

# DSG

DISTRIBUTION  
SOLUTIONS GROUP

Powerful Solutions. Proven Results.

NASDAQ: DSGR

## Non-Deal Roadshow

*December 2025*



# Disclaimers

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## 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.

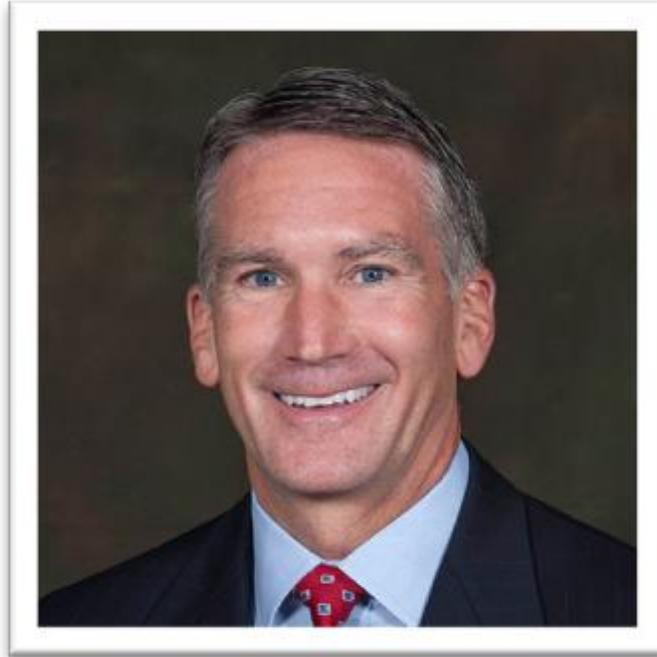
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## Non-GAAP Financial Measures, SEC Regulation G GAAP Reconciliations

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.

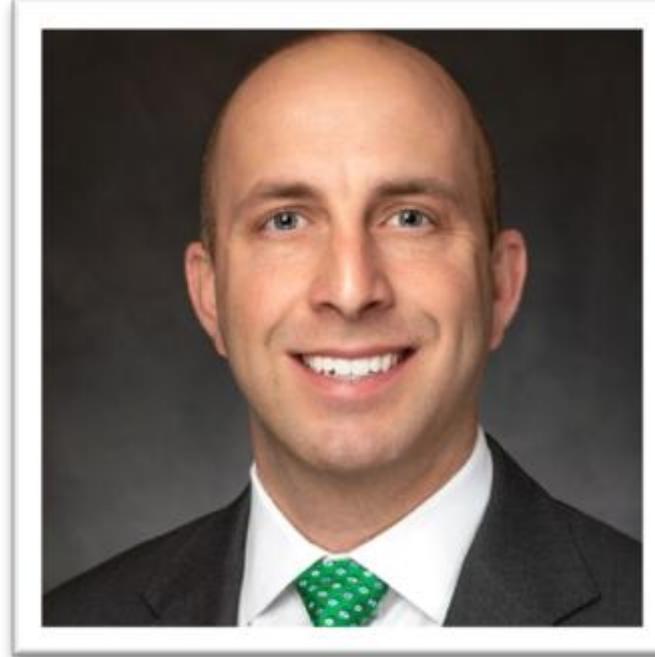
# Presenters

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**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

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 <sup>(1)</sup>

~11% of Revenue <sup>(1)</sup>

~25% of Revenue <sup>(1)</sup>

~40% of Revenue <sup>(1)</sup>

**TTM Financial Highlights**

**\$1.98Bn**  
Adjusted Revenue<sup>(1)</sup>

**~9.3%**  
Adjusted EBITDA %<sup>(1)</sup>

**~\$177M**  
Adj. Free Cash Flow <sup>(2)</sup>

**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?

<b>Specialty Distributor</b> 	Value-added services managing complexities, embedded customer relationships, consistent cash flow and high returns on working capital with asset light model
<b>Highly diverse platform</b> 	Connecting over 200,000+ customers, 10,000+ suppliers, largest customer < than 6% of sales
<b>Our “Power of Three”</b> 	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
<b>Industry diversification</b> 	Broad exposure across industrial and electronic production markets for both MRO and OEM applications
<b>Strategic initiatives drive margins</b> 	Proven track record of consistent margin progression in platform businesses and driving margins higher in acquired businesses
<b>Disciplined capital allocation strategy</b> 	Robust capital re-deployment opportunities, business units compete for growth capital
<b>Best-in-class alignment</b> 	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*



