



THE INDUSTRIAL DISTRIBUTION EXPERTS

Presented by:

David Little

Chairman, President & CEO

Mac McConnell

Senior Vice President & CFO

Kent Yee

Senior Vice President of Corporate Development

NASDAQ: DXPE

MARCH 2015

FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the U.S. federal securities laws that involve risks and uncertainties. Certain statements contained in this report are not purely historical, including statements regarding our expectations, beliefs, intentions or strategies regarding the future that are forward-looking. These statements include statements concerning projected revenues, expenses, gross profit, income, gross margins or other financial items.

All forward-looking statements speak only as of the date of this presentation. You should not place undue reliance on these forward-looking statements. Although we believe our plans, intentions and expectations reflected in or suggested by the forward-looking statements we make in this presentation are reasonable, we may be unable to achieve these plans, intentions or expectations. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf. Risks and uncertainties that could cause actual results to differ from those in the forward-looking statements are described in “Risk Factors” and “Forward-Looking Statements” in our Quarterly Reports on Form 10-Q and in our Annual Report on Form 10-K as filed with the Securities and Exchange Commission.

Statement Regarding use of Non-GAAP Measures:

The Non-GAAP financial measures contained in this presentation (including, without limitation, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Return on Invested Capital (ROIC) and variations thereof) are not measures of financial performance calculated in accordance with GAAP and should not be considered as alternatives to net income (loss) or any other performance measure derived in accordance with GAAP or as alternatives to cash flows from operating activities as a measure of our liquidity. They should be viewed in addition to, and not as a substitute for, analysis of our results reported in accordance with GAAP, or as alternative measures of liquidity. Management believes that certain non-GAAP financial measures provide a view to measures similar to those used in evaluating our compliance with certain financial covenants under our credit facilities and provide financial statement users meaningful comparisons between current and prior year period results. They are also used as a metric to determine certain components of performance-based compensation. The adjustments and Adjusted EBITDA are based on currently available information and certain adjustments that we believe are reasonable and are presented as an aid in understanding our operating results. They are not necessarily indicative of future results of operations that may be obtained by the Company.

DXP ENTERPRISES, INC. AT-A-GLANCE

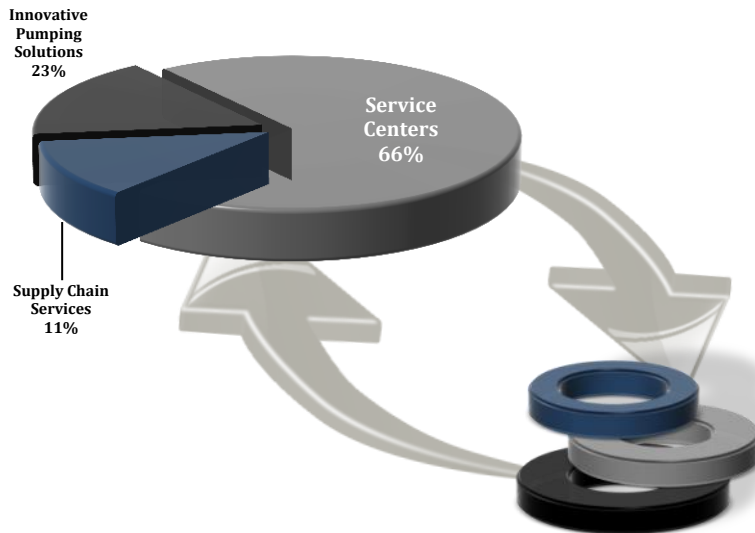
Leading provider of technical products and services for MRO (maintenance, repair, operating), OEM and capital equipment customers...

FISCAL YEAR 2014:

Revenue:	\$ 1,499.7 million
EBITDA:	\$ 139.9 million
*Free Cash Flow:	\$ 87.6 million
ROIC:	32.8 %



FY 2014 Sales % by Business Segment



...Building a North American Platform

- 189 Locations (U.S., Canada, Mexico & Dubai)
- 74 Supply Chain Service sites
- 8 Regional distribution centers
- 12 Fabrication centers
- 1 Customer First Center
- 3,500+ Full-time employees

DXP TODAY

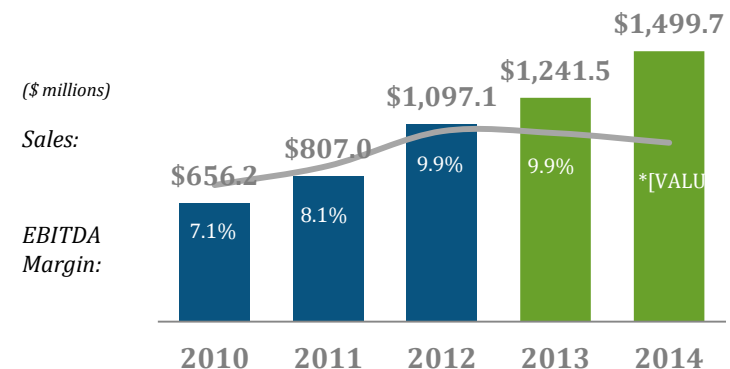
Growth and profit expansion opportunities...

KEY DRIVERS

- **DXP growth strategies designed to take market share**
 - SuperCenters
- **Strategic acquisitions**
 - Machinery Tooling & Supply
 - B27
 - Tool-Tech
 - Alaska Pump & Supply
 - Tucker Tool
 - Natpro
- **Maximizing existing portfolio and leveraging business model**
- **Culture of profitable growth driving continuous improvement**



...Execution should produce strong results.

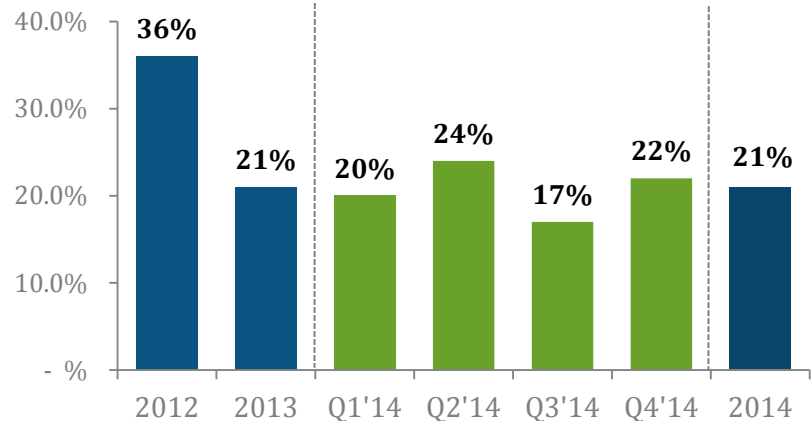


*EBITDA percentage for 2014 is pre-impairment and post increased amortization.

RECENT FINANCIAL RESULTS

Financial impact – the evidence

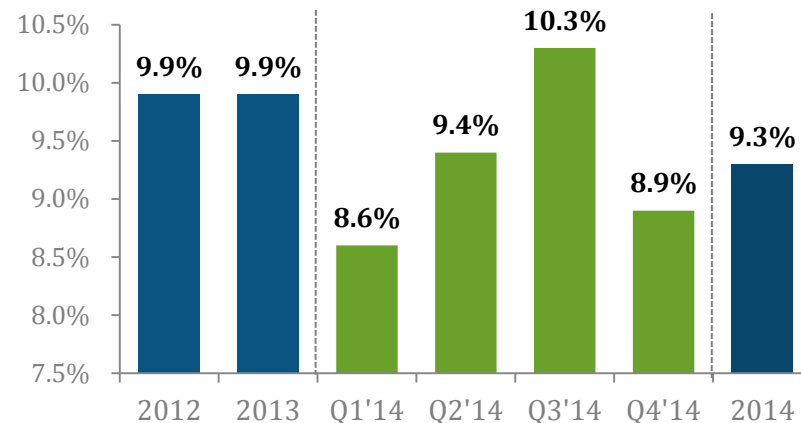
SALES VS. PRIOR YEAR



ORGANIC GROWTH

12% 0.4% 1.7% 4.2% 3.3% 5.6% 3.8%

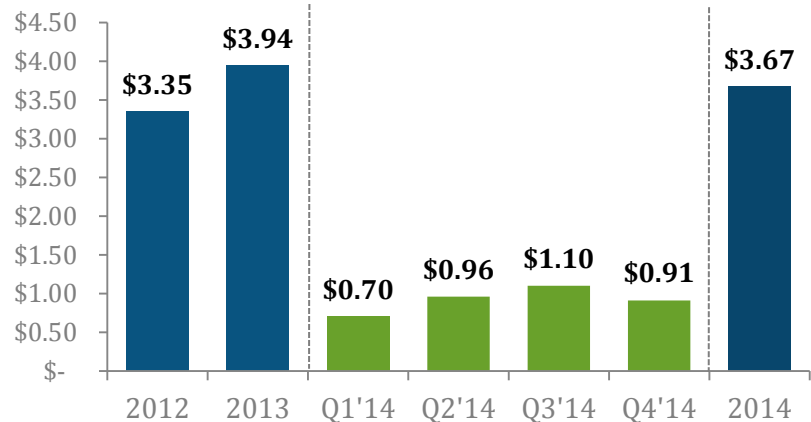
EBITDA MARGIN (EBITDA%)



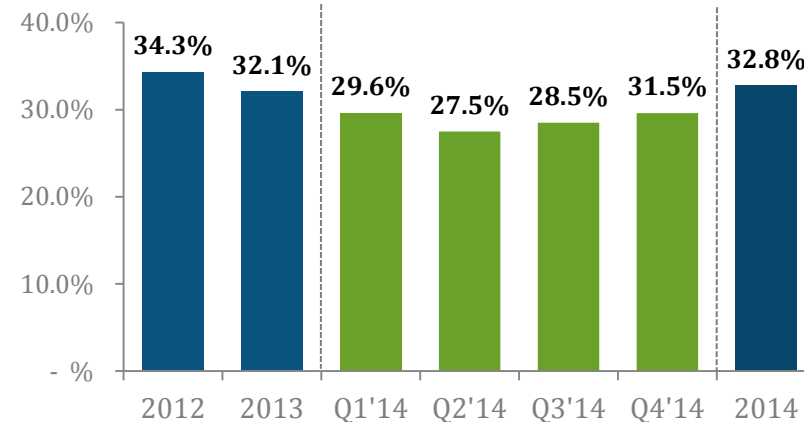
VERSUS PRIOR YEAR (BASIS POINTS)

