



DISTRIBUTION
SOLUTIONS GROUP

Powerful Solutions. Proven Results.

NASDAQ: DSGR

Stephen's Investment Conference

November 18, 2025



Disclaimers

Cautionary Note Regarding Forward-Looking Statements

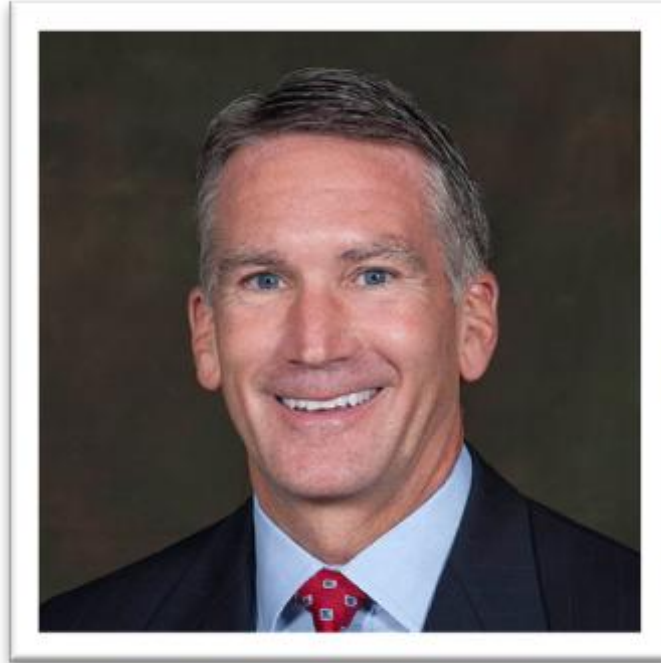
This presentation contains certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the "safe-harbor" provisions under the Private Securities Litigation Reform Act of 1995, that 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.

Non-GAAP Financial Measures, SEC Regulation G GAAP Reconciliations

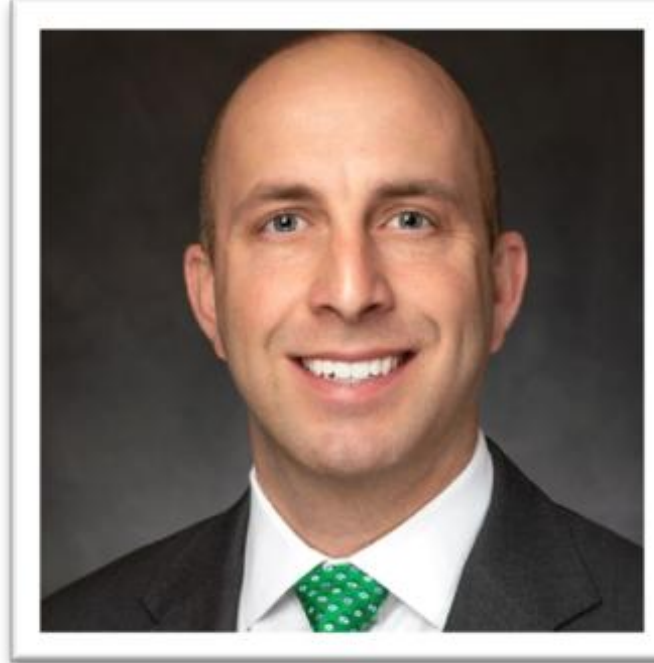
Some of the financial information and data contained in this presentation, such as Adjusted Revenue, Pre-Acquisition Revenue and Adjusted EBITDA, have not been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). The Company believes that these non-GAAP financial measures provide useful information to management and investors regarding certain financial and business trends relating to DSG's financial condition and results of operations. DSG does not consider non-GAAP measures an alternative to financial measures determined in accordance with GAAP. The principal limitation of these non-GAAP financial measures is they may exclude significant expense and income items that are required by GAAP to be recognized in our consolidated financial statements. In addition, they reflect the exercise of management's judgment about which expense and income items are excluded or included in determining these non-GAAP financial measures. Non-GAAP financial measures should not be relied upon, in whole or part, in evaluating the financial condition, results of operations or future prospects of DSG. A reconciliation of the non-GAAP financial measures to the nearest comparable GAAP financial measures is contained in the appendix.