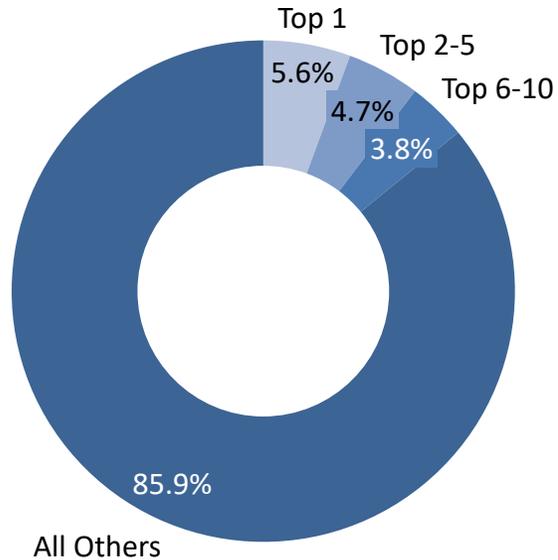
*Fabrication / Repair / Service*



# Highly Diverse Platform of Customers & Suppliers

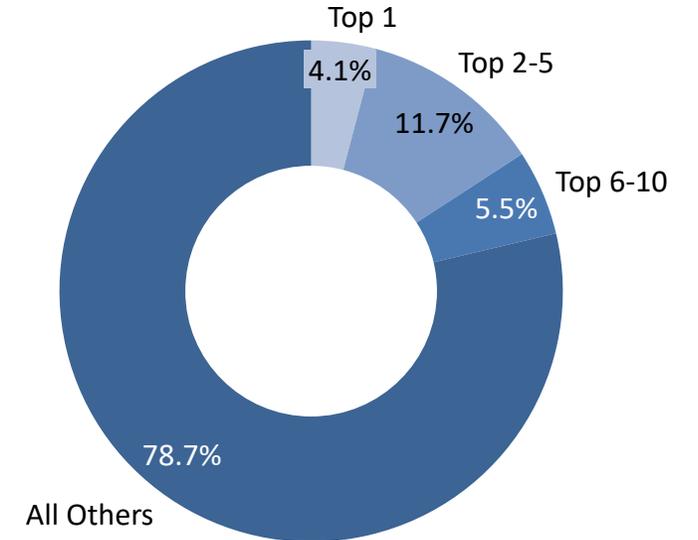
Diverse customer base and end markets with product focus and reach fosters growth with both suppliers and customers

## 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



Gexpro Services



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

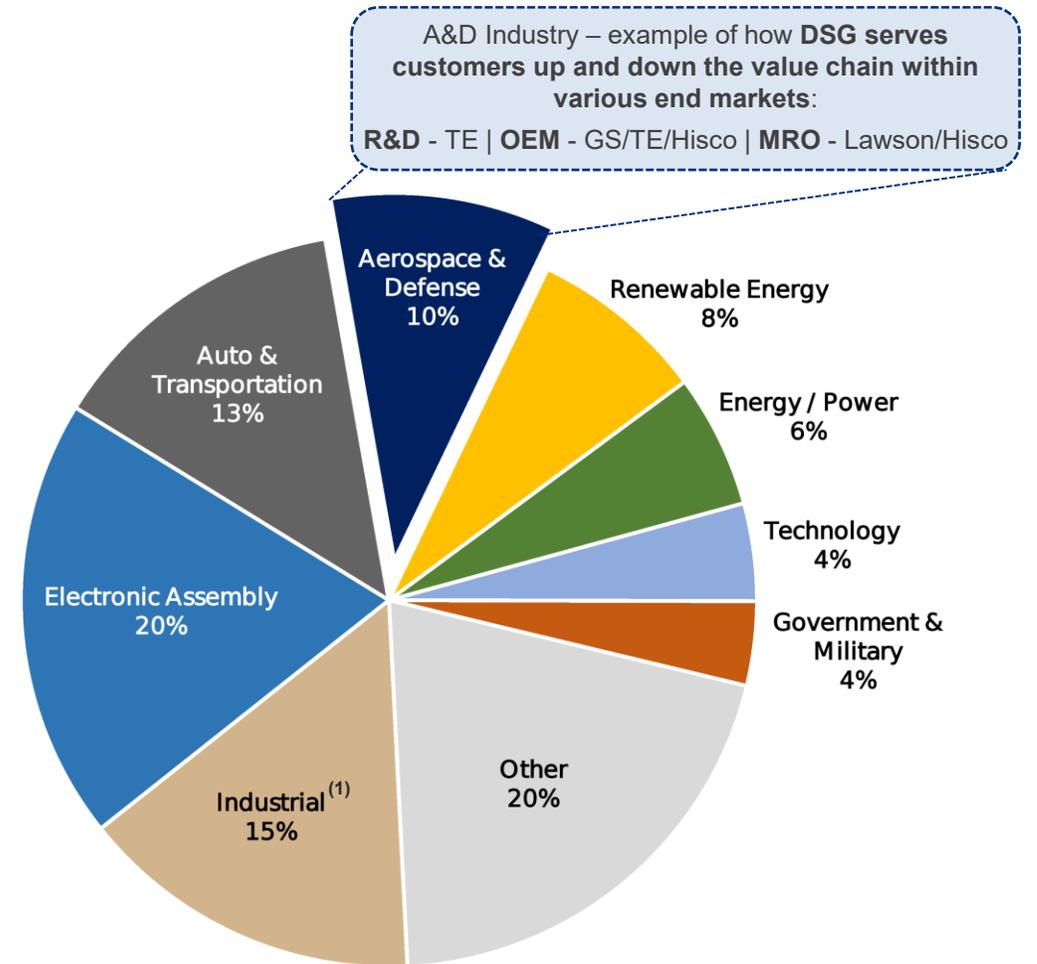
Note: Illustrative Aerospace Production Plant

