

# DSG

DISTRIBUTION  
SOLUTIONS GROUP

Powerful Solutions. Proven Results.



## Investor Presentation | May 5, 2022

NASDAQ: DSGR\*

\*The company will start trading under the new NASDAQ common stock trading symbol "DSGR" commencing Monday, May 9, 2022

# Forward Looking Statements

## Cautionary Note Regarding Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, 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 other words and terms of similar meaning and expression 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. Lawson can give no assurance that any goal or plan set forth in forward-looking statements can be achieved and Lawson cautions readers not to place undue reliance on such statements, which speak only as of the date made. Lawson undertakes no obligation to release publicly any revisions to forward-looking statements as a result of new information, future events or otherwise. Actual results may differ materially from those projected as a result of certain risks and uncertainties. Certain risks associated with Lawson’s business are also discussed from time to time in the reports Lawson files with the SEC, including Lawson’s Annual Report on Form 10-K for the fiscal year ended December 31, 2021, Lawson’s Quarterly Reports on Form 10-Q and Lawson’s Current Reports on Form 8-K. In addition, the following factors, among others, could cause actual outcomes and results to differ materially from those discussed in the forward-looking statements: (i) whether or not the terms of the earnout provisions in either of the merger agreements (related to TestEquity and Gexpro Services mergers) will be satisfied such that Lawson would be required to issue additional shares of Lawson common stock in connection with the mergers; (ii) unanticipated difficulties or expenditures relating to the mergers; (iii) the risk that stockholder litigation in connection with the mergers results in significant costs of defense, indemnification and liability; and (iv) any problems arising in combining the businesses of Lawson, TestEquity and Gexpro Services, which may result in the combined company not operating as effectively and efficiently as expected.

# Distribution Solutions Group

Powerful Solutions. Proven Results.



# Why Own DSG: Investment Thesis

NASDAQ: DSGR\*



## Aligned Best-in-Class Management Team

- Deeply experienced and proven operating company leadership across each focus area
- Management team owns ~10% of stock, with LKCM & affiliates owning ~65%
- Equity incentive structure fully aligns management with shareholders to drive long-term value creation
- Non-compensated support & leadership from LKCM Headwater team



## Large Growth Opportunity with Significant Operating Leverage

- Scalable platform of asset-light, high touch service models in fragmented end markets
- Strong secular tailwinds within core end markets (5G/electrification, semiconductor, and renewables)
- Supply chain cost leverage focusing on both direct and indirect spend categories
- Operating leverage synergies not currently represented in TTM financials



## Highly Accretive, Actionable M&A Pipeline with Dedicated In-House M&A Team

- Demonstrated success executing eight highly accretive transactions since mid-2020
- Dedicated in-house experienced business development team
- Buyer of choice with robust acquisition pipeline within highly fragmented \$57B TAM



## Investor Mindset Around Capital Allocation

- Capital redeployment flexibility to fuel further organic and inorganic growth
- Prioritization of highly accretive, synergistic opportunities
- Oversight from LKCM with 42-year history of active engagement in public and private markets



## Attractive Financial Profile

- High free cash flow generation
- Strong balance sheet and prudent capital structure targeting 3x-4x leverage
- Asset light model with capex at ~1.0% of sales

Annual Revenues

**\$1.2B<sup>(1)</sup>**

Annual Adjusted EBITDA

**\$103M<sup>(1)</sup>**

Total Addressable Market

**\$57B**

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# What We Do



**LAWSON** Products

(37% of Sales)<sup>(1)</sup>

## MRO Focus

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

- High margin, low price point products
- Service & solution industrial MRO distributor specializing in vendor managed inventory
- Specialty knowledge with 230,000+ SKUs, including ~40% of sales private label
- Services over 90,000 customers with VMI, engineering services, technical information
- Customers serviced by 1,100+ sales representatives



**Gexpro**  
Services

(29% of Sales)<sup>(1)</sup>

## OEM Focus

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

- Global industrial OEM distributor specializing in VMI inventory solutions & kitting
- Diversified product offering of over 70,000+ SKUs
- Services 1,800 OEM customers in multiple locations/countries imbedded into supply chain
- Verticals Served: Transportation, Technology, Renewables, Power Generation, C&I, Aerospace & Defense



(34% of Sales)<sup>(1)</sup>

## Industrial Technologies Focus

*Leading independent North American Test & Measurement provider*

- Distributor of electronic test & measurement solutions
- Broadest T&M, electronic production supplies with 180,000+ SKUs
- Procurement alternatives of new, reconditioned & rental
- Capabilities including VMI, kitting, and complimentary calibration capabilities
- 100+ technical, consultative sales professionals across a fragmented customer base

**Leveraging Strengths Across Three High-Touch, Highly-Entrenched Industrial Verticals to Create a Diversified, Highly-Profitable Specialty Distribution Company Poised for Accelerated Growth**

