

MSC INDUSTRIAL SUPPLY CO.

Baird Industrial Conference

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November 8, 2022

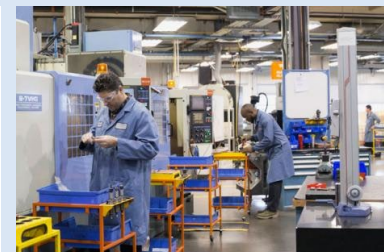
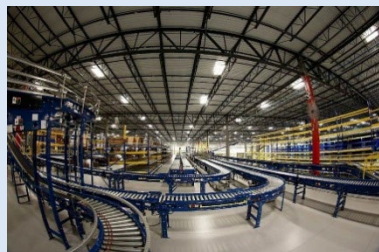
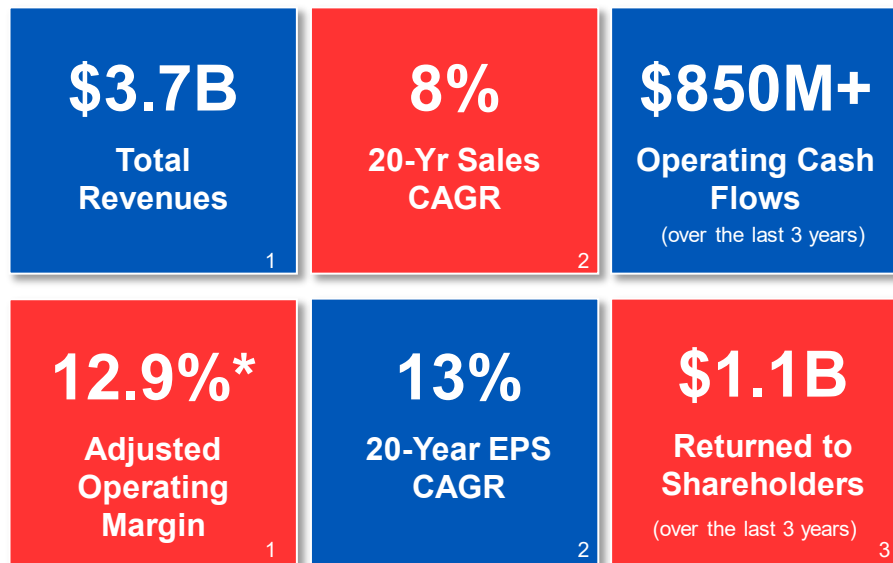
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Accordingly, future results may differ materially from historical results or from those discussed or implied by these forward-looking statements. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements. These risks and uncertainties include, but are not limited to, the following; general economic conditions in the markets in which we operate; changing customer and product mixes; volatility in commodity and energy prices, the impact of prolonged periods of low, high and rapid inflation, and fluctuations in interest rates; 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 potential impact of the COVID-19 pandemic on our sales, operations and supply chain; the retention of key personnel; the credit risk of our customers, including changes in credit risk as a result of the COVID-19 pandemic, higher inflation and fluctuations in interest rates; the risk of customer cancellation or rescheduling of orders; difficulties in calibrating customer demand for our products, such as 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 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 or global geopolitical conditions; changes to governmental trade or sanctions policies, including the impact from significant import restrictions or tariffs or moratoriums on economic activity with certain countries or regions; 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 or incur additional borrowings on terms we deem attractive; 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 the significant control that our principal shareholders exercise 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 United States 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
- ✓ ~7,500 associates
- ✓ 38 warehouses, 10 regional inventory centers and 6 distribution centers
- ✓ Broad offering: 2.1 million SKUs from 3,000+ suppliers
- ✓ Value-add solutions: metalworking expertise, supply chain management, e-commerce, productivity improvement and training



¹Year Ended September 3, 2022

²20-Year CAGR calculated through September 3, 2022

³Over the last three fiscal years ended September 3, 2022

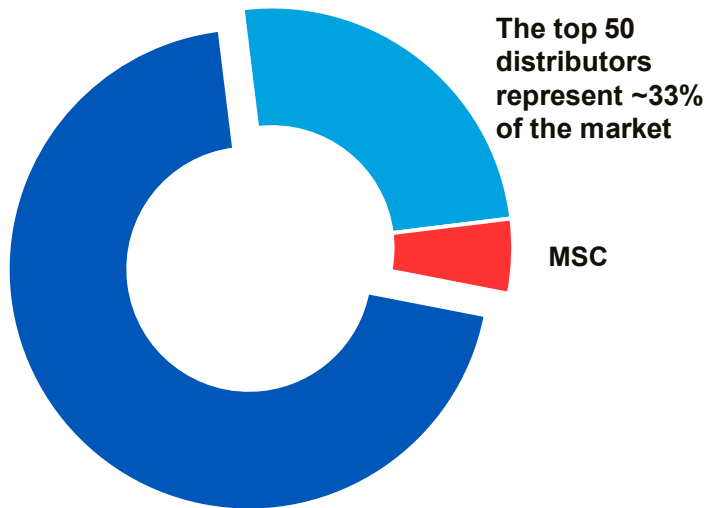
* See appendix for non-GAAP reconciliations