# 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) <sup>(1)</sup>

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

### 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) <sup>(1)</sup>

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

 TestEquity

 Hisco

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

### 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



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
<ul style="list-style-type: none"> <li>Market share growth</li> <li>Value-accretive initiatives</li> <li>Wallet-share expansion</li> <li>Cross-selling opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Adding scale, footprint, product adjacencies &amp; services</li> <li>Building structurally high margin value added industrial distribution businesses</li> <li>Disciplined acquisition criteria</li> </ul>	<p style="text-align: center;"><b>\$485.7M</b></p> <div style="display: flex; justify-content: center; align-items: center;"> <div style="background-color: #003366; color: white; padding: 5px; margin: 5px;">\$295.5M</div> <div style="margin-left: 10px;">Accounts Receivable</div> </div> <div style="display: flex; justify-content: center; align-items: center;"> <div style="background-color: #cccccc; padding: 5px; margin: 5px;">\$345.2M</div> <div style="margin-left: 10px;">Inventory</div> </div> <div style="display: flex; justify-content: center; align-items: center;"> <div style="background-color: #cccccc; padding: 5px; margin: 5px;">\$(155.0M)</div> <div style="margin-left: 10px;">Accounts Payable</div> </div> <p style="text-align: center;"><b>9/30/2025 Trade NWC</b></p> <p style="text-align: center;">High returns realized on working capital investments</p>	<p style="text-align: center;"><b>3.6x</b></p> <p style="text-align: center;">Leverage<sup>(1)</sup> at April 1, 2022 Merger Close</p> <div style="text-align: center;">  </div> <p style="text-align: center;"><b>3.5x</b></p> <p style="text-align: center;">Leverage<sup>(1)</sup> as of September 30, 2025</p> <p style="text-align: center;">Generated cash flows from operations of \$38M in Q3</p> <p style="text-align: center;">Inclusive of 9 acquisitions post-April 2022 merger with cash portion of purchase price of ~\$450M</p>	<ul style="list-style-type: none"> <li>Authorized \$37.5M share repurchase program in place</li> <li>Repurchased shares of \$20.0M YTD 2025; \$6.3M still available under prior authorizations</li> </ul>