Presenters



Ron Knutson

*EVP & CFO for
DSG and Lawson Products*



Brett Scarbrough

*Vice President, Strategy &
Investor Relations for DSG*

Leading Specialty Industrial Distribution Platform



MRO Focus

VMI Focus

Leading vendor managed inventory provider of C-parts to the MRO market

~24% of Revenue ⁽¹⁾

Canadian Branch Focus

Leading wholesale distributor of MRO supplies, safety products, fasteners, and services to the Canadian MRO market

~11% of Revenue ⁽¹⁾

OEM Focus

Leading global supply chain services and C-parts provider to OEM and aftermarket applications

~25% of Revenue ⁽¹⁾

Industrial Technologies Focus

Leading supplier of electronic and specialty production supplies and T&M equipment across OEM and MRO markets

~40% of Revenue ⁽¹⁾

TTM Financial Highlights

\$1.98Bn
Adjusted Revenue⁽¹⁾

~9.3%
Adjusted EBITDA %⁽¹⁾

~\$177M
Adj. Free Cash Flow ⁽²⁾

Fly-by Operating Stats

50+
Countries Served

200k+
Customers

740k+
Unique SKU's

(1) TTM as of September 30, 2025. Adjusted Revenue and Adjusted EBITDA results are presented on an Adjusted (Non-GAAP) and continuing operations basis. Information inclusive of Other Acquisition results prior to the acquisition date. See appendix for reconciliations of all GAAP to Non-GAAP measures.

(2) 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.

Why Invest in DSG?

Specialty Distributor

Value-added services managing complexities, embedded customer relationships, consistent cash flow and high returns on working capital with asset light model

Highly diverse platform

Connecting over 200,000+ customers, 10,000+ suppliers, largest customer < than 6% of sales

Our “Power of Three”

Multi-platform leveraging one C-Suite, shared M&A team, sourcing and adjacent products, broad customer base and cross-selling, cash operating cost savings, cash generation, best practices

Industry diversification

Broad exposure across industrial and electronic production markets for both MRO and OEM applications

Strategic initiatives drive margins

Proven track record of consistent margin progression in platform businesses and driving margins higher in acquired businesses

Disciplined capital allocation strategy

Robust capital re-deployment opportunities, business units compete for growth capital

Best-in-class alignment

High insider ownership across management team and LKCM Headwater investments

Attractive Attributes of Specialty Distributors

- ✓ Business model **repeatedly demonstrating a clear, differentiated value proposition for customers**
- ✓ **Fortified competitive moat** of technical knowledge, service capabilities, sourcing of complex, scarce products
- ✓ Ability to **rapidly and consistently scale** through organic and inorganic investments
- ✓ Large **consolidation opportunity** driven by **fragmentation** of niche product & service offerings
- ✓ **Diversification** across various dimensions, including customers, suppliers, end markets, and geographies in a **large multi-trillion dollar marketplace**
- ✓ **Resilient through business cycles** via asset light model and working capital rationalization

Vendor Managed Inventory (“VMI”)