180 - (90) - 40 (177) (60)

DILUTED EARNINGS PER SHARE



RETURN ON INVESTED CAPITAL*



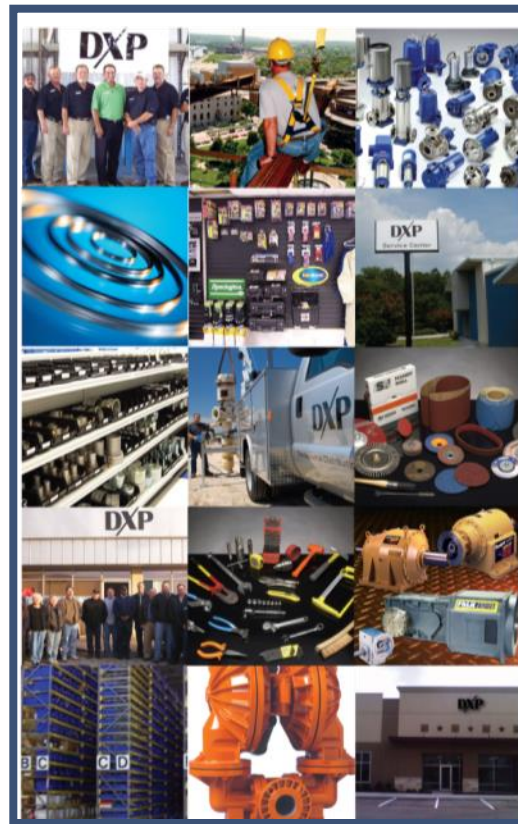
*Return on invested capital is defined as tax effected LTM EBITDA/Average total net operating assets. EBITDA for Q4 is pre-impairment. Diluted earnings per share includes increased amortization for B27.

UNIQUE MARKET APPROACH

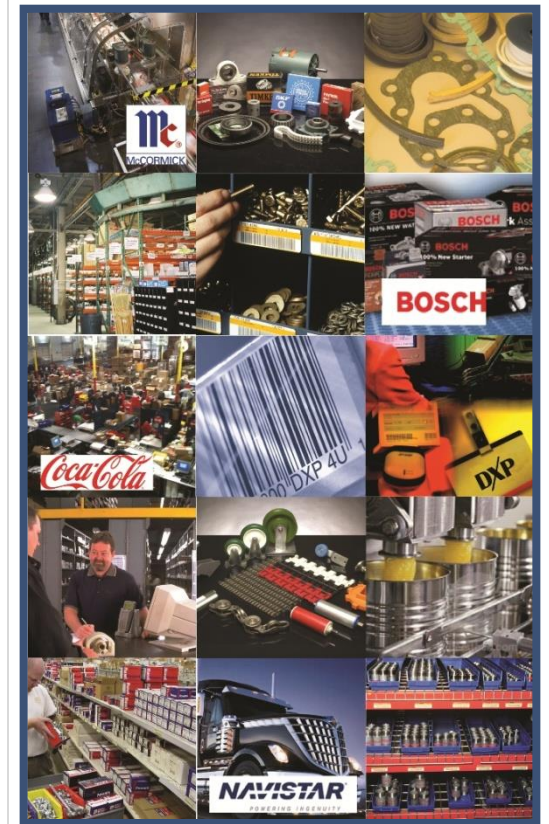
DXP | INNOVATIVE PUMPING SOLUTIONS®



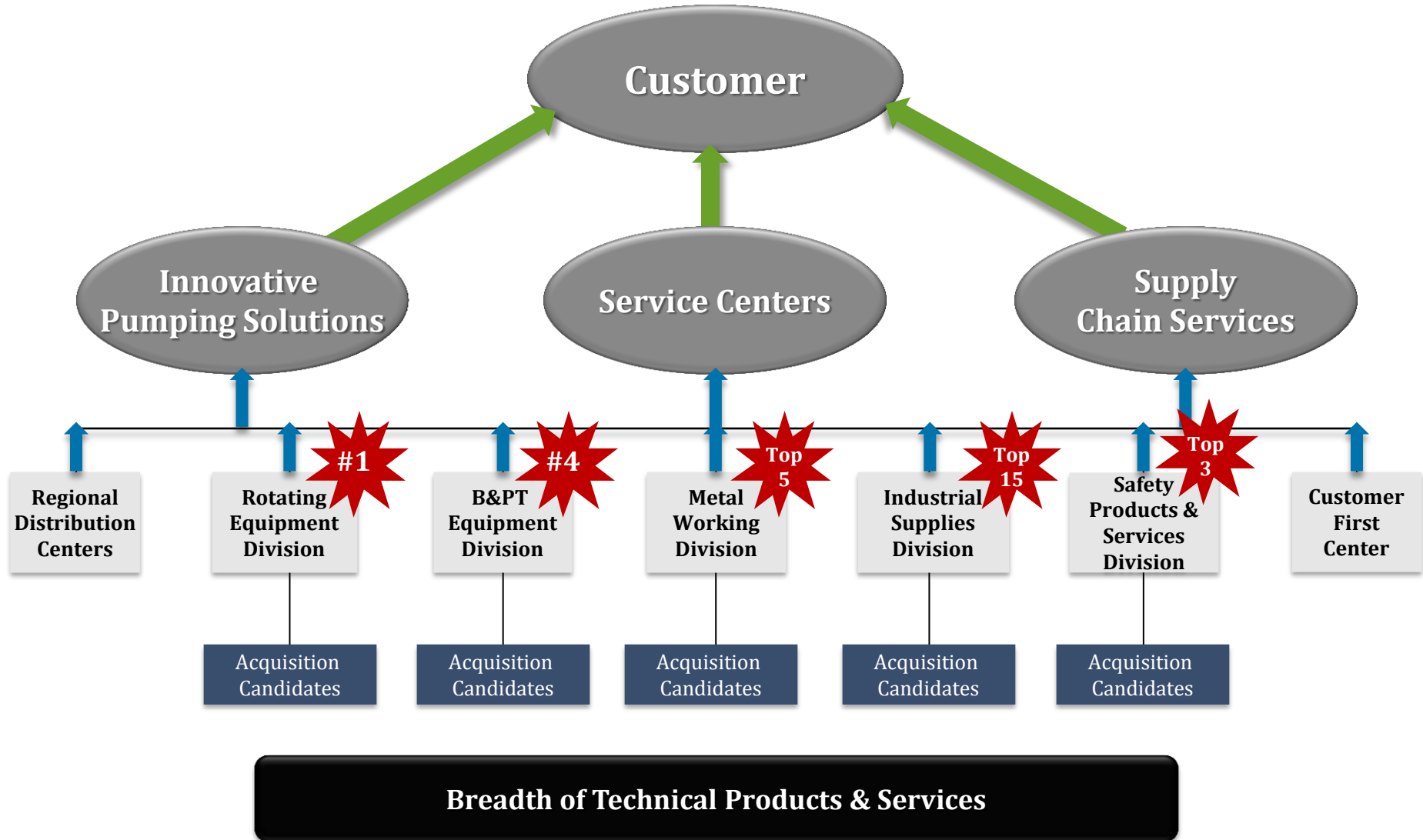
DXP | SERVICE CENTERS



DXP | SUPPLY CHAIN SERVICES



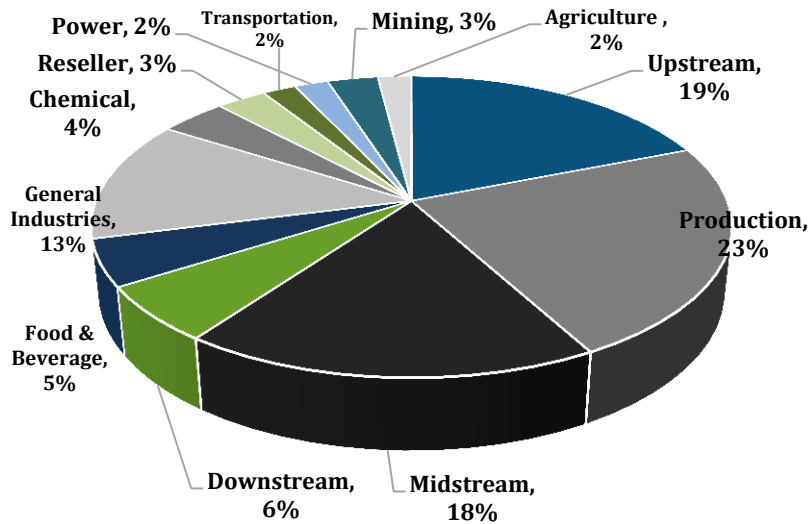
CUSTOMER DRIVEN EXPERTS IN MROP SOLUTIONS



LEADING POSITIONS IN MARKETS & PRODUCTS

DIVERSE, GROWING END MARKETS

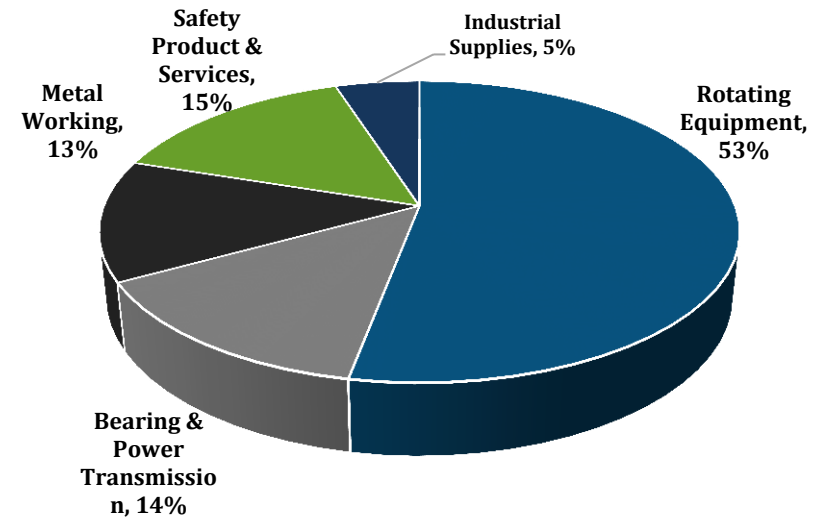
Over 50,000 Customers



- High quality customer base across attractive industries
- Concentration in solid growth sectors such as energy, food & beverage and chemical
- Geographic expansion will increase industry diversification

BREADTH OF TECHNICAL PRODUCTS & SERVICES

Over 100+ Product Groups



- Breadth of products and services
- Higher margin products and value added services

Note: Management estimates for fiscal year 2014. General industries includes aggregates, agriculture alternative energy, automotive, building products, military, municipal, pharmaceuticals, pulp & paper, sanitary, steel, telecommunications and wood products.