# Embedded Growth Opportunities

## UNIQUE ORGANIC GROWTH OPPORTUNITIES

### LEVERAGE PLATFORM CAPABILITIES ACROSS CUSTOMER BASE

- Unique total customer value proposition
- +
- Monetize distinct capabilities across the platform
- +
- Collaborative selling across customer bases
- +
- Expand digital capabilities across the platform

### EXPOSURE TO END MARKETS WITH STRONG SECULAR TAILWINDS



Technology



IoT



Renewables

## SELECTIVE, ACTIONABLE ACQUISITION PROGRAM

- In-house Corporate Development team with first-class experience
- Well-respected brands viewed as credible acquirors with longstanding relationships in a \$57B market
- Large, highly fragmented markets with hundreds of small regional competitors across end markets with limited succession planning
- Significant scale benefits including more advanced global sourcing, ability to leverage customer relationships and technology globally
- Meaningful revenue and cost synergies for most acquisitions
- Well capitalized balance sheet and cash flow to fund acquisitions
- Significant organizational track record of purchasing and integrating acquisitions

### ACCELERATING ACQUISITION ACTIVITY

		
2017 - 2020	2021	2022

# Aligned and Tenured Leadership



**J. Bryan King**  
Chairman & CEO  
DSG



**Brad Wallace**  
Partner  
LKCM Headwater



**Jacob Smith**  
Partner  
LKCM Headwater



**Ron Knutson**  
CFO  
DSG

With daily strategy and business execution led by best-in-class management teams across each business

## LAWSON PRODUCTS



**Cesar Lanuza**  
CEO

- Joined Lawson Products in 2022 after serving as CEO of Jon Don for Incline Equity
- Previously President for NA and Asia Pacific at Optimas OE Solutions and VP at Grainger



**Ron Knutson**  
CFO

- Joined Lawson Products in 2009 as CFO after serving as CFO of Frozen Food Express Industries
- Previously spent 12 years at Ace Hardware as Controller and VP Finance

## GEXPRO SERVICES



**Bob Connors**  
CEO

- Joined Gexpro Services in 2004 as General Manager & named corporate officer in 2015
- Previously at General Electric as General Manager of GE Supply Logistics



**Craig Schilling**  
CFO

- Re-joined Gexpro Services in 2020 as CFO
- Previously CFO for Electrical Source Holdings and Finance Manager for Gexpro Services when it was owned by Rexel

## TESTEQUITY



**Russ Frazee**  
CEO

- Joined TestEquity in 2018 as COO before being named CEO in 2022
- Previously COO/CIO at FCX Performance, VP of Distribution Operations at CompuServe



**Nick Hawtrey**  
CFO

- Joined TestEquity in 2020 as CFO
- Previously CFO for Allied Electronics & Automation, Global VP of Finance for Allied sister company (RS Components)

### Additional Dedicated LKCM Headwater Team:

Andy Zacharias - Partner (TestEquity) | Joel Stewart - Principal (Gexpro Services and Lawson) | Rick Settle - Principal (TestEquity) | Jonathon Miller - Principal (Leads Headwater Operations team across the DSG platform)  
Garrett Spriggs - VP (Gexpro Services and Lawson) | Davis Miller - VP (TestEquity) | Brett Scarbrough - Portfolio Manager (Lawson)

# LKCM Headwater Introduction



- Privately owned SEC-registered investment advisor
- Founded in 1979 with over 60 investment and other professionals
- \$25.7 billion of assets under management (3/31/22)
- Primarily long-term, long-equity focused for taxable individuals and families



- Private investment arm of LKCM
- Over 100 years of collective distribution investing experience
- LKCM, investment team and affiliates are collectively the largest investor (~1/3 of capital)
- Flexible mandate with focus on U.S. lower mid-market buyouts
- More than \$2.0 billion of committed private capital
- Stable of former operating executives that play active roles within the portfolio



SIGNIFICANT PRIVATE COMPANY DISTRIBUTION EXPERIENCE	
CURRENT	<ul style="list-style-type: none"> <li>• Portfolio of leading distribution businesses in the hose, gasket, belting, seals and flow control markets</li> </ul>
	<ul style="list-style-type: none"> <li>• Value-added distributor specializing in designing and implementing supply chain solutions / VMI for OEM customers</li> </ul>
	<ul style="list-style-type: none"> <li>• Leading provider of building automation, controls and gas detection solutions for the commercial buildings market</li> </ul>
	<ul style="list-style-type: none"> <li>• Value-added instrumentation, controls, and automation distributor with engineering and service capabilities</li> </ul>
FORMER	<ul style="list-style-type: none"> <li>• Largest North American specialty distributor of electronic T&amp;M equipment and production supplies</li> </ul>
	<ul style="list-style-type: none"> <li>• North America's leading value-added distributor and service provider of mission-critical communication solutions</li> </ul>
	<ul style="list-style-type: none"> <li>• High growth value-added distributor, packager and re-packager of generic pharmaceuticals</li> </ul>
	<ul style="list-style-type: none"> <li>• Provider of supply chain solutions and distributor of indirect materials primarily to manufacturers</li> </ul>
	<ul style="list-style-type: none"> <li>• Leading value-added instrumentation and valve distributor based in the Gulf Coast</li> </ul>