**Total Liquidity at September 30, 2025 ~\$335M<sup>(2)</sup>**

**TTM Free Cash Flow Conversion of ~96%<sup>(3)</sup>**

**TTM ROIC of ~11%<sup>(4)</sup>**

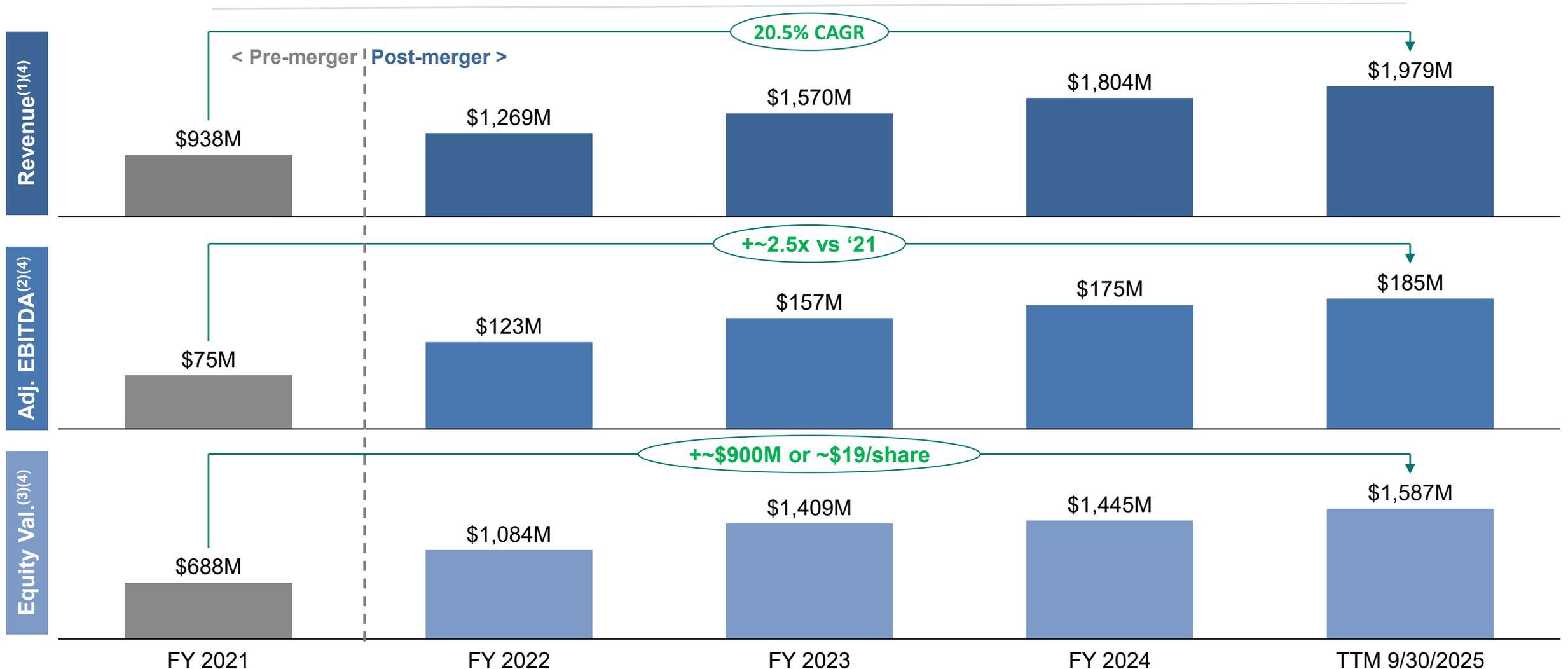
(1) As defined under DSG's credit agreement.

(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.

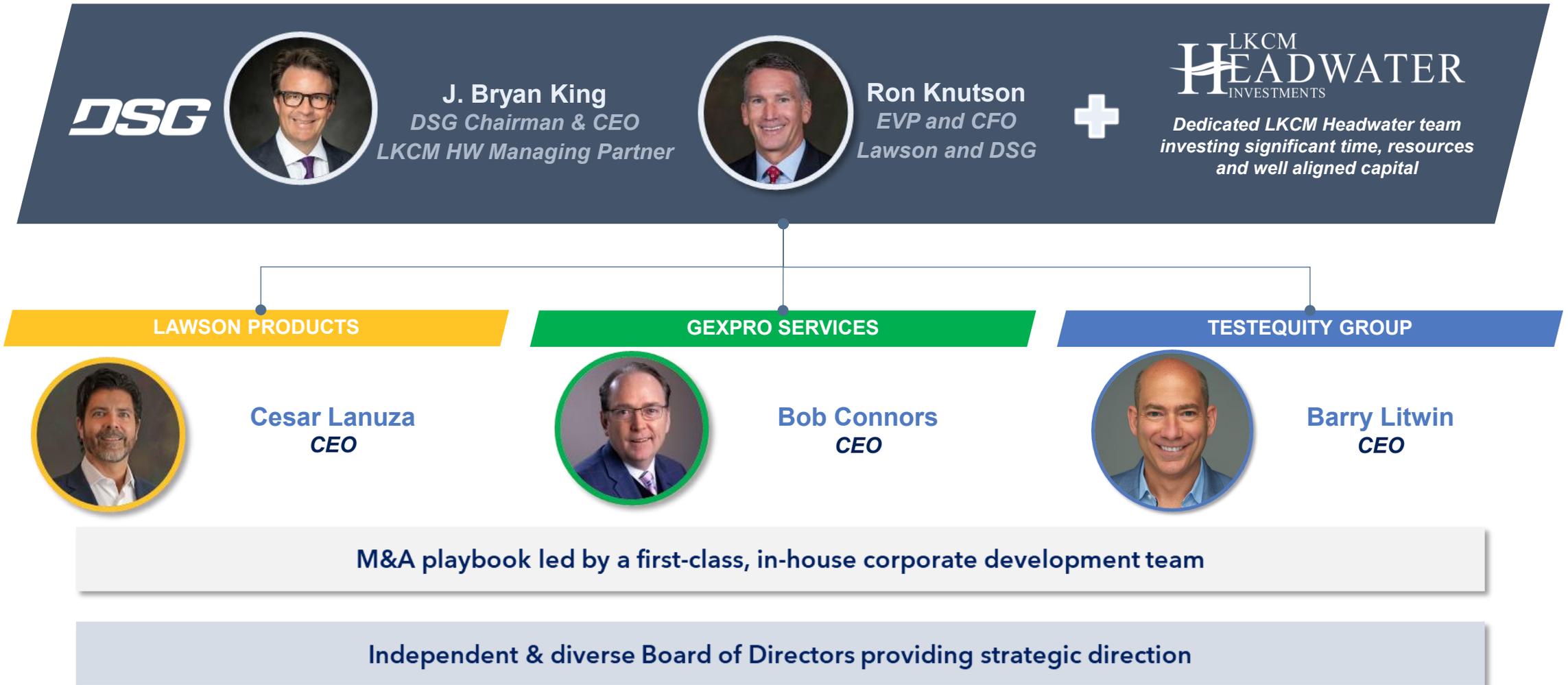
(4) Defined as adjusted net operating profit after tax (NOPAT) divided by invested capital (current assets plus property, plant and equipment (net), rental equipment (net), goodwill, intangible assets (net), and other assets less cash and cash equivalents, accounts payable, accrued expenses and other current liabilities and goodwill related to the April 2022 DSG merger).