Kitting / Labeling / Packaging



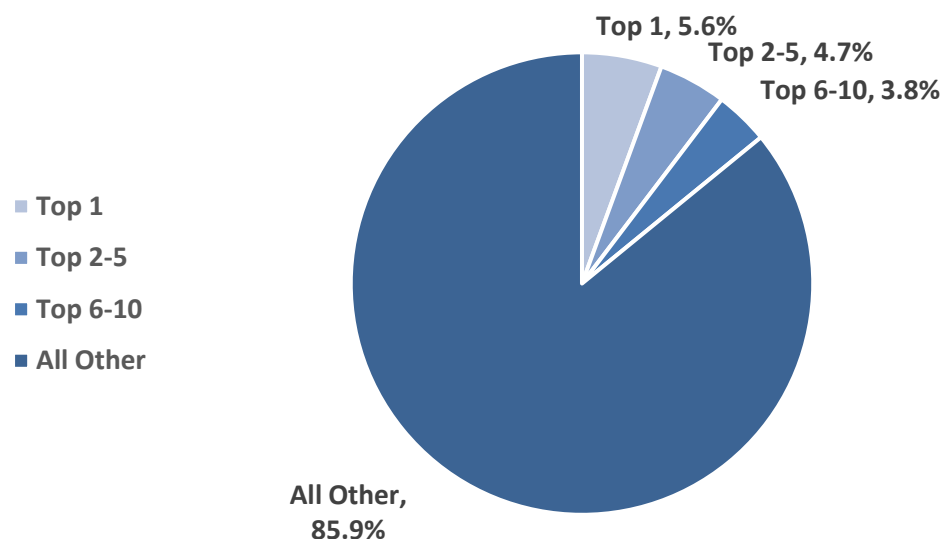
Fabrication / Repair / Service



Highly Diverse Platform of Customers & Suppliers

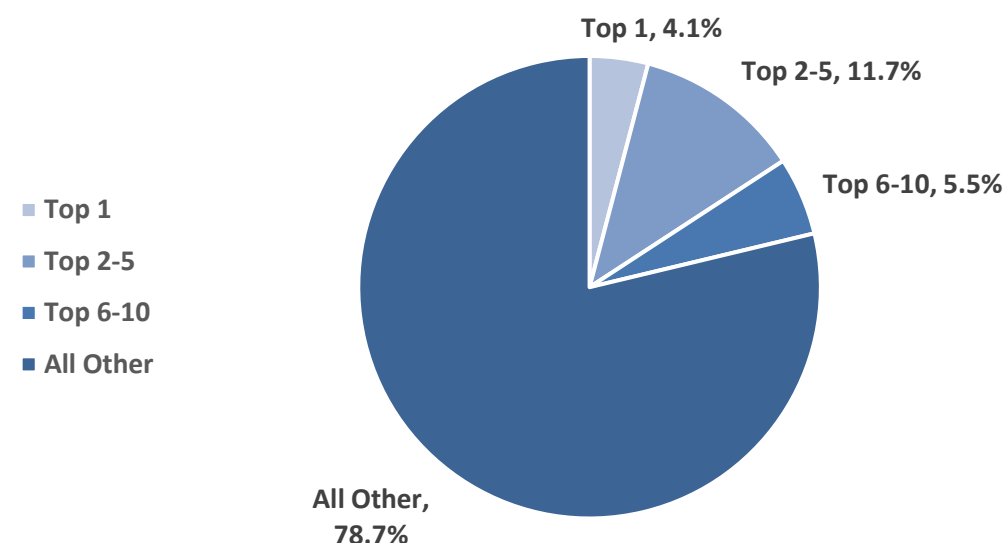
Diverse customer base and end markets with product focus and reach fosters growth with both suppliers and customers

Customer Concentration 200,000+ customers



Documented value to customers through product specification, technical support, local inventory of mission critical materials and outstanding customer service

Supplier Concentration 10,000+ suppliers



Recognized value to suppliers through lead generation, engineered specification and best-in-class supply chain solutions



Case Study: Aerospace Production Plant

Our "Power of Three"



Main Assembly



Hydraulics



Fasteners



Chemicals



Fabrications



Hardware



Electrical

Multi-platform benefits & opportunities

- One C-Suite
- Shared M&A team
- Sourcing advantages & adjacent products
- Broader customer base & cross-selling opportunities
- Cash operating cost savings
- Shared operational best practices & culture
- Significant cash generation on asset-light base
- LKCM operations team analytics & support

R&D Lab



Environmental Chambers



Oscilloscopes



Electrical Analyzers

Electronics Assembly



Solder Wire



Cases & Tools



Benches & Workstations

Maintenance Shop



Safety



Cutting & Abrasives



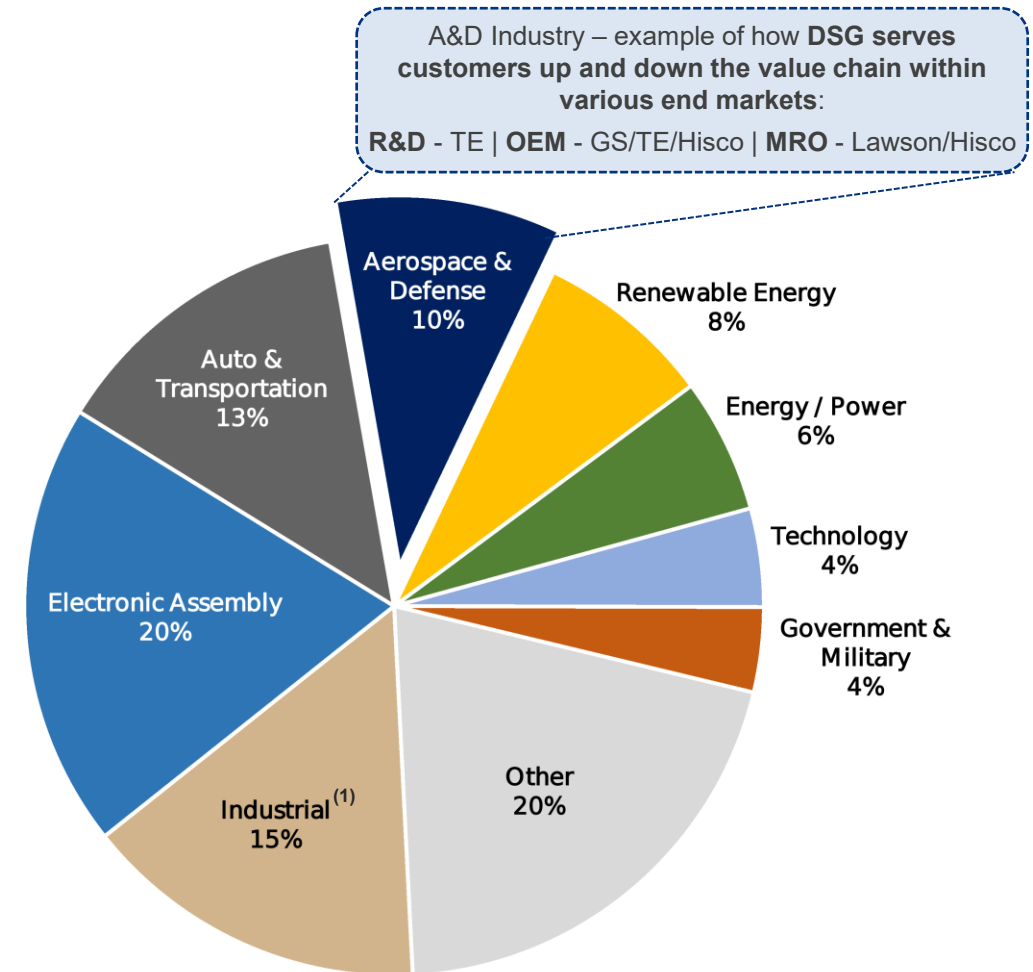
Shop Supplies

DSG Serves a Broad & Diverse Set of End Markets

Spotlight: Revenue and End Market Diversification

**>200,000 customers
in a robust set of end markets**

- ✓ *Sticky customer relationships*
- ✓ *Diverse demand drivers*
- ✓ *World class global supply chain capabilities across the platform*
- ✓ *Servicing the full life cycle of customers within various end markets*



