Vending, In-Plants and MSCDirect.com sales
- Safety and janitorial product sales declined 12% YoY
- Sales for the rest of the business improved 15% YoY

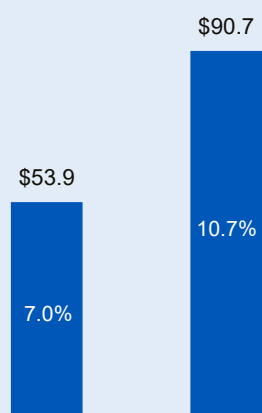
Gross Profit (millions and % of sales)



Q1 2021 Q1 2022

- 30 bps decline in gross profit margin reflects a positive price/cost spread that partially mitigated mix headwinds
- Countermeasures implemented to maintain full year goal of gross margin roughly flat with prior year

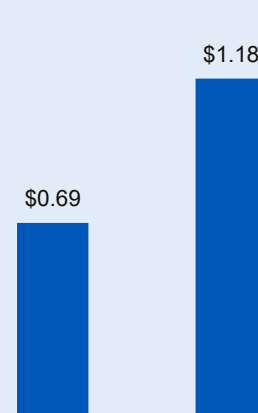
Operating Profit (millions and % of sales)



Q1 2021 Q1 2022

- Operating profit includes \$5.3 million of restructuring and other costs in Q1 2022
- Operating profit includes \$4.3 million of restructuring and other costs and \$26.7 million of impairment charges in the prior year
- Operating margin up 370 bps due to productivity initiatives & prior year impairment charge not repeating

Earnings (per diluted share)

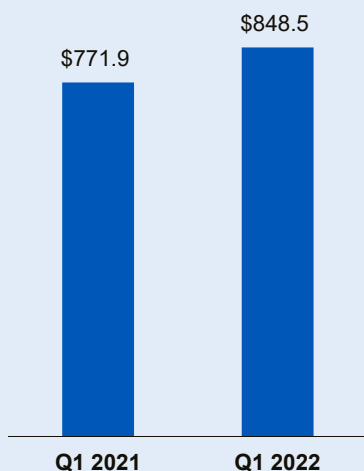


Q1 2021 Q1 2022

- Reflects effective tax rate of 24.3% in Q1 2021 and 23.5% in Q1 2022
- Q1 2022 EPS includes approximately \$0.07 impact from restructuring and other costs
- Q1 2021 EPS includes approximately \$0.36 impact of asset impairment charge and \$0.05 impact of restructuring & other costs

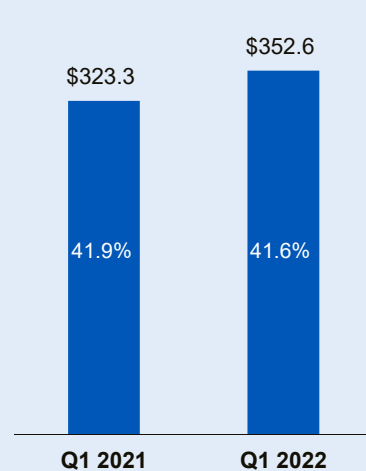
Fiscal First Quarter 2022 Adjusted Results*

Net Sales (millions)



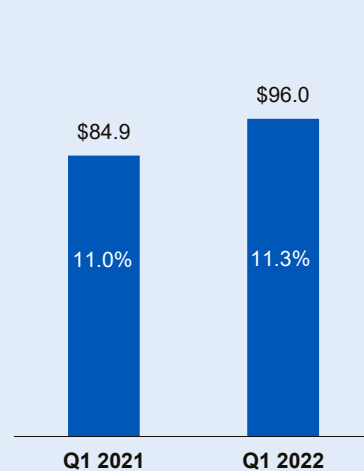
- Average Daily Sales (ADS) increased 9.9%, driven by Vending, In-Plants and MSCDirect.com sales
- Safety and janitorial product sales declined 12% YoY
- Sales for the rest of the business improved 15% YoY

Gross Profit (millions and % of sales)