# Accelerated Growth Since DSG Established



1. Results are presented on a GAAP and continuing operations basis.
2. Adjusted EBITDA results are presented on an Adjusted (Non-GAAP) and continuing operations basis. See appendix for reconciliations of all GAAP to Non-GAAP measures.
3. Equity value defined as Reg G EBITDA using a constant 12x multiple, less total debt, plus cash and cash equivalents and restricted cash.
4. FY 2021 and FY 2022 adjusted to include the operating results of Lawson, Canada Branch Division and All Other prior to the April 1, 2022 merger. See appendix for reconciliations of all GAAP to Non-GAAP measures.

# Highly Aligned Leadership / Governance



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** **Seals and Plastics** **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

FORMER

**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

# Questions?

Visit our websites for more information

[www.lawsonproducts.com](http://www.lawsonproducts.com)

[www.testequity.com](http://www.testequity.com)

[www.gexproservices.com](http://www.gexproservices.com)

[www.lkcmheadwater.com](http://www.lkcmheadwater.com)



[www.distributionsolutionsgroup.com](http://www.distributionsolutionsgroup.com)

# Investor Contacts



**Three Part Advisors, LLC**  
(214) 872-2710

**Steven Hooser**  
[shooser@threepa.com](mailto:shooser@threepa.com)

**Sandy Martin**  
[smartin@threepa.com](mailto:smartin@threepa.com)

# Appendix

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# Historical Acquisitions

	COMPANY	FOCUS	STRATEGIC RATIONALE	CLOSING DATE	REVENUE <sup>(1)</sup>	PURCHASE PRICE
2017	 <b>JENSEN</b> TOOLS-SUPPLY	Industrial Technologies	<ul style="list-style-type: none"> <li>Expanded geographic coverage and expanded customer base with an additional ~22,000 customer locations</li> <li>Complementary value-added products / services (kitting, VMI)</li> </ul>	January 2017	\$45.1	\$25.0
	 <b>TECHNI-TOOL</b> SPECIALIZED PRODUCTS • SIMPLIFIED SOLUTIONS	Industrial Technologies	<ul style="list-style-type: none"> <li>Adds scale to highly complementary Lab &amp; Production supplies offering</li> <li>Bolsters stocked inventory and value-add capabilities (VMI, vending, etc.)</li> </ul>	July 2017	\$77.8	\$35.0
	 <b>THE BOLT SUPPLY HOUSE LTD.</b>	MRO	<ul style="list-style-type: none"> <li>Complementary products in fasteners, power tools and MRO supplies</li> <li>Provides sales/regional fulfillment expansion opportunity in W Canada</li> </ul>	October 2017	\$34.4	\$32.0
2020	 <b>PARTSMASTER</b> ALWAYS RUNNING	MRO	<ul style="list-style-type: none"> <li>Sizable “DNA match” acquisition for MRO segment</li> <li>Highly accretive with significant cost synergies</li> </ul>	August 2020	\$64.2	\$35.3
2021	 <b>Dunn</b> FASTENERS	OEM	<ul style="list-style-type: none"> <li>Complementary value-added fabrication capabilities</li> <li>Highly accretive with significant synergies</li> </ul>	June 2021	\$5.3	\$6.5
	 <b>mcstest</b>	Industrial Technologies	<ul style="list-style-type: none"> <li>European beachhead for Industrial Technologies segment</li> <li>Supplier expansion and further penetration into Telecom/5G market</li> </ul>	July 2021	\$9.7	\$14.4
	 <b>NATIONAL ENGINEERED FASTENERS INC.</b>	OEM	<ul style="list-style-type: none"> <li>Strategic expansion into Canada &amp; Mexico for OEM segment</li> <li>Loyal customer base with high service levels in new and existing markets</li> </ul>	November 2021	\$28.3	\$18.9
	 <b>SIS</b> Specialized Industrial Solutions	OEM	<ul style="list-style-type: none"> <li>Highly accretive “DNA match” with diversified end markets</li> <li>Natural tuck-in with value-add product offering and strong management</li> </ul>	December 2021	\$9.6	\$11.8