STRONG CUSTOMER AND SUPPLIER RELATIONSHIPS

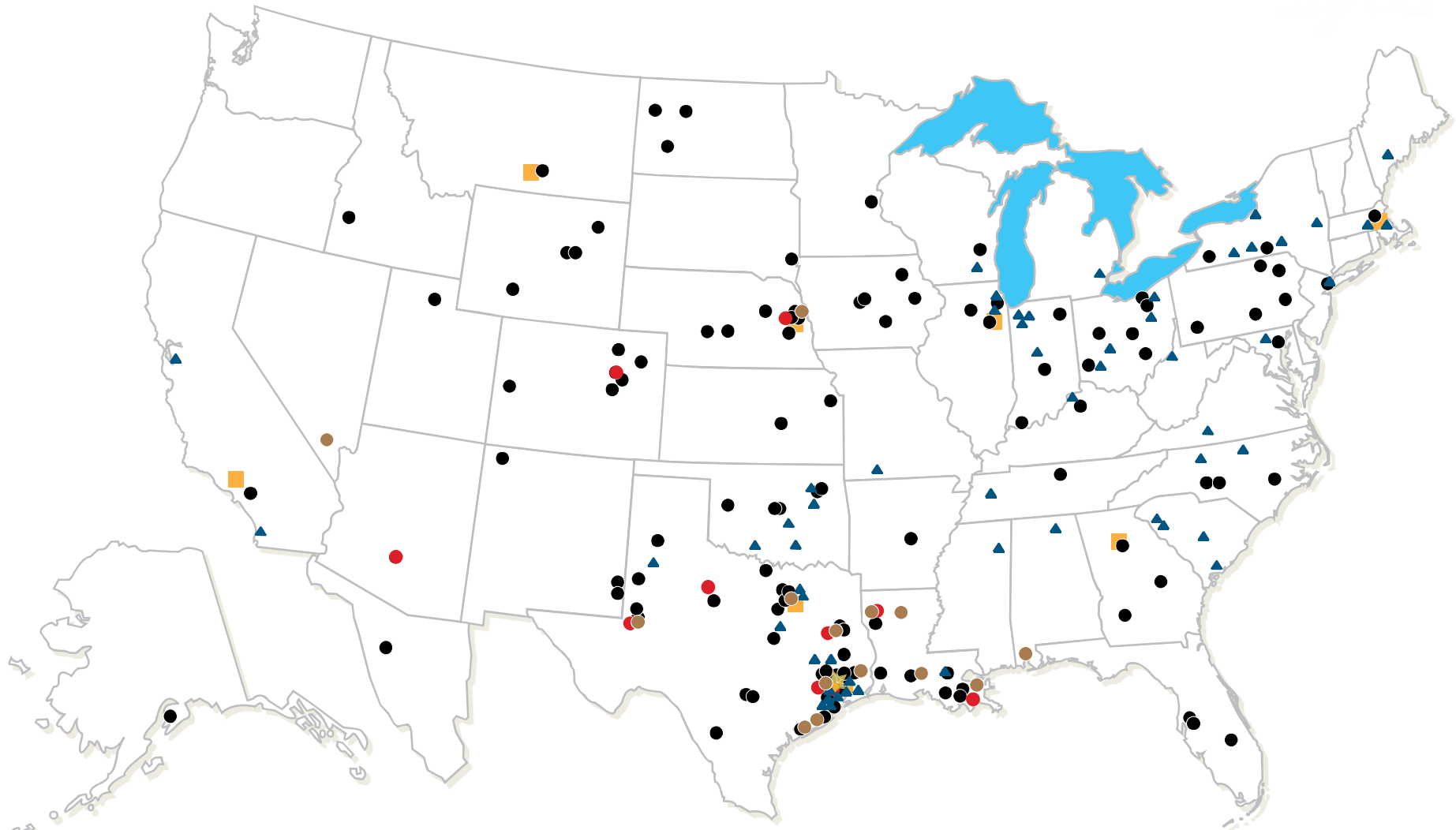
KEY CUSTOMER RELATIONSHIPS



LONG STANDING INDUSTRY PARTNERS



GROWING GEOGRAPHIC FOOTPRINT



U.S. and Mexico Locations:

● Service Center (114)

● Sales Office (15)

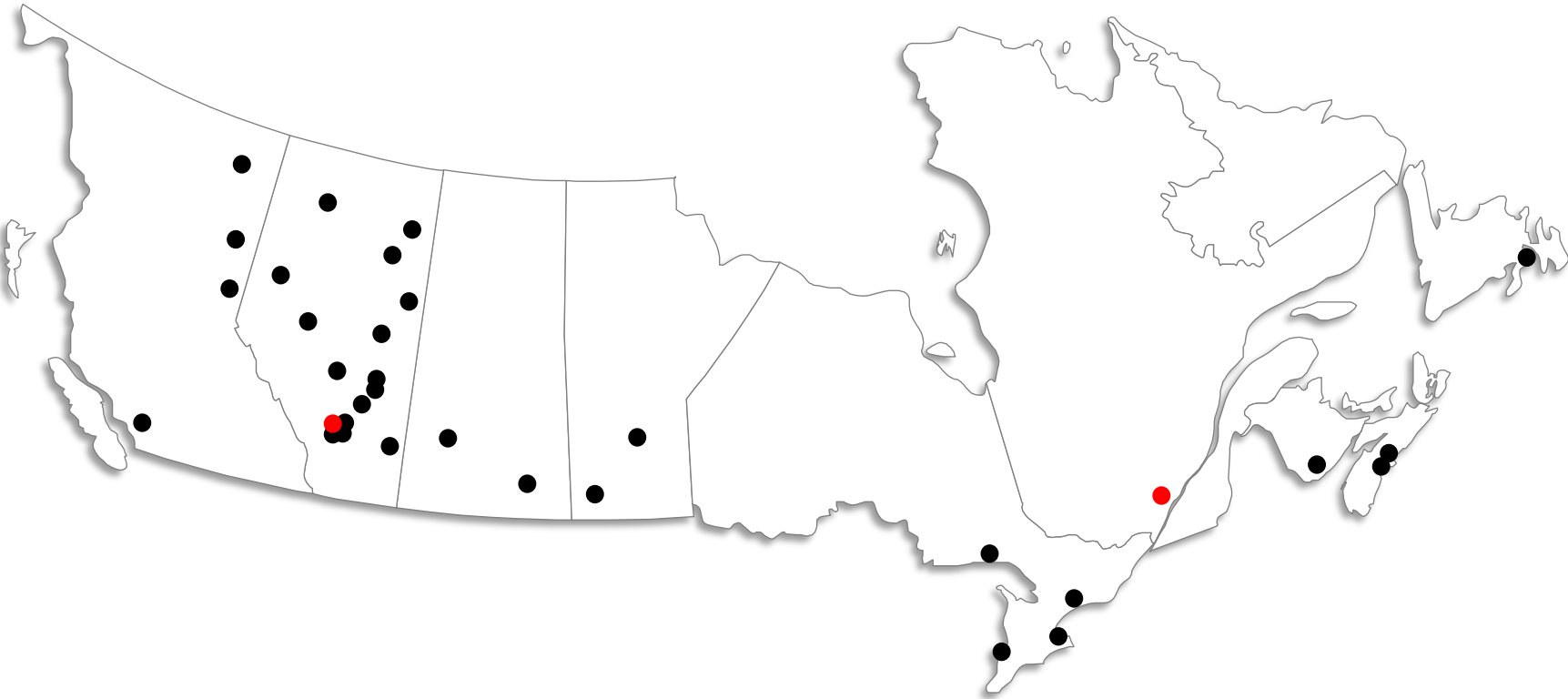
▲ Supply Chain Location (74)

■ Ballistic Dist. Center (8)

★ Customer First Center (1)

● Fabrication Center (10)

GROWING INTERNATIONAL FOOTPRINT



Canada Locations:

- Service Center (32)
- Dubai Sales Office (1)

- Fabrication Facility (2)

Note: Location names do not total to total physical location count due to city or province overlap.