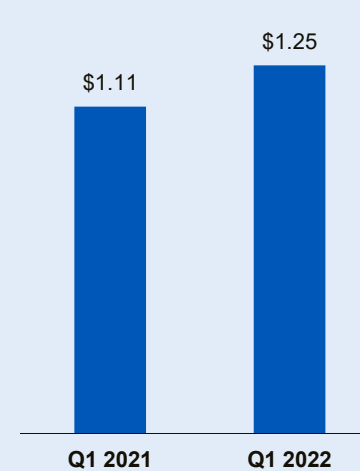
- 30 bps decline in gross profit margin reflects a positive price/cost spread that partially mitigated mix headwinds
- Countermeasures implemented to maintain full year goal of gross margin roughly flat with prior year

Adj. Operating Profit (millions and % of sales)



- Adjusted operating profit in Q1 2022 driven by higher sales and productivity initiatives. Excludes \$5.3 million in restructuring and other costs
- Adjusted operating profit in Q1 2021 excludes \$26.7 million in asset impairment charge and \$4.3 million in restructuring and other costs

Adj. Earnings (per diluted share)

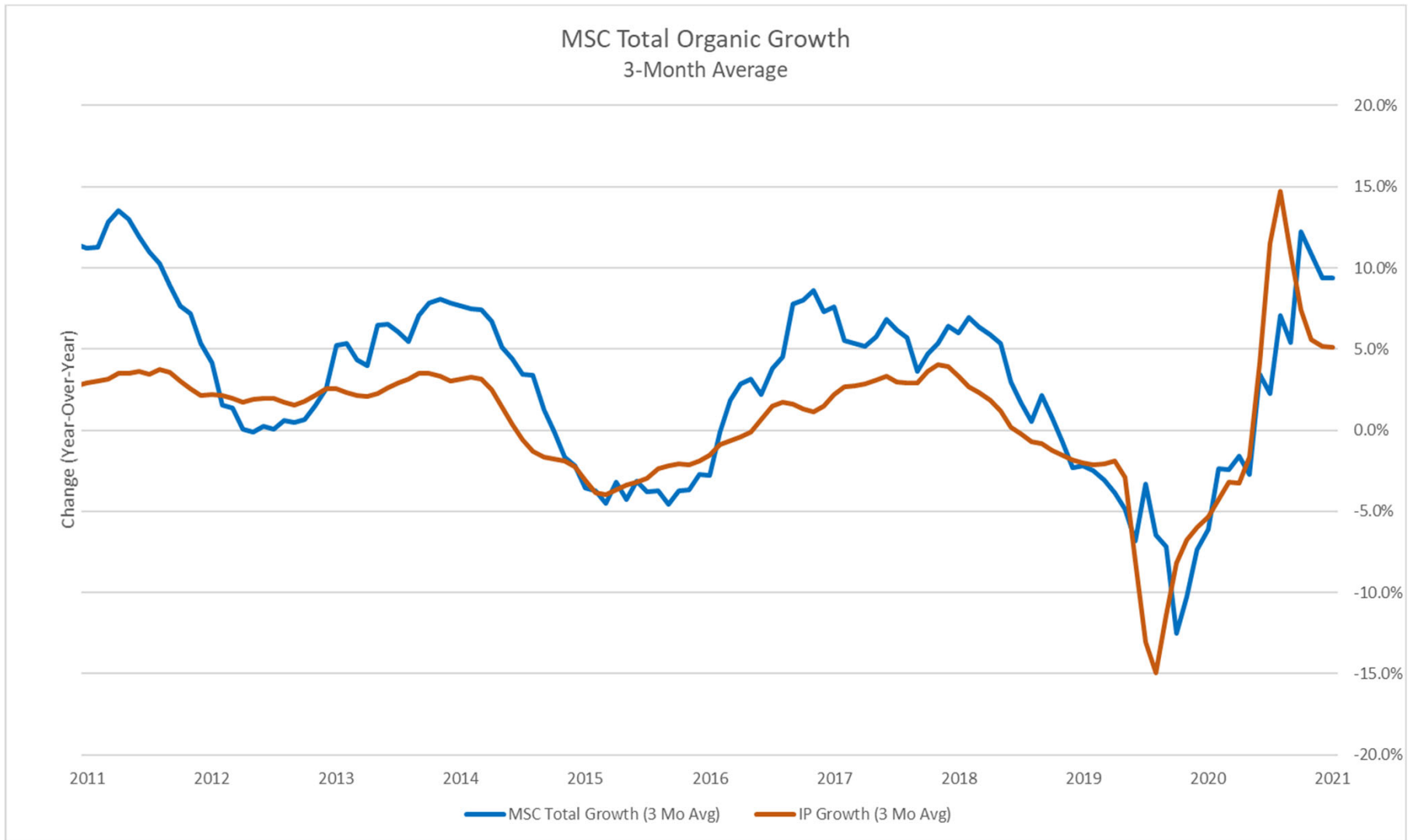


- Reflects adjusted effective tax rate of 24.3% in Q1 2021 and 23.6% in Q1 2022
- Q1 2022 adjusted EPS excludes \$0.07 impact from restructuring and other costs
- Q1 2021 adjusted EPS excludes \$0.36 impact of impairment charge and \$0.05 of restructuring & other costs

* 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 2022 Framework – Adjusted

ADS Growth (YoY) ¹	Adjusted Operating Margin Range ²
▲ High single digits	12.0%- 12.6%
▲ Mid-single digits	11.7%- 12.3%

¹Based on current IP forecasts.

²Excludes approximately \$5-\$10 million of restructuring and other related costs.

Reconciliations

Non-GAAP Financial Measures

To supplement MSC'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 free cash flow ("FCF"), 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 loss (loss recovery), restructuring costs, inventory write-downs relating to certain PPE inventory, legal and acquisition costs, 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's results of operations in conjunction with the corresponding GAAP financial measures.

- *Free Cash Flow*

FCF is a non-GAAP financial measure. FCF is used in addition to and in conjunction with results presented in accordance with 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 weeks ended November 27, 2021 and November 28, 2020 and for the fiscal quarters and years ending August 28, 2021 and August 29, 2020, respectively is shown below.

