

DSG

DISTRIBUTION
SOLUTIONS GROUP

Powerful Solutions. Proven Results.

NASDAQ: DSGR

Jefferies Industrial Conference

September 5, 2024



Disclaimers

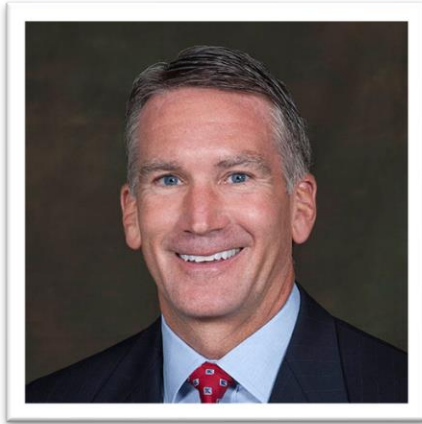
Cautionary Note Regarding Forward-Looking Statements

This presentation contains certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the "safe-harbor" provisions under the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties. The terms "aim," "anticipate," "believe," "contemplates," "continues," "could," "ensure," "estimate," "expect," "forecasts," "if," "intend," "likely," "may," "might," "objective," "outlook," "plan," "positioned," "potential," "predict," "probable," "project," "shall," "should," "strategy," "will," "would," and variations of them and other words and terms of similar meaning and expression (and the negatives of such words and terms) are intended to identify forward-looking statements. Forward-looking statements can also be identified by the fact that they do not relate strictly to historical or current facts. Such forward-looking statements are based on current expectations and involve inherent risks, uncertainties and assumptions, including factors that could delay, divert or change any of them, and could cause actual outcomes to differ materially from current expectations. Distribution Solutions Group ("DSG") can give no assurance that any goal or plan set forth in forward-looking statements can be achieved and DSG cautions readers not to place undue reliance on such statements. DSG undertakes no obligation to release publicly any revisions to forward-looking statements as a result of new information, future events or otherwise. Each forward-looking statement speaks only as of the date on which such statement is made, and DSG undertakes no obligation to update any such statement to reflect events or circumstances arising after such date. Actual results may differ materially from those projected as a result of certain risks and uncertainties. Factors that could cause or contribute to such differences or that might otherwise impact DSG's business, financial condition and results of operations include the risks that DSG may encounter difficulties integrating the business of DSG with the business of other companies that DSG has combined with or may otherwise combine with, including but not limited to Source Atlantic Limited, and that certain assumptions with respect to such business or transactions could prove to be inaccurate. Certain risks associated with DSG's business are also discussed from time to time in the reports DSG files with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K or other reports the Company may file from time to time with the Securities and Exchange Commission, which should be reviewed carefully.

Non-GAAP Financial Measures, SEC Regulation G GAAP Reconciliations

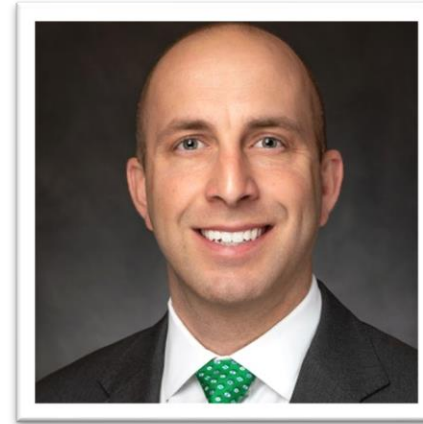
Some of the financial information and data contained in this presentation, such as Adjusted Revenue, Pre-Acquisition Revenue and Adjusted EBITDA, have not been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). The Company believes that these non-GAAP financial measures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

Presenters



Ron Knutson

*EVP & CFO for
DSG and Lawson Products*



Brett Scarbrough

*Portfolio Manager for LKCM
Headwater*

Leading Specialty Industrial Distribution Platform



MRO Focus

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

~32% of Sales¹



OEM Focus

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

~23% of Sales¹



Industrial Technologies Focus

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

~45% of Sales¹

TTM Financial Highlights

\$1.74Bn¹

Adjusted Revenue

~9.3%¹

Adjusted EBITDA %

\$170M+

Adj. Free Cash Flow²

Fly-by Operating Stats

40+

Countries Served

180k

Customers

500k+

Unique SKU's

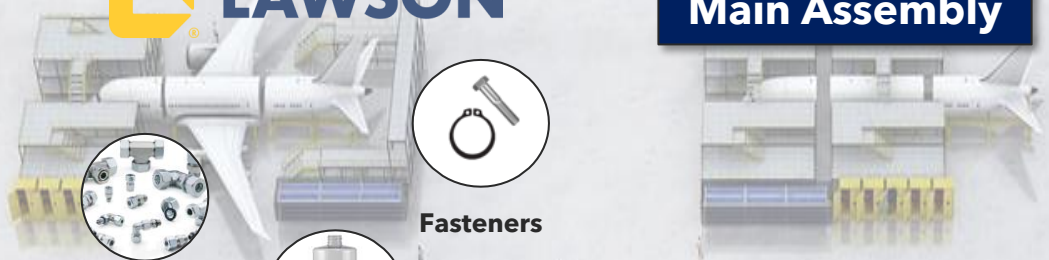
(1) TTM as of June 2024. Adjusted Revenue and Adjusted EBITDA results are presented on an Adjusted (Non-GAAP) and continuing operations basis. Information inclusive of Other Acquisition results prior to the acquisition date. See appendix for reconciliations of all GAAP to Non-GAAP measures.
 (2) Defined 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.

