DISTRIBUTION SOLUTIONS GROUP

Powerful Solutions. Proven Results.

NASDAQ: DSGR

Q3 2025 Financial Results

October 30, 2025

Safe Harbor Statement

Cautionary Note Regarding Forward-Looking Statements

This presentation contains certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the “safe-harbor” provisions under the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties. The Terms "aim," "anticipate," "believe," "contemplates," "continues," "could," "ensure," "estimate," "expect," "forecasts," "if," "intend," "likely," "may," "might," "objective," "outlook," "plan," "positioned," "potential," "predict," "probable," "project," "shall," "should," "strategy," "will," "would," and variations of them and other words and terms of similar meaning and expression (and the negatives of such words and terms) are intended to identify forward-looking statements.

Forward-looking statements can also be identified by the fact that they do not relate strictly to historical or current facts. Such forward-looking statements are based on current expectations and involve inherent risks, uncertainties and assumptions, including factors that could delay, divert or change any of them, and could cause actual outcomes to differ materially from current expectations. DSG can give no assurance that any goal or plan set forth in forward-looking statements can be achieved and DSG cautions readers not to place undue reliance on such statements. DSG undertakes no obligation to release publicly any revisions to forward-looking statements as a result of new information, future events or otherwise. Each forward-looking statement speaks only as of the date on which such statement is made, and DSG undertakes no obligation to update any such statement to reflect events or circumstances arising after such date. Actual results may differ materially from those projected as a result of certain risks and uncertainties. Factors that could cause or contribute to such differences or that might otherwise impact DSG’s business, financial condition and results of operations include the risks that DSG may encounter difficulties integrating the business of DSG with the business of other companies that DSG has combined with or may otherwise combine with and that certain assumptions with respect to such business or transactions could prove to be inaccurate. Certain risks associated with DSG’s business are also discussed from time to time in the reports DSG files with the Securities and Exchange Commission, including the Company’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K or other reports the Company may file from time to time with the Securities and Exchange Commission, which should be reviewed carefully.

Earnings Call Agenda

Today's Conference Call Will Discuss Results Primarily on an Adjusted (Non-GAAP) and Comparable Operations Basis.

Agenda

- 2025 Q3 Consolidated Highlights & Financial Results
- Segment Highlights & Financial Results
- Q&A

See appendix for GAAP to Non-GAAP reconciliations.

Key Takeaways for the Quarter

Solid Operational Performance

- Total sales growth of 10.7%; organic sales grew 6.0% year-over-year and 3.1% sequentially over Q2, an acceleration from 2.4% organic sequential growth realized in Q2
- Consolidated Adjusted EBITDA of $48.5M. Margin of 9.4% of sales versus 9.7% in Q2 on sales mix shift, initiative investments and increased employee related costs
- Gexpro Services and Canada Branch Division delivered sequential adjusted margin expansion for two straight quarters. Lawson and TestEquity compressed on sales mix shift and higher employee-related costs

Macro & Demand Outlook

- Despite an uneven macro environment, momentum continues in key end markets, including aerospace & defense, technology, renewables and positive ramp for industrial power
- Tariff exposure continues; however, working with customers to mitigate impact
- Test & measurement gaining momentum, electronic production supply and industrial printing remain under pressure

Strategic Initiatives

- Salesforce transformation at Lawson continues; early wins in CRM usage, % of reps ordering daily, increased rep count; many areas still in flight. Multi-year process
- Under new leadership at TestEquity, clarifying customer value proposition and go-to-market strategy. Integration of Hisco/TE mostly behind us.
- Canadian Branch Division well underway on realizing gross margin and branch consolidation. External head-winds continue in eastern Canada

Capital Allocation Priorities

- Generated $38M of cash flow from operations in Q3 on top of $33M in Q2
- Repurchased approximately $20M of shares YTD
- Ended the quarter with no outstanding borrowings on revolving credit facility; total liquidity of ~$335M. Balance sheet continues to strengthen.
- Pipeline for acquisition opportunities remains active and building

Leading Specialty Industrial Distribution Platform

DSG DISTRIBUTION SOLUTIONS GROUP

DSG

LAWSON		Gexpro Services	TestEquity
MRO Focus		OEM Focus	Industrial Technologies Focus
VMI Focus	Canadian Branch Focus		
Leading vendor managed inventory provider of C-parts to the MRO market	*Leading wholesale distributor of MRO supplies, safety products, fasteners, and services to the Canadian MRO market*	*Leading global supply chain services and C-parts provider to OEM and aftermarket applications*	*Leading supplier of electronic and specialty production supplies and T&M equipment across OEM and MRO markets*
~***24% of Revenue*** (2)	~***11% of Revenue*** (2)	~***25% of Revenue*** (2)	~***40% of Revenue*** (2)