- *Results Excluding Impairment Loss (Loss Recovery), Restructuring Costs, Inventory Write-downs Relating to Certain PPE Inventory, Legal and Acquisition Costs, and Other Related Costs and Tax Effects*

In calculating non-GAAP financial measures, we exclude impairment loss (loss recovery), restructuring costs, inventory write-downs relating to certain PPE inventory, legal and acquisition costs, 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.

- *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

MSC INDUSTRIAL DIRECT CO., INC.
 Reconciliation of GAAP and Non-GAAP Financial Information
 Thirteen Weeks Ended November 27, 2021 and November 28, 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	
November 27, 2021	November 28, 2020	November 27, 2021	November 28, 2020	November 27, 2021	November 28, 2020
\$ 57,804	\$ 103,230	\$ (15,262)	(7,893)	\$ 42,542	\$ 95,337

Reconciliations

MSC INDUSTRIAL DIRECT CO., INC.
 Reconciliation of GAAP and Non-GAAP Financial Information
 Quarters and Years Ended August 28, 2021 and August 29, 2020
 (dollars in thousands)

GAAP Financial Measure		Items Affecting Comparability		Non-GAAP Financial Measure	
Net cash provided by operating activities		Expenditures for property, plant and equipment		Free cash flow	
Thirteen Weeks Ended		Thirteen Weeks Ended		Thirteen Weeks Ended	
August 28, 2021	August 29, 2020	August 28, 2021	August 29, 2020	August 28, 2021	August 29, 2020
\$ 85,102	\$ 181,798	\$ (16,148)	\$ (11,071)	\$ 68,954	\$ 170,727

GAAP Financial Measure		Items Affecting Comparability		Non-GAAP Financial Measure	
Net cash provided by operating activities		Expenditures for property, plant and equipment		Free cash flow	
Fiscal Year Ended		Fiscal Year Ended		Fiscal Year Ended	
August 28, 2021	August 29, 2020	August 28, 2021	August 29, 2020	August 28, 2021	August 29, 2020
\$ 224,462	\$ 396,739	\$ (53,746)	\$ (46,991)	\$ 170,716	\$ 349,748



