MSC INDUSTRIAL SUPPLY CO.

INVESTOR PRESENTATION

FISCAL 2024

MSC

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 present or historical fact, that address activities, events or developments that MSC Industrial Direct Co., Inc. (“MSC”, ”MSC Industrial”, the “Company”, ”we”, ”us” or “our”) expect, believe or anticipate will or may occur in the future, including statements about 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. In addition, statements which refer to expectations, projections or other characterizations of future events or circumstances, statements involving a discussion of strategy, plans or intentions, statements about management’s assumptions, projections or predictions of future events or market outlook and any other statement other than a statement of present or historical fact are forward-looking statements. 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. In addition, new risks may emerge from time to time, and it is not possible for management to predict such risks or to assess the impact of such risks on our business or financial results. 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, energy and labor prices, and the impact of prolonged periods of low, high or rapid inflation; competition, including the adoption by competitors of aggressive pricing strategies or sales methods; industry consolidation and other changes in the industrial distribution sector; the applicability of laws and regulations relating to our status as a supplier to the U.S. government and public sector; the credit risk of our customers; our ability to accurately forecast customer demands, customer cancellations or rescheduling of orders; interruptions in our ability to make deliveries to customers; supply chain disruptions; our ability to attract and retain sales and customer service personnel; the risk of loss of key suppliers or contractors or key brands; changes to trade policies or trade relationships; risks associated with opening or expanding our customer fulfillment centers; our ability to estimate the cost of healthcare claims incurred under our self-insurance plan; interruption of operations at our headquarters or customer fulfillment centers; products liability due to the nature of the products that we sell; impairments of goodwill and other indefinite-lived intangible assets; the impact of climate change; operating and financial restrictions imposed by the terms of our material debt instruments; our ability to access additional liquidity; our ability to realize the desired benefits from the Reclassification (as defined below); the significant influence that our principal shareholders will continue to have over our decisions; our ability to execute on our E-commerce strategies and maintain our digital platforms; costs associated with maintaining our information technology (“IT”) systems and complying with data privacy laws; disruptions or breaches of our IT systems or violations of data privacy laws, including such disruptions or breaches in connection with our E-commerce channels; risks related to online payment methods and other online transactions; the retention of key management personnel; litigation risk due to the nature of our business; failure to comply with environmental, health, and safety laws and regulations; and our ability to comply with, and the costs associated with, social and environmental responsibility policies. 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
- ✓ >7,000 associates
- ✓ 42 warehouses, 9 regional inventory centers, 5 distribution centers and 5 manufacturing locations
- ✓ Broad offering: 2.4 million SKUs from 3,000+ suppliers
- ✓ Value-add solutions: metalworking expertise, supply chain management, e-commerce, productivity improvement and training

$3.8B Total Revenues[1]	**7%** 20-Yr Sales CAGR[2]	**$1,350M+** Operating Cash Flows (over the last 3 years)
10.7%* Adjusted Operating Margin[1]	**7%** 20-Year EPS CAGR[2]	**>$800M** Returned to Shareholders[3] (over the last 3 years)

[1]Year Ended August 31, 2024
[2]20-Year CAGR calculated through August 31, 2024
[3]Over the last three fiscal years ended August 31, 2024
*See appendix for non-GAAP reconciliations

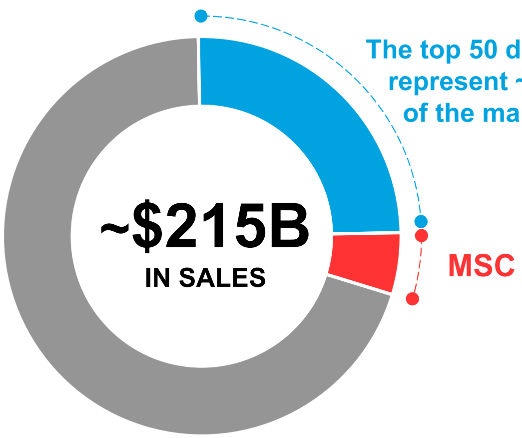
KEY MSC INVESTMENT HIGHLIGHTS

1. Leader in the highly fragmented North American industrial distribution market with significant opportunities for organic and acquisitive growth
2. Value-added solutions approach focuses on addressing customer total cost of ownership with highly technical expertise and broad portfolio of products and services
3. Industry-leading customer satisfaction ratings driven by customer-centric culture and obsession with delivering solutions that enable customer success
4. Growth and returns above original Mission Critical targets driven by successful execution
5. The next chapter of Mission Critical is expected to generate results across the business over the cycle and accelerate core customer growth
6. Eliminated dual class share structure in October 2023; completed repurchase of related share dilution

HIGHLY FRAGMENTED INDUSTRIAL DISTRIBUTION MARKET

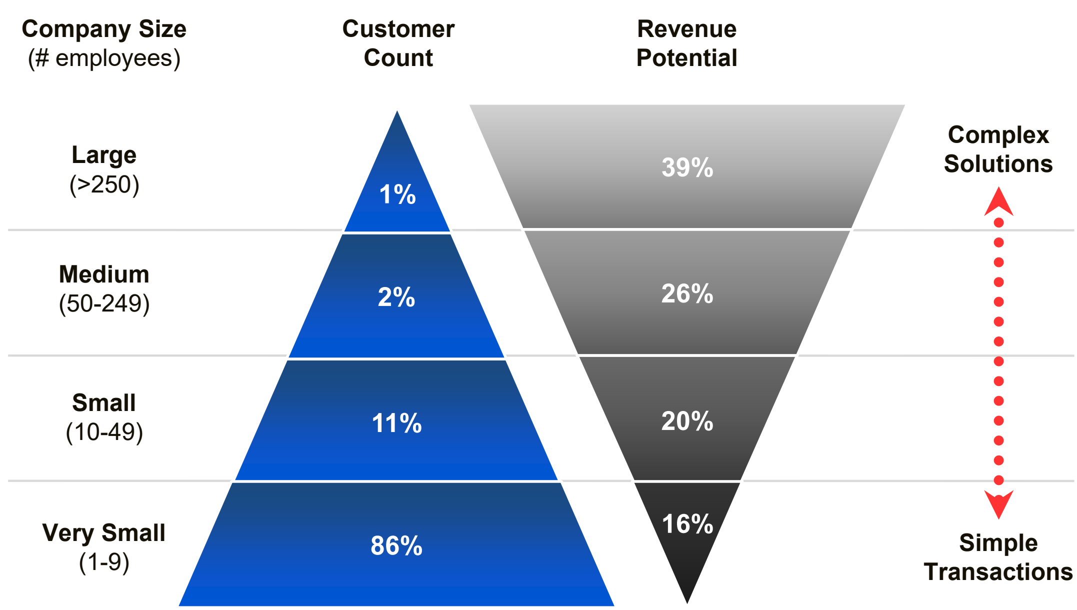
The North American industrial distribution market is very large and highly fragmented both across the addressable market and the customer landscape

Total Addressable Market



- ~$215B of the MRO market in N. America directly addressable by MSC[2]
- Highly fragmented with ~145K distributors in the US[1]

Industrial Distribution Customer Landscape



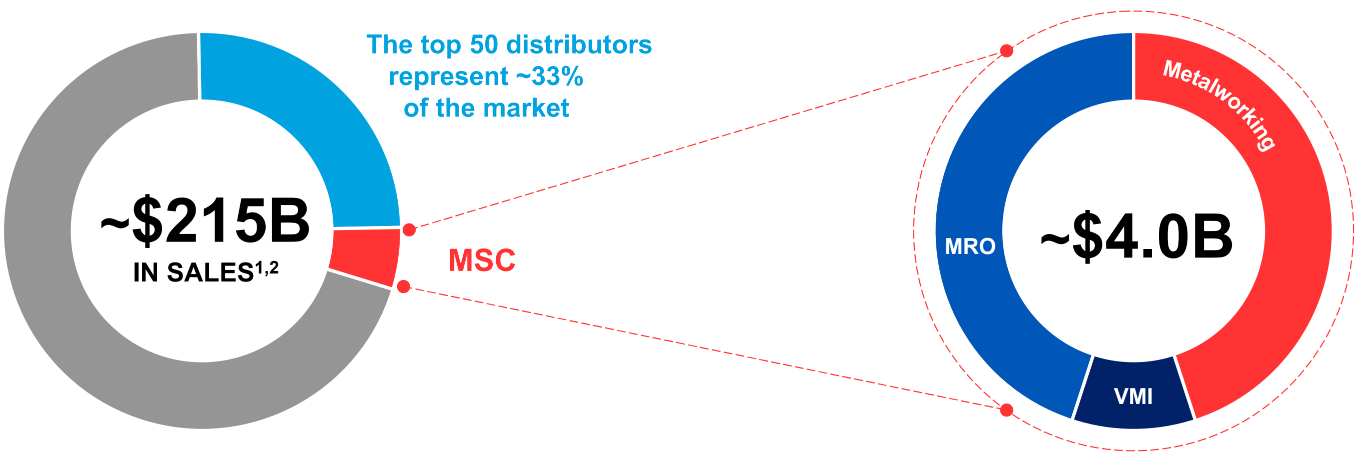
[1]MDM Analytics (figures are approximate)
[2]Calculation performed by MSC (figures are approximate)

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

MSC Fiscal Year 2023 Sales



- Within the approximately ~19.5M total potential customers, MSC can serve the ~750k metalworking customers[2]
- These ~750k customers make up a large amount of the overall spend in manufacturing[2]
- ~205K are larger customers, while ~545K are smaller customers[2]

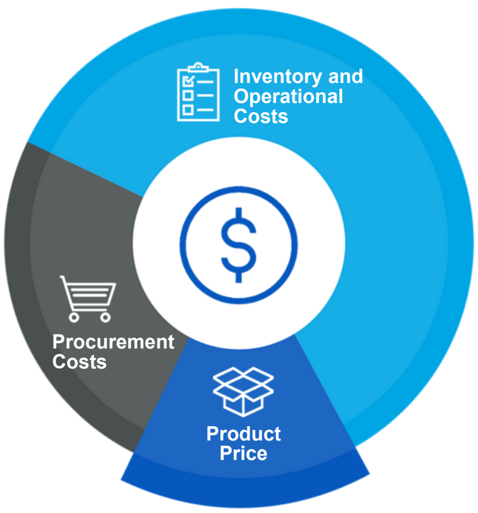
- ~$215B of the MRO market in N. America directly addressable by MSC[1,2]
- Addressable market is comprised of approximately ~19.5M total potential customers[2]

[1]MDM Analytics (figures are approximate)
[2]Calculation performed by MSC (figures are approximate for N. America)

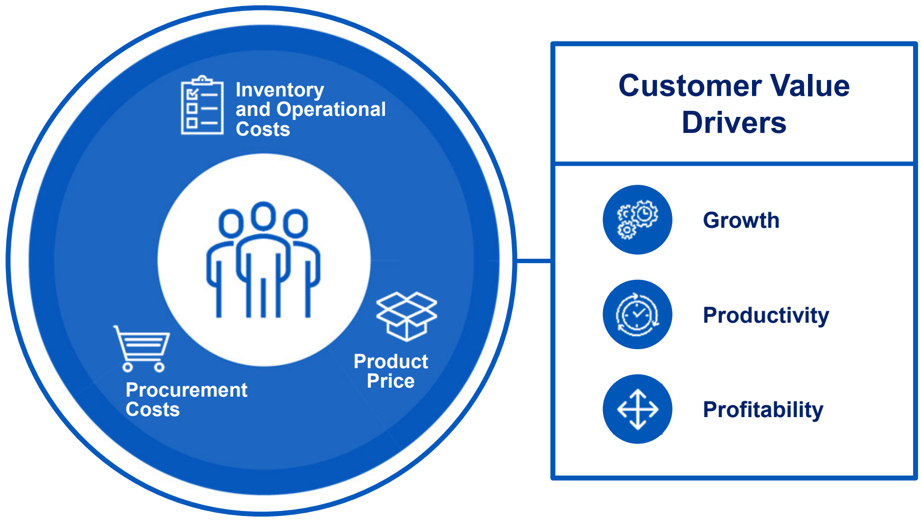
MSC'S DIFFERENTIATOR IN THE MARKET: BUILT TO MAKE YOU BETTER

MSC's value-added solutions approach focuses on addressing customer total cost of ownership with highly technical expertise across 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

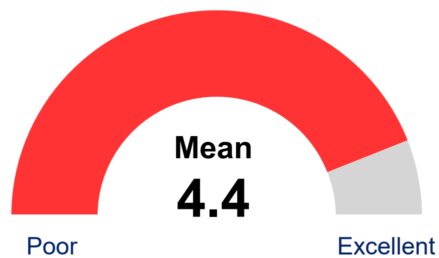
Obsession with delivering personalized and effortless customer experiences that enable success, measured directly from our customers

Customer Care Delivery

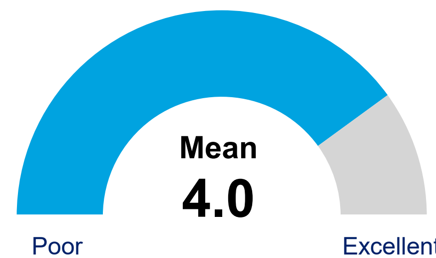
- High-Touch Customer Care
- Technical and Sourcing Experts
- Consistent Customer Service
- Creative Problem Solving
- Focus on Customer Satisfaction
- Build Trust and Loyalty

Customer Care Center Satisfaction Levels

MSC



Other Contact Center Average



CSAT Scale (1-5)				
1	2	3	4	5
Poor	Fair	Good	Very Good	Excellent

[1]ForeSee– Web Browse Measurement Feb. 28, 2021

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**

MSC CUSTOMER VALUE:
TRUE STORIES. TRUE RESULTS.

Documentation program delivered

~$500 million

in documented cost savings presented to:

MSC customers in Fiscal 2024

$2.7 million ▼

Annual Cost Savings

Paper Manufacturing
Large paper manufacturer realizes savings through MSC's broad across multiple US locations

> $310k ▲

Profit Improvement

Contract Machine Shop
A simple, 15-minute MSC MillMax® impact test in a milling operation improved profits while reducing cycle time from 98 seconds to 35 seconds

> $370k ▲

Total Profit Improvement

Aerospace Defense Contractor
Reduced cycle time from 7 minutes to 1 minute, creating improved profit and increased capacity of over 1,000 hours annually

$1.5 million ▼

Savings in Milling Process

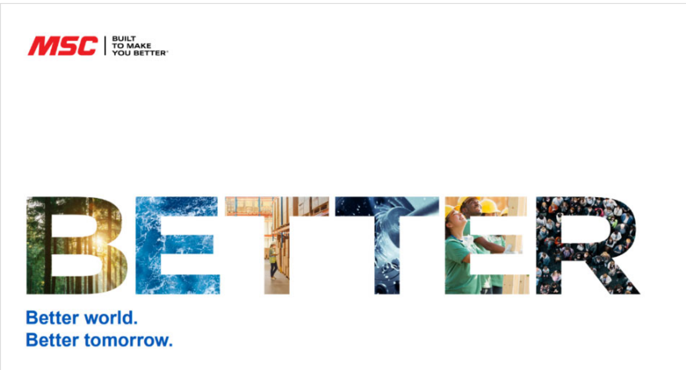
Firearms Manufacturer
Reduced milling cycle time from 8 minutes to less than 3 minutes, saving time and enabling greater throughput on existing machine base

$2.9 million ▼

Productivity Savings

Global Truck Manufacturer
One of North America's largest producers of heavy-duty trucks, engines and transmissions annual savings across all MSC solutions

FISCAL YEAR 2023 ESG REPORT HIGHLIGHTS



Awards & Recognition

MID-SIZE EARLY CAREER PROGRAMS 2023 Campus Forward AWARDS WINNER Recognized for Excellence in Early Career Hiring

TOP WORK PLACES 2023

The Charlotte Observer

Long Island Press

Dan's Papers

ESG Performance & Ratings

SUSTAINALYTICS 17.1

MSCI BB

BRONZE 2023 ecovadis Sustainability Rating

Striving For a BETTER World and BETTER Tomorrow

Environment	**>20K lbs** Carbide recycled since 2021 through regrind services	**1.5K tons** Of corrugate packaging recycled at MSC CFC's in FY'23	**80%** New recycling target across all major distribution centers
Sustainable Solutions	**32M kWh** Reduced through sustainable metalworking solutions	**20K+** Environmentally preferred products across MSC portfolio	**$1M+** Achieved in customer safety savings
Social & Governance	**430,000** Meals donated to food banks nationwide in FY'23	**90** Score on the 2023 Best Places to Work Disability Equality Index	**1,300+** Dedicated MSC members across 7 inclusion circles

THE NEXT CHAPTER OF MISSION CRITICAL IS EXPECTED TO GENERATE FAVORABLE RESULTS ACROSS THE BUSINESS OVER THE CYCLE

Extensive Digital Roadmap

Maintaining Momentum

- Win in Metalworking
- Expand Share of Wallet Across Existing Customer Base
- Maximize Impact of Large Account Programs
- Drive Innovative Solutions
- Further Penetrate Attractive End Markets

New Elements to Growth

- Reenergize Core Customers Through…
  - Improved E-commerce Experience
  - Enhance Pricing Model
  - Increased Personalization
- Execute on Cross-Selling Opportunities with a Focus on OEM Fasteners

Optimizing Cost to Serve

- Improve Network Performance and Productivity
- Portfolio Optimization and Product Line Review Execution
- Streamline Order-to-Cash and Procure-to-Pay Value Streams
- Strategic Working Capital Management

Performance Metrics Over the Cycle

At Least **400 bps** of Market Outgrowth

Incremental Margins* of **~20%**

Driving Achievable Long-Term Targets

Adjusted Operating Margin* in the **Mid-Teens**

Greater Than **20%** ROIC*

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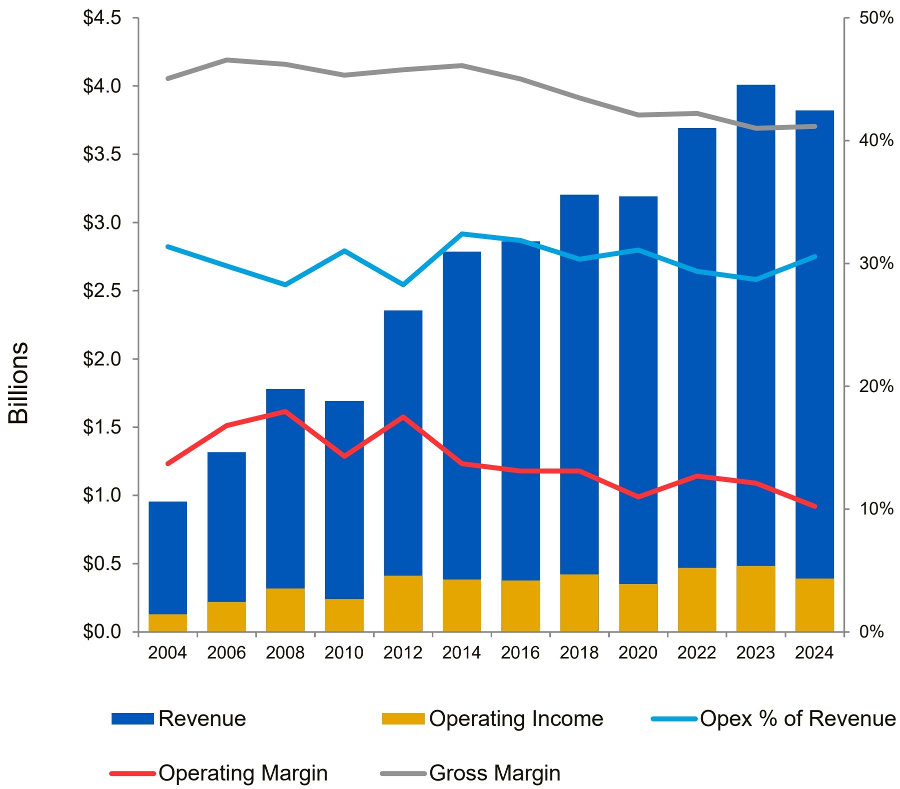
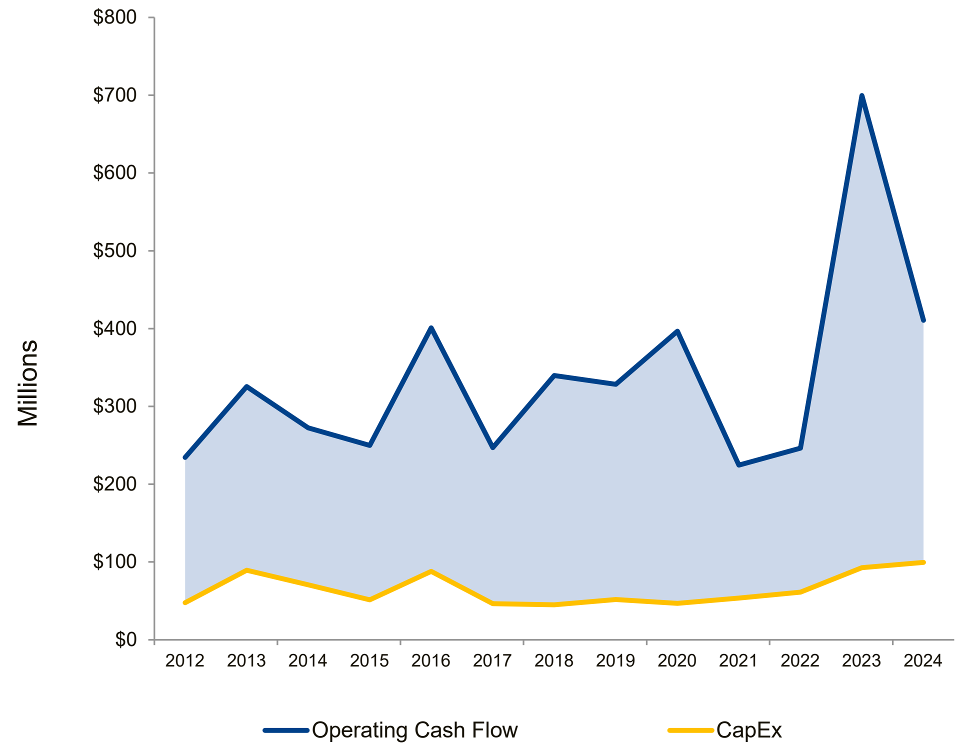
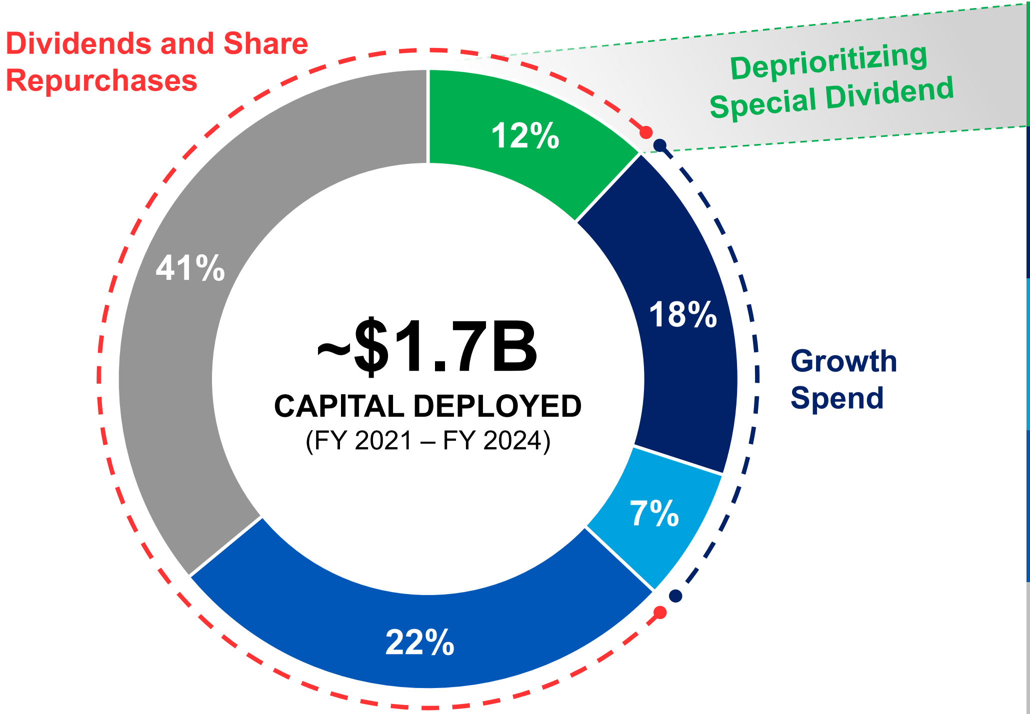
* Represents a non-GAAP financial measure. See appendix for non-GAAP reconciliations.

TRACK RECORD OF GROWTH AND RESILIENCE





CLEAR CAPITAL ALLOCATION PRIORITIES



Long-Term Priorities

Strategic Optionality	Significant capital allocation optionality after deprioritizing special dividends; potential uses include organic growth investments, strategic M&A, debt paydown, or further deployment to shareholders
Capex	Ongoing investment to strengthen operations, digital capabilities, and service offerings
M&A	Bolt-on acquisitions expected to continue with a focus on underserved regions, adjacent product categories, technologies, and high-growth end markets
Share Repurchases	Targeting to offset annual stock-based compensation dilution at a minimum
Ordinary Dividend	Targeting modest annual increases in the ordinary dividend

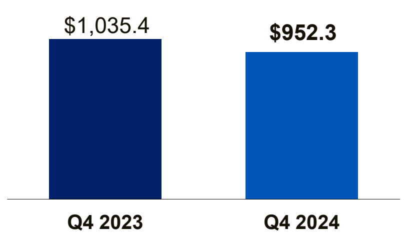
Disciplined focus on Return on Invested Capital* and value creation

* Represents a non-GAAP financial measure. See appendix for non-GAAP reconciliations

FISCAL FOURTH QUARTER 2024 UPDATES

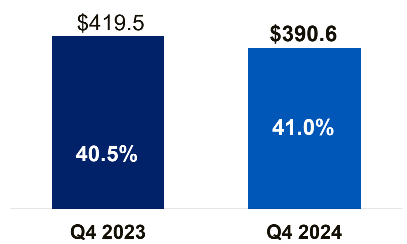
FISCAL FOURTH QUARTER 2024 REPORTED AND ADJUSTED RESULTS

Net Sales
(millions)



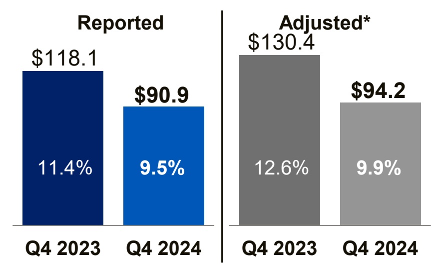
- ADS decline of 8.0% driven by a 300 bps headwind from non-repeating Public Sector orders in the prior year and lower volumes, partially offset by acquisition benefits
- National Accounts down 2%, Core and Other Customers down 7%, and Public Sector down 28% due to non-repeating orders in prior year
- In-Plant sales up 5%, representing 16% of sales
- Sales through vending machines flat YoY, representing 17% of sales

Gross Profit
(millions and % of sales)



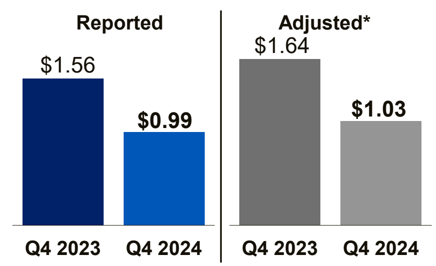
- Gross margin up 50 bps YoY
- YoY improvement was primarily driven by a 100 bps tailwind from non-repeating Public Sector orders in the prior year and benefits from gross margin countermeasures
- Partially offset by negative price/cost and impacts from acquisitions

Operating Profit
(millions and % of sales)



- Reported operating profit in Q4'24 includes $2.7 million of restructuring and other costs and $0.6 million of acquisition related costs
- Reported operating profit in Q4'23 includes $2.2 million in restructuring costs and $10.1 million in share reclassification costs
- Operating margin impacted by lower sales and higher operating expenses that were primarily investment related which was partially offset by productivity benefits

Earnings
(per diluted share)



- Q4'24 reported EPS includes $0.03 of restructuring and other costs and $0.01 of acquisition related costs
- Q4'23 reported EPS includes $0.03 from restructuring costs, $0.14 from share reclassification costs, and $0.09 from ERC tax benefit
- Higher interest and other expenses, which includes FX revaluation, represent an adjusted EPS headwind of $0.07

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

FISCAL FOURTH QUARTER 2024 BALANCE SHEET AND CASH FLOW

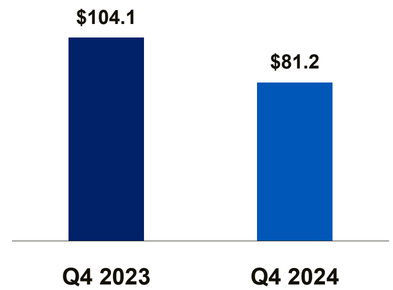
- Strong operating cash flow during the quarter primarily driven by working capital improvement resulting in 4Q'operating cash flow conversion of 199%**
- Free cash flow* was lower YoY due primarily to lower current year net income partially offset by working capital improvement
- Strong free cash flow* generation of 151% in 4Q’24 and 122% in the fiscal year**

- Net debt increased $74.9 million as a result of share repurchases in FY’24 to offset share reclassification dilution and strategic investments
- Maintaining a healthy balance sheet with net debt to EBITDA currently at 1.02x*,***
- Within net debt to EBITDA ratio target range of 1.0x to 2.0x*,***

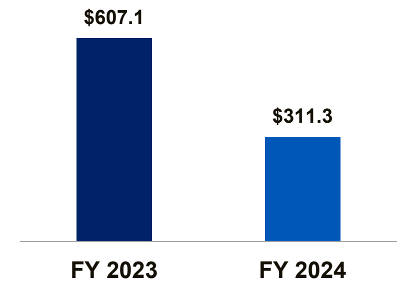
Free Cash Flow*

(millions)

Quarterly



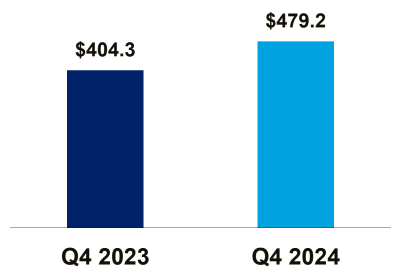
Year to Date



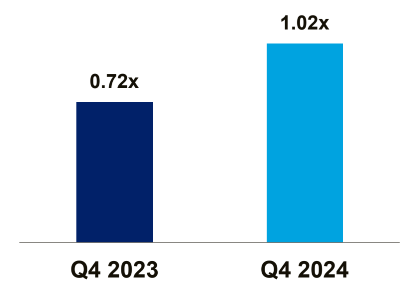
Net Debt and Financial Leverage

(millions, except ratio)

Net Debt



Net Debt to EBITDA*,***



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** The Company defines Operating Cash Flow Conversion as Net cash provided by operating activities as a percentage of Net income and Free Cash Flow Conversion as Net cash provided by operating activities less expenditures for property, plant and equipment as a percentage of Net income. The Company's management uses Operating Cash Flow Conversion and Free Cash Flow Conversion to evaluate the Company's operating performance, in particular how efficiently the Company turns its sales and profits into cash, and to assess the efficiency of the Company's use of working capital. The Company believes Operating Cash Flow Conversion and Free Cash Flow Conversion is useful to investors for the foregoing reasons and as a measure of the rate at which the Company converts its net income reported in accordance with GAAP to cash inflows, which helps investors assess whether the Company is generating sufficient cash flow to provide an adequate return

*** The Company defines net debt to EBITDA as Interest-bearing debt less cash and cash equivalents (net debt) divided by net income plus other expense, depreciation and amortization, and income tax expense (EBITDA) for the preceding 12 months. The Company's management uses net debt to EBITDA to evaluate the timeframe it would take to pay back its debt if net debt and EBITDA are held constant. The Company believes net debt to EBITDA is useful to investors for the foregoing reasons and as a measure of the rate at which the Company can cover its debts, which helps investors assess whether the Company has ability to grow its debt to support future growth initiatives.

IMPROVING EXECUTION AND LONG-TERM POSITION DESPITE MARKET SOFTNESS CONTINUING IN FISCAL 2025

Priority	Detail
Maintain Solutions Momentum	• 342 **In-Plant programs** at FY'24 end **+29% YoY** • 27,003 installed **vending units** at FY'24 end **+9% YoY** • FY'24 **National Account ADS approximately 150 bps above the IP Index**
Reenergize the Core Customer: **Web Enhancements**	• Making **progress on improvements to the experience** including search and product display functions • On track for web enhancements to **be launched in fiscal 2Q**
Reenergize the Core Customer: **Drive Awareness**	• Marketing campaign **primed for launch in 2Q'25 to boost website traffic** • **Campaign elements include** digital and search engine marketing, printed materials, and personal outreach • Testing in FY'24 **to enable deployment of a more optimized and diversified digital media mix**
Reenergize the Core Customer: **Stabilize Gross Margins**	• **Remedied issues** associated with the launch of our web price realignment initiative • Delivered **gross margin of 41.0% in 4Q'24**, up 10 bps sequentially and above historical averages
Optimize Cost to Serve	• Execution launched on **portfolio of opportunities** identified in network study beginning in FY'25 • Efforts underway to **unlock sales rep productivity** and **addressable spend**
Strong Cash Generation	• **Operating cashflow conversion of 160%**** in FY'24 well above annual target of >125% • Delivered **free cash flow* of $81M in 4Q'24** and **$311M in FY'24**

- Represents a non-GAAP financial measure. See appendix for non-GAAP reconciliations

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TAKING ACTION TO UNLOCK PRODUCTIVITY ACROSS THE ORGANIZATION

Network Optimization

Supply Chain Simplification

- Integrating C-part and OEM fastener categories to MSC sourcing and demand planning to improve purchasing power

Enhanced Inventory Management

- Applying enhanced inventory optimization technology to improve the planning and placement of inventory

Freight Optimization

- Multiple initiatives to optimize inbound and outbound freight

Improving customer service levels and lowering cost to serve with additional opportunities to come

Customer Coverage Enhancements

Territory Coverage and Service Optimization

- Maximizing seller potential and coverage through an enhanced territory model based on data driven insights
- Initiatives in the pipeline to increase implementation speed of our largest and most complex wins

Performance Enhancements

- Accelerating time to perform for new hires through an enhanced onboarding roadmap customized for each sales role
- Enhanced sales management process

Expanding access to addressable spend with minimal incremental investment

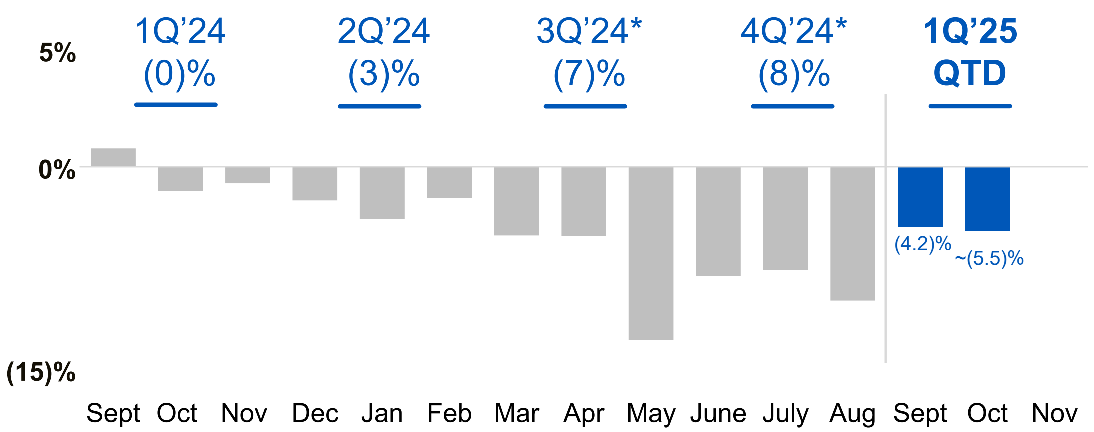
FIRST QUARTER EXPECTATIONS REFLECT HIGHER COSTS IN A CHALLENGING DEMAND ENVIRONMENT

1Q’25 OUTLOOK

Down 5.5% to 4.5% YoY
AVERAGE DAILY SALES (ADS)

7.0% to 7.5%
ADJUSTED OPERATING MARGIN**

ADS YoY TRENDS



ASSUMPTIONS

- ADS softness driven by ongoing weakness in end markets combined with strike and hurricane related headwinds along with uncertainty surrounding the upcoming election
- Gross margins tracking expectations and historical sequential trends quarter-to-date
- Incentive compensation program reset, incremental depreciation and amortization, and merit resulting in adjusted operating expenses to step-up ~$8M from 4Q’24 levels**

*ADS in 3Q’24 and 4Q’24 include headwinds from non-repeating Public Sector orders that occurred in the prior year
**Represents a non-GAAP financial measure. See appendix for non-GAAP reconciliations

ASSUMED FY'25 AVERAGE DAILY SALES CADENCE AND GUIDED METRICS

FY'25 MODELING ASSUMPTIONS

$90-$95M	~$45M	$100-$110M***	~100%	24.5%-25.0%
Depreciation and Amortization	Interest and Other Expense	Capital Expenditures	Free Cash Flow Conversion*	Tax Rate

1Q'25 ADS Mid Point

$14.6M

AVERAGE DAILY SALES CADENCE

	1Q to 2Q	2Q to 3Q	3Q to 4Q
Historical QoQ Average**	(1)%	+5%	(2)%
Considerations	• Extended customer holiday shutdowns likely to persist at post COVID-19 levels • Anticipating belt tightening by customers towards calendar year end	• Potential for macro improvement beginning in calendar year 2025 • Web enhancements and awareness campaign initiates in fiscal 2Q • Seller productivity initiatives begin to take stride	
Business Days	*2Q: 63*	*3Q: 64*	*4Q: 63*

*Represents a non-GAAP financial measure. See appendix for non-GAAP reconciliations
**5-year historical ADS average (FY'20-FY'24)
*** Includes expenditures associated with cloud computing arrangements

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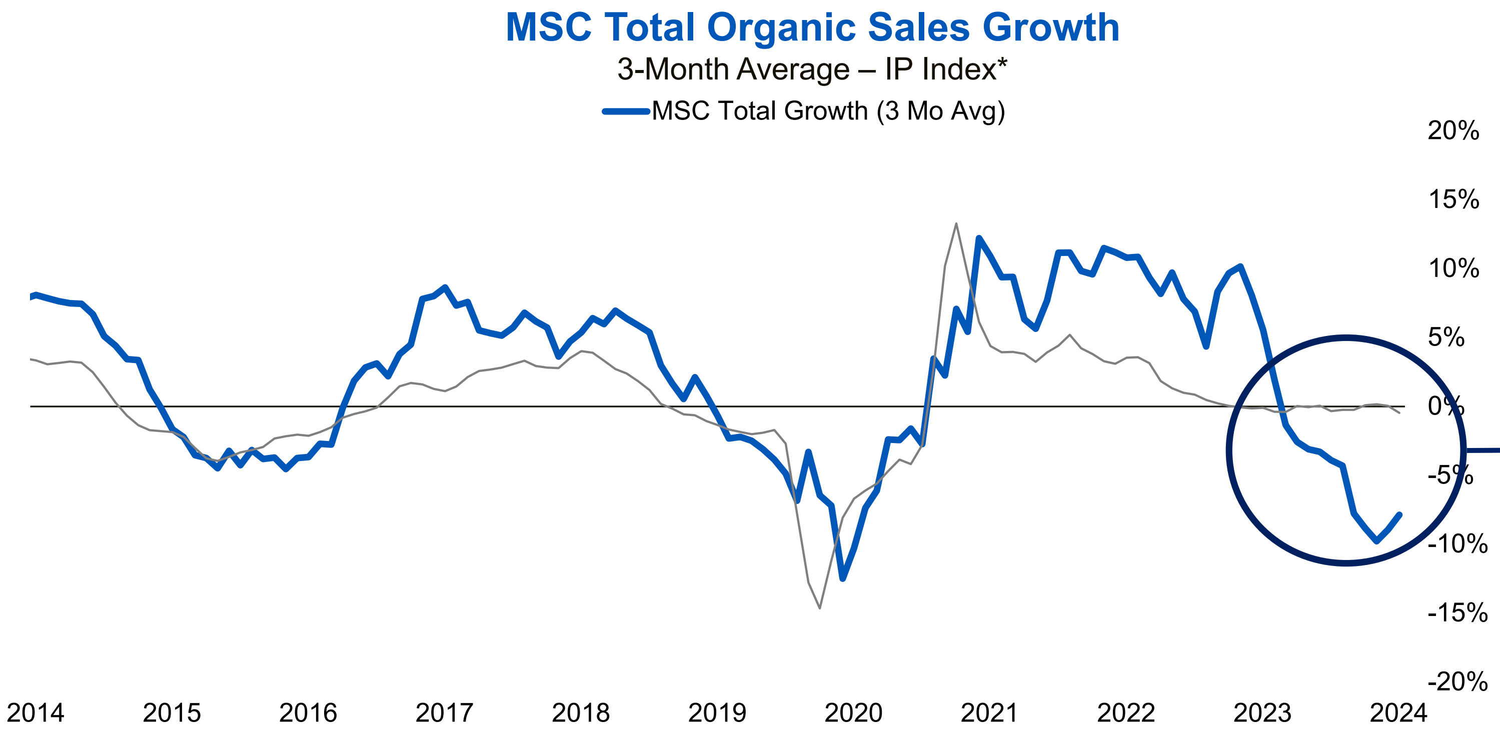
3. Industry-leading customer satisfaction ratings driven by customer-centric culture and obsession with delivering solutions that enable customer success
4. Growth and returns above original Mission Critical targets driven by successful execution
5. The next chapter of Mission Critical is expected to generate results across the business over the cycle and accelerate core customer growth
6. Eliminated dual class share structure in October 2023; completed repurchase of related share dilution

APPENDIX

TAKING ACTION TO RETURN GROWTH WELL ABOVE INDUSTRIAL PRODUCTION



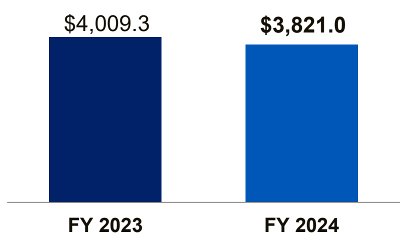
IP Index Performance YoY of MSC's Top 5 Industries

Industry Group	4Q'24	FY'24
Machinery & Equipment	(1.6)%	(3.2)%
Primary Metals	(2.6)%	(0.5)%
Fabricated Metals	(0.9)%	(0.9)%
Automotive	(3.6)%	+0.4%
Aerospace & Defense	+1.3%	+4.0%

- Data as of October 17, 2024;
- Source: Federal Reserve

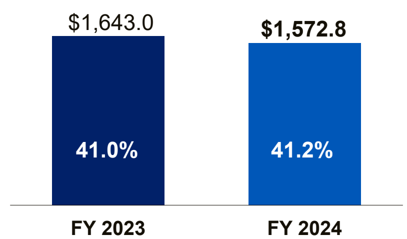
FISCAL YEAR 2024 REPORTED AND ADJUSTED RESULTS

Net Sales
(millions)



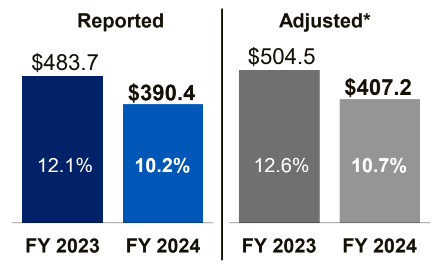
- Average daily sales ("ADS") decline of 4.7% driven by non-repeating Public Sector orders in the prior year and lower volumes, partially offset by acquisitions and positive price
- National Accounts up 1%, Core and Other Customers down 7%, and Public Sector down 15% due to non-repeating orders in prior year
- In-Plant sales up 9%, representing 16% of total sales
- Sales through vending machines were up 3%, representing 17% of total sales

Gross Profit
(millions and % of sales)



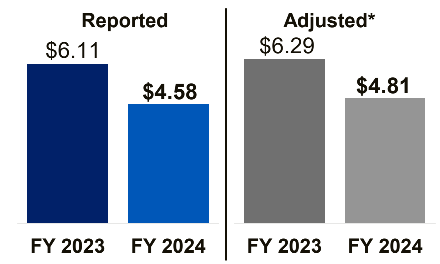
- Gross margin up 20 bps and includes a YoY benefit of ~50 bps from non-repeating Public Sector headwinds in the prior year
- Factors that negatively impacted gross margins for the full year include product and customer mix as well as temporary headwinds from our web price realignment initiative that occurred in 3Q'24 and have been subsequently resolved

Operating Profit
(millions and % of sales)



- Reported operating profit in FY'24 includes $14.5 million of restructuring and other costs, $1.1 million of acquisition related costs, and $1.2 million of share reclassification costs
- Reported operating profit in FY'23 includes $8.3 million in restructuring and acquisition costs and $12.4 million in share reclassification costs
- Operating margin down due to higher operating expenses YoY on lower levels of sales combined with lower margin acquisitions that occurred in FY'24

Earnings
(per diluted share)



- FY'24 reported EPS includes $0.19 of restructuring and other costs, $0.03 of acquisition and share reclassification costs
- FY'23 reported EPS includes $0.11 from restructuring and acquisition costs, $0.16 from share reclassification costs, and $0.09 from ERC tax benefit
- Declines reflect lower volumes YoY on higher levels of operating expenses driven by strategic investments
- Higher interest and other expenses, which includes FX revaluation, represent an adjusted EPS headwind of $0.17

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

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 return on invested capital (as defined below), 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 restructuring and other costs, acquisition-related costs, share reclassification costs, and employee retention credit ("ERC") tax benefit (prior year) and tax effects, as well as free cash flow conversion, which is a measure calculated using free cash flow, which is a non-GAAP measure.

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 measure and should only be used to evaluate MSC's results of operations in conjunction with the corresponding GAAP financial measure.

Financial data may also include certain forward-looking information that is not presented in accordance with GAAP. The Company believes that a quantitative reconciliation of such forward-looking information to the most directly comparable financial measure calculated and presented in accordance with GAAP cannot be made available without unreasonable efforts because a reconciliation of these non-GAAP financial measures would require the Company to predict the timing and likelihood of potential future events such as restructurings, M&A activity, capital expenditures and other infrequent or unusual gains and losses. Neither the timing or likelihood of these events, nor their probable significance, can be quantified with a reasonable degree of accuracy. Accordingly, a reconciliation of such forward-looking information to the most directly comparable GAAP financial measure is not provided.

Free Cash Flow ("FCF") and Free Cash Flow Conversion ("FCF Conversion")

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. FCF Conversion is useful to investors for the foregoing reasons and as a measure of the rate at which the Company converts its net income reported in accordance with GAAP to cash inflows, which helps investors assess whether the Company is generating sufficient cash flow to provide an adequate return.

RECONCILIATIONS

Non-GAAP Financial Measures

Results Excluding ERC Tax Benefit (prior year), Restructuring and Other Costs, Acquisition-Related Costs, and Share Reclassification Costs

In calculating non-GAAP financial measures, we exclude ERC tax benefit (prior year), restructuring and other costs, acquisition-related costs, share reclassification 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.

Net Debt to Earnings before Interest, Taxes, and Depreciation and Amortization ("EBITDA")

Net debt to EBITDA is calculated using a non-GAAP financial measure, EBITDA. The Company defines EBITDA as GAAP net income adjusted for taxes, total other expense and depreciation and amortization for the preceding 12 months. Net debt, a GAAP measure, is calculated as total debt less cash and cash equivalents. The Company presents net debt to EBITDA because it more clearly represents the operating profitability of the company and is a more accurate representation of the Company's financial position and its ability to cover its net debt obligations with results from its core operations. This method of determining non-GAAP EBITDA may differ from other companies' methods and therefore may not be comparable to those used by other companies. EBITDA should be considered in addition to, rather than as a substitute for, other information provided in accordance with GAAP.

RECONCILIATIONS

MSC INDUSTRIAL DIRECT CO., INC.
Reconciliation of GAAP and Non-GAAP Financial Information
Fiscal Quarters and Years Ended August 31, 2024 and September 2, 2023
(dollars in thousands, except percentages)

	Fiscal Quarters Ended		Fiscal Years Ended	
	August 31, 2024	September 2, 2023	August 31, 2024	September 2, 2023
(a) Net cash provided by operating activities	$ 107,263	$ 132,505	$ 410,696	$ 699,582
(b) Expenditures for property, plant and equipment	$ (26,052)	$ (28,380)	$ (99,406)	$ (92,493)
(a-b) = (c) Free cash flow	$ 81,211	$ 104,125	$ 311,290	$ 607,089
(d) Net income	$ 53,952	$ 87,441	$ 255,957	$ 343,107
(a)/(d) Operating cash flow conversion	199 %	152 %	160 %	204 %
(c)/(d) Free cash flow conversion	151 %	119 %	122 %	177 %

RECONCILIATIONS

MSC INDUSTRIAL DIRECT CO., INC.
Reconciliation of GAAP and Non-GAAP Financial Information
Thirteen Weeks Ended August 31, 2024
(In thousands, except percentages and per share data)

	GAAP Financial Measure	Items Affecting Comparability		Non-GAAP Financial Measure
	Total MSC Industrial	Restructuring and Other Costs	Acquisition-related Costs	Adjusted Total MSC Industrial
Net Sales	$ 952,284	$ —	$ —	$ 952,284
Cost of Goods Sold	561,676	—	—	561,676
Gross Profit	390,608	—	—	390,608
Gross Margin	41.0 %	— %	— %	41.0 %
Operating Expenses	297,011	—	614	296,397
Operating Expenses as % of Sales	31.2 %	— %	(0.1)%	31.1 %
Restructuring and Other Costs	2,739	2,739	—	—
Income from Operations	90,858	(2,739)	(614)	94,211
Operating Margin	9.5 %	0.3 %	0.1 %	9.9 %
Total Other Expense	(14,718)	—	—	(14,718)
Income before provision for income taxes	76,140	(2,739)	(614)	79,493
Provision for income taxes	22,188	(797)	(179)	23,164
Net income	53,952	(1,942)	(435)	56,329
Net loss attributable to noncontrolling interest	(1,740)	—	—	(1,740)
Net income attributable to MSC Industrial	$ 55,692	$ (1,942)	$ (435)	$ 58,069
Net income per common share:				
Diluted	$ 0.99	$ (0.03)	$ (0.01)	$ 1.03

*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
Fiscal Year Ended August 31, 2024
(In thousands, except percentages and per share data)