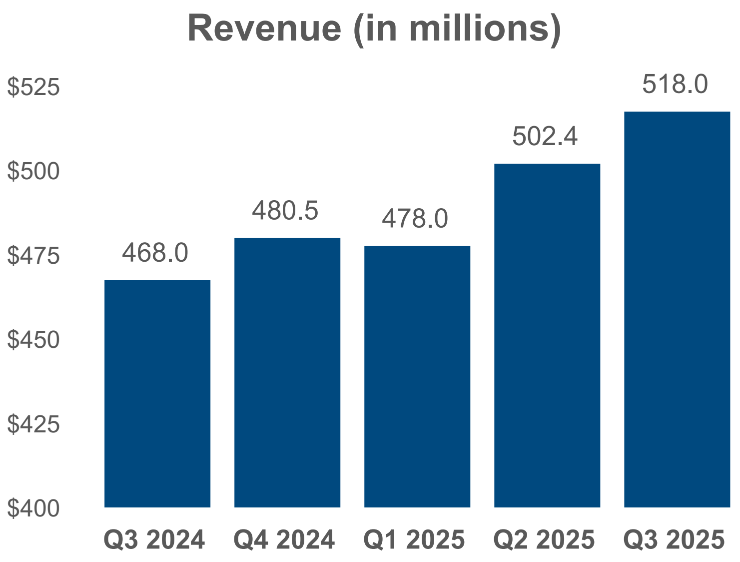
TTM Financial Highlights	**$1.98Bn** Adjusted Revenue	**~9.3%** Adjusted EBITDA %	**~$177M** Adj. Free Cash Flow (1)

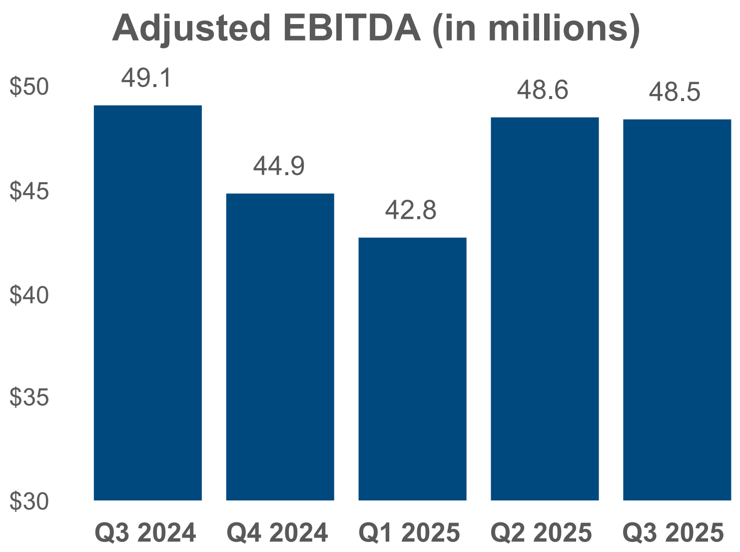
Fly-by Operating Stats	**50+** Countries Served	**200k+** Customers	**740k+** Unique SKU's

Results are presented on an Adjusted (Non-GAAP) and continuing operations basis. See appendix of this presentation and press release for reconciliations.
Information inclusive of Other Acquisition results prior to the acquisition date.
(1) Defined as Reg G EBITDA less Reg G cash items, less capex, plus/minus change in inventory, accounts receivable & accounts payable divided by Reg G EBITDA.
(2) TTM revenue by segment inclusive of Other Acquisition results prior to the acquisition date.

2025 Consolidated Financial Highlights

- Q3 revenue of $518M; up $50M or 10.7% over a year ago primarily from organic daily sales growth of 6.0% and three acquisitions closed in the second half of 2024; organic daily sales up 3.1% sequentially over Q2.
- Q3 adjusted EBITDA of $48.5M or 9.4% of sales compared to $49.1M. The acquisition of Source Atlantic compressed margins by ~11bps in Q3 over a year ago quarter. Sequentially, Adjusted EBITDA was flat with the second quarter of 2025 primarily due to product and customer mix shifts and higher employee related costs.
- Diluted income per share was $0.14 for the quarter compared to diluted income per share of $0.46 in the year-ago quarter which benefitted from a substantial non-recurring tax benefit. Non-GAAP adjusted diluted earnings per share was $0.40 compared to $0.37 for the same period a year ago and $0.35 in the second quarter.
- Cash flows for quarter strong at $38.4M; no outstanding borrowings on revolver at quarter end; balance sheet continues to strengthen