MRO Focus: Overview

Business Unit Snapshot

MRO Focus

35% of Total Revenue
(TTM \$703.5M) ⁽¹⁾

OEM Focus

**Industrial Technologies
Focus**



Current Strategic Initiatives

- Sales force investments and productivity improvements; channel expansion thru web & ISRs
- Acquisitions improving the selection of product adjacencies (safety, automotive)
- Source Atlantic/Canadian synergies with MRO expansion and margin enhancement opportunities

Products



- Fasteners
- Chemicals
- Cutting tools
- Hydraulics
- Other broad offerings and C-Parts
- Safety

Services



- Managed inventory
- Industrial vending
- Self-service inventory management
- Product recommendations
- Application advice

Value to Customer



- “One-stop shop”
- Deep product knowledge
- Reducing supply chain costs
- Purchasing leverage / private label offering with consistent delivery

End Markets



- Manufacturing
- Automotive
- Government / Military
- Construction
- Equipment rental
- Other industrial-related sectors

Geography



- United States
- Canada

OEM Focus: Overview

Business Unit Snapshot

MRO Focus

OEM Focus

25% of Total Revenue
(TTM \$496.4M) ⁽¹⁾

Industrial Technologies
Focus



Current Strategic Initiatives

- **Value creation: cross-selling, acquisition synergies, VMI, kitting, manufacturing, e-commerce offerings**
- **Investments in sales growth teams to drive new business; leverage existing infrastructure**
- **Continue growth with industrial and technology customers in the Asia-Pacific region**
- **High customer retention model drives wallet expansion**

Comprehensive Supply Chain Solutions



Vendor Managed
Inventory (VMI)



Kitting &
Assembly



Aftermarket /
Installation



Technology

Diverse End Markets



Renewables



Technology



Aerospace &
Defense



Industrial
Power



Consumer &
Industrial



Transportation

Serving Customers in 40 Countries and 6 Continents

USA
Canada
Mexico

Denmark
Hungary
Germany

Turkey
China
Brazil

...and Many Others

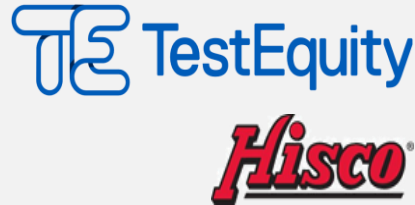
Industrial Technologies Focus: Overview

Business Unit Snapshot

MRO Focus

OEM Focus

Industrial Technologies
Focus



40% of Total Revenue
(TTM \$782.8M) ⁽¹⁾

Current Strategic Initiatives

- New high-energy leadership, reworking go-to-market strategy
- Enhance value proposition across 3 core categories: Design & Test, Build & Assemble, Maintain & Repair
- Investments in teams, systems, e-commerce capabilities to unlock cross-sell and streamline business structure



Design & Test

Design Engineers, R&D Teams, Lab Managers

Our Products



Benchtop T&M | Power Supplies | Environment Test Chambers



Build & Assemble

Production Managers and Procurement Professionals



Solder & Desolder Equipment | Adhesives & Process Materials | Static Control & Workstations



Maintain & Repair

Maintenance and Facility Managers, MRO Buyers



Handheld T&M | Hand Tools & Maintenance Kits | Cleaning & ESD Protection

Fabrication, Industrial Printing, Labeling, and Converting

Our Markets

Aerospace

Medical

Industrial Manufacturing

Semiconductors

Automotive

eMobility

Telecom

Energy & Power

Contract Manufacturing

Our Capabilities



Fast Delivery

25 North American Distribution Centers



>320K Products

Test & Measurement, Used, Rental, Chambers, EPS, MRO



24/7

Customer Service & Sales Support



Technical Expertise

Application design, fabrication, industrial printing, & applied materials



97% Availability

Broad Product Range Always In-Stock



Digital Procurement

Web, mobile, EDI, Punchout, VMI, vending, RFID

1. TTM as of September 30, 2025. Adjusted Revenue is presented on an Adjusted (Non-GAAP) and continuing operations basis. Information inclusive of Other Acquisition results prior to the acquisition date. See appendix for reconciliations of all GAAP to Non-GAAP measures.