# Historical Acquisitions (Continued)

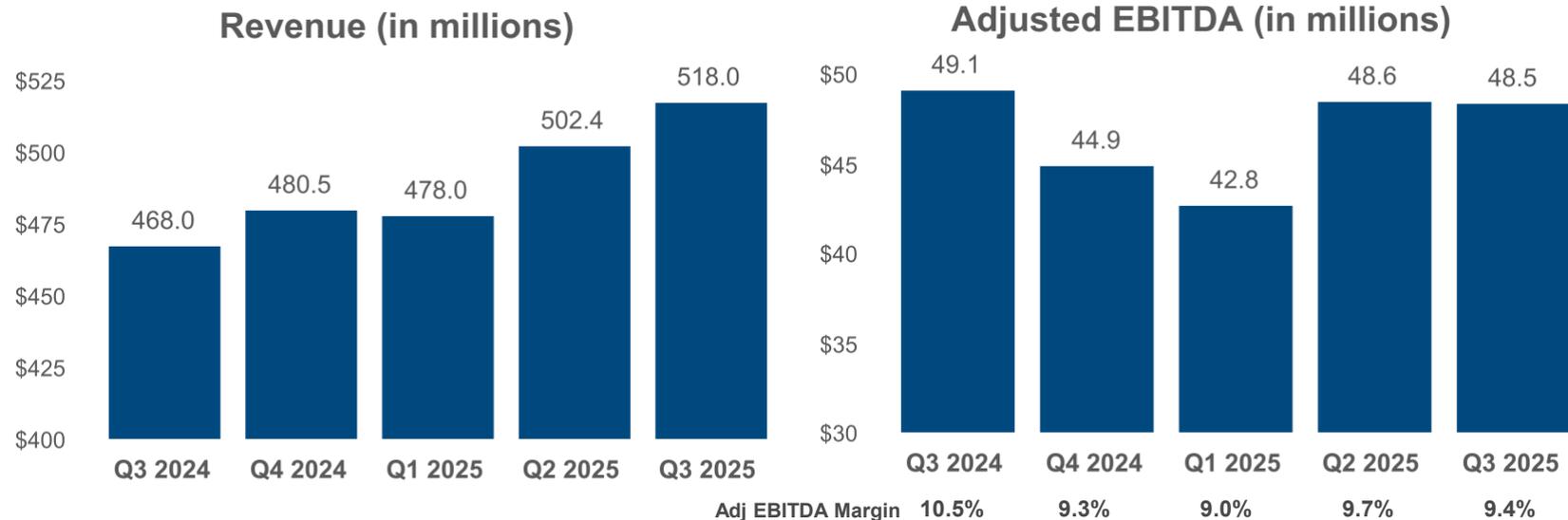
	COMPANY	FOCUS	STRATEGIC RATIONALE	CLOSING DATE	REVENUE <sup>(1)</sup>	PURCHASE PRICE
2022	 Resolux	OEM	<ul style="list-style-type: none"> <li>Leading global renewables supplier within the OEM segment</li> <li>Opened new strategic markets in Europe, the Middle East, and Asia</li> </ul>	January 2022	\$31.9	\$38.0
	 FT	OEM	<ul style="list-style-type: none"> <li>Enhances B &amp; C-class product and service offering to Renewables market</li> <li>Significant commercial synergies and delivers manufacturing capabilities</li> </ul>	March 2022	\$21.9	\$30.0
	 TE Equipment	Industrial Technologies	<ul style="list-style-type: none"> <li>Adds complementary product lines (handhelds), brands and customers</li> <li>Digital go-to-market supplements Industrial Technology's sales model</li> </ul>	April 2022	\$113.0	\$55.0
	 NTE	Industrial Technologies	<ul style="list-style-type: none"> <li>Adds complementary product lines with reconditioned equipment</li> <li>Strong focus on rental and leasing purchase options</li> </ul>	June 2022	\$9.0	\$7.8
	 INSTRUMEX	Industrial Technologies	<ul style="list-style-type: none"> <li>Adds complementary product lines with reconditioned equipment</li> <li>Natural tuck-in with expanded markets in Europe</li> </ul>	December 2022	\$7.0	\$3.9
2023	 Hisco	Industrial Technologies	<ul style="list-style-type: none"> <li>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.</li> </ul>	June 2023	\$422.6	\$269.1
2024	 EMERGENT	MRO	<ul style="list-style-type: none"> <li>Adds complementary product lines in the safety category, which accelerates Lawson's safety product category by over four times.</li> </ul>	January 2024	\$13.0	\$10.0
	 SS	MRO	<ul style="list-style-type: none"> <li>Extends Lawson's automotive product category and expands market reach with automotive dealers</li> </ul>	May 2024	\$40.0	\$80.0
	 SA   SOURCE ATLANTIC	MRO	<ul style="list-style-type: none"> <li>Extends Lawson's MRO supplies, safety products, fasteners, and related value-add services and operating footprint in the Canadian market</li> </ul>	August 2024	\$185.0	\$105.0
	 TECH-COMPONENT RESOURCES	OEM	<ul style="list-style-type: none"> <li>A distributor of fasteners, mechanical components, and other industrial products in Southeast Asia</li> <li>Supports our existing large OEM customers' expansion plans while providing us with a strategic foothold in this growing region</li> </ul>	October 2024	\$4.5	\$5.9
	 ConRes	Industrial Technologies	<ul style="list-style-type: none"> <li>Expands Test &amp; Measurement leasing and calibration offerings, deepens national customer relationships</li> <li>Expands resources in the Northeast</li> </ul>	November 2024	\$12.0	\$17.0
HIGHLIGHTED TOTAL					~\$1,134	~\$801