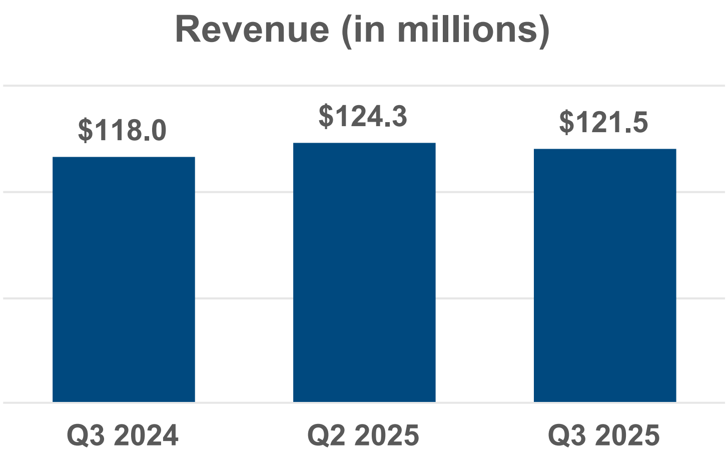
	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
Adj EBITDA Margin	**10.5%**	**9.3%**	**9.0%**	**9.7%**	**9.4%**

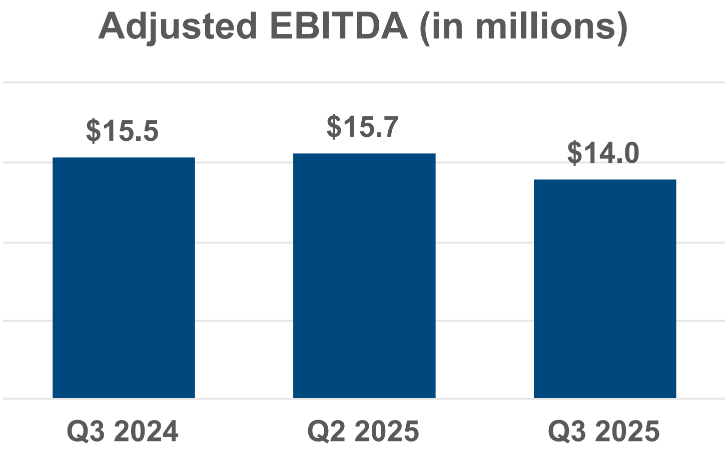
Revenue and Adjusted EBITDA results are presented on an Adjusted (Non-GAAP) and continuing operations basis.

Lawson Products – MRO Focus LAWSON

Q3 2025 Highlights:

- Average daily sales (ADS) growth YoY (+3.0%); down sequentially -2.2%:
  - Organic growth across majority of customer segments YoY while organic revenue soft sequentially
- Q3 adjusted EBITDA of $14.0M or 11.5% of revenue; sales mix shift, continued investment in sales transformation and higher employee-related costs pressured margins.
- Sales force expansion continues; ended September 30, 2025 with ~930 sales reps compared to ~860 a year ago; flat with Q2 2025. Expansion in roles to continue to drive growth and productivity.
- Continued significant investment in multi-year transformation of tools, products and support resources to provide productivity opportunities for our sales force. The transformation also includes leveraging the CRM platform implemented in mid-2024 to better connect our sales reps and our expanded selling support resources with our customers more efficiently while leveraging the enhanced website launched in Q1 2025 to drive expansion of our e-commerce channel.





Adj EBITDA Margin	13.1%	12.6%	11.5%

Results are presented on an Adjusted (Non-GAAP) and continuing operations basis. See appendix of this presentation and press release for reconciliations.

Canada Branch Division – Canadian MRO Focus

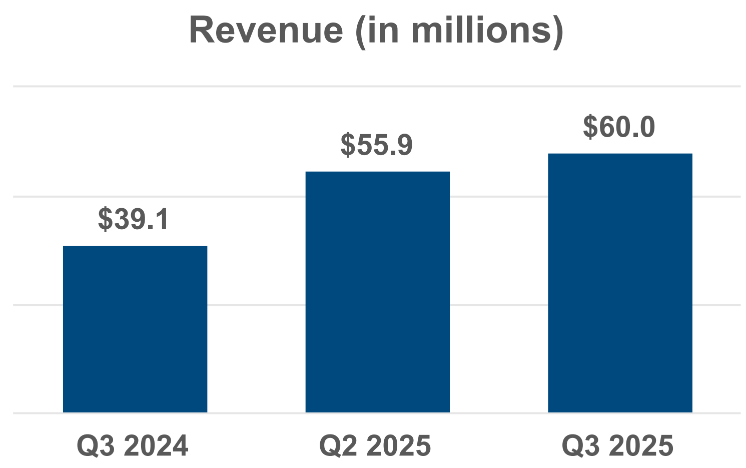
Q3 2025 Highlights:

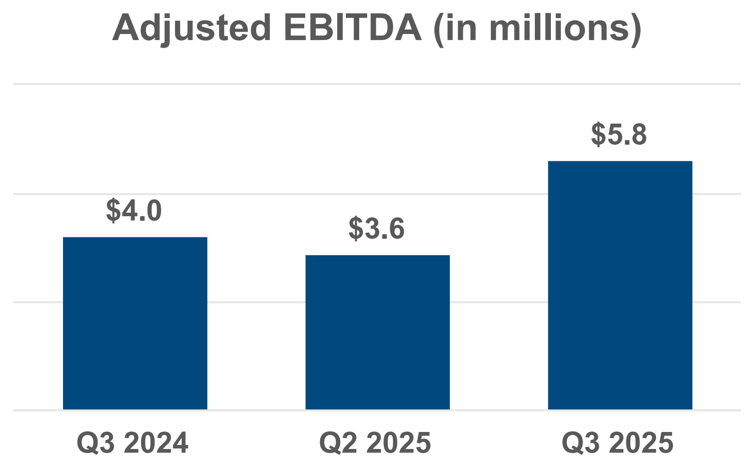
- Sales growing, albeit at compressed levels; continued market softness for projects and manufacturing market amid tariff-related uncertainties, in particular in Eastern Canada.

- Q3 revenue up over year-ago quarter driven by the Source Atlantic acquisition which contributed $20.1M of additional revenue in Q3. Q3 revenue increased sequentially by $4.1M or 7.4% (~6.9% on a constant currency basis) as positive early signs of recovery.

- Driving key operating initiatives focused on acquisition integration, including the consolidation of four facilities by year-end 2025 and improvement of gross margins underway; two completed YTD.

- Q3 adjusted EBITDA of $5.8M or 9.6% of revenue, an increase YoY driven by Source Atlantic which contributed $1.8M of additional adjusted EBITDA in Q3. Q3 adjusted EBITDA increased sequentially 310bps primarily driven by leveraging higher sales volume and lower operating expenses.





Adj EBITDA Margin	10.3%	6.5%	9.6%

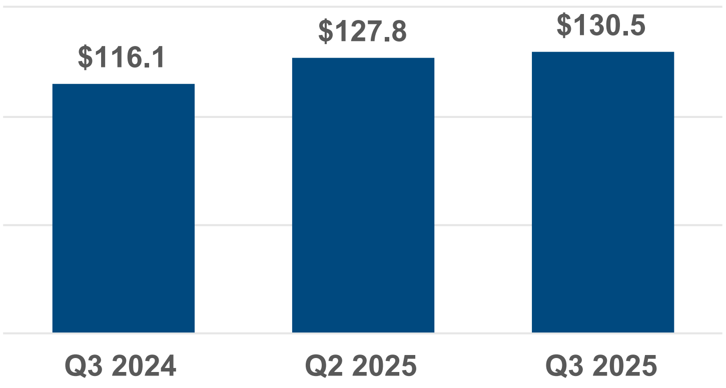
Results are presented on an Adjusted (Non-GAAP) and continuing operations basis. See appendix of this presentation and press release for reconciliations.

Gexpro Services – OEM Focus

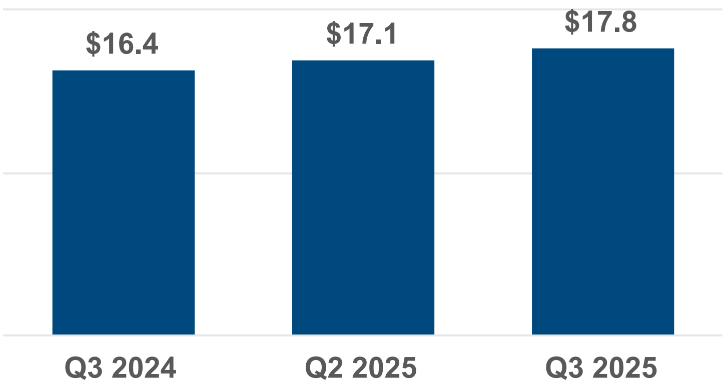
Q3 2025 Highlights:

- Q3 organic revenue up $13.2M or 11.4% from year-ago quarter on same number of days; organic average daily sales (ADS) up 3.7% sequentially. Improvements in the renewable energy, aerospace & defense and industrial power vertical markets continues.
- Continued expansion in net margins primarily through leveraging fixed cost structure over an increasing sales base; record adjusted EBITDA achieved.
- Value creation initiatives including DSG cross sell, acquisition synergies and expanded VMI, kitting, manufacturing and E-commerce offerings. Customers very interested in Gexpro Services Frontier, Omni/Orion and SIS domestic manufacturing capabilities to mitigate tariff impacts.
- Q3 adjusted EBITDA of $17.8M or 13.6% of revenue; margin percentage compressed a bit YoY on investments to drive sales growth and adjusted EBITDA dollars.