# Operating Companies





# LAWSON Products

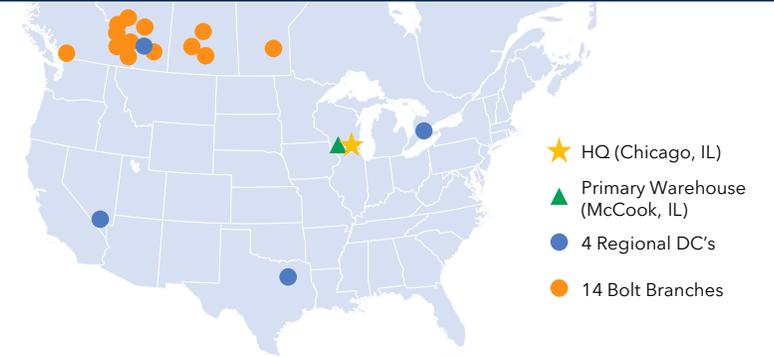




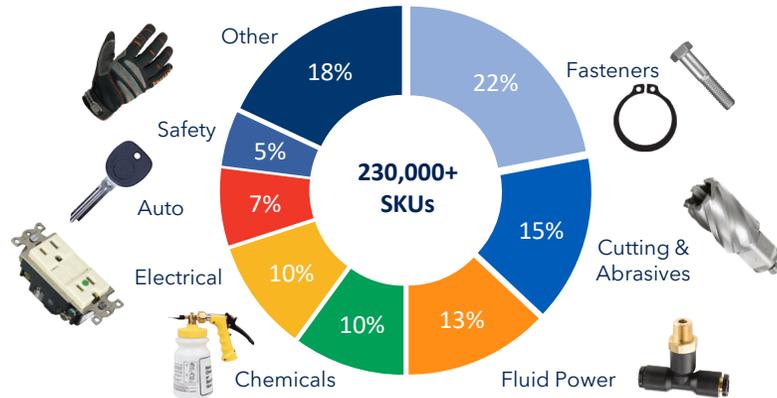
COMPANY OVERVIEW

- Leading service-focused industrial MRO distributor providing product through a vendor managed inventory approach
- Embedded within customer operations via unique high-touch VMI model
- Provides customers with optimized inventory management, engineering services, technical information, eBusiness and scanning solutions
- 90,000+ customers with daily or weekly contact
- Employs 1,100+ sales representatives providing the following:
  - Help customers choose from a wide range of products to meet needs and specifications
  - Support customer with product application advice and on-site training
  - Manage customer products and inventory at the customers' facilities
- Founded in 1952 and headquartered in Chicago, Illinois

GEOGRAPHIC COVERAGE



PRODUCT OFFERING



OPTIMIZED INVENTORY MANAGEMENT SYSTEM



Before Lawson



After Lawson

A Disorganized Parts Room Creates Downtime and Low Labor Utilization

- Time lost looking for the right product when needed
- Disorganized and inefficient bin and cabinet set-up
- Disruptive, unplanned trips to off-site stores looking for parts

Lawson Representatives Lower Total Cost of Ownership

- Making sure customers have the right product in the right place at the right time
- Designing and installing efficient custom systems of clearly labeled bins and cabinets for each facility
- Continually managing product inventory
- Offering product application advice and on-site support

~\$432M  
Adj. Net Sales<sup>(1)</sup>

~\$36M  
Adj. EBITDA<sup>(1)</sup>

230,000+  
Number of SKUs

1900+  
Employees

3  
No. of Countries Served

~\$20B  
Total Addressable Market

90,000+  
Customers Served

(1) Estimated TTM March 2022 adjusted for all closed acquisitions as of 3/31/22

(2) See appendix for reconciliation of GAAP net income to Non-GAAP adjusted EBITDA.



### COMPANY OVERVIEW

- Leading global supply chain Services and C-Parts provider of highly engineered specified products for manufacturing end users
- Specializes in Vendor Managed Inventory (“VMI”), Kitting and field installation service programs
- Built to be considered the best-in-class global sourcing and logistics provider for leading Original Equipment Manufacturers (“OEM”)
- Considered the “critical-link” between a fragmented supply chain and OEM customers focused on reducing manufacturing lead times, improving product quality & fulfillment rates, while reducing direct and indirect procurement costs
- Led by a proven management team with decades of industry experience

### CUSTOMER / MARKET OVERVIEW



Renewables



Semiconductor & Telecom



Power Generation



Consumer & Industrial



Aerospace & Defense



Transportation

**Blue Chip Customers in Diverse End Markets**

### TYPICAL MANUFACTURER PARTS PROCUREMENT SCHEME FOR A GIVEN PRODUCT

	Description	Typical # Suppliers	% Total Material Cost	Procurement
A Parts	Large, high-value parts procured from a small number of suppliers requiring significant OEM procurement attention	~20	80%	In-House
B Parts	Medium-value parts requiring OEM procurement attention	~20	15%	In-House
C-Parts	Low-cost, high volume, custom parts with significant hidden costs to procure	~1,000	5%	Outsourced

