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SOLUTIONS GROUP

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NASDAQ: DSGR

Q1 2026 Financial Results

April 30, 2026



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Solid Operational Performance

- Total sales growth of \$18.0 million or 3.8% with organic sales up 3.6%, \$0.8 million partial quarter additional revenue from the acquisition closed in 2026 not in for 2025; sequentially, organic sales up 2.8% with organic average daily sales growing 3.7% over the fourth quarter of 2025
- Adjusted EBITDA of \$37.8M or 7.6% of sales compared to \$42.8M or 9.0% of sales in the prior year quarter and \$35.4 million or 7.4% of sales in the fourth quarter of 2025. Margin pressures on sales mix shift, initiative investments and increased employee related costs



Strategic Initiatives

- New VMI installs and wallet share expansion continue to drive Lawson's organic growth; leveraging technology through increased rigor of sales rep activity
- Leadership team at TestEquity clarifying customer value proposition, go-to-market strategy and tactical reallocation of resources through centralization of certain functions to strengthen operations.
- Canadian Branch Division well underway on realizing gross margin and branch consolidation. External headwinds softening in Eastern Canada, pipeline improving



Macro & Demand Outlook

- Macro environment improving, momentum continues in key end markets, including aerospace & defense, technology and industrial power. Renewables slowing in North America, while global markets are expanding for technology, industrial power, aerospace & defense and power generation
- Test & measurement, chambers and rentals gaining momentum; electronic production supply and industrial printing remain under pressure
- Tariff uncertainties persist



Capital Allocation Priorities

- Used \$20.4M of cash flow from operations in Q1. Inventory build to support sequential sales trend.
- Total liquidity of \$415.2M. Balance sheet continues to strengthen; net working capital ended at \$512.3 million
- Pipeline for acquisition opportunities remains active and building; completed acquisition of Eastern Valve & Control Specialties Ltd. in Q1



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

~23% of Revenue ⁽²⁾

~12% of Revenue ⁽²⁾

~25% of Revenue ⁽²⁾

~40% of Revenue ⁽²⁾

TTM Financial Highlights

\$2.01Bn
Adjusted Revenue

~8.6%
Adjusted EBITDA %

~\$126M
Adj. Free Cash Flow (1)

Fly-by Operating Stats

50+
Countries Served

220k+
Customers

760k+
Unique SKU's

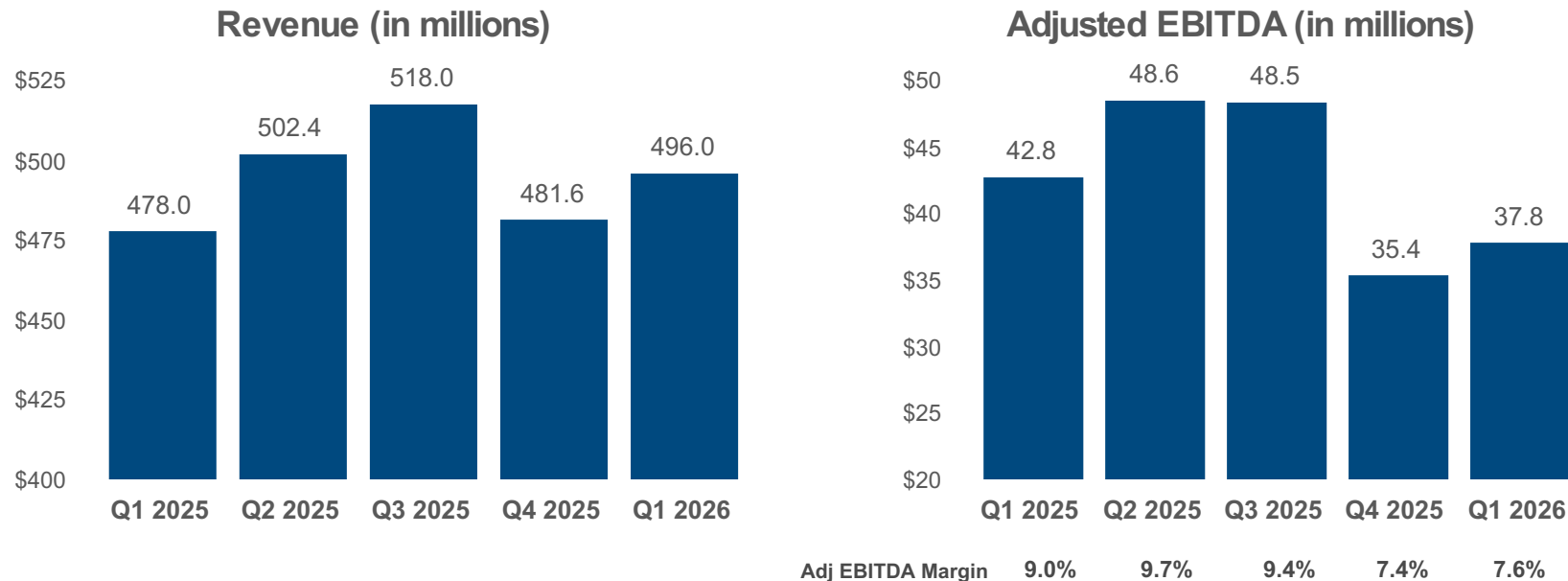
Results are presented on an Adjusted (Non-GAAP) and continuing operations basis. See appendix of this presentation and press release for GAAP to Non-GAAP reconciliations. Information inclusive of Other Acquisition results prior to the acquisition date.