GROWTH STRATEGY

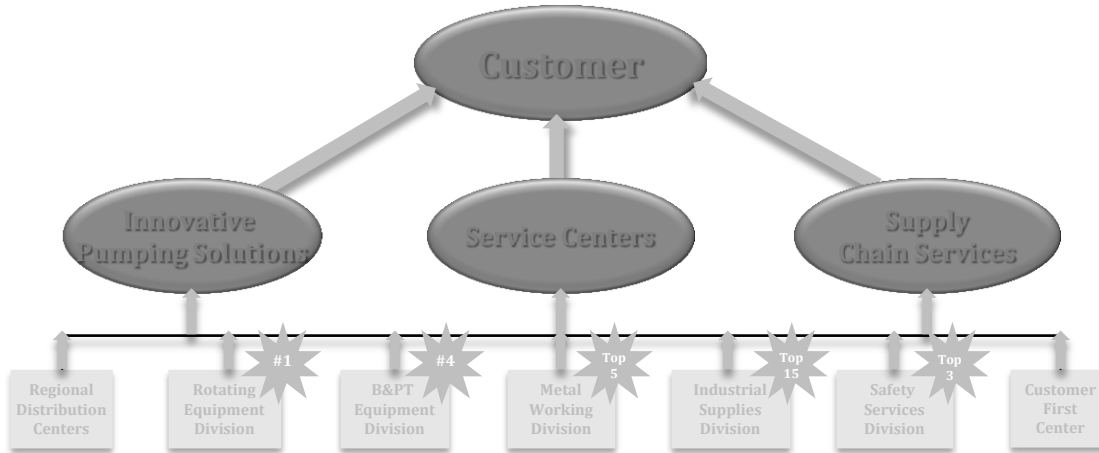
DXP'S GROWTH STRATEGY



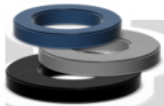
- **Organic growth remains a top priority. . . .**
 - SuperCenters
 - Sales force expansion
 - New markets and geographies
 - Product line expansion
- **. . . . Acquisitions accelerate growth and scale**
 - Opportunities to enlarge key product divisions
 - All acquisitions leverage DXP's scale and expertise
 - U.S. remains top priority – significant “holes” in the map
- **Combined, DXP consistently grows in excess of the market**
 - Consistent top and bottom-line growth
 - “One-stop” source for customer’s technical products and service needs – *“Customer Driven Experts in MROP Solutions”*
 - Long-term shareholder value creation

DXP GROWTH STRATEGY

Leading provider of technical products and services.



.Building a North American Platform



I. INTERNAL - ORGANIC

- 1 Grow Core DXP Business – Service Centers, IPS, SCS
- 2 Offer Multiple Products & Services to different Customers
- 3 Serve Strong Growing End Markers

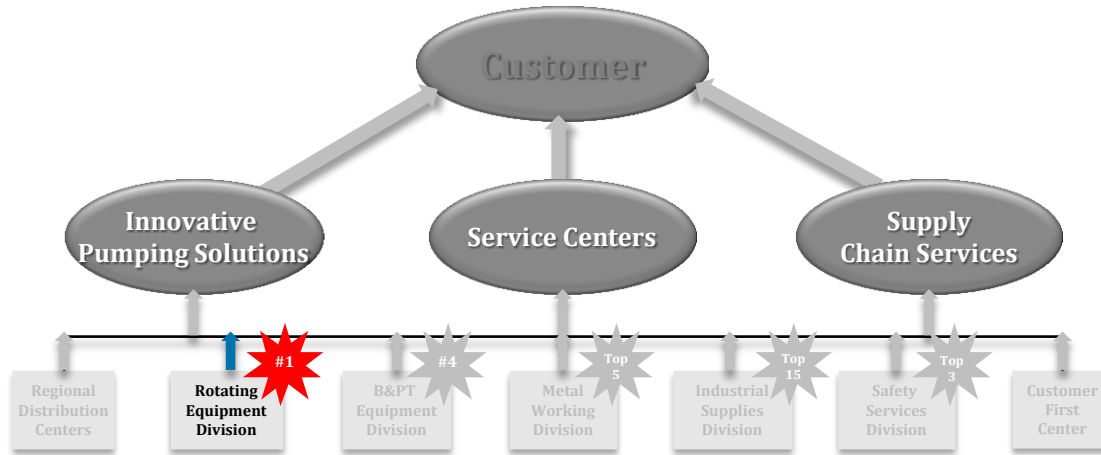


II. EXTERNAL - INORGANIC

- 1 Enhance Product Expertise & Depth
- 2 Expand / Strengthen Geographic Position
- 3 Identify / Expand Strategic Product Divisions
- 4 Improve Overall Financial Metrics

Purposeful, Dynamic Growth Strategy

ACQUISITION STRATEGY & GROWTH PROCESS



I. ACQUIRE

- 1 Core DXP Business
- 2 Product Divisions
- 3 New Geographies

II. ENHANCE

- 4 Challenge to Grow 10%
- 5 Add Segment offering – SCS, IPS
- 6 Scale & Purchasing Power
- 7 Sales & Operational Excellence

III. ENLARGE

- 8 Challenge to Grow 10%
- 9 Add DXP Product Divisions
- 10 Scale Multiple Product Divisions
- 11 SuperCenters

IV. EXPAND

- 1 New Markets / Geographies
- 2 Strengthen Position
- 3 Continue to Expand Product Offering

- Margin enhancement and pricing effectiveness
- Strengthening geographic position
- Efficiencies and profit enhancement through IT infrastructure
- New stores in underserved markets

- One-stop source
- Increase value to our customer
- “Cross-sell” to existing and new customers
- 42 SuperCenters as of Q4’ 14

- New stores in underserved and new markets
- Supplier extension and depth
- Expanded customer base

TRACK RECORD OF SUCCESSFUL M&A

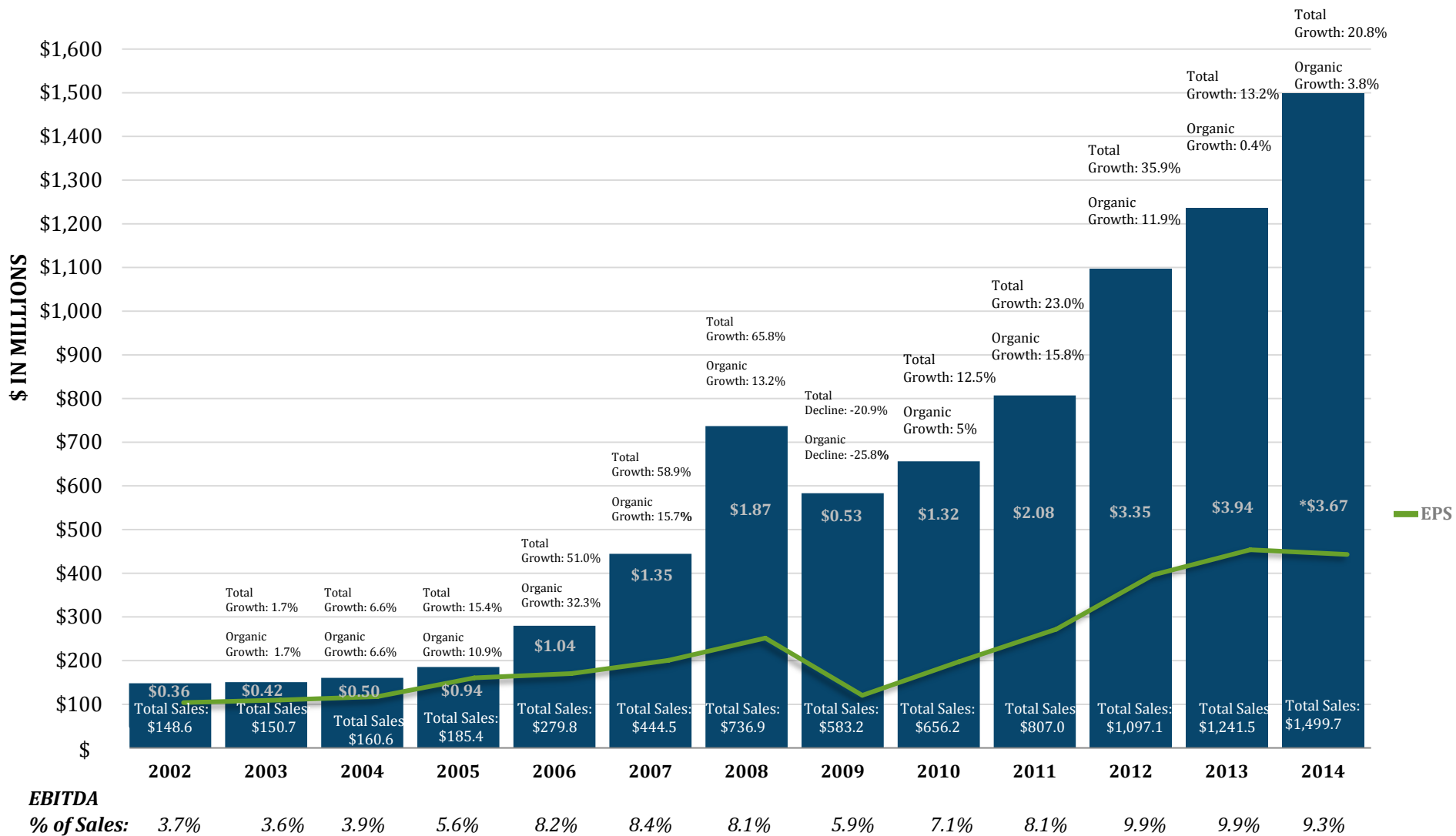
Date	Acquisition	Product Division	Region	LTM Revenue* (\$ millions)
May - 14	Machinery Tooling & Supply	Metal Working	North Central	\$38
Jan - 14	B27	Rotating Equipment	North TX/Southeast	\$174
July - 13	Tool-Tech	Metal Working	South Central	\$13
July - 13	Alaska Pump & Supply	Rotating Equipment	West	\$16
May - 13	Tucker Tool	Metal Working	Northeast	\$8
April - 13	Natpro	Rotating Equipment	Canada	\$69
October - 12	Jerzy Industries	Bearings & Power Transmission	Houston	\$9
July - 12	HSE Integrated	Safety	Canada	\$105
June - 12	Austin & Denholm	Rotating Equipment	Canada	\$7
May - 12	Industrial Paramedic Services	Safety	Canada	\$22
April - 12	Aledco & Force	Rotating Equipment	Northeast	\$8
February - 12	Pump & Power	Rotating Equipment	North Central	\$4
January - 12	Mid-Continent Safety	Safety	North Central	\$10
			Total	\$483