Acquisition Criteria

Unique customer value proposition

Strong organic growth and potential for scale in attractive end markets

Synergistic across the platform while driving higher structural margins

A clear integration thesis to unlock targeted value-enhancement levers

Prioritizing North American footprint



MRO Focus

- Product offering expansion in safety, cutting tools, automotive, and fluid power categories
- Leverage current VMI offering across acquired company's customer base
- Augment current go-to-market model with technical product/service specialists
- Expand manufacturing customer presence especially in the US and Canada
- Other focus areas include private label and eCommerce



OEM Focus

- Expansion of fasteners, fabrication, electricals, mechanicals, & gasket/seals/o-ring products
- Strengthen value proposition with strategic sourcing, VMI offering, specification engineering resources, and manufacturing capabilities
- Complementary technology solutions including eCommerce, WMS, AI, etc.
- End market focus: Aerospace & Defense, Industrial Power, Renewables, Technology in North America, Europe, and SE Asia



Industrial Technologies Focus

- Distribution: EPS & T&M, with emphasis on acquiring companies with strong technical sales force
- Calibration: Adding this capability to RFID asset management service offering provides very sticky customer relationships and "final brick in moat"
- Used/Rental: Capital intensive, high margins, sticky customer relationships
- Geographic expansion focus in US, Western Europe and Canada

Capital Allocation Strategy

Organic Growth	M&A	Robust Net Working Capital Investment	Focus on Deleveraging via Earnings Growth and Free Cash Flow Generation	Return Capital to Shareholders
- Market share growth - Value-accretive initiatives - Wallet-share expansion - Cross-selling opportunities	- Adding scale, footprint, product adjacencies & services - Building structurally high margin value added industrial distribution businesses - Disciplined acquisition criteria	\$485.7M \$295.5M Accounts Receivable \$345.2M Inventory \$(155.0M) Accounts Payable 9/30/2025 Trade NWC High returns realized on working capital investments	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	- 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.

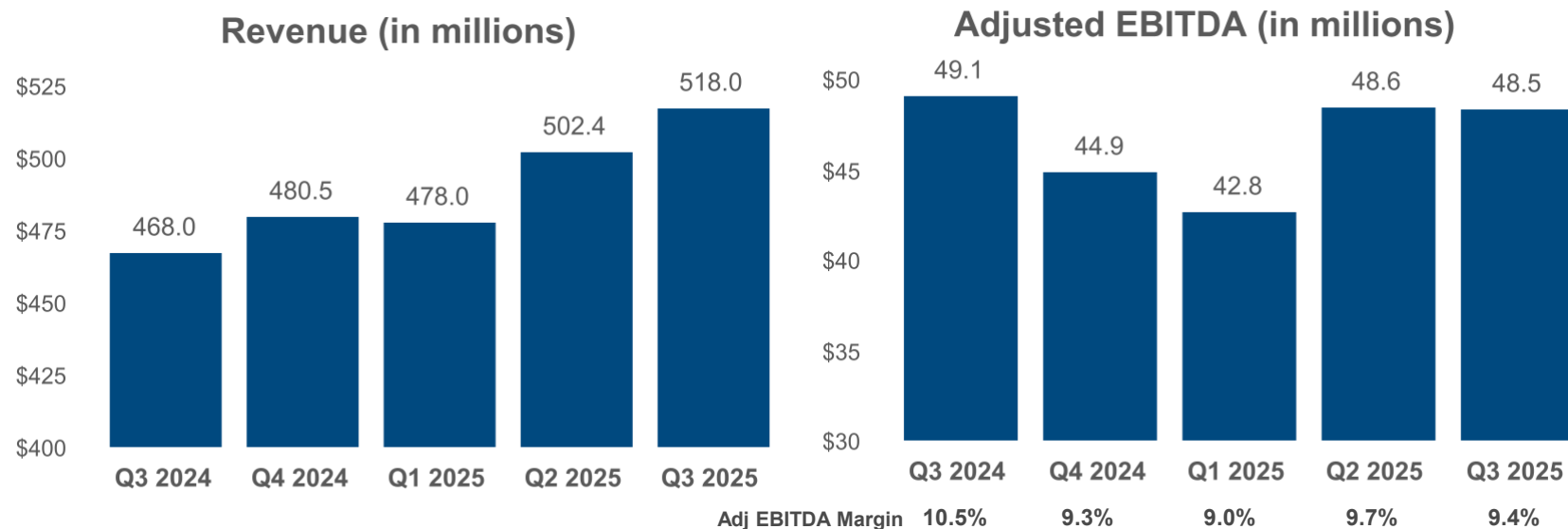
(2) Inclusive of restricted & unrestricted cash position and availability under credit facility.

(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).