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

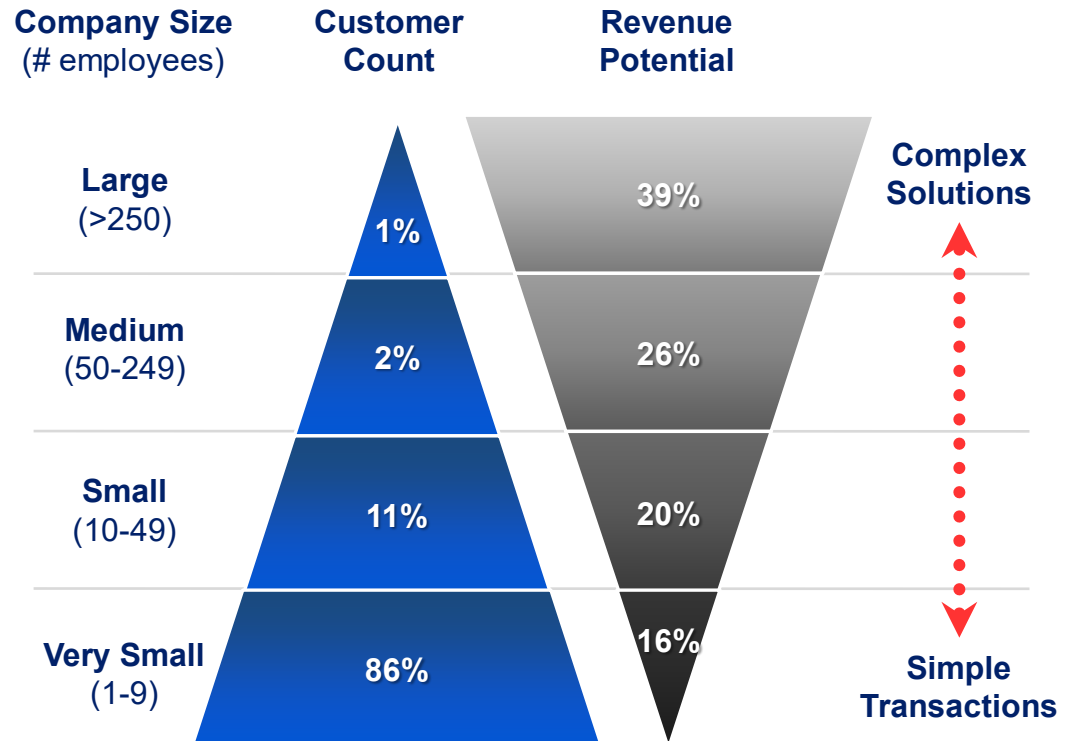
(~\$215 Billion in Sales)



✓ ~\$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)

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

OBJECTIVE:
Reaccelerate market
share capture

OBJECTIVE:
Grow profits faster
than sales

KEY PRIORITIES

KEY AREAS

▼
Solidify
Metalworking

▼
Leverage
Portfolio
Strength

▼
Expand
Solutions

▼
Grow
E-commerce

▼
Diversify
Customers &
End Markets

▼
Sales &
Services

▼
Supply
Chain

▼
General &
Administrative



GOAL:
Outgrow market by
at least 400 bps over cycle

GOAL:
Achieve high-teens
ROIC by end of 2023

Fiscal 2023 Outlook and Assumptions

ADS Growth (YoY)

5% – 9%

Adjusted Operating Margin¹

12.7% to 13.3%

Additional Items

- Gross margins down 40 to 70 bps YoY
- Depreciation & amortization expense of \$77-\$82M
- Interest expense of \$33-\$38M
- Operating cashflow conversion > 100%
- \$15M+ of additional Mission Critical savings

Fiscal 2023 Assumptions

- FY23 includes 6 less selling days vs. FY22
- Low end of ADS range assumes contracting industrial economy; higher end assumes a flat industrial economy
- Acquisitions expected to dilute gross margins by 30 to 40 bps
- Gross margins expected to remain close to FY23 Q1 levels throughout year
- Adjusted operating expense as a percentage of sales expected to improve throughout the year
- FY23 adjusted operating margin expected YoY headwind of ~40 bps split evenly between fewer selling days and acquisitions

¹Excludes approximately \$5-\$10 million of expected restructuring and other costs.