* LTM revenue at acquisition date

DXP has successfully acquired \$483 million of revenues since January 2012

FINANCIAL OVERVIEW

YEAR-OVER-YEAR REVENUE & EARNINGS GROWTH

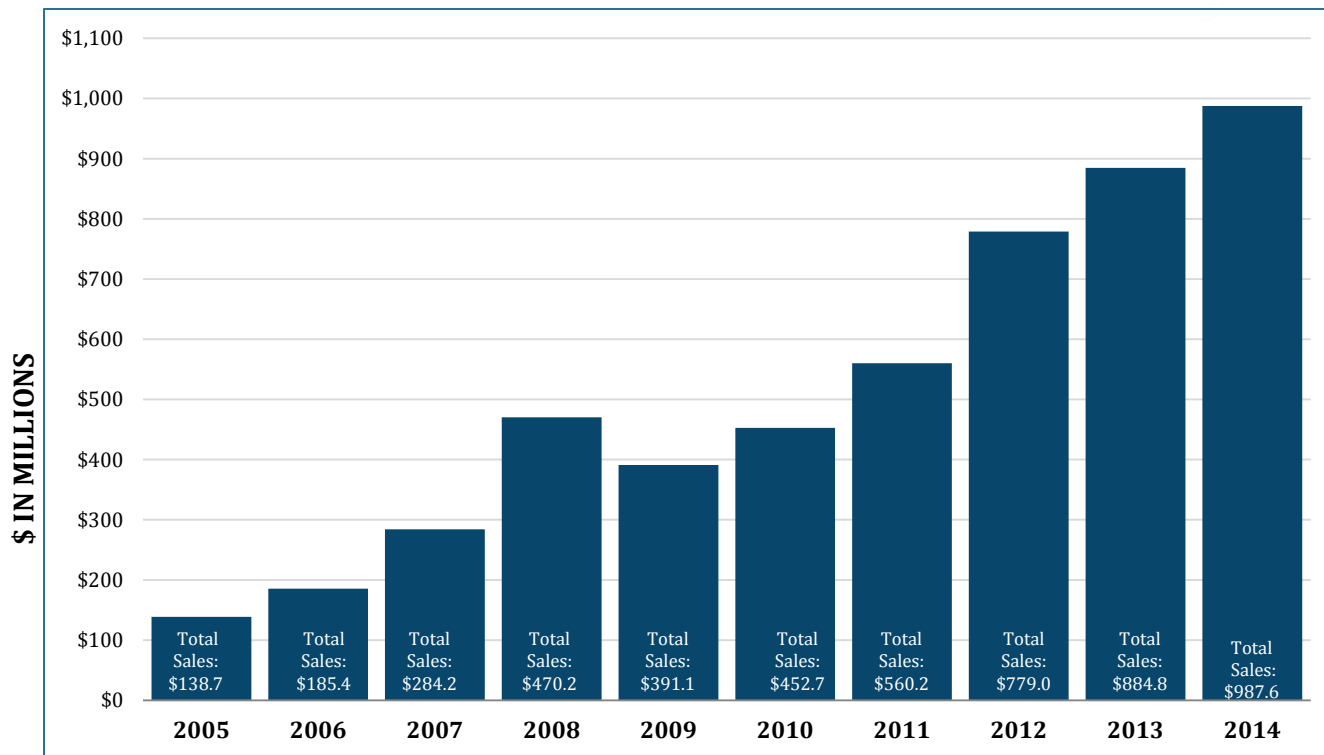


*Excluding impairment charges.

SERVICE CENTER SEGMENT YEAR-OVER-YEAR GROWTH

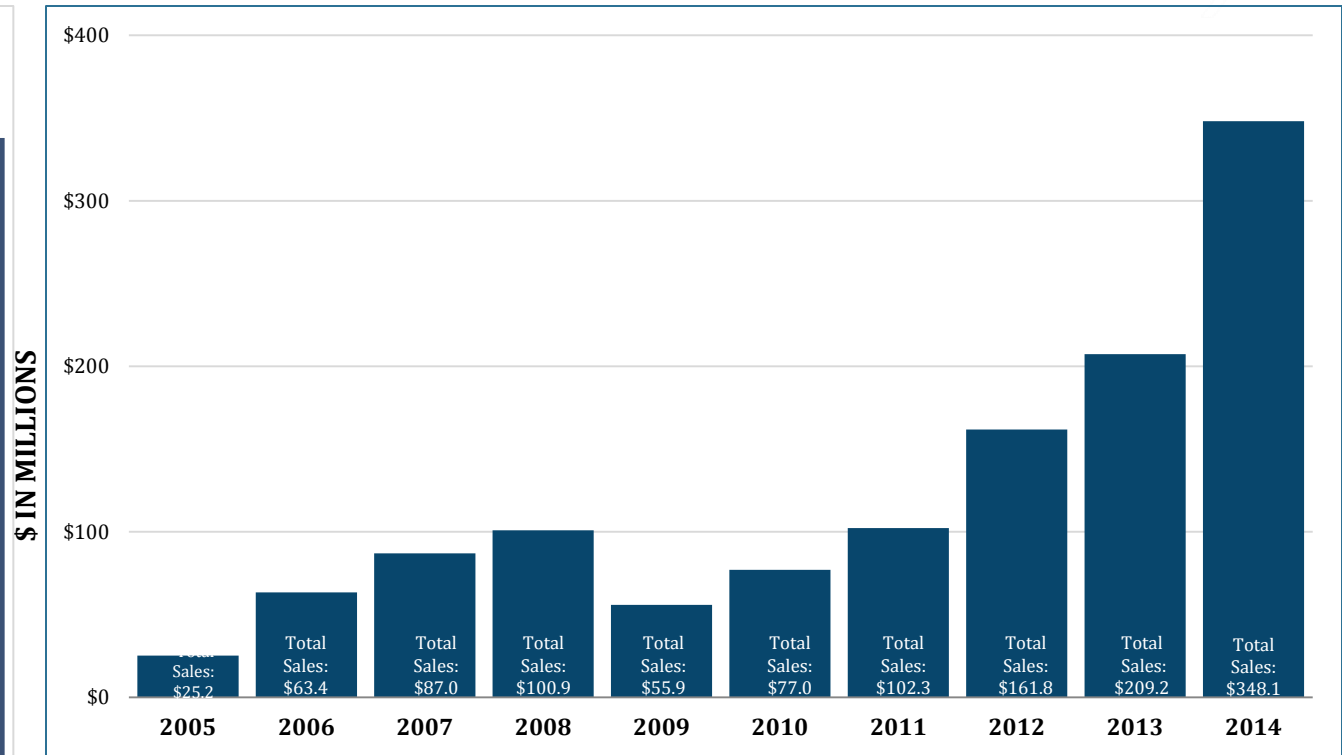


The Service Centers are engaged in providing MRO products, equipment and services, including technical expertise and logistics capabilities, to industrial customers with the ability to provide same day delivery. We offer our customers a single source of supply on an efficient and competitive basis by being a first-tier distributor that can provide products in the rotating equipment, power transmission, hose, fluid power, metal working, fastener, industrial supply, safety products and services categories.



Total Sales	\$138.7	\$185.4	\$284.2	\$470.2	\$391.1	\$452.7	\$560.2	\$779.0	\$884.8	\$987.6
Total Growth		33.6%	53.3%	65.5%	-16.8%	15.8%	23.7%	39.1%	13.6%	11.6%
Organic Growth		20.3%	8.5%	15.7%	-24.5%	9.1%	15.3%	6.6%	-0.3%	2.5%
Operating Income					\$24.4	\$50.5	\$64.5	\$88.9	\$107.1	\$107.7
OI as % of Sales					6.2%	11.2%	11.5%	11.4%	12.1%	10.9%