Q3 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



Highly Aligned Leadership / Governance

DSG



J. Bryan King
DSG Chairman & CEO
LKCM HW Managing Partner



Ron Knutson
EVP and CFO
Lawson and DSG



**LKCM
HEADWATER
INVESTMENTS**

*Dedicated LKCM Headwater team
investing significant time, resources
and well aligned capital*

LAWSON PRODUCTS



Cesar Lanuza
CEO

GEXPRO SERVICES



Bob Connors
CEO

TESTEQUITY GROUP



Barry Litwin
CEO

M&A playbook led by a first-class, in-house corporate development team

Independent & diverse Board of Directors providing strategic direction

Supported by a base of over 4,400 employees

LKCM Headwater Introduction



- Private, employee-owned SEC-registered investment advisor
- Founded in 1979 with over 75 investment and other professionals
- \$30.1 billion of assets under management (9/30/2025)
- C-corp with 46 years of retained earnings
- Primarily long-term, long-equity strategies for individuals and families
- LKCM, investment team & affiliates are collectively the firm's largest client



- Private investment arm of LKCM
- Over 100 years of collective experience & more than 100 businesses in the distribution space
- LKCM, investment team and affiliates are collectively the largest investor (~1/3 of capital)
- Engaged group of over 100 retired and active operating executives that are investors in the partnerships and willingness to lean into engagements to improve value within the portfolio
- More than \$2.1 billion of committed private capital



SIGNIFICANT PRIVATE COMPANY DISTRIBUTION EXPERIENCE

CURRENT

ERIKS **LewisGoetz** **CNC**

- LG - Leading distributor of fabricated hose, gaskets and belting for specialized and mission-critical applications
- ESP - Value-added provider of mission-critical sealing solutions to diverse end markets
- CNC - Leading provider of flow control solutions to the energy industry

Gexpro Services

- Value-added distributor specializing in designing and implementing supply chain solutions / VMI for OEM customers

BUILDING CONTROLS & SOLUTIONS

- Leading provider of building automation, controls and gas detection solutions for the commercial buildings market

relevant.

- Value-added instrumentation, controls, automation and rotating equipment distributor with engineering and service capabilities

TESTEQUITY

- Largest North American specialty distributor of electronic production supplies and T&M equipment

BEARC-M

- North America's leading value-added distributor and service provider of mission-critical communication solutions

GSMS

- High growth value-added distributor, packager and re-packager of generic pharmaceuticals

IDG
Industrial Distribution Group

- Provider of supply chain solutions and distributor of indirect materials primarily to manufacturers

Rawson

- Leading value-added instrumentation and valve distributor based in the Gulf Coast

FORMER

Questions?

Visit our websites for more information

www.lawsonproducts.com

www.testequity.com

www.gexproservices.com

www.lkcmheadwater.com

www.distributionsolutionsgroup.com



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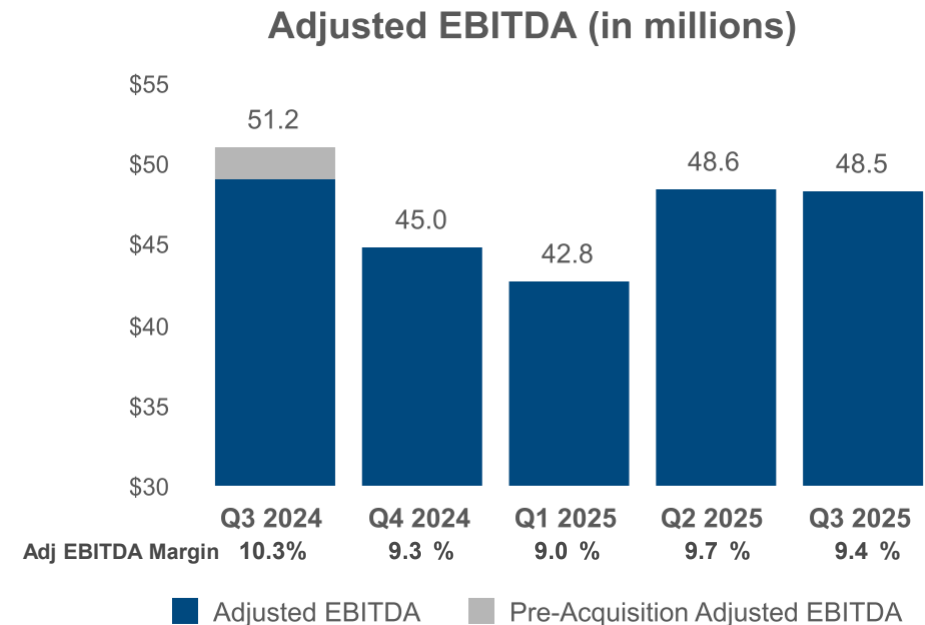
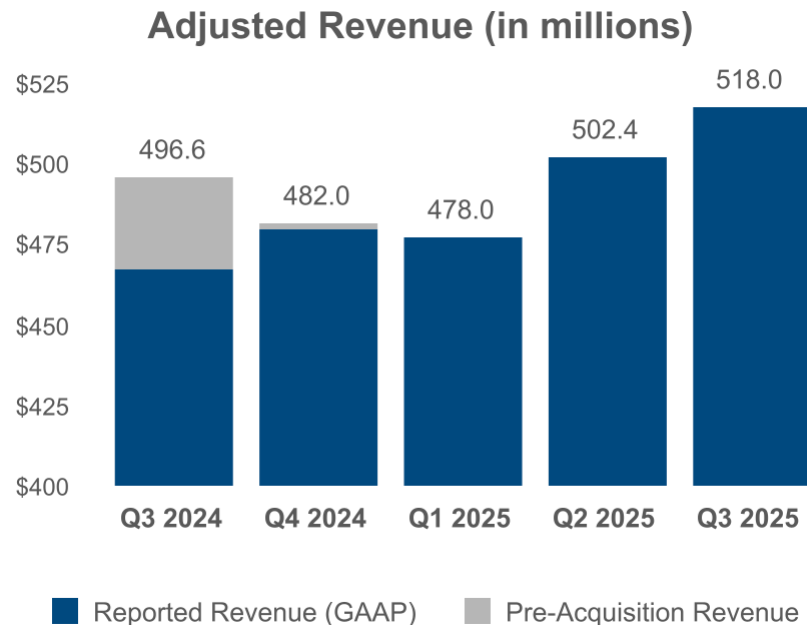
Appendix