### C-PART VALUE-PROPOSITION

- ✓ Drives down direct and indirect procurement cost of C-Parts
- ✓ Reduces the number of suppliers
- ✓ Leverages scale to reduce direct cost
- ✓ Removes complexity of managing thousands of suppliers across a product portfolio



~\$347M  
Adj. Net Sales<sup>(1)</sup>

~\$37M  
Adj. EBITDA<sup>(1)</sup>

70,000+  
Number of SKUs

660+  
Employees

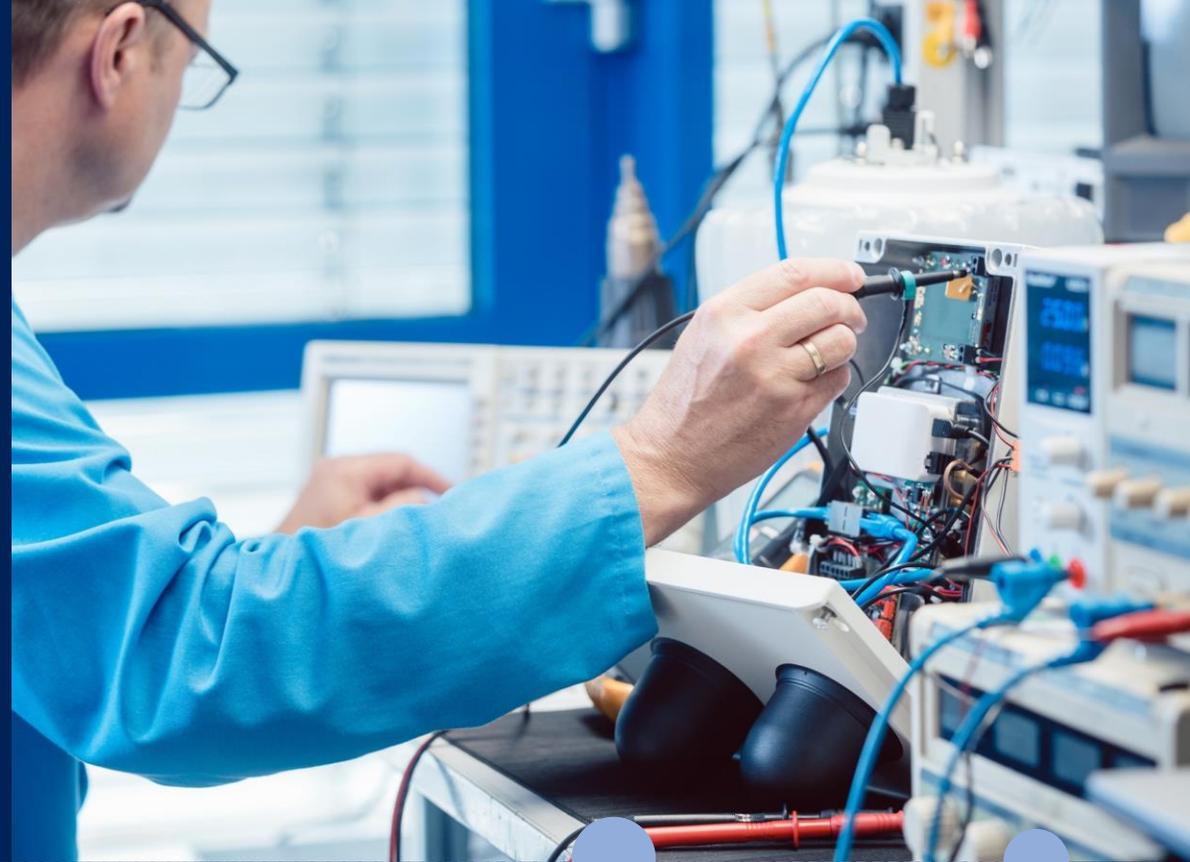
65+  
No. of Countries Served

~\$30B  
Total Addressable Market

75,000+  
Bins Served

(1) Estimated TTM March 2022 adjusted for all closed acquisitions as of 3/31/22.

(2) See appendix for reconciliation of GAAP net income to Non-GAAP adjusted EBITDA.