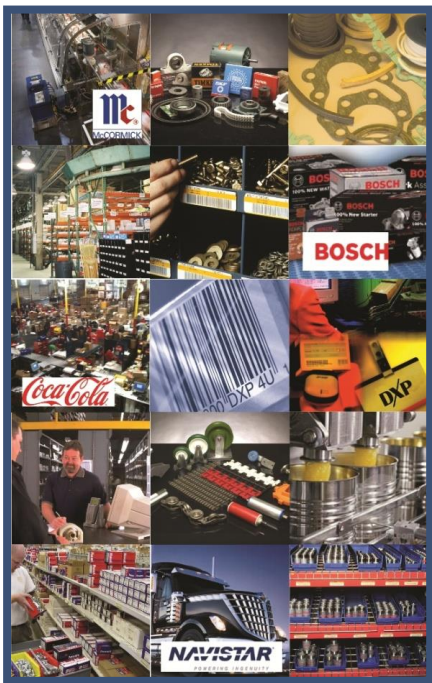
IPS SEGMENT YEAR-OVER-YEAR GROWTH



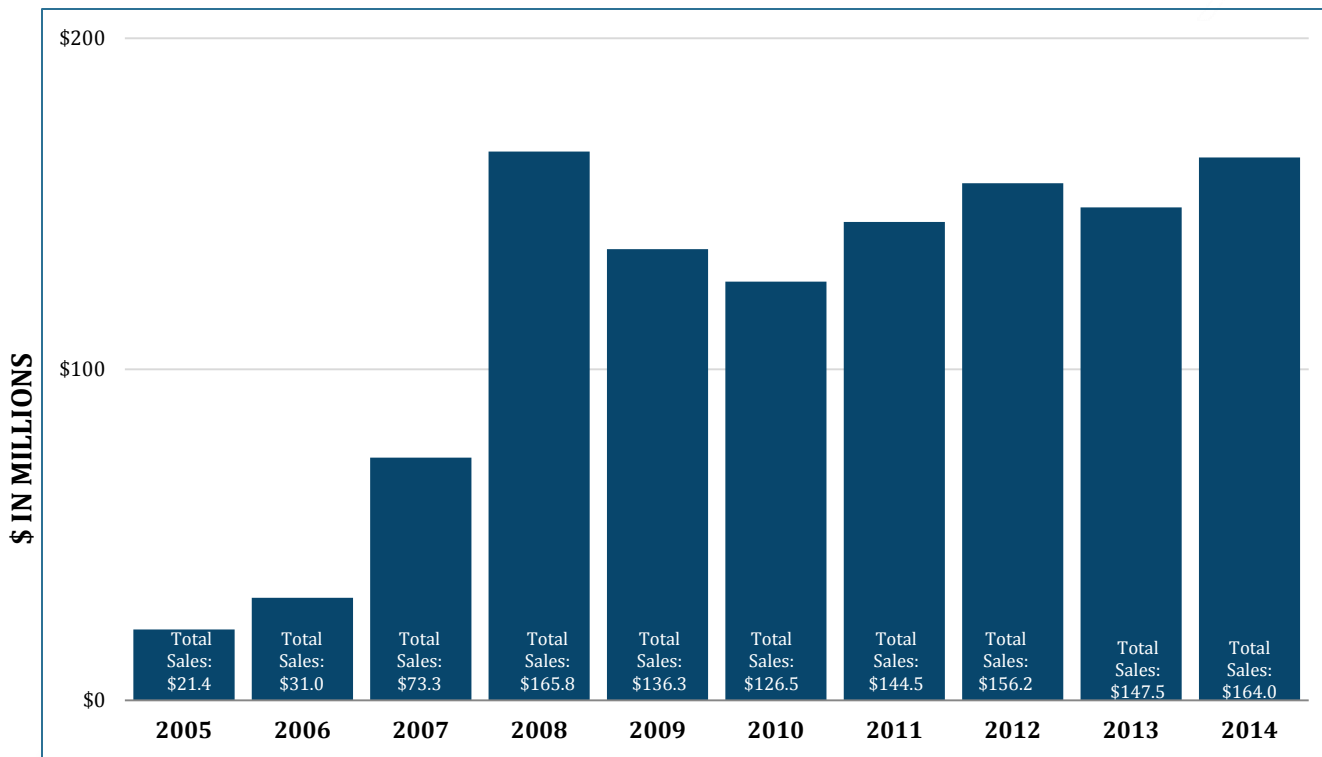
Total Sales	\$25.2	\$63.4	\$87.0	\$100.9	\$55.9	\$77.0	\$102.3	\$161.8	\$209.2	\$348.1
Total Growth %		151.6%	37.3%	15.9%	-44.6%	37.8%	32.8%	58.2%	29.3%	66.4%
Organic Growth %		87.4%	29.8%	13.7%	-44.6%	6.6%	28.5%	58.2%	9.7%	3.9%
Operating Income					\$7.5	\$10.3	\$16.9	\$32.1	\$33.8	\$51.2
OI as % of Sales					13.4%	13.4%	16.5%	19.8%	16.1%	14.7%

DXP's Innovative Pumping Solutions® segment provides fabrication and technical design to meet the modular pump package equipment requirements of our global customer base. DXP's Innovative Pumping Solutions provides a single source for engineering, systems design and fabrication of custom pump packages. DXP's Innovative Pumping Solutions also provides remanufacturing and service & repair services for various types of pumps including API and ANSI pumps.

SUPPLY CHAIN SEGMENT YEAR-OVER-YEAR GROWTH



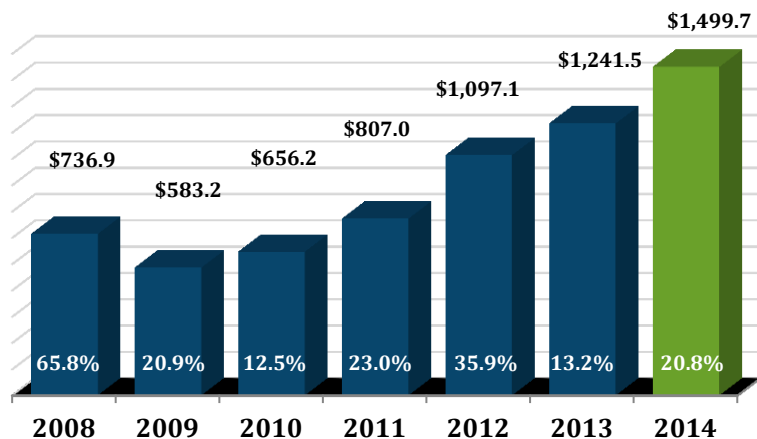
DXP's Supply Chain Services segment manages all or part of its customers' supply chains including procurement and inventory management. DXP's Supply Chain Services provide a fully outsourced MRO solution. DXP's mission is to help customers become more competitive by reducing their indirect material costs and order cycle time by increasing productivity and by creating enterprise-wide inventory and procurement visibility and control.



Total Sales	\$21.4	\$31.0	\$73.3	\$165.8	\$136.3	\$126.5	\$144.5	\$156.2	\$147.5	\$164.0
Total Growth		44.8%	136.4%	126.1%	-17.8%	-7.2%	14.2%	8.1%	-5.6%	11.2%
Organic Growth		44.8%	28.7%	2.5%	-17.8%	-7.2%	9.5%	-0.3%	-5.6%	11.2%
Operating Income					\$5.5	\$7.1	\$8.5	\$12.5	\$12.5	\$13.8
OI as % of Sales					4.1%	5.6%	5.9%	8.0%	8.5%	8.4%

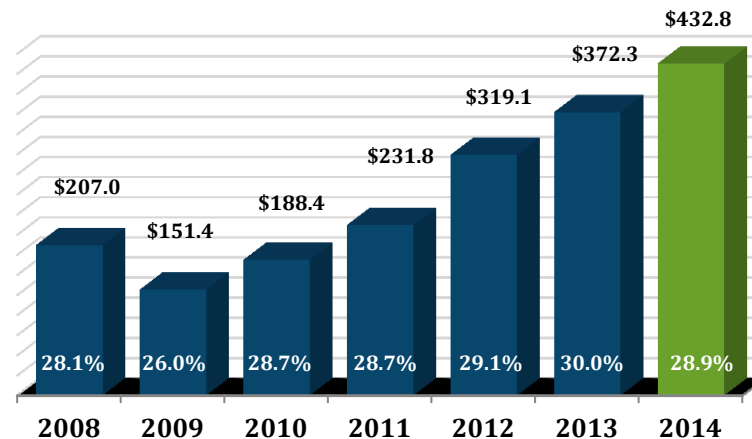
FINANCIAL SUMMARY

Revenue
(\$ millions)



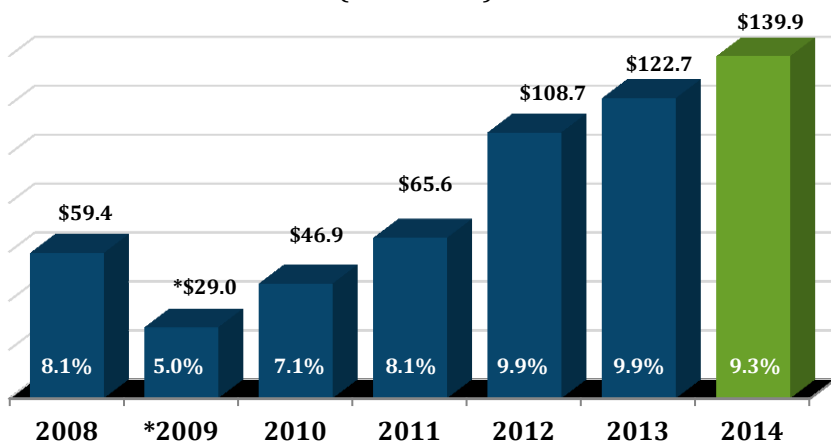
Percentages reflect year-over-year revenue growth from corresponding period.

Gross Profit
(\$ millions)



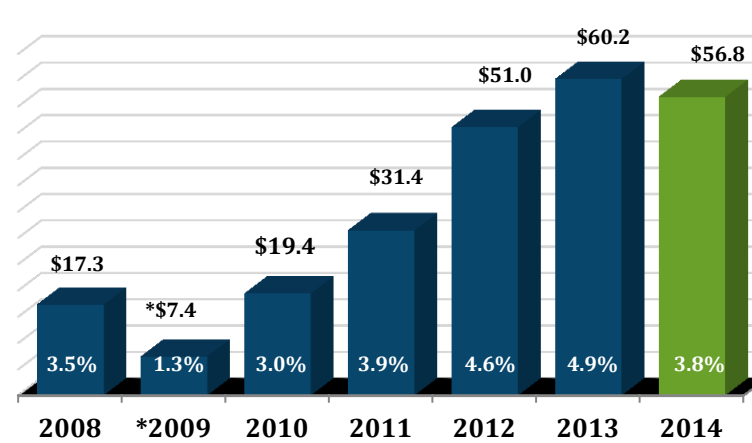
Percentages reflect gross margin.

EBITDA
(\$ millions)



Percentages reflect EBITDA margin.

Net Income
(\$ millions)

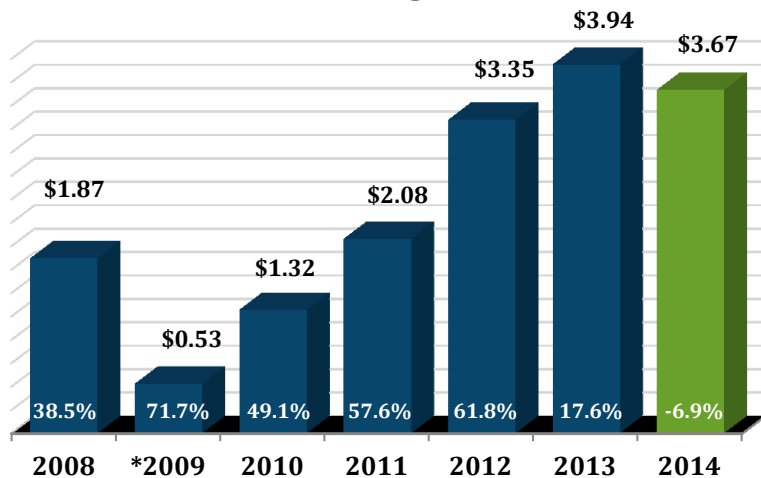


Percentages reflect net income margin.