Q3 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

Q3 Revenue and Adjusted EBITDA Reconciliation (\$000s)

(Unaudited)

Quarter Ended	Lawson Products		Gexpro Services		TestEquity		Canada Branch Division		All Other		Eliminations		Consolidated DSG	
	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	<u>\$ 121,549</u>	<u>\$ 117,957</u>	<u>\$ 130,525</u>	<u>\$ 116,141</u>	<u>\$ 206,479</u>	<u>\$ 195,244</u>	<u>\$ 59,977</u>	<u>\$ 39,092</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (572)</u>	<u>\$ (415)</u>	<u>\$ 517,958</u>	<u>\$ 468,019</u>
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	<u>\$ 13,959</u>	<u>\$ 15,473</u>	<u>\$ 17,755</u>	<u>\$ 16,396</u>	<u>\$ 12,351</u>	<u>\$ 14,384</u>	<u>\$ 5,777</u>	<u>\$ 4,019</u>	<u>\$ (1,385)</u>	<u>\$ (1,162)</u>			<u>\$ 48,457</u>	<u>\$ 49,110</u>
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.

GAAP to Non-GAAP Reconciliations

Adjusted Revenue and Adjusted EBITDA Reconciliation (\$000s)

Results Inclusive of Acquisitions – Pre-Acquisition Date

(Unaudited)

	Quarter Ended	Consolidated DSG				
		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		<u>\$ 496,575</u>	<u>\$ 481,997</u>	<u>\$ 478,029</u>	<u>\$ 502,437</u>	<u>\$ 517,958</u>
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)		<u>19,394</u>	<u>19,197</u>	<u>20,097</u>	<u>26,826</u>	<u>23,619</u>
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		<u>\$ 51,160</u>	<u>\$ 44,964</u>	<u>\$ 42,786</u>	<u>\$ 48,561</u>	<u>\$ 48,457</u>
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 24

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	<u>\$ 18,770</u>	<u>\$ 0.40</u>	<u>\$ 17,655</u>	<u>\$ 0.37</u>	<u>\$ 16,451</u>	<u>\$ 0.35</u>

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.