(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.

(2) TTM revenue by segment inclusive of Other Acquisition results prior to the acquisition date.

2026 Consolidated Financial Highlights

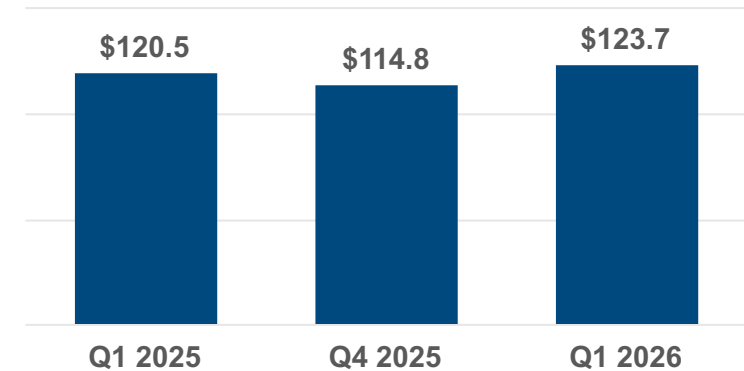
- Q1 revenue of \$496.0M; up \$18.0M or 3.8% over a year ago primarily driven by organic sales growth of 3.6% and \$0.8 million of partial quarter incremental revenue from the acquisition closed in the first quarter of 2026. Sequentially, organic sales grew 2.8% with organic average daily sales growing 3.7% over the fourth quarter of 2025.
- Q1 Adjusted EBITDA of \$37.8M or 7.6% of sales compared to \$42.8M or 9.0% of sales in the prior year quarter and \$35.4M or 7.4% sequentially. Adjusted EBITDA was pressured primarily due to product and customer mix shifts, initiative investments and higher employee related costs. The Company estimates that certain timing and isolated expenses, as well as fewer selling days in the quarter, negatively impacted adjusted EBITDA as a percent of revenues by approximately 70bps for the quarter. Excluding these items, adjusted EBITDA would have been 8.3% for the quarter.
- Diluted net earnings per share was \$0.01 for the quarter compared to diluted net earnings per share of \$0.07 in the year-ago quarter. Non-GAAP adjusted diluted earnings per share was \$0.24 compared to \$0.31 for the same period a year ago and \$0.18 in the fourth quarter 2025.



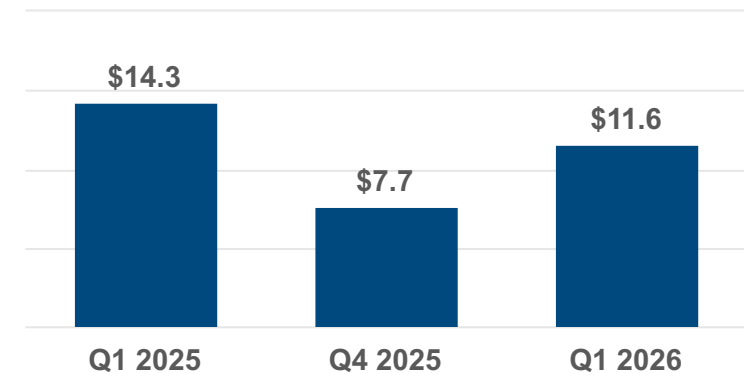
Q1 2026 Highlights:

- Organic average daily sales (ADS) growth of 2.7% across majority of customer segments over prior year quarter; up sequentially 4.4%
- Q1 adjusted EBITDA of \$11.6M or 9.3% of revenue; sales mix shift, continued investment in sales transformation and higher employee-related costs pressured margins over prior year quarter. Adjusted EBITDA margin up sequentially from 6.7%
- Continued investment in tools, products and support resources to provide productivity opportunities for our sales force. Leveraging technology while driving daily operating rigor and expanding e-commerce channel while investing in sales leadership

Revenue (in millions)



Adjusted EBITDA (in millions)