Reconciliations

MSC INDUSTRIAL DIRECT CO., INC.
 Reconciliation of GAAP and Non-GAAP Financial Information
 Thirteen Weeks Ended November 27, 2021
 (In thousands, except percentages and per share data)

	GAAP Financial Measure		Items Affecting Comparability		Non-GAAP Financial Measure	
	Total MSC		Restructuring Costs		Adjusted Total MSC	
Net Sales	\$	848,547	\$	-	\$	848,547
Cost of Goods Sold		495,951		-		495,951
Gross Profit		352,596		-		352,596
Gross Margin		41.6%		-		41.6%
Operating Expenses		256,581		-		256,581
Operating Exp as % of Sales		30.2%		-		30.2%
Restructuring Costs		5,283		5,283		-
Income from Operations		90,732		(5,283)		96,015
Operating Margin		10.7%		-0.6%		11.3%
Total Other Expense		(4,122)		-		(4,122)
Income before provision for income taxes		86,610		(5,283)		91,893
Provision for income taxes		20,353		(1,334)		21,687
Net income		66,257		(3,949)		70,206
Net income attributable to noncontrolling interest		190		-		190
Net income attributable to MSC	\$	66,067	\$	(3,949)	\$	70,016
Net income per common share:						
Diluted	\$	1.18	\$	(0.07)	\$	1.25

*Individual amounts may not agree to the total due to rounding



Reconciliations

MSC INDUSTRIAL DIRECT CO., INC.
 Reconciliation of GAAP and Non-GAAP Financial Information
 Thirteen Weeks Ended November 28, 2020
 (In thousands, except percentages and per share data)

	GAAP Financial Measure		Items Affecting Comparability			Non-GAAP Financial Measure
	Total MSC	Restructuring Costs	Impairment Loss	Legal Costs ⁽¹⁾	Adjusted Total MSC	
Net Sales	\$ 771,904	\$ -	\$ -	\$ -	\$ 771,904	
Cost of Goods Sold	448,586	-	-	-	448,586	
Gross Profit	323,318	-	-	-	323,318	
Gross Margin	41.9%	-	-	-	41.9%	
Operating Expenses	238,705	-	-	293	238,412	
Operating Exp as % of Sales	30.9%	-	-	0.0%	30.9%	
Impairment Loss	26,726	-	26,726	-	-	
Restructuring Costs	3,979	3,979	-	-	-	
Income from Operations	53,908	(3,979)	(26,726)	(293)	84,906	
Operating Margin	7.0%	-0.5%	-3.5%	0.0%	11.0%	
Total Other Expense	(2,684)	-	-	-	(2,684)	
Income before provision for income taxes	51,224	(3,979)	(26,726)	(293)	82,222	
Provision for income taxes	12,447	(967)	(6,494)	(72)	19,980	
Net income	38,777	(3,012)	(20,232)	(221)	62,242	
Net income attributable to noncontrolling interest	323	-	-	-	323	
Net income attributable to MSC	\$ 38,454	\$ (3,012)	\$ (20,232)	\$ (221)	\$ 61,919	
Net income per common share:						
Diluted	\$ 0.69	\$ (0.05)	\$ (0.36)	\$ (0.00)	\$ 1.11	

⁽¹⁾ Legal costs incurred relate to the impairment of prepaid PPE during fiscal year 2021.

*Individual amounts may not agree to the total due to rounding



Reconciliations

MSC INDUSTRIAL DIRECT CO., INC.
Reconciliation of GAAP and Non-GAAP Financial Information
Thirteen Weeks Ended August 28, 2021
(dollars in thousands, except percentages and per share data)