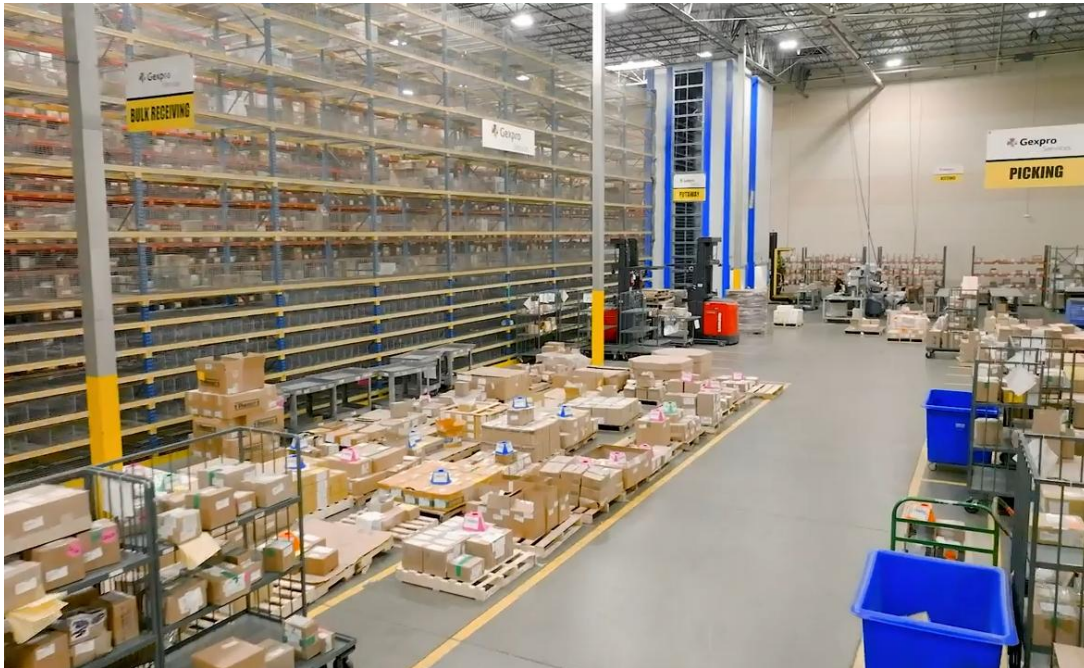
Historical Acquisitions

	COMPANY	FOCUS	STRATEGIC RATIONALE	CLOSING DATE	REVENUE ⁽¹⁾	PURCHASE PRICE
2017		Industrial Technologies	- Expanded geographic coverage and expanded customer base with an additional ~22,000 customer locations - Complementary value-added products / services (kitting, VMI)	January 2017	\$45.1	\$25.0
		Industrial Technologies	- Adds scale to highly complementary Lab & Production supplies offering - Bolsters stocked inventory and value-add capabilities (VMI, vending, etc.)	July 2017	\$77.8	\$35.0
		MRO	- Complementary products in fasteners, power tools and MRO supplies - Provides sales/regional fulfillment expansion opportunity in W Canada	October 2017	\$34.4	\$32.0
2020		MRO	- Sizable "DNA match" acquisition for MRO segment - Highly accretive with significant cost synergies	August 2020	\$64.2	\$35.3
2021		OEM	- Complementary value-added fabrication capabilities - Highly accretive with significant synergies	June 2021	\$5.3	\$6.5
		Industrial Technologies	- European beachhead for Industrial Technologies segment - Supplier expansion and further penetration into Telecom/5G market	July 2021	\$9.7	\$14.4
		OEM	- Strategic expansion into Canada & Mexico for OEM segment - Loyal customer base with high service levels in new and existing markets	November 2021	\$28.3	\$18.9
		OEM	- Highly accretive "DNA match" with diversified end markets - Natural tuck-in with value-add product offering and strong management	December 2021	\$9.6	\$11.8

Historical Acquisitions (Continued)

	COMPANY	FOCUS	STRATEGIC RATIONALE	CLOSING DATE	REVENUE ⁽¹⁾	PURCHASE PRICE
2022	 Resolux	OEM	- Leading global renewables supplier within the OEM segment - Opened new strategic markets in Europe, the Middle East, and Asia	January 2022	\$31.9	\$38.0
	 FT	OEM	- Enhances B & C-class product and service offering to Renewables market - Significant commercial synergies and delivers manufacturing capabilities	March 2022	\$21.9	\$30.0
	 TE Equipment	Industrial Technologies	- Adds complementary product lines (handhelds), brands and customers - Digital go-to-market supplements Industrial Technology's sales model	April 2022	\$113.0	\$55.0
	 NUE	Industrial Technologies	- Adds complementary product lines with reconditioned equipment - Strong focus on rental and leasing purchase options	June 2022	\$9.0	\$7.8
	 INSTRUMEX	Industrial Technologies	- Adds complementary product lines with reconditioned equipment - Natural tuck-in with expanded markets in Europe	December 2022	\$7.0	\$3.9
2023	 Hisco	Industrial Technologies	Adds complementary product lines, including adhesives, chemicals and tapes as well as specialty materials such as electrostatic discharge, thermal management materials and static shielding bags.	June 2023	\$422.6	\$269.1
2024	 EMERGENT	MRO	Adds complementary product lines in the safety category, which accelerates Lawson's safety product category by over four times.	January 2024	\$13.0	\$10.0
	 SS	MRO	Extends Lawson's automotive product category and expands market reach with automotive dealers	May 2024	\$40.0	\$80.0
	 SA SOURCE ATLANTIC	MRO	Extends Lawson's MRO supplies, safety products, fasteners, and related value-add services and operating footprint in the Canadian market	August 2024	\$185.0	\$105.0
	 TECH - COMPONENT RESOURCES	OEM	- A distributor of fasteners, mechanical components, and other industrial products in Southeast Asia - Supports our existing large OEM customers' expansion plans while providing us with a strategic foothold in this growing region	October 2024	\$4.5	\$5.9
	 ConRes	Industrial Technologies	- Expands Test & Measurement leasing and calibration offerings, deepens national customer relationships - Expands resources in the Northeast	November 2024	\$12.0	\$17.0
HIGHLIGHTED TOTAL					~\$1,134	~\$801

Who We Are



DSG is a best-in-class specialty distribution company providing high-touch, value-added distribution solutions to the MRO, OEM, and Industrial Technologies verticals in a diversified set of end markets.

We take a solutions-based approach to serving our customers the way they want to be served.

DSG operates under three distinct verticals with many benefits of a scaled, integrated platform.