Cross-Company Collaboration

The Power of Three



Main Assembly



Hydraulics



Fasteners



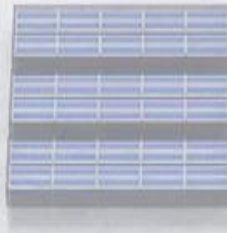
Chemicals



Fabrications



Hardware



Electrical

Comprehensive product solutions supported by robust suite of value-added services

- VMI Management
- Manufacturing & Assembly
- Labeling & Printing
- Slitting & Die Cutting
- Packaging & Kitting
- Value Engineering
- Chemical Management
- Calibration & Repair

R&D Lab



Environmental Chambers



Oscilloscopes



Electrical Analyzers

Electronics Assembly



Solder Wire



Cases & Tools



Benches & Workstations

Maintenance Shop



Safety



Cutting & Abrasives



Shop Supplies

DSG Delivers a Unique & Attractive Specialty Distribution Platform



Strong, Sticky Role in the Value Chain

Customer-Embedded

Via value-added, best-in-class services

>92% Revenue Retention¹

Providing long-term stability



Significant Customer, Supplier & End Market Diversity

Serve 10+ Industries

Catering to 180,000+ customers up and down the value chain

7,000+ Suppliers

None >6% of Purchases



Attractive, Accretive Returns on Incremental Capital

130+ bps Adjusted EBITDA % ↑

8.0%² pre-merger (2021) to ~9.3% TTM as of June 30, 2024

~35% Current RONWC³

Targeting 50+% with margin expansion and increased NWC efficiency



Dual Pronged Growth Strategy

Two-Year Organic Sales Growth Flat⁴

In end markets with long-term strong tailwinds

9 Strategic Acquisitions⁵

Completed since 2022; Purchase price range from 4.7x - 9.4x (weighted 8.8x)

- 1) Revenue decrease from lost customers over the trailing twelve-month period over revenue at the beginning of the same period.
- 2) Inclusive of Lawson Products results Pre-April 1, 2022 Merger Date.
- 3) RONWC calculated as Adjusted EBITDA divided by current trade Net Working Capital (Accounts Receivable plus Inventory less Accounts Payable).
- 4) Adjusted Revenue results are presented on an Adjusted (Non-GAAP) and continuing operations basis. Information inclusive of Other Acquisition results prior to the acquisition date.
- 5) Includes 2 acquisitions completed in Q1 2022 post merger announcement but pre-close and 7 acquisitions completed post merger.

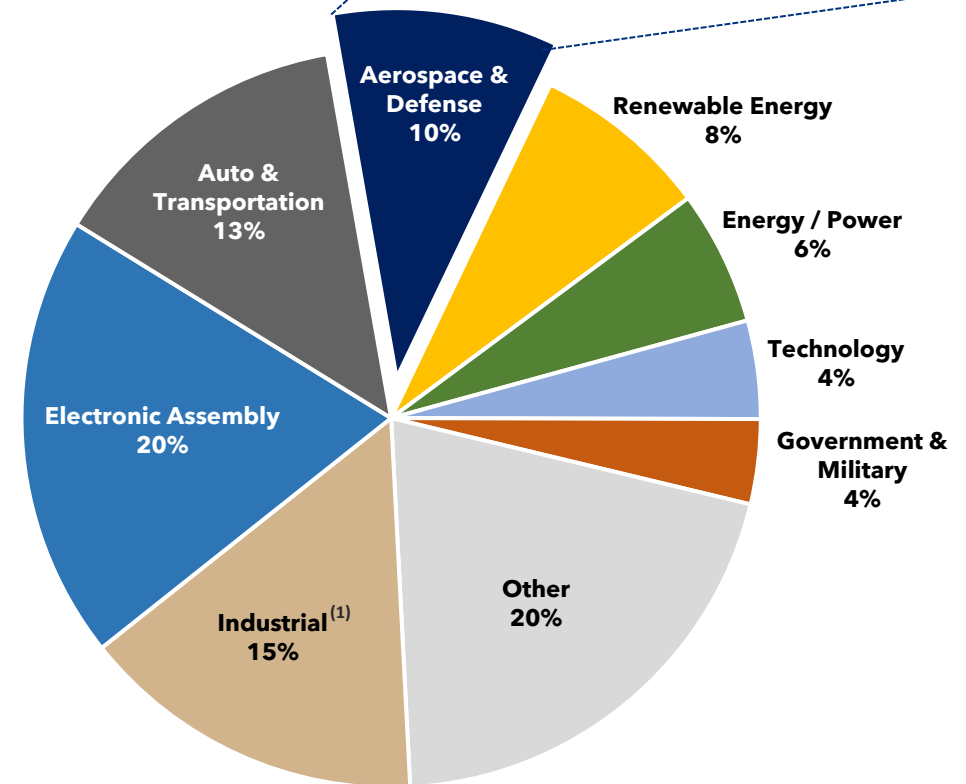
DSG Serves a Broad & Diverse Set of End Markets

Spotlight: Revenue and End Market Diversification

**>180,000 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

A&D Industry - example of how DSG serves customers up and down the value chain within various end markets:
R&D - TE | OEM - GS/TE/Hisco | MRO - Lawson/Hisco



Value Creation Themes

Spotlight: Embedded Growth Opportunities

Leverage Platform Across Customer Base

Unique total customer value proposition



Monetize distinct capabilities across the platform



Collaborative selling across customer base



Expand digital capabilities across the platform

Strong Secular Tailwinds



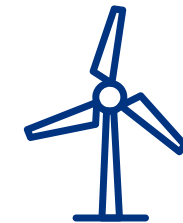
Onshoring /
Nearshoring



Infrastructure
(CHIPS Act)



Tech /
Digitalization (IoT)



Renewables

...and increasing supply chain complexity across many sectors

MRO Focus: Overview

Business Unit Snapshot

MRO Focus

32% of Total Revenue

OEM Focus

Industrial Technologies Focus



MRO - Lawson Products

- **History:** 72+ years in business (Founded 1952)
- **Office HQ:** Chicago, IL
- **TTM 6/30 Revenue:** \$558M
- **Focus:** Vendor managed inventory approach providing high-touch, MRO

Products



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

Services



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

Value to Customer



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

End Markets



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

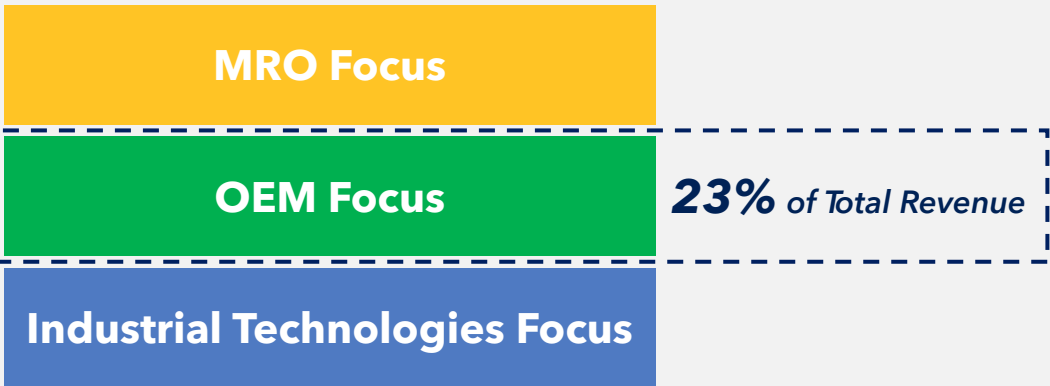
Geography



- United States
- Canada

OEM Focus: Overview

Business Unit Snapshot



OEM - Gexpro Services

- **History:** 28+ years in business (carved out of Rexel in '20)
- **Office HQ:** Irving, Texas
- **TTM 6/30 Revenue:** \$402M
- **Focus:** Global supply chain solutions and manufacturing services

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 **45%** of Total Revenue

TestEquity

- **History:** 53+ years in business (Founded 1971)
- **Office HQ:** North Richland Hills, Texas
- **TTM 6/30 Adj. Revenue:** \$783M
- **Focus:** T&M equipment and electronic production supplies serving OEM customers



Hisco (Acquisition)

- **History:** 54+ years in business (Founded 1970)
- **Office HQ:** Houston, Texas
- **Focus:** Specialty (adhesives, chemicals, electronic) industrial supplies distribution & manufacturing



Products



- Electronic Production Supplies
- Test & Measurement Instrumentation
- Environmental Test Chambers
- Chemicals & Adhesives
- Labels and Printing

Services



- VMI
- Calibration
- Chemical Management
- Asset Management
- Rentals

Value to Customer



- Highly technical knowledge
- "Total Lifecycle Support" T&M offering
- Omni-channel availability for customer
- Private label & branded offerings
- VMI & value-add mfg

End Markets



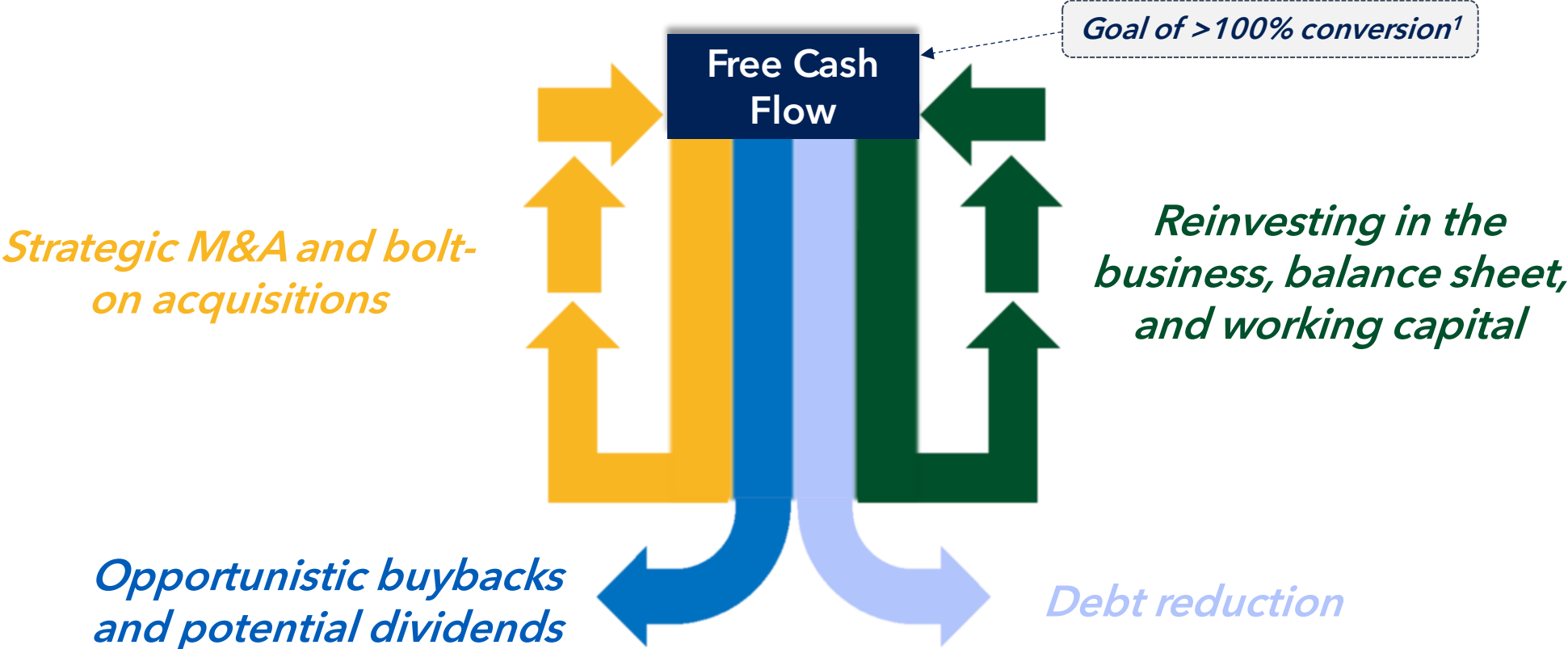
- Aerospace & Defense
- Automotive
- EDU
- Technology
- OEM
- Medical

Geography



- United States
- Canada
- Mexico & Central America
- UK
- Western Europe

Compounding Effect of Cash Flow Reinvestment



Disciplined Capital Allocation Framework with a Healthy Competition for Capital

(1) Defined as Reg G EBITDA less Reg G cash items, less capex, plus/minus change in inventory, accounts receivable & accounts payable divided by Reg G EBITDA.



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

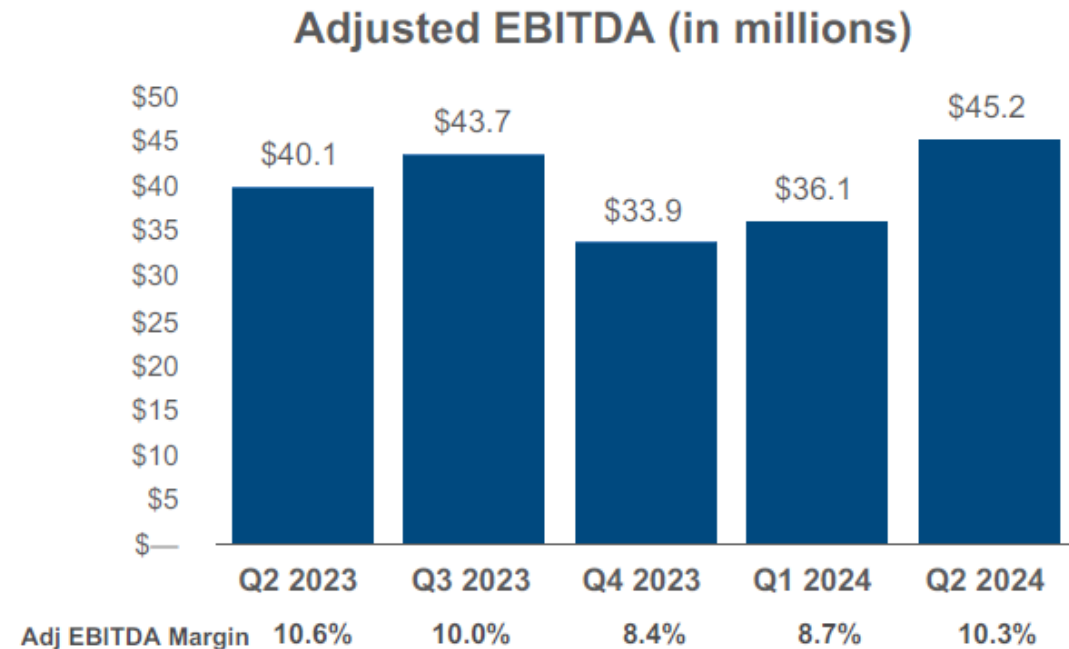
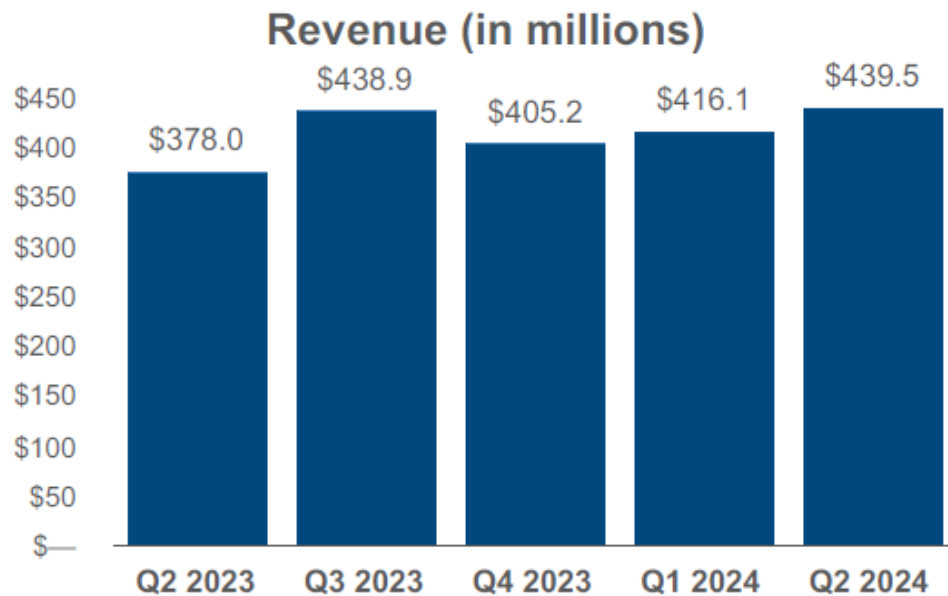
M&A Focus Areas