*2009 adjusted for impairments of \$66.8M before taxes. DXP stock split September 2008. FY 2014 is pre-impairment expense. Net income is pre-impairment but includes increased amortization.

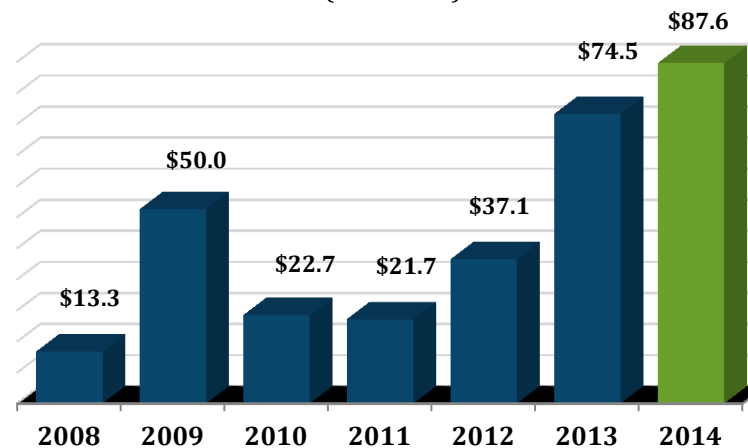
FINANCIAL SUMMARY (CONT'D)

Diluted Earnings Per Share



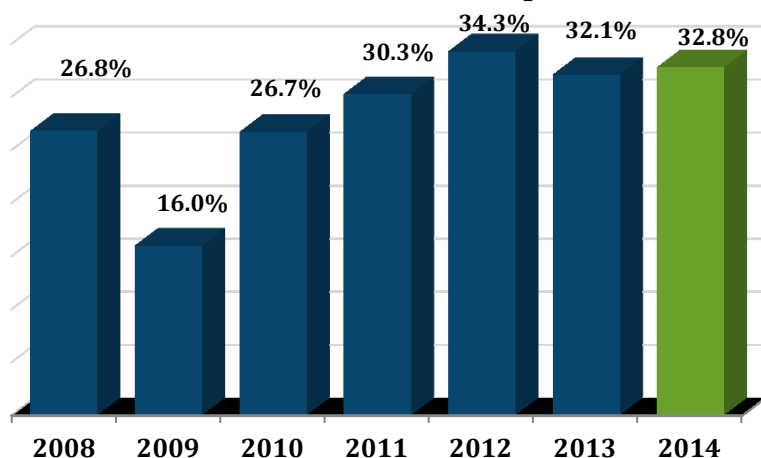
Percentages reflect year-over-year EPS growth.

Free Cash Flow (\$ millions)



Free cash flow defined as cash from operating activities less capex.

Return On Invested Capital



Return on invested capital is defined as tax affected LTM EBITDA / average total net operating assets.

Profitable, sustainable growth
Consistent earnings
Long-term shareholder returns

*2009 adjusted for impairments of \$66.8M before taxes. DXP stock split September 8, 2008. Diluted excludes impairment charges and B27 amortization expense.

CAPITAL STRUCTURE



(\$ millions)	As of December 31, 2014
Cash	\$0.5
Total Debt	\$411.5
Shareholders' Equity	\$243.0
Total Book Capitalization	\$654.5

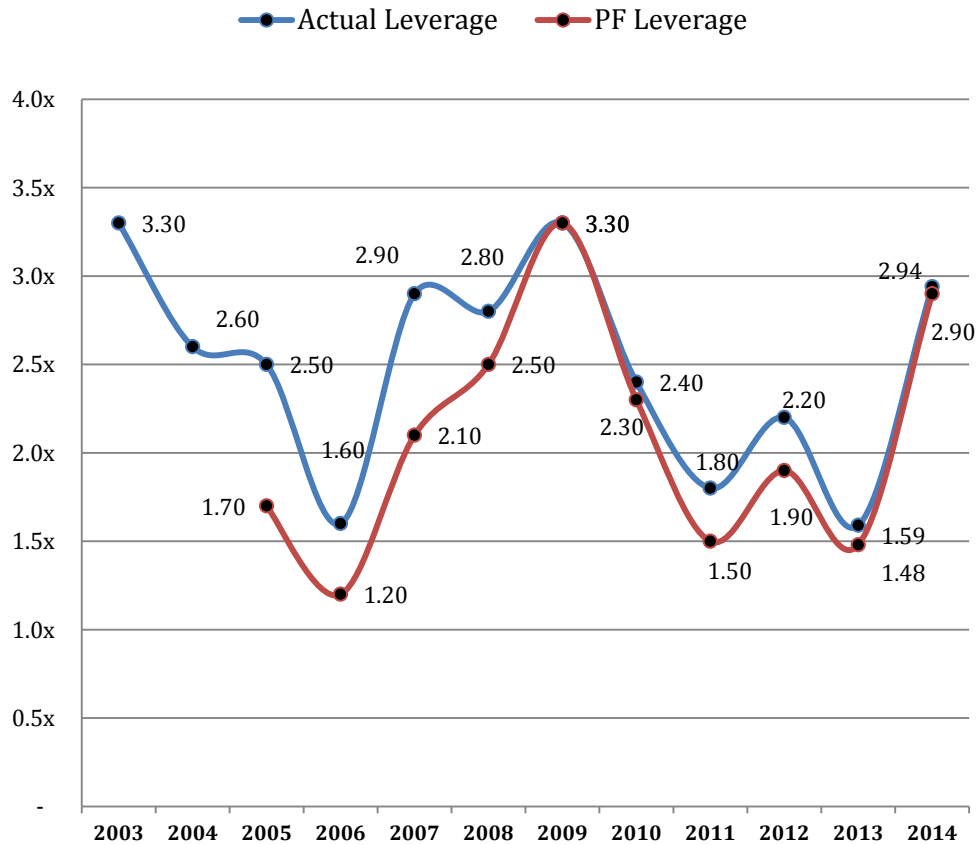
Credit Statistics	
LTM EBITDA	\$139.9
Total Debt/ Total Book Capitalization	62.9%
Total Debt/LTM EBITDA	2.94x
PF Total Debt/PF LTM EBITDA	2.90x

- Healthy, strong balance sheet
- Solid cash flow
- Senior Credit Facility
 - \$350 million revolver
 - \$222 million term loan
 - \$200 million accordion feature
- Moderate leverage
- Poised for future growth

CAPITAL STRUCTURE (CONT'D)