## COMPANY OVERVIEW

- One of the largest authorized distributors of Test & Measurement solutions and electronics production supplies with over 180K products.
- Premier value-added distributor of electronic test and measurement solutions and eMRO tools and supplies
- “One-stop-shop” offering with multiple procurement alternatives including new, reconditioned and rental options supported by complementary calibration capabilities and expansive value-added services such as VMI and kitting
- We operate from five primary warehouses, four in the U.S. and one in the UK to grow European presence
- 490+ non-union employees, including team of 100+ technical, consultative sales professionals
- Retooled management team with proven experience leading larger organizations

### STRONG VALUE PROPOSITION

- Fills a strong customer need, providing the technical consultation and full product and services range that broad line distributors lack while stocking inventory to eliminate long lead times from OEMs
- Provides high service levels to a fragmented customer base that would be expensive and inefficient for OEMs to serve
- Robust digital capabilities (~14% of sales and growing) to meet customers through their preferred channel

## PRODUCTS OVERVIEW



Test & Measurement Instrumentation (“T&M”)



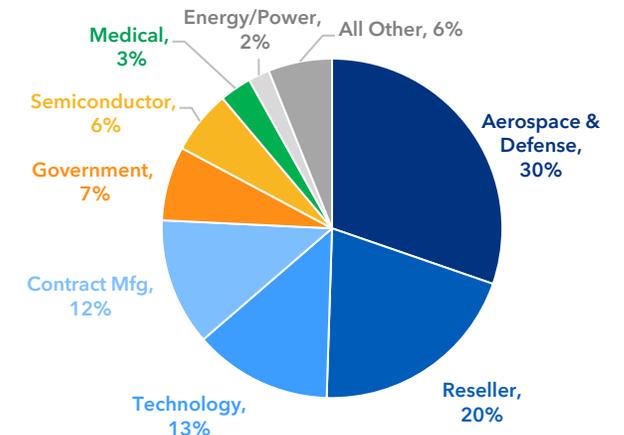
Electronic Production Supplies (“EPS”)

*Broadest offering of T&M and EPS supplies in the industry*

## BLUE CHIP CUSTOMERS



## DIVERSE END MARKETS<sup>(1)</sup>



~\$396M  
Adj. Net Sales<sup>(2)</sup>

~\$30M  
Adj. EBITDA<sup>(2)</sup>

180,000+  
Number of Products

490+  
Employees

30+  
No. of Countries Served

~\$7.5B  
Total Addressable Market

1,000+  
Manufacturer Brands

(1) 2021 data, excluding 2022 acquisition of TEquipment. (2) Estimated TTM March 2022 adjusted for all closed acquisitions as of 3/31/22, including TEquipment closed 4/29/22.

(3) See appendix for reconciliation of GAAP net income to Non-GAAP adjusted EBITDA.



# Financials

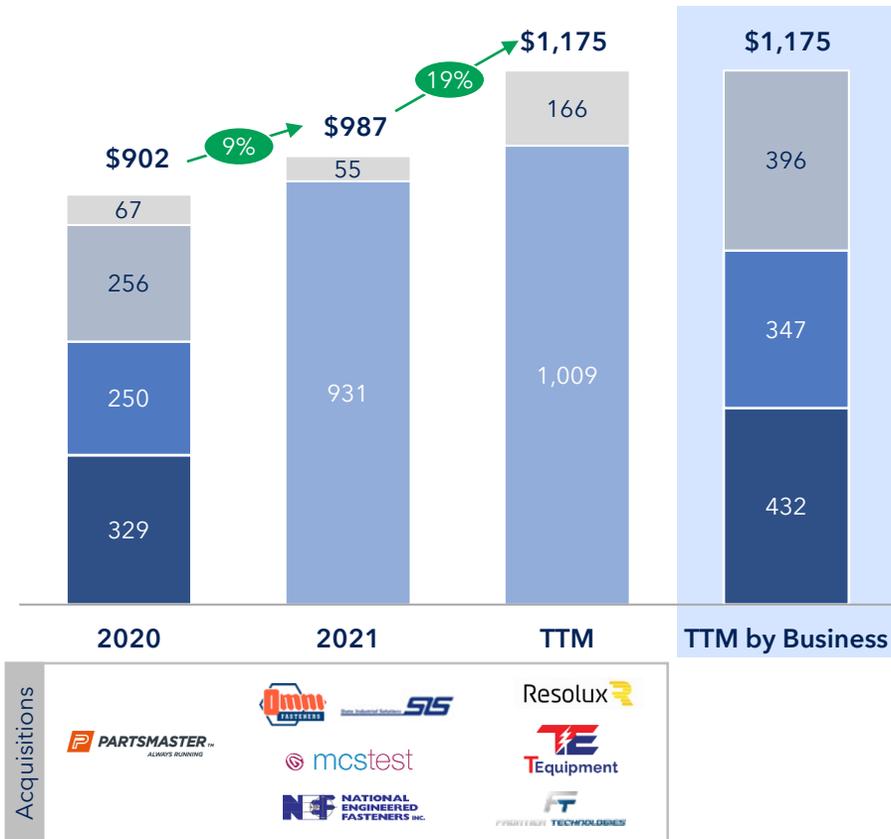
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# Combined Adjusted Financial Profile