				
Expand	Product Offering	Safety, Cutting Tools, Automotive, Fluid Power, Fasteners, Welding	Fasteners, Fabrication, Electricals, Mechanicals, Gaskets/Seals/O-Rings, Hose Assemblies	Electronic Production Supplies Test & Measurement Calibration
	Geographic Coverage	United States Canada Mexico	North America Europe SE Asia	United States Western Europe Canada
	End Market	Manufacturing Infrastructure Transportation Forestry	Aerospace & Defense Industrial Power Renewables Technology	Aerospace & Defense OEM Medical / Life Sciences Education
Enhance	Value-Added Services / Capabilities	VMI Technical Sales Resources Product Specialists Training	VMI Field Installation Specification Engineering	Calibration Fabrication Printing
	Technology & Sales Channels	E-Commerce Inside Sales	E-Commerce Integrated Technology (e.g., AI, WMS, EDI, data analytics)	New/Used Rentals Digital

Q2 2024 Consolidated Financial Highlights

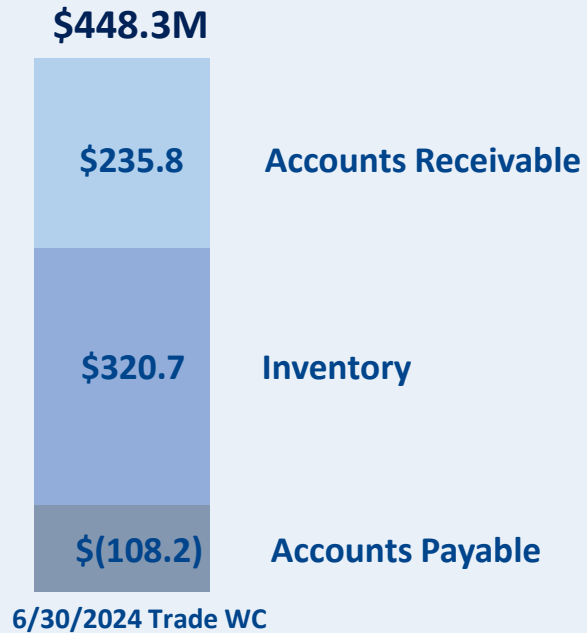
Reported Revenue and Adjusted EBITDA

- ✓ Q2 revenue of \$439.5M; up \$61.6M or 16.3% due to 2023 and 2024 acquisitions. While organic sales declined 5.7% on comparable days, organic sales grew 3.8% over the first quarter of 2024. The sequential sales increase was driven by improving sales in many end markets including Test & Measurement, Renewables, Technology and project related business.
- ✓ Q2 adjusted EBITDA of \$45.2M or 10.3% of sales; up \$9.1M or 160bps from 8.7% of sales in the first quarter of 2024.
- ✓ Margin expansion in all 3 verticals.



Other Financial Highlights

Robust Net Working Capital Investment



High returns realized on working capital investments

Focus on Deleveraging via Earnings Growth and Free Cash Flow Generation

3.6x

Leverage⁽¹⁾ at April 1, 2022 Merger Close



3.2x

Leverage⁽¹⁾ as of June 30, 2024

Inclusive of 6 acquisitions post-April 2022 merger

Total Liquidity

~\$210

June 30, 2024 Liquidity ⁽²⁾

Questions?

Visit our websites for more information

www.lawsonproducts.com

www.testequity.com

www.gexproservices.com

www.lkcmheadwater.com

www.distributionsolutionsgroup.com



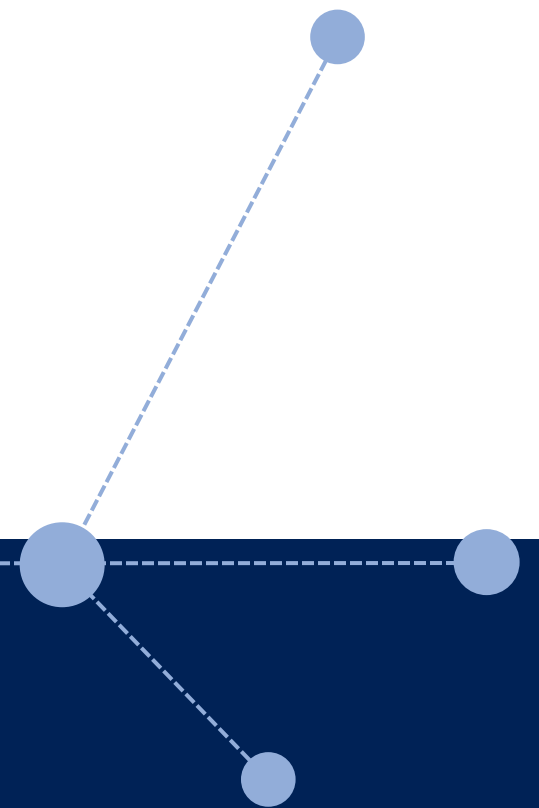
Investor Contacts



Three Part Advisors, LLC
(214) 872-2710

Steven Hooser
shooser@threepa.com

Sandy Martin
smartin@threepa.com



Appendix

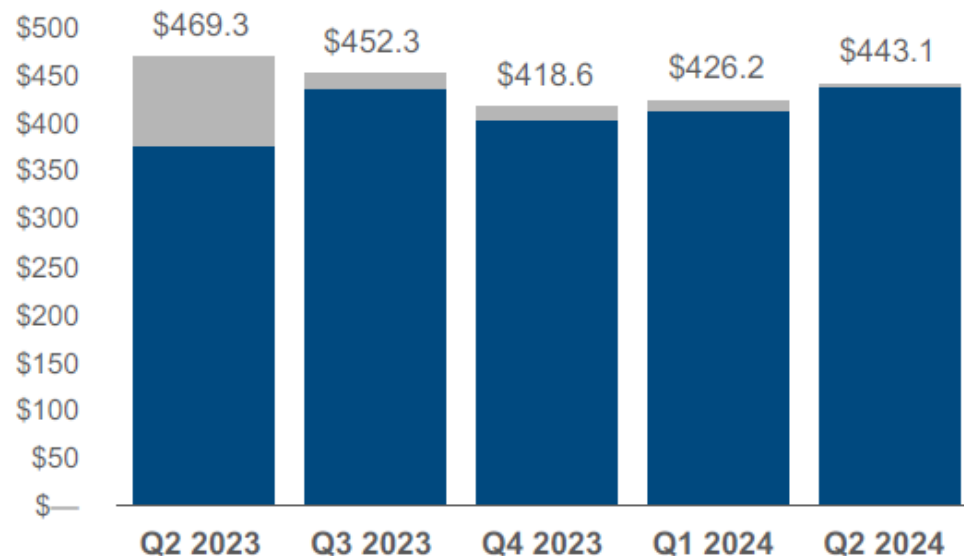


Q2 2024 Consolidated Financial Highlights

Results Inclusive of Pre-Acquisition Results

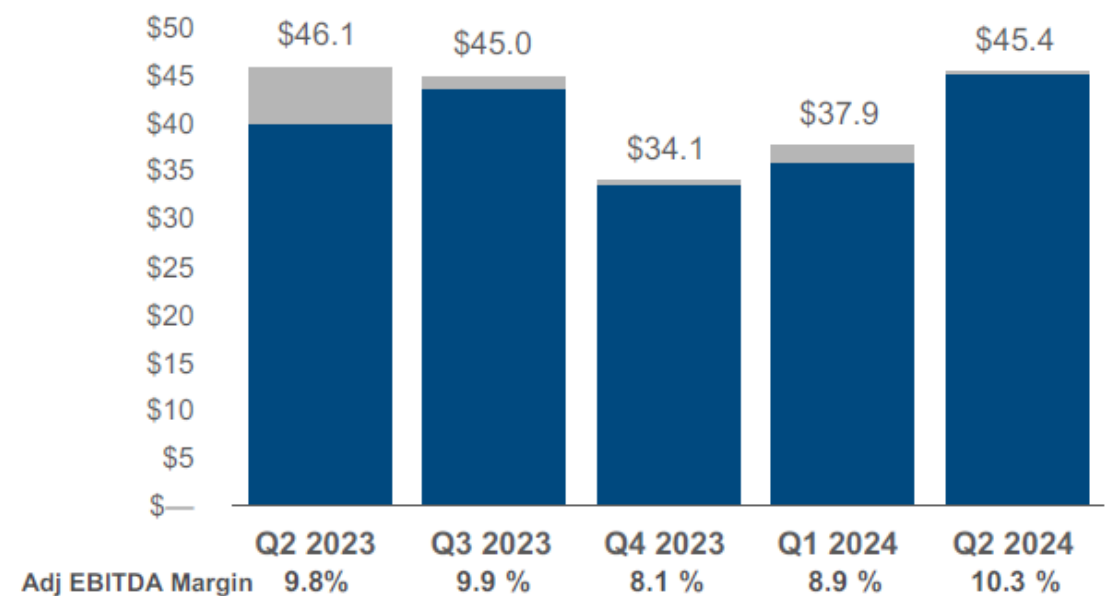
- ✓ Adjusted Revenue and adjusted EBITDA below include the reported GAAP results and the pre-acquisition results of other businesses that were acquired at any time during the Q1 2023-Q2 2024 period.

Adjusted Revenue (in millions)



■ Reported Revenue (GAAP) ■ Pre-Acquisition Revenue

Adjusted EBITDA (in millions)



■ Adjusted EBITDA ■ Pre-Acquisition Adjusted EBITDA

GAAP to Non-GAAP Reconciliations

Q2 Revenue and Adjusted EBITDA Reconciliation (\$000s) (Unaudited)

Quarter Ended	Lawson Products		Gexpro Services		TestEquity		All Other		Eliminations		Consolidated DSG	
	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023	Q2 2024	Q2 2023
Revenue from external customers	\$ 121,089	\$ 119,147	\$ 106,530	\$ 108,274	\$ 197,446	\$ 136,067	\$ 14,471	\$ 14,496	\$ —	\$ —	\$ 439,536	\$ 377,984
Intersegment revenue	29	—	604	—	35	—	—	—	(668)	—	—	—
Revenue	\$ 121,118	\$ 119,147	\$ 107,134	\$ 108,274	\$ 197,481	\$ 136,067	\$ 14,471	\$ 14,496	\$ (668)	\$ —	\$ 439,536	\$ 377,984
Operating income (loss)	\$ 6,129	\$ 8,470	\$ 8,091	\$ 8,778	\$ 703	\$ (3,182)	\$ (765)	\$ (290)			\$ 14,158	\$ 13,776
Depreciation and amortization	6,390	4,498	3,825	4,026	7,795	5,560	525	500			18,535	14,584
Adjustments:												
Acquisition related costs(1)	2,400	651	382	303	282	4,104	534	—			3,598	5,058
Stock-based compensation(2)	(633)	2,188	—	—	160	—	166	—			(307)	2,188
Severance and acquisition related retention expenses(3)	1,583	119	192	23	6,508	2,295	30	—			8,313	2,437
Inventory step-up(4)	634	—	—	—	—	716	—	—			634	716
Other non-recurring(5)	—	144	250	12	—	—	—	1,185			250	1,341
Non-GAAP adjusted EBITDA	\$ 16,503	\$ 16,070	\$ 12,740	\$ 13,142	\$ 15,448	\$ 9,493	\$ 490	\$ 1,395			\$ 45,181	\$ 40,100
Operating income (loss) as a percent of revenue	5.1%	7.1%	7.6%	8.1%	0.4%	(2.3)%	(5.3)%	(2.0)%			3.2%	3.6%
Adjusted EBITDA as a percent of revenue	13.6%	13.5%	11.9%	12.1%	7.8%	7.0%	3.4%	9.6%			10.3%	10.6%

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 in 2024 and 2023 not related to a formal restructuring plan and acquisition related retention expenses for the Hisco and S&S Automotive acquisitions
4. Inventory fair value step-up adjustment for acquisition accounting related to acquisitions completed by Lawson Products and TestEquity
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 Other Acquisitions – Pre-Acquisition Date

(Unaudited)

Consolidated DSG

Quarter Ended	Consolidated DSG				
	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Revenue	\$ 377,984	\$ 438,909	\$ 405,239	\$ 416,086	\$ 439,536
Pre-acquisition revenue(1)	91,285	13,395	13,395	10,064	3,531
Adjusted revenue	<u>\$ 469,269</u>	<u>\$ 452,304</u>	<u>\$ 418,634</u>	<u>\$ 426,150</u>	<u>\$ 443,067</u>
Operating income (loss)	\$ 13,776	\$ 12,783	\$ (289)	\$ 2,783	\$ 14,158
Pre-acquisition operating Income (loss) (1)	7,395	979	83	1,791	(4,408)
Adjusted Operating Income (loss)	<u>21,171</u>	<u>13,762</u>	<u>(206)</u>	<u>4,574</u>	<u>9,750</u>
Depreciation and amortization	14,584	17,010	16,272	17,052	18,535
Adjustments:					
Acquisition related costs(2)	5,058	(94)	2,498	1,954	3,598
Stock-based compensation(3)	2,188	1,049	2,499	2,198	(307)
Severance and acquisition related retention expenses(4)	2,437	10,478	11,400	10,716	8,313
Inventory step-up(5)	716	2,150	716	—	634
Other non-recurring(6)	1,341	327	784	1,364	250
Pre-Acquisition add-backs(7)	(1,353)	302	116	—	4,664
Adjusted EBITDA	<u>\$ 46,142</u>	<u>\$ 44,984</u>	<u>\$ 34,079</u>	<u>\$ 37,858</u>	<u>\$ 45,437</u>
Operating income (loss) as a percent of revenue	3.6%	2.9%	(0.1)%	0.7%	3.2%
Adjusted EBITDA as a percent of revenue	12.2%	10.2%	8.4%	9.1%	10.3%
Adjusted EBITDA as a percent of pro forma revenue	9.8%	9.9%	8.1%	8.9%	10.3%

References to table footnotes on slide 23

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 in 2024 and 2023, not related to a formal restructuring plan and acquisition related retention expenses for the Hisco and S&S Automotive acquisitions
5. Inventory fair value step-up adjustments resulting from the acquisition accounting related to acquisitions completed by Lawson Products and TestEquity
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