Note: \$ figures in millions. List includes highlighted acquisitions executed under LKCM Headwater stewardship.

1. Represents trailing twelve-month measurement period at close.

# Q3 2025 Consolidated Financial Highlights

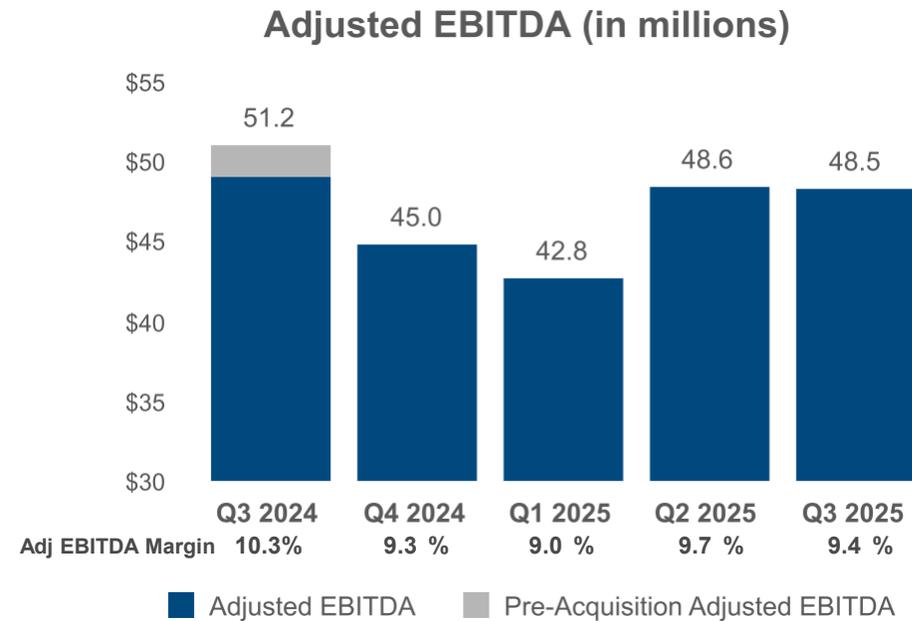
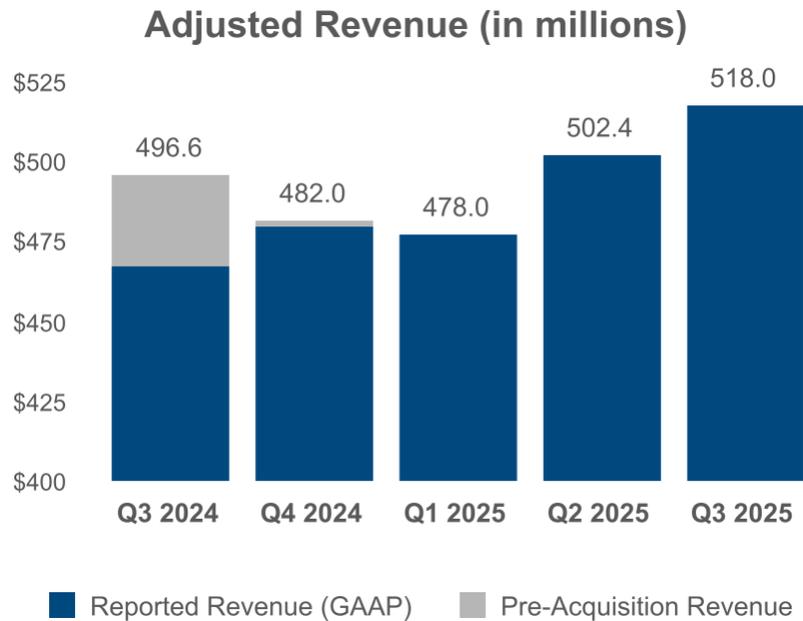
- ✓ Q3 revenue of \$518M; up \$50M or 10.7% over a year ago primarily from organic daily sales growth of 6.0% and three acquisitions closed in the second half of 2024; organic daily sales up 3.1% sequentially over Q2.
- ✓ Q3 adjusted EBITDA of \$48.5M or 9.4% of sales compared to \$49.1M. The acquisition 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