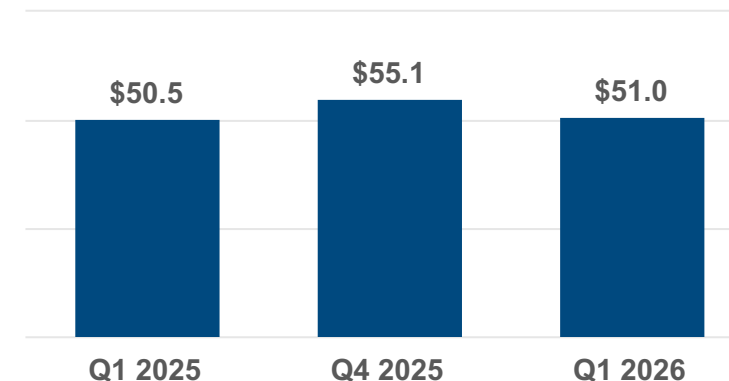


Adj EBITDA Margin 11.9% 6.7% 9.3%

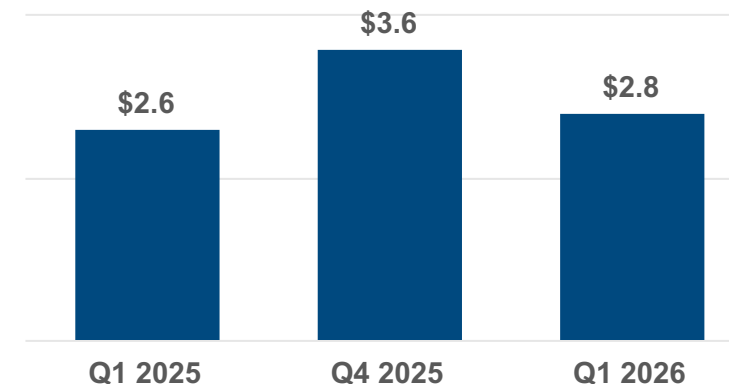
Q1 2026 Highlights:

- Although improving, continued market softness for projects and manufacturing end market amid tariff-related uncertainties, in particular in Eastern Canada
- Organic average daily sales (ADS) down 0.6% over prior year quarter (down ~5.7% on a constant currency basis); Eastern Valve contributed \$0.8 million in sales for the partial quarter
- Q1 adjusted EBITDA of \$2.8M or 5.5% of revenue, +30bps YoY driven driven by improvement in gross margin and lower operating expenses
- Driving key operating initiatives focused on acquisition integration, including the consolidation of 4 facilities in 2025 and improvement of gross margins underway

Revenue (in millions)



Adjusted EBITDA (in millions)

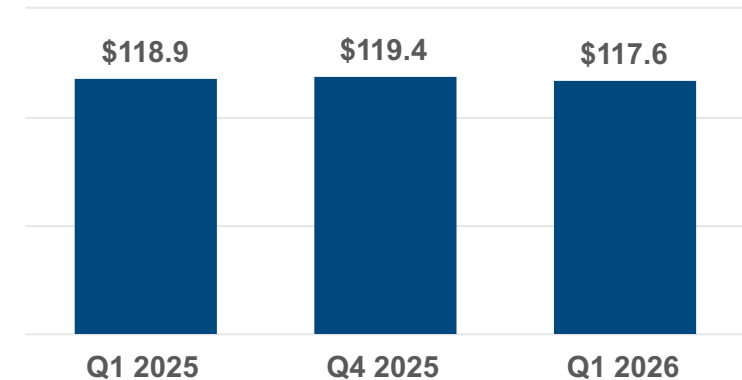


Adj EBITDA Margin 5.2% 6.6% 5.5%

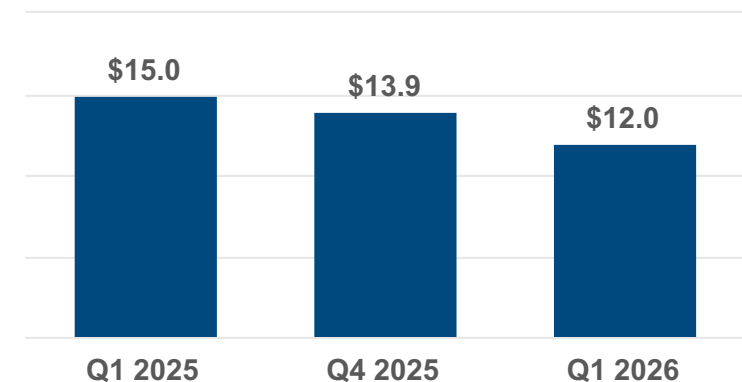
Q1 2026 Highlights:

- Organic average daily sales (ADS) growth of 0.6% over prior year quarter; up sequentially 6.7% on improvements in the technology, renewables, aerospace & defense and consumer & industrial vertical markets
- Q1 adjusted EBITDA of \$12.0M or 10.2% of revenue; margin percentage compressed YoY on lower gross profit margin from tariff pass through and higher employee related costs.
- Value creation initiatives including DSG cross sell, acquisition synergies and expanded VMI, kitting, manufacturing and E-commerce offerings. Customers very interested in Gexpro Services Frontier, