



SECOND QUARTER FISCAL 2025
EARNINGS CALL OCTOBER 30, 2024

MONRO
AUTO SERVICE AND TIRE CENTERS

TIRE CHOICE
AUTO SERVICE CENTERS

MR. TIRE
AUTO SERVICE CENTERS

**KEN TIRE & AutoCare
TOWERYS**

TIRE WAREHOUSE
TIRES FOR LESS

TIRE BARN
TIRE & AUTO SERVICE

carx
TIRE & AUTO

MOUNTAIN VIEW
TIRE & AUTO SERVICE

Certain statements in this presentation, other than statements of historical fact, including estimates, projections, statements related to our business plans and operating results are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Monro has identified some of these forward-looking statements with words such as “believe,” “expect,” “estimate,” “anticipate,” “could,” “focus,” “will,” and the negative of these words or other comparable terminology. These forward-looking statements are based on Monro’s current expectations, estimates, projections and assumptions as of the date such statements are made, and are subject to risks and uncertainties that may cause results to differ materially from those expressed or implied in the forward-looking statements. Additional information regarding these risks and uncertainties are described in the Company’s filings with the Securities and Exchange Commission, including in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of our most recently filed periodic reports on Forms 10-K and Form 10-Q, which are available on Monro’s website at <https://corporate.monro.com/investors/financials/sec-filings/default.aspx>. Monro assumes no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

In addition to including references to diluted earnings per share (“EPS”), which is a generally accepted accounting principals (“GAAP”) measure, this presentation includes references to adjusted diluted earnings per share, which is a non-GAAP financial measure. Monro has included a reconciliation from adjusted diluted EPS to its most directly comparable GAAP measure, diluted EPS in the appendix to this presentation. Management views this non-GAAP financial measure as a way to better assess comparability between periods because management believes the non-GAAP financial measure shows the Company’s core business operations while excluding certain non-recurring items such as costs related to shareholder matters from the Company’s equity capital structure recapitalization, transition costs related to the Company’s back-office optimization, store impairment charges, net gain on sale of the Company’s corporate headquarters, and items related to store closings.

This non-GAAP financial measure is not intended to represent, and should not be considered more meaningful than, or as an alternative to, its most directly comparable GAAP measure. This non-GAAP financial measure may be different from similarly titled non-GAAP financial measures used by other companies.

Further Confidence in Our Initiatives

Second Quarter Accomplishments:

- Drove sequential improvement in year-over-year comp store sales percentage change from the first quarter as well as a significant acceleration in comp trends as the second quarter progressed
- Importantly, tire dollar and unit sales improved sequentially from the first quarter and tire category exited the quarter with year-over-year growth in units in the month of September
 - Continued to leverage the strength of manufacturer-funded promotions, which allowed us to meet the needs of a value-oriented consumer
- Drove sequential improvement from the first quarter in service category sales as well as year-over-year growth in both battery units and sales dollars in the quarter
- Improved attachment rate for alignments, which resulted in year-over-year growth in both alignment units and sales dollars in the month of September

Third Quarter Objectives:

- Encouragingly, sales momentum from the second quarter has continued into fiscal October with our preliminary comp store sales down only 1%, supported by improving trends in tires and all service categories, including brakes; excluding the impact of Hurricanes Helene and Milton, preliminary comp store sales would have been approximately flat compared to the prior year
- We expect to leverage this momentum to achieve our third quarter objectives, which include:
 - Improving store traffic trends driven by a keen focus on oil change services as well as continued growth in tire units,
 - Accelerating the performance of our key service categories, utilizing the benefits of ConfiDrive, and
 - Optimizing labor and efficiencies through continued improvements in productivity and maintaining prudent cost control

Allowed Us to Drive Sequential Improvement in Service Category Sales from the First Quarter

ConfiDrive Digital Courtesy Inspection Process:

- Investment made in stores to convert 32-point courtesy inspection from paper-based process to digital, tablet-based system that presents other needed services to customers via industry data and pictures
- Gives store teams greater ability to build engagement and trust with guests, which supports additional service attachment
- Supports marketing back declined work in future visits
- Captures more structured data on vehicles with more control over a key in-store process
- Completed roll-out to all stores and pleased with early results

Oil Change Offer:

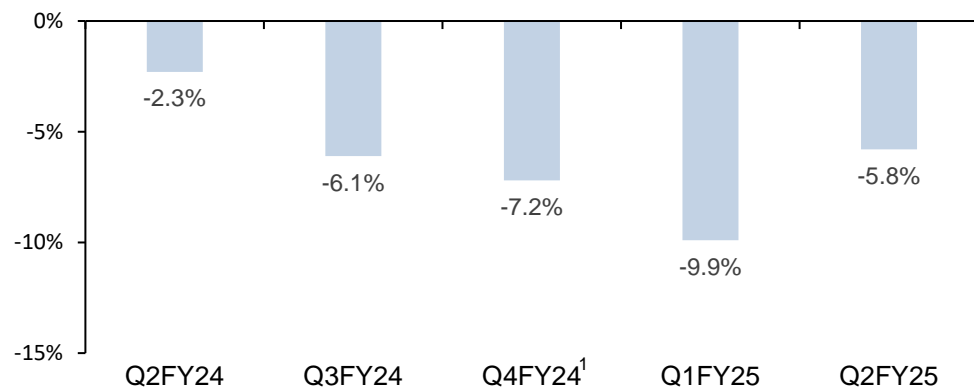


The graphic features the Valvoline logo and the word 'PERKS' in large, bold letters. Below this, it says 'GET UP TO \$10 BACK' in large red font. Underneath, it reads 'BY ONLINE REBATE ON ANY OIL CHANGE, AND THEN KEEP SAVING WITH THE VPERK\$ LOYALTY PROGRAM'. A small note says '*Terms and conditions apply.' At the bottom, it states 'VALID MARCH 1 - DECEMBER 31, 2024'. On the right side, there is a photograph of a hand pouring Valvoline oil into a red funnel. A button labeled 'CLICK HERE FOR DETAILS' is positioned over the bottom right of the image.