	COMPANY	FOCUS	STRATEGIC RATIONALE	CLOSING DATE	REVENUE ⁽¹⁾	PURCHASE PRICE	
2017		Industrial Technologies	<ul style="list-style-type: none"> Expanded geographic coverage and expanded customer base with an additional ~22,000 customer locations Complementary value-added products / services (kitting, VMI) 	January 2017	\$45.1	\$25.0	
		Industrial Technologies	<ul style="list-style-type: none"> Adds scale to highly complementary Lab & Production supplies offering Bolsters stocked inventory and value-add capabilities (VMI, vending, etc.) 	July 2017	\$77.8	\$35.0	
		MRO	<ul style="list-style-type: none"> Complementary products in fasteners, power tools and MRO supplies Provides sales/regional fulfillment expansion opportunity in W Canada 	October 2017	\$34.4	\$32.0	
2020		MRO	<ul style="list-style-type: none"> Sizeable "DNA match" acquisition for MRO segment Highly accretive with significant cost synergies 	August 2020	\$64.2	\$35.3	
2021		OEM	<ul style="list-style-type: none"> Complementary value-added fabrication capabilities Highly accretive with significant synergies 	June 2021	\$5.3	\$6.5	
		Industrial Technologies	<ul style="list-style-type: none"> European beachhead for Industrial Technologies segment Supplier expansion and further penetration into Telecom/5G market 	July 2021	\$9.7	\$14.4	
		OEM	<ul style="list-style-type: none"> Strategic expansion into Canada & Mexico for OEM segment Loyal customer base with high service levels in new and existing markets 	November 2021	\$28.3	\$18.9	
		OEM	<ul style="list-style-type: none"> Highly accretive "DNA match" with diversified end markets Natural tuck-in with value-add product offering and strong management 	December 2021	\$9.6	\$11.8	
2022		OEM	<ul style="list-style-type: none"> Leading global renewables supplier within the OEM segment Opened new strategic markets in Europe, the Middle East, and Asia 	January 2022	\$31.9	\$38.0	
		OEM	<ul style="list-style-type: none"> Enhances B & C-class product and service offering to Renewables market Significant commercial synergies and delivers manufacturing capabilities 	March 2022	\$21.9	\$30.0	
		Industrial Technologies	<ul style="list-style-type: none"> Adds complementary product lines (handhelds), brands and customers Digital go-to-market supplements Industrial Technology's sales model 	April 2022	\$113.0	\$55.0	
		Industrial Technologies	<ul style="list-style-type: none"> Adds complementary product lines with reconditioned equipment Strong focus on rental and leasing purchase options 	June 2022	\$9.0	\$7.8	
		Industrial Technologies	<ul style="list-style-type: none"> Adds complementary product lines with reconditioned equipment Natural tuck-in with expanded markets in Europe 	December 2022	\$7.0	\$3.9	
2023		Industrial Technologies	<ul style="list-style-type: none"> Adds complementary product lines, including adhesives, chemicals and tapes as well as specialty materials such as electrostatic discharge, thermal management materials and static shielding bags. 	June 2023	\$422.6	\$269.1	
2024		MRO	<ul style="list-style-type: none"> Adds complementary product lines in the safety category, which accelerates Lawson's safety product category by over four times. 	January 2024	\$13.0	\$10.0	
		MRO	<ul style="list-style-type: none"> Extends Lawson's automotive product category and expands market reach with automotive dealers 	May 2024	\$40.0	\$80.0	
		MRO	<ul style="list-style-type: none"> Extends Lawson's MRO supplies, safety products, fasteners, and related value-add services and operating footprint in the Canadian market 	August 2024	\$185.0	\$105.0	
HIGHLIGHTED TOTAL					Note: \$ figures in millions. List includes highlighted acquisitions executed under LKCM Headwater stewardship. (1) Represents trailing twelve-month measurement period at close.	>\$1,118	>\$778

LKCM Headwater Introduction



- Private, employee-owned SEC-registered investment advisor
- Founded in 1979 with over 67 investment and other professionals
- \$27.8 billion of assets under management (3/31/2024)
- C-corp with 45 years of retained earnings
- Primarily long-term, long-equity strategies for individuals and families
- LKCM, investment team & affiliates are collectively the firm's largest client



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



SIGNIFICANT PRIVATE COMPANY DISTRIBUTION EXPERIENCE

CURRENT

ERIKS **LewisGoetz** **CNC**

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

Gexpro Services

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

BUILDING CONTROLS & SOLUTIONS

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

relevant.

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

TESTEQUITY

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

BEARC-M

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

GSMS incorporated

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

IDG Industrial Distribution Group

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

Rawson

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

FORMER

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.

Highly Aligned Leadership / Governance

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

 **Ron Knutson**
EVP and CFO
Lawson and DSG

LKCM HEADWATER INVESTMENTS
+ Dedicated LKCM Headwater team investing significant time, resources and well aligned capital

LAWSON PRODUCTS



Cesar Lanuza
CEO

GEXPRO SERVICES



Bob Connors
CEO

TESTEQUITY GROUP



Russ Frazee
CEO

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

Independent & diverse Board of Directors providing strategic direction

Supported by a base of over 3,700 employees