LEVERAGE RATIO



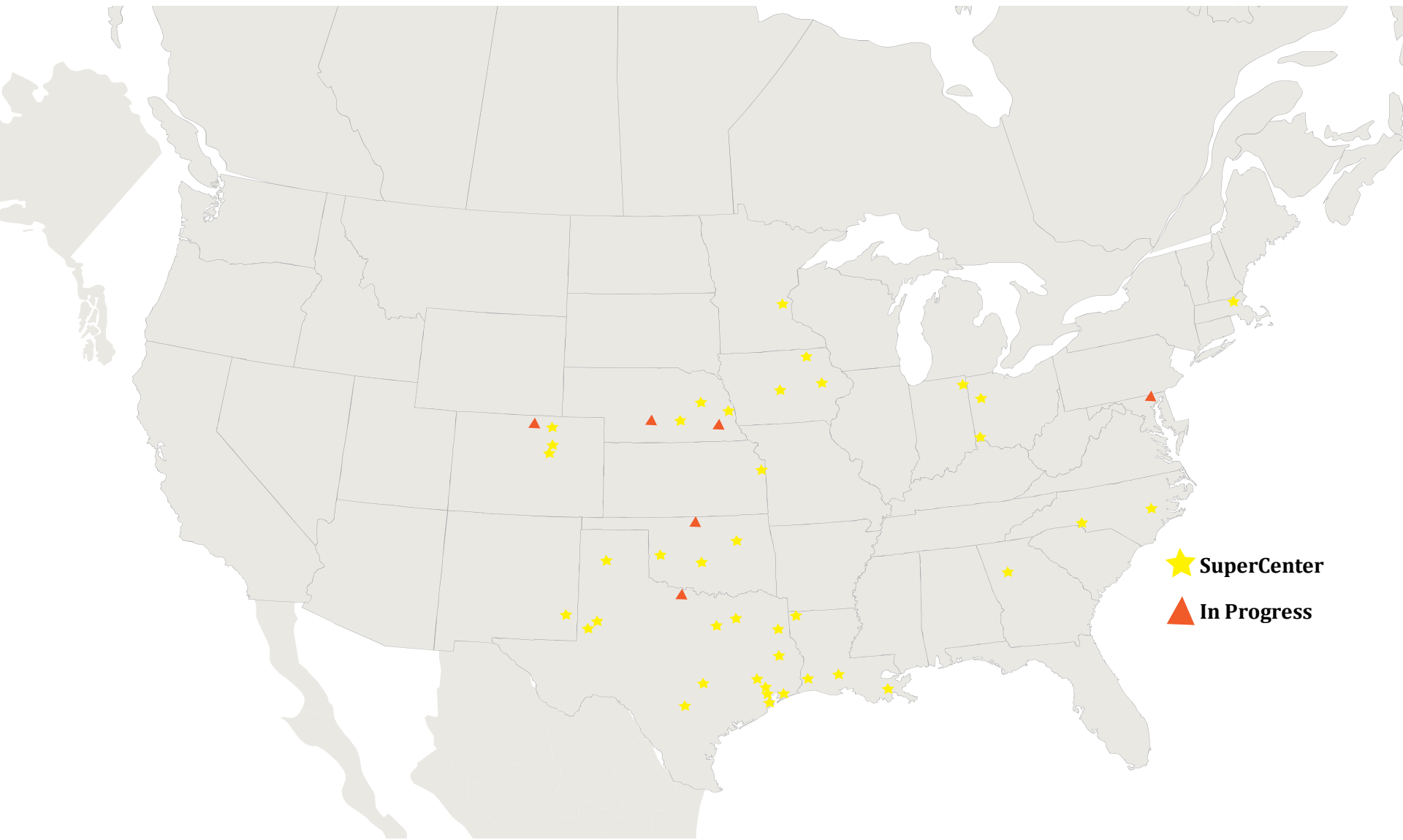
STRONG CAPITAL STRUCTURE

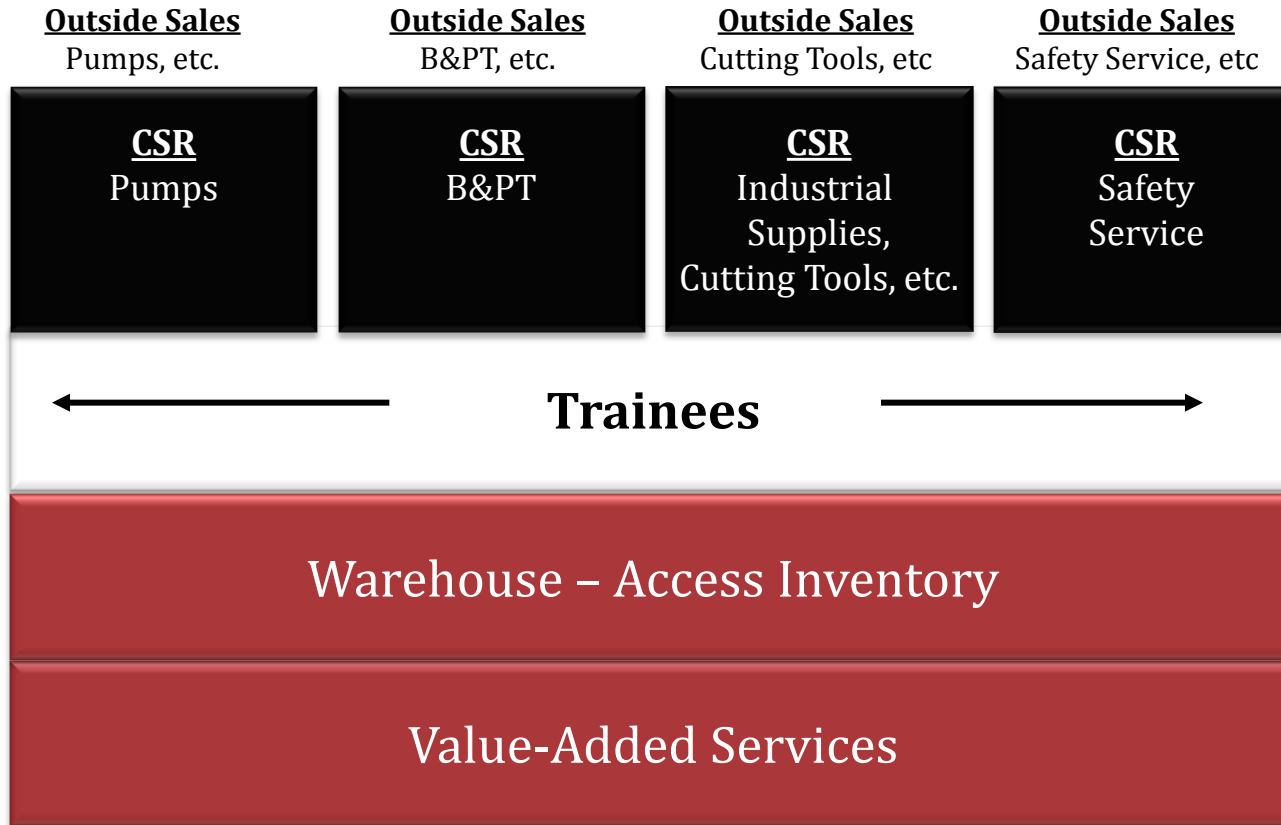
- Access to multiple capital markets
- Leverage ratio below 3.0x
- Supports growth strategy

APPENDIX

DXP SUPERCENTER STRATEGY

DXP SUPERCENTERS





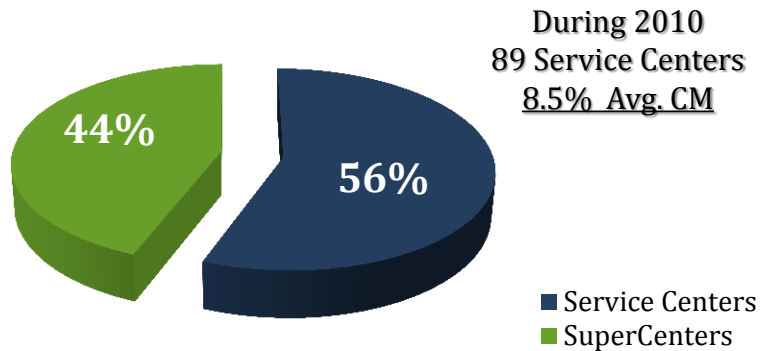
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|--|---|--|---|--|---|
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| <input checked="" type="checkbox"/> Abilene, TX | <input checked="" type="checkbox"/> Denver, CO | <input checked="" type="checkbox"/> Houston, TX (GCTR) | <input checked="" type="checkbox"/> Longview, TX | <input checked="" type="checkbox"/> Omaha DT, NE | <input checked="" type="checkbox"/> Columbus, NE |
| <input checked="" type="checkbox"/> Atlanta, GA | <input checked="" type="checkbox"/> Des Moines, IA | <input checked="" type="checkbox"/> Hopkinton, MA | <input checked="" type="checkbox"/> Lufkin, TX | <input checked="" type="checkbox"/> Shreveport, LA | <input checked="" type="checkbox"/> Baltimore, MD |
| <input checked="" type="checkbox"/> Austin, TX | <input checked="" type="checkbox"/> Elk City, OK | <input checked="" type="checkbox"/> Kansas City, KS | <input checked="" type="checkbox"/> Mason City, IA | <input checked="" type="checkbox"/> Tulsa, OK | <input checked="" type="checkbox"/> Burlington, OK |
| <input checked="" type="checkbox"/> Beaumont, TX | <input checked="" type="checkbox"/> Greeley, CO | <input checked="" type="checkbox"/> Kemah, TX | <input checked="" type="checkbox"/> Minneapolis, MN | <input checked="" type="checkbox"/> Wilson, NC | <input checked="" type="checkbox"/> Ft. Collins, CO |
| <input checked="" type="checkbox"/> Brighton, CO | <input checked="" type="checkbox"/> Grand Island, NE | <input checked="" type="checkbox"/> LaPorte, TX | <input checked="" type="checkbox"/> New Orleans, LA | <input checked="" type="checkbox"/> Avila, IN | <input checked="" type="checkbox"/> Wichita Falls, TX |
| <input checked="" type="checkbox"/> Cincinnati, OH | <input checked="" type="checkbox"/> Grand Prairie, TX | <input checked="" type="checkbox"/> Lafayette, LA | <input checked="" type="checkbox"/> Odessa, TX | <input checked="" type="checkbox"/> Cedar Rapids, IA | <input checked="" type="checkbox"/> Lexington, NE |
| <input checked="" type="checkbox"/> Cleburne, TX | <input checked="" type="checkbox"/> Hobbs, NM | <input checked="" type="checkbox"/> Lake Charles, LA | <input checked="" type="checkbox"/> Oklahoma City, OK | <input checked="" type="checkbox"/> San Antonio, TX | <input checked="" type="checkbox"/> Lincoln, NE |

SuperCenter

SuperCenter in Process

WHY SUPERCENTERS WORK?

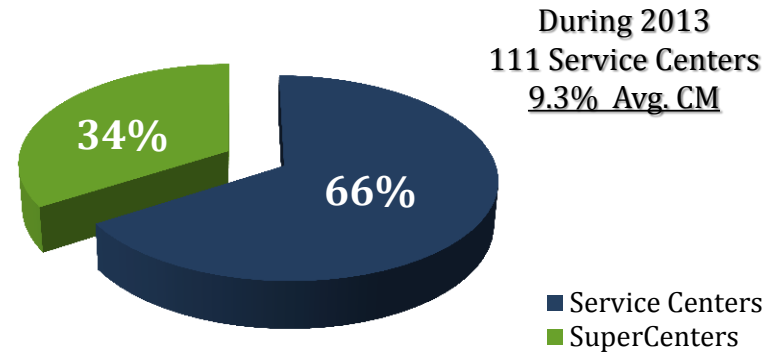
2010 SUPERCENTER PERFORMANCE



During 2010
 23 SuperCenters
10.3% Avg. CM

21% of DXP locations were SuperCenter locations and contributed 44% of total Service Center segment revenue.

2013 SUPERCENTER PERFORMANCE



During 2013
 37 SuperCenters
11.2% Avg. CM

25% of DXP locations were SuperCenter locations and contributed 34% of total Service Center segment revenue.

Figures on this slide are based on information and financial data from 2010 and 2013 and are presented only to demonstrate the overall revenue breakdown between SuperCenter and non SuperCenter locations.

The logo consists of the letters 'D', 'X', and 'P' in a bold, black, sans-serif font. A thick, black diagonal slash cuts through the 'X' from the top-left to the bottom-right, extending slightly above and below the letters.

THE INDUSTRIAL DISTRIBUTION EXPERTS

NASDAQ: DXPE
MARCH 2015