UNAUDITED

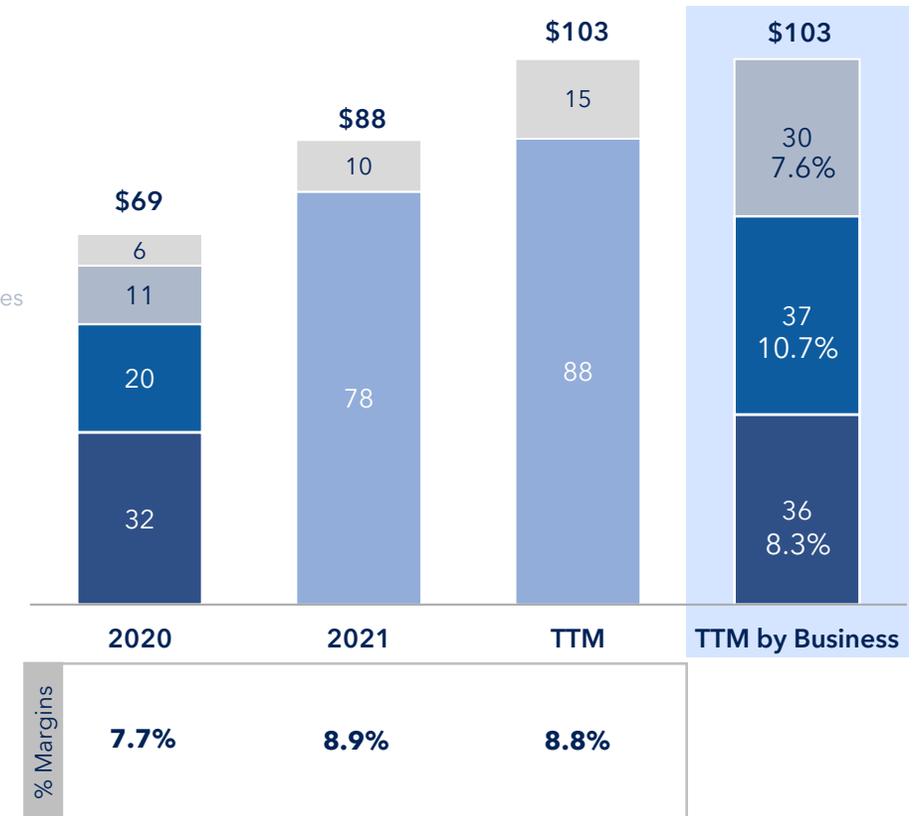
## ACCELERATING GROWTH

Combined Revenue (\$mm) (1)



## INCREASING PROFITABILITY

Combined Adjusted EBITDA (\$mm) (2)



(1) Represents combined expected revenue of all companies inclusive of revenues generated pre and post of acquisition dates through 3/31/22 and TEquipment that closed on April 29, 2022.

(2) See appendix for reconciliation of GAAP net income to Non-GAAP combined adjusted EBITDA.

# Combined Adjusted Balance Sheet

## UNAUDITED COMBINED ADJUSTED BALANCE SHEET<sup>(1) (2)</sup>

(\$000s)	3/31/2022
Cash and cash equivalents	\$21,774
Accounts receivable, net	158,000
Inventory, net	237,806
Other current assets	17,561
<b>Total current assets</b>	<b>\$435,141</b>
Property, plant and equipment, net	\$69,745
Rental equipment, net	21,091
Other long term assets	644,637
<b>Total long term assets</b>	<b>\$735,473</b>
<b>Total assets</b>	<b>\$1,170,614</b>
Accounts payable	\$95,974
Accrued expenses and other liabilities	49,423
Current portion of long term debt	15,250
Lease obligation	9,825
<b>Total current liabilities</b>	<b>\$170,472</b>
Long-term debt	\$372,365
Lease obligation	27,769
Other long term liabilities	76,371
<b>Total long term liabilities</b>	<b>\$476,505</b>
<b>Total liabilities</b>	<b>\$646,977</b>
<b>Stockholders' equity</b>	<b>\$523,637</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$1,170,614</b>

- Credit facility led by J.P. Morgan includes a \$200M Revolving Credit Facility, \$250M TLA amortizing 5% per year, and a \$50M delay draw term loan
  - Plus \$200M uncommitted accordion feature for growth
- Net debt of \$365.8M implies < 3.6x net leverage multiple
- Anticipate leverage to be in the 3x-4x level to fund acquisitive growth
- Capital allocation will be managed by LKCM Headwater in concert with the broader holding company management team and DSG Board of Directors
- \$250.4M of net working capital<sup>(2)</sup>

(1) Represents combined balance sheet of Lawson, Gexpro Services and TestEquity and acquisition of TEquipment that closed April 29, 2022, inclusive of merger consideration and debt refinance. See appendix for reconciliation of GAAP to Non-GAAP.

(2) Net working capital defined as accounts receivable plus inventory less accounts payable and accrued expenses.



# Appendix

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# GAAP to Non-GAAP Reconciliation-Combined Adjusted EBITDA

\$ in 000,000's

Unaudited

	2020	2021	TTM 3/31/22
<b>Net Income</b>	<b>\$ 0</b>	<b>\$ 4</b>	<b>\$ 13</b>
Interest	16	18	20
Tax	1	3	3
Depreciation	25	26	26
<b>EBITDA</b>	<b>\$ 43</b>	<b>\$ 52</b>	<b>\$ 62</b>
<b>Management Adjustments</b>			
Acquisition/Transaction Cost (a)	7	17	22
Management Fee (b)	3	4	4
Stock Comp (c)	2	5	(5)
FX gains Losses (d)	(1)	(1)	(1)
Goodwill Impairment (e)	2	-	-
Inventory Adjustment (f)	-	1	1
Severance (g)	4	0	1
Other Non-recurring (h)	5	4	3
<b>Total Add-Backs</b>	<b>\$ 22</b>	<b>\$ 30</b>	<b>\$ 25</b>
<b>Adjusted EBITDA (as reported)</b>	<b>\$ 64</b>	<b>\$ 82</b>	<b>\$ 86</b>
Less Post-Acquisition Adjusted EBITDA (i)	(2)	(7)	(11)
EBITDA from Prior Year Acquisitions (j)	-	5	13
Acquired EBITDA in Current Year (k)	6	10	15
<b>Combined Adjusted EBITDA</b>	<b>\$ 69</b>	<b>\$ 88</b>	<b>\$ 103</b>

- (a) Represents non-recurring transaction costs related to mergers of Lawson, TestEquity and Gexpro Services
- (b) Represents management fees paid to LKCM which were discontinued after the mergers
- (c) Represents non-cash stock compensation expense related to award issuances and mark-to-market account on stock performance rights
- (d) Represents mark-to-market adjustments for currency fluctuations
- (e) Represents non-cash goodwill impairment
- (f) Represents non-recurring inventory adjustments for PPE items and acquisition integration
- (g) Represents severance expenses primarily related to acquisition integrations
- (h) Represents non-recurring items primarily related to system implementations, distribution center consolidations, shift to manufacturing outsourcing and other non-recurring items
- (i) Represents post acquisition adjusted EBITDA included in reported EBITDA
- (j) Represents adjusted EBITDA from prior year acquisitions
- (k) Represent acquired adjusted EBITDA in each respective year

Amounts may not total due to rounding

# GAAP to Non-GAAP Reconciliation-Balance Sheet

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET  
(in thousands)