	GAAP Financial Measure		Items Affecting Comparability		Non-GAAP Financial Measure
	Total MSC	Restructuring Costs	Legal and Acquisition Costs ⁽¹⁾	Adjusted Total MSC	
Net Sales	\$ 831,031	\$ -	\$ -	\$ 831,031	
Cost of Goods Sold	482,056	-	-	482,056	
Gross Profit	348,975	-	-	348,975	
Gross Margin	42.0%	-	-	42.0%	
Operating Expenses	253,312	-	1,199	252,113	
Operating Exp as % of Sales	30.5%	-	0.1%	30.3%	
Restructuring Costs	4,449	4,449	-	-	
Income from Operations	91,214	(4,449)	(1,199)	96,862	
Operating Margin	11.0%	-0.5%	-0.1%	11.7%	
Total Other Expense	(4,534)	-	-	(4,534)	
Income before provision for income taxes	86,680	(4,449)	(1,199)	92,328	
Provision for income taxes	20,803	(922)	(249)	21,974	
Net income	65,877	(3,527)	(950)	70,354	
Net income attributable to noncontrolling interest	(57)	-	-	(57)	
Net income attributable to MSC	\$ 65,934	\$ (3,527)	\$ (950)	\$ 70,411	
Net income per common share:					
Diluted	\$ 1.18	\$ (0.06)	\$ (0.02)	\$ 1.26	

⁽¹⁾ Legal and acquisition costs incurred during the fourth fiscal quarter includes \$180 related to the impairment of prepaid PPE and 1,019 related to the acquisitions of Wm. F. Hurst Co., LLC and the outsourcing and logistics business of TAC Insumos Industriales, S. de R.L. de C.V. and certain of its affiliates.

*Individual amounts may not agree to the total due to rounding



Reconciliations

MSC INDUSTRIAL DIRECT CO., INC.
 Reconciliation of GAAP and Non-GAAP Financial Information
 Year Ended August 28, 2021
 (dollars in thousands, except percentages and per share data)

	GAAP Financial Measure					Non-GAAP Financial Measure	
	Total MSC	Inventory Write-down	Items Affecting Comparability			Adjusted Total MSC	
			Restructuring Costs	Impairment Loss, net	Legal and Acquisition Costs ⁽¹⁾		
Net Sales	\$ 3,243,224	\$ -	\$ -	\$ -	\$ -	\$ 3,243,224	
Cost of Goods Sold	1,909,709	30,091	-	-	-	1,879,618	
Gross Profit	1,333,515	(30,091)	-	-	-	1,363,606	
Gross Margin	41.1%	-0.9%	-	-	-	42.0%	
Operating Expenses	994,468	-	-	-	2,620	991,848	
Operating Exp as % of Sales	30.7%	-	-	-	0.1%	30.6%	
Impairment Loss, net	5,886	-	-	5,886	-	-	
Restructuring Costs	31,392	-	31,392	-	-	-	
Income from Operations	301,769	(30,091)	(31,392)	(5,886)	(2,620)	371,758	
Operating Margin	9.3%	-0.9%	-1.0%	-0.2%	-0.1%	11.5%	
Total Other Expense	(13,390)	-	-	-	-	(13,390)	
Income before provision for income taxes	288,379	(30,091)	(31,392)	(5,886)	(2,620)	358,368	
Provision for income taxes	70,442	(7,309)	(7,625)	(1,430)	(636)	87,442	
Net income	217,937	(22,782)	(23,767)	(4,456)	(1,984)	270,926	
Net income attributable to noncontrolling interest	1,030	-	-	-	-	1,030	
Net income attributable to MSC	\$ 216,907	\$ (22,782)	\$ (23,767)	\$ (4,456)	\$ (1,984)	\$ 269,896	
Net income per common share:							
Diluted	\$ 3.87	\$ (0.41)	\$ (0.42)	\$ (0.08)	\$ (0.04)	\$ 4.81	

⁽¹⁾ Legal and acquisition costs incurred during fiscal year 2021 include \$1,601 related to the impairment of prepaid PPE and \$1,019 related to the acquisitions of Wm. F. Hurst Co., LLC and the outsourcing and logistics business of TAC Insumos Industriales, S. de R.L. de C.V. and certain of its affiliates.