Revenue (in millions)



Adjusted EBITDA (in millions)



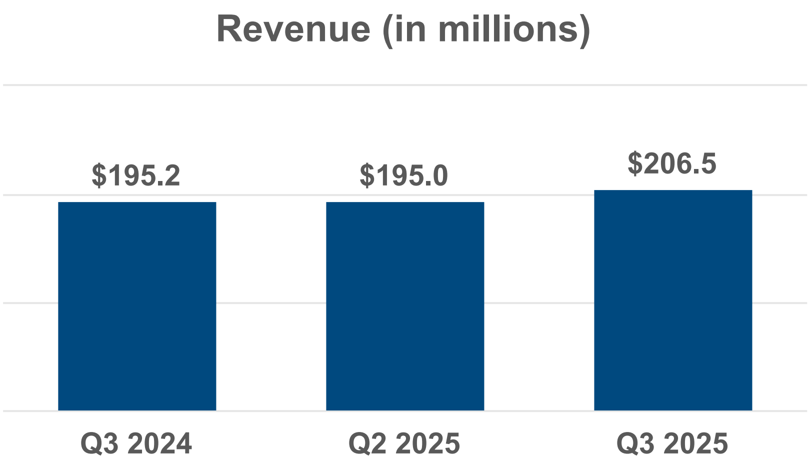
Adj EBITDA Margin	14.1%	13.4%	13.6%

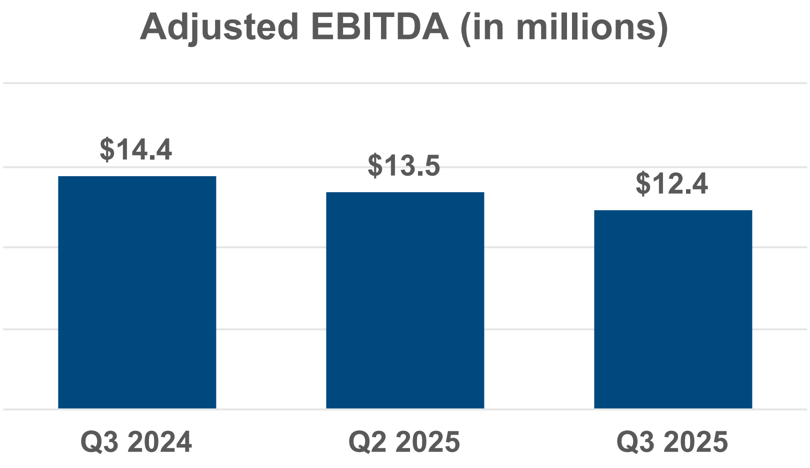
Results are presented on an Adjusted (Non-GAAP) and continuing operations basis. See appendix of this presentation and press release for reconciliations.

TestEquity – Industrial Technologies Focus

Q3 2025 Highlights:

- Q3 average daily sales (ADS) up 5.8% from year-ago quarter on higher test and measurement and rental revenue; up 5.9% sequentially. Q3 acquired revenue of $2.0M from ConRes closed in Q4 2024.
- Key operating initiatives focused on expansion of service related offerings, continued acquisition integration, pricing disciplines, sales force optimization, digital channel expansion and cost containment
- Q3 adjusted EBITDA of $12.4M or 6.0% of revenue, pressured from sales mix shift toward T&M and higher employee-related expenses including building out the leadership team
- CEO change effective July 14, 2025; off to a strong start to enhance customer value proposition and go to market strategy.





Adj EBITDA Margin	7.4%	6.9%	6.0%

Results are presented on an Adjusted (Non-GAAP) and continuing operations basis. See appendix of this presentation and press release for reconciliations.