	Actual	Actual	Actual			Pro forma			Pro forma	
	TestEquity	Gexpro Services	Lawson	Merger Consideration	Debt Refinance	Combined	Equipment	Merger Consideration	Debt Draw	Combined w/Equipment
	As of March 31, 2022	As of March 31, 2022	As of March 31, 2022			As of March 31, 2022				As of March 31, 2022
<b>Assets</b>										
<b>Current Assets:</b>										
Cash and cash equivalents	\$ 3,164	\$ 9,041	\$ 5,534	\$ -	\$ 2,147 (a)	\$ 19,886	\$ 1,688	\$ (55,000)	\$ 55,000	\$ 21,574
Restricted cash	-	-	200	-	-	200	-	-	-	-
Accounts receivable, less allowance for doubtful accounts	46,525	52,895	54,940	-	-	154,360	3,640	-	-	158,000
Inventories, net	43,877	105,369	77,297	-	-	226,543	11,263	-	-	237,806
Miscellaneous receivables and prepaid expenses	3,799	5,029	7,954	-	-	16,782	570	-	-	17,352
Income tax receivable	-	-	-	209	-	209	-	-	-	209
<b>Total current assets</b>	<b>\$ 97,365</b>	<b>\$ 172,334</b>	<b>\$ 145,925</b>	<b>\$ 209</b>	<b>\$ 2,147</b>	<b>\$ 417,980</b>	<b>\$ 17,161</b>	<b>\$ (55,000)</b>	<b>\$ 55,000</b>	<b>\$ 435,141</b>
Property, plant and equipment, less accumulated depreciation and amortization	\$ 5,507	\$ 5,093	\$ 19,165	\$ 19,816	\$ - (b)	\$ 49,581	\$ 348	\$ 19,816	\$ -	\$ 69,745
Rental equipment, net	21,091	-	-	-	-	21,091	-	-	-	21,091
Deferred income taxes	-	-	18,556	-	-	18,556	-	-	-	18,556
Goodwill	64,298	94,731	35,510	87,260	- (c)	281,799	-	12,202	-	294,001
Cash value of life insurance	-	-	18,025	-	-	18,025	-	-	-	18,025
Intangible assets, net	48,949	34,372	15,613	147,387	- (c)	246,321	569	12,202	-	259,092
Right of use assets	-	-	17,571	18,831	- (e)	36,402	-	-	-	36,402
Other assets	267	16,266	348	-	1,670 (d)	18,551	10	-	-	18,561
<b>Total assets</b>	<b>\$ 237,477</b>	<b>\$ 322,796</b>	<b>\$ 270,713</b>	<b>\$ 273,503</b>	<b>\$ 3,817</b>	<b>\$ 1,108,306</b>	<b>\$ 18,088</b>	<b>\$ (10,780)</b>	<b>\$ 55,000</b>	<b>\$ 1,170,614</b>
<b>Liabilities and Stockholders' Equity</b>										
<b>Current Liabilities:</b>										
Accounts payable	\$ 24,402	\$ 33,691	\$ 31,726	\$ -	\$ -	\$ 89,819	\$ 6,155	\$ -	\$ -	\$ 95,974
Current portion of long term debt	1,583	1,370	-	-	9,547	12,500	-	-	2,750	15,250
Income tax payable	(50)	(159)	-	209	-	-	-	-	-	-
Revolving loan facility	1,000	-	-	-	(1,000)	-	-	-	-	-
Lease obligation	-	-	4,855	4,970	- (e)	9,825	-	-	-	9,825
Accrued expenses and other liabilities	15,945	145	34,516	-	(2,336)	48,270	1,153	-	-	49,423
<b>Total current liabilities</b>	<b>\$ 42,880</b>	<b>\$ 35,047</b>	<b>\$ 71,097</b>	<b>\$ 5,179</b>	<b>\$ 6,211</b>	<b>\$ 160,414</b>	<b>\$ 7,308</b>	<b>\$ -</b>	<b>\$ 2,750</b>	<b>\$ 170,472</b>
Long-term debt	\$ 120,932	\$ 171,456	\$ -	\$ -	\$ 27,727	\$ 320,115	\$ -	\$ -	\$ 52,250	\$ 372,365
Revolving line of credit	-	-	15,566	-	(15,566)	-	-	-	-	-
Security bonus plan	-	-	10,353	-	-	10,353	-	-	-	10,353
Lease obligation	-	-	13,908	13,861	- (e)	27,769	-	-	-	27,769
Deferred compensation	-	-	11,321	-	-	11,321	-	-	-	11,321
Deferred tax liability	2,951	306	1,689	45,704	- (g)	50,650	-	-	-	50,650
Other liabilities	-	-	4,047	-	-	4,047	-	-	-	4,047
<b>Total liabilities</b>	<b>\$ 166,763</b>	<b>\$ 206,809</b>	<b>\$ 127,981</b>	<b>\$ 64,744</b>	<b>\$ 18,372</b>	<b>\$ 584,669</b>	<b>\$ 7,308</b>	<b>\$ -</b>	<b>\$ 55,000</b>	<b>\$ 646,977</b>
<b>Stockholders' Equity</b>										
Common stock	\$ -	\$ -	\$ 9,368	\$ 10,300	\$ - (h)	\$ 19,668	\$ -	\$ -	\$ -	\$ 19,668
Capital in excess of par value	102,201	95,639	22,424	319,465	- (h)	539,729	-	-	-	539,729
Members equity	-	-	-	-	-	-	10,780	(10,780)	-	-
Retained earnings	(31,288)	19,125	120,001	(120,001)	(14,555) (h)	(26,718)	-	-	-	(26,718)
Treasury stock	-	-	(10,066)	-	- (h)	(10,066)	-	-	-	(10,066)
Stockholders' distribution	-	(319)	-	-	-	(319)	-	-	-	(319)
Accumulated other comprehensive income (loss)	(199)	1,542	1,005	(1,005)	- (h)	1,343	-	-	-	1,343
<b>Total stockholders' equity</b>	<b>\$ 70,714</b>	<b>\$ 115,987</b>	<b>\$ 142,732</b>	<b>\$ 208,759</b>	<b>\$ (14,555)</b>	<b>\$ 523,637</b>	<b>\$ 10,780</b>	<b>\$ (10,780)</b>	<b>\$ -</b>	<b>\$ 523,637</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 237,477</b>	<b>\$ 322,796</b>	<b>\$ 270,713</b>	<b>\$ 273,503</b>	<b>\$ 3,817</b>	<b>\$ 1,108,306</b>	<b>\$ 18,088</b>	<b>\$ (10,780)</b>	<b>\$ 55,000</b>	<b>\$ 1,170,614</b>

# Historical Acquisitions

	COMPANY	FOCUS	STRATEGIC RATIONALE	CLOSING DATE	REVENUE <sup>(1)</sup>	PURCHASE PRICE
2017		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
		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
		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		MRO	<ul style="list-style-type: none"> <li>Sizeable "DNA match" acquisition for MRO segment</li> <li>Highly accretive with significant cost synergies</li> </ul>	August 2020	\$64.2	\$35.3
2021		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
		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
		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
		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
2022		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
		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
		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
<b>HIGHLIGHTED TOTAL</b>					<b>\$441.2</b>	<b>\$301.9</b>

Note: \$ figures in millions. List includes highlighted acquisitions executed under LKCM Headwater stewardship.  
(1) Represents trailing twelve-month measurement period at close.

# Questions?

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