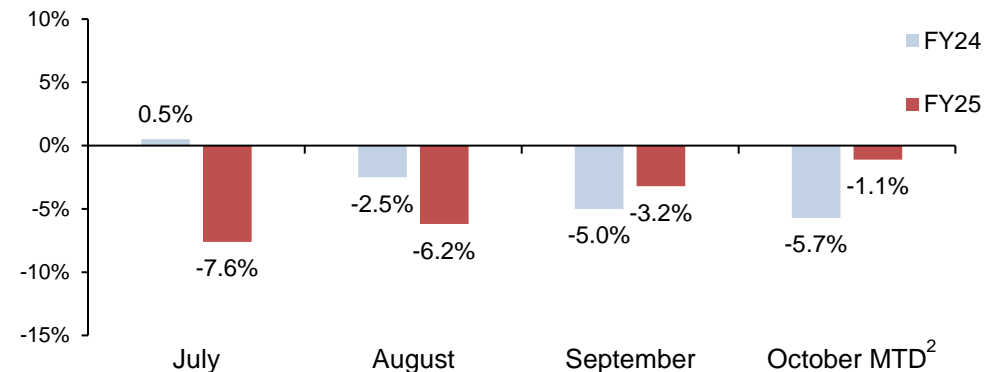
Second Quarter Fiscal 2025 Highlights

Comp Store Sales Trends Improved Sequentially from the First Quarter & Accelerated as the Second Quarter Progressed

Quarterly Comparable Store Sales Trends



Monthly Comparable Store Sales Trends



Q2FY25

Key Highlights

- Year-over-Year comparable store sales percentage change improved 410 basis points sequentially from the first quarter of fiscal 2025
- Sales decreased 6.4% to \$301.4M
- Comp store sales decreased 5.8%; comp store sales in ~300 small or underperforming stores consistent with overall comp
- Generated operating cash flow of ~\$88M, including ~\$38M of working capital reductions

Q2FY25

Key Highlights

- Product and service category performance:
 - Batteries: +20%
 - Alignments: flat
 - Tires: -4%
 - Front End/Shocks: -5%
 - Service: -7%
 - Brakes: -12%
- Service categories ~51% of sales, compared to ~52% of sales in prior year period

¹ Adjusted for 53rd week of sales

² Preliminary results through October 26, 2024

Laser Focused on Maximizing Profitability through Prudent Cost Control

	Q2FY25	Q2FY24	Δ
Sales (millions)	\$301.4	\$322.1	(6.4%)
Same Store Sales	-5.8%	-2.3%	(350) bps
Gross Margin	35.3%	35.7%	(40) bps
Operating Margin	4.4%	6.9%	(250) bps
Adjusted Diluted EPS¹	\$.17	\$.41	(58.5%)

¹ Please refer to the reconciliation of adjusted diluted EPS in the appendix to this presentation and in our earnings release for further details regarding excluded items in Q2FY25 and Q2FY24. Adjusted Diluted EPS is a non-GAAP measure that excludes certain non-recurring items such as costs related to shareholder matters from our equity capital structure recapitalization, transition costs related to our back-office optimization, store impairment charges, net gain on sale of the Company's corporate headquarters, and items related to store closings. A reconciliation of net income to adjusted net income and diluted EPS to adjusted diluted EPS is included in our earnings release dated October 30, 2024.

Operating Cash Flow Supports Growth Strategy and Capital Return to Shareholders

Disciplined Capital Allocation

First Half Fiscal 2025

- Received ~\$9M of divestiture proceeds
- Received ~\$9M from sale of corporate headquarters
- Capex of ~\$14M
- Spent ~\$20M in principal payments for financing leases
- Paid ~\$17M in dividends

Strong Balance Sheet and Liquidity

- Generated operating cash flow of ~\$88M, including ~\$38M of working capital reductions during first half of fiscal 2025
- Net bank debt of ~\$41M and net bank debt-to-EBITDA ratio of 0.3x as of September 2024
- Total liquidity of ~\$529M as of September 2024

Fiscal 2025 Expectations

- Fiscal 2025 is a 52-week year while fiscal 2024 was a 53-week year that benefitted from an extra week of sales
- Expects gross margin expansion versus fiscal 2024
- Believes fixed occupancy costs within cost of goods and operating expenses will be approximately flat on a dollar basis when compared to the prior year
- Expects to generate at least \$120M of operating cash flow, inclusive of working capital reductions
- Expects to spend ~\$25M to ~\$35M of CAPEX
- Encouragingly, sales momentum from the second quarter has continued into fiscal October with our preliminary comp store sales down only 1%, supported by improving trends in tires and all service categories, including brakes; excluding the impact of Hurricanes Helene and Milton, preliminary comp store sales would have been approximately flat compared to the prior year

Appendix

Reconciliation of Adjusted Diluted EPS (Unaudited)



Quarter Ended Fiscal
September

	2024	2023
Diluted EPS	\$.18	\$.40
Store impairment charges	.02	-
Transition costs related to back-office optimization	.01	.00
Store closing costs	.01	(.00)
Costs related to shareholder matters	-	.01
Net gain on sale of Corporate headquarters	(.06)	.00
Adjusted Diluted EPS	\$.17	\$.41

Note: Amounts may not foot due to rounding.