# 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		\$ 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 27

# 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 <sup>(2)</sup>	Amount	Diluted EPS <sup>(2)</sup>	Amount	Diluted EPS <sup>(2)</sup>
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.

# GAAP to Non-GAAP Reconciliations

## Adjusted EBITDA Reconciliation (\$000s) (Unaudited)

	FY 2021	FY 2022	FY 2023	FY 2024	TTM 9/30/2025
Operating income (loss)	\$ 11,421	\$ 41,786	\$ 42,991	\$ 55,955	\$ 90,609
Depreciation and amortization	18,683	45,186	63,588	74,376	80,524
Adjustments:					
Acquisition related costs(1)	8,808	15,441	11,561	10,142	1,676
Stock-based compensation(2)	-	2,448	7,940	5,233	5,534
Severance and acquisition related retention expenses (3)	50	2,796	24,666	23,236	4,716
Inventory net realizable value adjustment(4)	-	1,737	-	-	-
Inventory step-up(5)	212	2,867	3,582	2,882	1,122
Other non-recurring(6)	243	1,597	2,708	3,433	522
Non-GAAP adjusted EBITDA	\$ 39,417	\$ 113,858	\$ 157,036	\$ 175,257	\$ 184,703

## Supplemental Information - Lawson and Canada Branch Division Operating Income and Non-GAAP Adjusted EBITDA

	FY 2021 <sup>(7)</sup>	FY 2022 <sup>(7)</sup>	FY 2023	FY 2024	TTM 9/30/2025
Operating income (loss)	\$ 11,987	\$ 12,076	\$ -	\$ -	\$ -
Depreciation and amortization	8,341	2,089	-	-	-
Adjustments:					
Acquisition related costs(1)	9,004	2,974	-	-	-
Stock-based compensation(2)	4,838	(8,595)	-	-	-
Severance and acquisition related retention expenses (3)	264	626	-	-	-
Inventory net realizable value adjustment(4)	1,368	-	-	-	-
Non-GAAP adjusted EBITDA	\$ 35,802	\$ 9,170	\$ -	\$ -	\$ -
<b>Non-GAAP adjusted EBITDA - Including Supplemental Results</b>	<b>\$ 75,219</b>	<b>\$ 123,028</b>	<b>\$ 157,036</b>	<b>\$ 175,257</b>	<b>\$ 184,703</b>

# GAAP to Non-GAAP Reconciliations

Revenue and Adjusted Revenue (\$000s)  
(Unaudited)

	FY 2021	FY 2022	FY 2023	FY 2024	TTM 9/30/2025
GAAP Revenue	\$ 520,290	\$ 1,151,422	\$ 1,570,402	\$ 1,804,104	\$ 1,978,887
<b>Supplemental Information - Lawson and Canada Branch Division Revenue</b>					
Pre-Merger Revenue(7)	\$ 417,733	\$ 117,877	-	-	-
<b>Adjusted Revenue - Including Supplemental Results</b>	<b>\$ 938,023</b>	<b>\$ 1,269,299</b>	<b>\$ 1,570,402</b>	<b>\$ 1,804,104</b>	<b>\$ 1,978,887</b>

# GAAP to Non-GAAP Reconciliations

## Adjusted Revenue and EBITDA Reconciliation – Table Footnotes

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 net realizable value adjustment recorded to reduce inventory related to discontinued products where the anticipated net realizable value was lower than the cost reflected in our records.
5. Inventory fair value step-up adjustment for acquisition accounting related to acquisitions completed.
6. Other non-recurring costs consist of certain non-recurring strategic projects and other non-recurring items.
7. For management to discuss Lawson's and Canada Branch Division's operating results on a comparable basis, Lawson's and Canada Branch Division's GAAP results of operations were adjusted to include Lawson's and Canada Branch Division's historical pre-merger components of revenue and operating income, prior to the April 1, 2022 Merger Date, in order to reflect the total operating activities attributable to Lawson and Canada Branch Division for each period presented

# 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.