	GAAP Financial Measure	Items Affecting Comparability			Non-GAAP Financial Measure
	Total MSC Industrial	Restructuring and Other Costs	Acquisition-related Costs	Share Reclassification Costs	Adjusted Total MSC Industrial
Net Sales	$ 3,820,951	$ —	$ —	$ —	$ 3,820,951
Cost of Goods Sold	2,248,168	—	—	—	2,248,168
Gross Profit	1,572,783	—	—	—	1,572,783
Gross Margin	41.2 %	— %	— %	— %	41.2 %
Operating Expenses	1,167,870	—	1,079	1,187	1,165,604
Operating Expenses as % of Sales	30.6 %	— %	0.0 %	0.0 %	30.5 %
Restructuring and Other Costs	14,526	14,526	—	—	—
Income from Operations	390,387	(14,526)	(1,079)	(1,187)	407,179
Operating Margin	10.2 %	0.4 %	0.0 %	0.0 %	10.7 %
Total Other Expense	(47,638)	—	—	—	(47,638)
Income before provision for income taxes	342,749	(14,526)	(1,079)	(1,187)	359,541
Provision for income taxes	86,792	(3,577)	(266)	(293)	90,928
Net income	255,957	(10,949)	(813)	(894)	268,613
Net loss attributable to noncontrolling interest	(2,637)	—	—	—	(2,637)
Net income attributable to MSC Industrial	$ 258,594	$ (10,949)	$ (813)	$ (894)	$ 271,250
Net income per common share:					
Diluted	$ 4.58	$ (0.19)	$ (0.01)	$ (0.02)	$ 4.81

*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 September 2, 2023
(In thousands, except percentages and per share data)

	GAAP Financial Measure	Items Affecting Comparability			Non-GAAP Financial Measure
	Total MSC Industrial	Restructuring and Other Costs	Share Reclassification Costs	ERC Tax Benefit	Adjusted Total MSC Industrial
Net Sales	$ 1,035,441	$ —	$ —	$ —	$ 1,035,441
Cost of Goods Sold	615,907	—	—	—	615,907
Gross Profit	419,534	—	—	—	419,534
Gross Margin	40.5 %	— %	— %	— %	40.5 %
Operating Expenses	299,264	—	10,139	—	289,125
Operating Expenses as % of Sales	28.9 %	— %	(1.0)%	— %	27.9 %
Restructuring and Other Costs	2,215	2,215	—	—	—
Income from Operations	118,055	(2,215)	(10,139)	—	130,409
Operating Margin	11.4 %	0.2 %	1.0 %	— %	12.6 %
Total Other Expense	(2,333)	—	—	6,566	(8,899)
Income before provision for income taxes	115,722	(2,215)	(10,139)	6,566	121,510
Provision for income taxes	28,281	(523)	(2,394)	1,550	29,648
Net income	87,441	(1,692)	(7,745)	5,016	91,862
Net loss attributable to noncontrolling interest	(158)	—	—	—	(158)
Net income attributable to MSC Industrial	$ 87,599	$ (1,692)	$ (7,745)	$ 5,016	$ 92,020
Net income per common share:					
Diluted	$ 1.56	$ (0.03)	$ (0.14)	$ 0.09	$ 1.64

*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
Fiscal Year Ended September 2, 2023
(In thousands, except percentages and per share data)

	GAAP Financial Measure	Items Affecting Comparability				Non-GAAP Financial Measure
	Total MSC Industrial	Restructuring and Other Costs	Acquisition-related Costs	Reclassification Costs	ERC Tax Benefit	Adjusted Total MSC Industrial
Net Sales	$ 4,009,282	$ —	$ —	$ —	$ —	$ 4,009,282
Cost of Goods Sold	2,366,317	—	—	—	—	2,366,317
Gross Profit	1,642,965	—	—	—	—	1,642,965
Gross Margin	41.0 %	— %	— %	— %	— %	41.0 %
Operating Expenses	1,151,295	—	398	12,388	—	1,138,509
Operating Expenses as % of Sales	28.7 %	— %	0.0 %	(0.3)%	— %	28.4 %
Restructuring and Other Costs	7,937	7,937	—	—	—	—
Income from Operations	483,733	(7,937)	(398)	(12,388)	—	504,456
Operating Margin	12.1 %	0.2 %	— %	0.3 %	— %	12.6 %
Total Other Expense	(27,577)	—	—	—	6,566	(34,143)
Income before provision for income taxes	456,156	(7,937)	(398)	(12,388)	6,566	470,313
Provision for income taxes	113,049	(2,040)	(100)	(3,183)	1,687	116,685
Net income	343,107	(5,897)	(298)	(9,205)	4,879	353,628
Net income attributable to noncontrolling interest	(126)	—	—	—	—	(126)
Net income attributable to MSC Industrial	$ 343,233	$ (5,897)	$ (298)	$ (9,205)	$ 4,879	$ 353,754
Net income per common share:						
Diluted	$ 6.11	$ (0.10)	$ (0.01)	$ (0.16)	$ 0.09	$ 6.29

*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
Fiscal Years Ended August 31, 2024 and September 2, 2023
(In thousands, except percentages)

	Fiscal Year Ended August 31, 2024	Fiscal Year Ended September 2, 2023
(a) Net income attributable to MSC Industrial (twelve-month trailing)	$ 258,594	$ 343,233
NOPAT		
Income from Operations (twelve-month trailing)	390,387	483,733
Effective tax rate	25.3 %	24.8 %
(b) Non-GAAP NOPAT	291,532	363,850
(c) Adjusted Non-GAAP NOPAT	304,072 [1]	379,531 [2]
Invested Capital		
Total MSC Industrial shareholders' equity	$ 1,391,797	$ 1,479,164
Current portion of debt including obligations under finance leases	229,911	229,935
Long-term debt including obligations under finance leases	278,853	224,391
Total Debt	508,764	454,326
Cash and cash equivalents	29,588	50,052
Net debt	479,176	404,274
Invested capital	$ 1,870,973	$ 1,883
(d) Average invested capital (thirteen-month trailing average)	$ 1,883,503	$ 1,951,818
(e) Adjusted average invested capital (thirteen-month trailing average)	$ 1,900,259 [1]	$ 1,953,516 [2]
(a)/(d) Net income to Average invested capital	13.7 %	17.6 %
(b)/(d) Non-GAAP ROIC	15.5 %	18.6 %
(c)/(e) Adjusted Non-GAAP ROIC	16.0 %	19.4 %

[1] Adjusted Non-GAAP NOPAT and invested capital excludes $14.5 million of restructuring and other costs, $1.1 million of acquisition-related charges and $1.2 million of share reclassification costs, net of an associated tax benefit of $4.1 million.

[2] Adjusted Non-GAAP NOPAT and invested capital excludes $7.9 million of restructuring and other costs, $0.4 million of acquisition-related charges and $12.4 million of share reclassification costs, net of an associated tax benefit of $5.3 million.

RECONCILIATIONS

MSC INDUSTRIAL DIRECT CO., INC.
Reconciliation of GAAP and Non-GAAP Financial Information
Fiscal Years Ended August 31, 2024 and September 2, 2023
(In thousands)

	Fiscal Year Ended August 31, 2024		Fiscal Year Ended September 2, 2023	
Net Debt				
Current portion of debt including obligations under finance leases	$	229,911	$	229,935
Long-term debt including obligations under finance leases		278,853		224,391
Total debt		508,764		454,326
Cash and cash equivalents		29,588		50,052
(a) Net debt	$	479,176	$	404,274
Net Income	$	255,957	$	343,107
Total other expense		47,638		27,577
Income tax expense		86,792		113,049
Depreciation and amortization		80,522		74,731
(b) EBITDA	$	470,909	$	558,464
(a)/(b) Net Debt to EBITDA		1.02		0.72

THANK YOU

MSC