*Individual amounts may not agree to the total due to rounding



Reconciliations

MSC INDUSTRIAL DIRECT CO., INC.
Reconciliation of GAAP and Non-GAAP Financial Information
Thirteen Weeks and Year Ended August 29, 2020
(dollars in thousands, except percentages and per share data)

	GAAP Financial Measure		Items Affecting Comparability		Non-GAAP Financial Measure	
	Total MSC		Restructuring Costs		Adjusted Total MSC	
	Thirteen	Year	Thirteen	Year	Thirteen	Year
	Weeks Ended	Ended	Weeks Ended	Ended	Weeks Ended	Ended
	August 29, 2020	August 29, 2020	August 29, 2020	August 29, 2020	August 29, 2020	August 29, 2020
Net Sales	\$ 747,732	\$ 3,192,399	\$ -	\$ -	\$ 747,732	\$ 3,192,399
ADS Growth %	(12.7)%	(5.1)%	-	-	(12.7)%	(5.1)%
Cost of Goods Sold	436,620	1,849,077	-	-	436,620	1,849,077
Gross Profit	311,112	1,343,322	-	-	311,112	1,343,322
Gross Margin	41.6%	42.1%	-	-	41.6%	42.1%
Operating Expenses	227,034	975,553	-	-	227,034	975,553
Operating Exp as % of Sales	30.4%	30.6%	-	-	30.4%	30.6%
Restructuring Costs	11,158	17,029 ⁽¹⁾	11,158	17,029 ⁽¹⁾	-	-
Income from Operations	72,920	350,740	(11,158)	(17,029)	84,078	367,769
Operating Margin	9.8%	11.0%	-1.5%	-0.5%	11.2%	11.5%
Total Other Expense	(4,115)	(16,490)	-	-	(4,115)	(16,490)
Income before provision for income taxes	68,805	334,250	(11,158)	(17,029)	79,963	351,279
Provision for income taxes	16,169	82,492	(2,622)	(4,206)	18,791	86,698
Net income	52,636	251,758	(8,536)	(12,823)	61,172	264,581
Net income attributable to noncontrolling interest	140	641	-	-	140	641
Net income attributable to MSC	\$ 52,496	\$ 251,117	\$ (8,536)	\$ (12,823)	\$ 61,032	\$ 263,940
Net income per common share:						
Diluted	\$ 0.94	\$ 4.51	\$ (0.15)	\$ (0.23)	\$ 1.09	\$ 4.74

⁽¹⁾ Restructuring costs were incurred in each fiscal quarter as follows: \$2,571 in fiscal Q1, \$1,941 in fiscal Q2, \$1,359 in fiscal Q3, and \$11,158 in fiscal Q4.
*Individual amounts may not agree to the total due to rounding



Reconciliations

MSC INDUSTRIAL DIRECT CO., INC.
Reconciliation of GAAP and Non-GAAP Financial Information
Years Ended August 28, 2021 and August 29, 2020
(dollars in thousands, except percentages)

	Fiscal Year Ended August 28, 2021	Fiscal Year Ended August 29, 2020
(a) Net income attributable to MSC Industrial	\$ 216,907	\$ 251,117
NOPAT		
Income from Operations (twelve-month trailing)	301,769	350,740
Effective tax rate	24.4%	24.7%
(b) Non-GAAP NOPAT	228,056	264,177
(c) Adjusted Non-GAAP NOPAT ⁽¹⁾	280,949	277,005
Invested Capital		
Total MSC Industrial shareholders' equity	\$ 1,150,871	\$ 1,314,945
Current portion of debt including obligations under finance leases	202,433	122,248
Long-term debt including obligations under finance leases	583,616	497,018
Total Debt	786,049	619,266
Cash and cash equivalents	40,536	125,211
Net debt	745,513	494,055
Invested capital	1,896,384	1,809,000
(d) Average invested capital (thirteen-month trailing average)	1,823,088	1,876,934
(e) Adjusted average invested capital (thirteen-month trailing average)	1,829,147	1,878,711
(a)/(d) Net income to Average invested capital	11.9%	13.4%
(b)/(d) Non-GAAP ROIC	12.5%	14.1%
(c)/(e) Adjusted Non-GAAP ROIC	15.4%	14.7%

⁽¹⁾ Adjusted Non-GAAP NOPAT excludes \$31.4 million of restructuring costs, \$30.1 million PPE-related impairment, a \$5.9 million impairment charge and \$2.6 million of other charges, net of an associated tax benefit of \$17.1 million.



MSC