Capital Allocation Strategy

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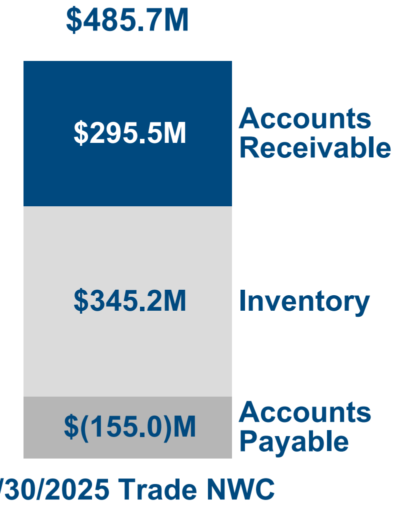
Organic Growth

- Market share growth
- Value-accretive initiatives
- Wallet-share expansion
- Cross-selling opportunities

M&A

- Adding scale, footprint, product adjacencies & services
- Building structurally high margin value added industrial distribution businesses
- Disciplined acquisition criteria

Robust Net Working Capital Investment



High returns realized on working capital investments

Focus on Deleveraging via Earnings Growth and Free Cash Flow Generation

3.6x

Leverage(1) at April 1, 2022 Merger Close

3.5x

Leverage(1) as of September 30, 2025

- Generated cash flows from operations of $38M in Q3
- Inclusive of 9 acquisitions post-April 2022 merger with cash portion of purchase price of ~$450M

Return Capital to Shareholders

- Authorized $37.5M share repurchase program in place
- Repurchased shares of $20.0M YTD 2025; $6.3M still available under prior authorizations

- **Total Liquidity at September 30, 2025 ~$335M(2)**
- **TTM Free Cash Flow Conversion of ~96%(3)**
- **TTM ROIC of ~11%(4)**

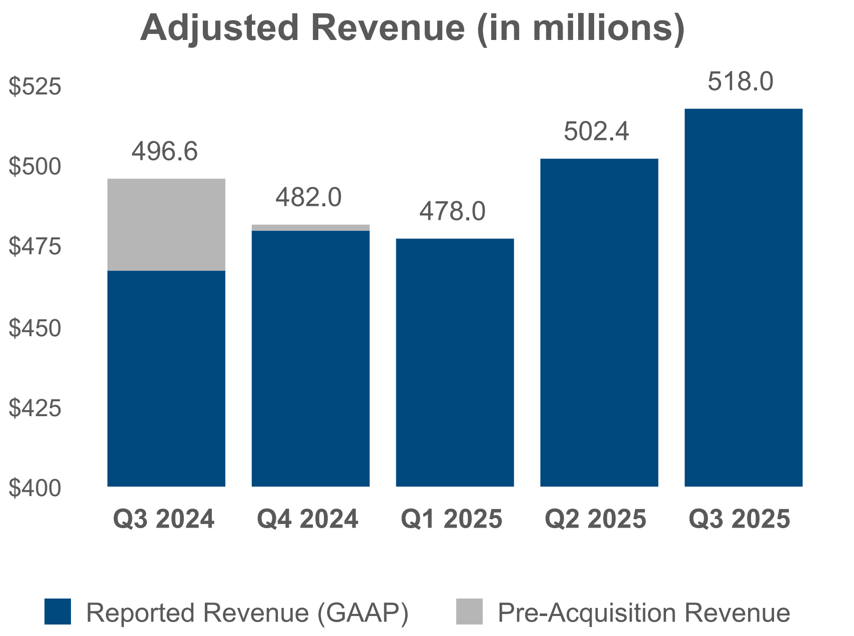
(1) As defined under DSG's credit agreement.
(2) Inclusive of restricted & unrestricted cash position and availability under credit facility.
(3) Defined as Reg G EBITDA less Reg G cash items, less capex, plus/minus change in inventory, accounts receivable & accounts payable divided by Reg G EBITDA.
(4) Defined as adjusted net operating profit after tax (NOPAT) divided by invested capital (current assets plus property, plant and equipment (net), rental equipment (net), goodwill, intangible assets (net), and other assets less cash and cash equivalents, accounts payable, accrued expenses and other current liabilities and goodwill related to the April 2022 DSG merger).

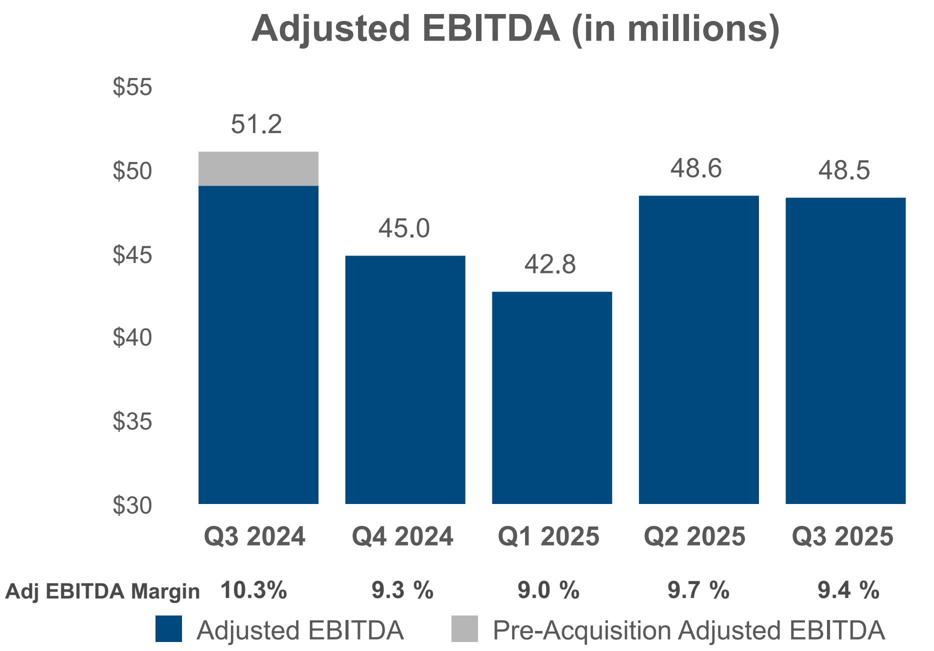
Appendix

2025 Consolidated Financial Highlights

Results Inclusive of Pre-Acquisition Results

- Adjusted Revenue and adjusted EBITDA below include the reported GAAP results and the pre-acquisition results of other businesses that were acquired at any time during the Q3 2024-Q3 2025 period.





GAAP to Non-GAAP Reconciliations

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Q3 Revenue and Adjusted EBITDA Reconciliation ($000s)

(Unaudited)

	Lawson Products		Gexpro Services		TestEquity		Canada Branch Division		All Other		Eliminations		Consolidated DSG	
Quarter Ended	Q3 2025	Q3 2024	Q3 2025	Q3 2024	Q3 2025	Q3 2024	Q3 2025	Q3 2024	Q3 2025	Q3 2024	Q3 2025	Q3 2024	Q3 2025	Q3 2024
Revenue from external customers	$ 121,541	$ 117,953	$ 130,192	$ 115,764	$ 206,310	$ 195,210	$ 59,915	$ 39,092	$ —	$ —	$ —	$ —	$ 517,958	$ 468,019
Intersegment revenue	8	4	333	377	169	34	62	—	—	—	(572)	(415)	—	—
Revenue	$ 121,549	$ 117,957	$ 130,525	$ 116,141	$ 206,479	$ 195,244	$ 59,977	$ 39,092	$ —	$ —	$ (572)	$ (415)	$ 517,958	$ 468,019
Operating income (loss)	$ 5,385	$ 726	$ 13,880	$ 11,543	$ 2,635	$ 4,329	$ 3,494	$ 2,523	$ (1,775)	$ (174)			$ 23,619	$ 18,947
Depreciation and amortization	6,666	6,533	3,541	3,840	8,220	7,460	1,615	791	—	—			20,042	18,624
Adjustments:														
Acquisition related costs(1)	(17)	2,967	(2)	462	58	875	48	—	—	(1,403)			87	2,901
Stock-based compensation(2)	1,025	2,209	60	—	925	65	—	—	390	158			2,400	2,432
Severance and acquisition related retention expenses(3)	840	2,269	276	13	486	1,275	492	11	—	—			2,094	3,568
Inventory step-up(4)	—	432	—	—	—	—	—	694	—	—			—	1,126
Other non-recurring(5)	60	337	—	538	27	380	128	—	—	257			215	1,512
Non-GAAP adjusted EBITDA	$ 13,959	$ 15,473	$ 17,755	$ 16,396	$ 12,351	$ 14,384	$ 5,777	$ 4,019	$ (1,385)	$ (1,162)			$ 48,457	$ 49,110
Operating income (loss) as a percent of revenue	4.4%	0.6%	10.6%	9.9%	1.3%	2.2%	5.8%	6.5%	N/M	N/M			4.6%	4.0%
Adjusted EBITDA as a percent of revenue	11.5%	13.1%	13.6%	14.1%	6.0%	7.4%	9.6%	10.3%	N/M	N/M			9.4%	10.5%

(1) Transaction and integration costs related to acquisitions.
(2) Expense (benefit) primarily for stock-based compensation, of which a portion varies with the Company's stock price.
(3) Includes severance expense for actions taken not related to a formal restructuring plan and acquisition related retention expenses.
(4) Inventory fair value step-up adjustment for acquisition accounting related to acquisitions completed.
(5) Other non-recurring costs consist of certain non-recurring strategic projects and other non-recurring items.
N/M - Not meaningful

GAAP to Non-GAAP Reconciliations

Adjusted Revenue and Adjusted EBITDA Reconciliation ($000s)

Results Inclusive of Acquisitions – Pre-Acquisition Date

(Unaudited)

	Consolidated DSG				
Quarter Ended	**Q3 2024**	**Q4 2024**	**Q1 2025**	**Q2 2025**	**Q3 2025**
Revenue	$ 468,019	$ 480,463	$ 478,029	$ 502,437	$ 517,958
Pre-acquisition revenue(1)	28,556	1,534	—	—	—
Adjusted revenue	$ 496,575	$ 481,997	$ 478,029	$ 502,437	$ 517,958
Operating income (loss)	$ 18,947	$ 20,067	$ 20,097	$ 26,826	$ 23,619
Pre-acquisition operating Income (loss) (1)	447	(870)	—	—	—
Adjusted Operating Income (loss)	19,394	19,197	20,097	26,826	23,619
Depreciation and amortization	18,624	20,165	19,979	20,338	20,042
Adjustments:					
Acquisition related costs(2)	2,901	1,689	108	(208)	87
Stock-based compensation(3)	2,432	910	974	1,250	2,400
Severance and acquisition related retention expenses(4)	3,568	639	1,628	355	2,094
Inventory step-up(5)	1,126	1,122	—	—	—
Other non-recurring(6)	1,512	307	—	—	215
Pre-Acquisition add-backs(7)	1,603	935	—	—	—
Adjusted EBITDA	$ 51,160	$ 44,964	$ 42,786	$ 48,561	$ 48,457
Operating income (loss) as a percent of revenue	4.0%	4.2%	4.2%	5.3%	4.6%
Adjusted EBITDA as a percent of adjusted revenue	10.3%	9.3%	9.0%	9.7%	9.4%

References to table footnotes are on slide 16

GAAP to Non-GAAP Reconciliations

Adjusted Revenue and EBITDA Reconciliation – Table Footnotes

(1) Represents additional revenue and operating income of acquisitions prior to their acquisition dates not in reported GAAP results.
(2) Transaction and integration costs related to acquisitions.
(3) Expense (benefit) primarily for stock-based compensation, of which a portion varies with the Company’s stock price.
(4) Includes severance expense for actions taken not related to a formal restructuring plan and acquisition related retention expenses.
(5) Inventory fair value step-up adjustments resulting from the acquisition accounting related to acquisitions completed.
(6) Other non-recurring costs consist of certain non-recurring strategic projects and other non-recurring items.
(7) Represents additional EBITDA adjustments of other acquisitions prior to the respective acquisition dates.

GAAP to Non-GAAP Reconciliations

GAAP Net Income (Loss) and GAAP Diluted EPS to Non-GAAP Adjusted Net Income and Non-GAAP Adjusted Diluted EPS Reconciliation ($000s, except per share data)
(Unaudited)

	Consolidated DSG					
	Q3 2025		Q3 2024		Q2 2025	
	Amount	Diluted EPS(2)	Amount	Diluted EPS(2)	Amount	Diluted EPS(2)
Net income (loss)	$ 6,452	$ 0.14	$ 21,921	$ 0.46	$ 5,003	$ 0.11
Pretax adjustments:						
Stock-based compensation	2,400	0.05	2,432	0.05	1,250	0.03
Acquisition related costs	87	—	2,901	0.06	(208)	—
Amortization of intangible assets	11,650	0.25	11,972	0.25	11,650	0.25
Severance and acquisition related retention expenses	2,094	0.04	3,568	0.08	355	0.01
Change in fair value of earnout liabilities	—	—	858	0.02	—	—
Inventory step-up	—	—	1,126	0.02	—	—
Other non-recurring	215	—	1,512	0.03	—	—
Total pretax adjustments	16,446	0.34	24,369	0.51	13,047	0.29
Tax effect on adjustments(1)/(3)	(4,307)	(0.08)	(11,210)	(0.23)	(3,135)	(0.08)
Deferred tax asset valuation allowance(3)/(4)	179	—	(17,425)	(0.37)	1,536	0.03
Non-GAAP adjusted net income	$ 18,770	$ 0.40	$ 17,655	$ 0.37	$ 16,451	$ 0.35

(1) The adjustment to the income tax expense (benefit) is determined by excluding the non-GAAP adjustments by jurisdiction.
(2) Pretax adjustments to diluted EPS calculated on 47.060 million, 47.560 million and 46.563 million diluted shares for the third quarter of 2025 and 2024,and the second quarter of 2025, respectively.
(3) The quarter-to-date amounts are derived from the current period year-to-date amount less the previous quarter year-to-date amount.
(4) The estimated impact to the deferred tax asset valuation allowance from interest expense limitations under Section 163(j) determined by including the non-GAAP adjustments by jurisdiction.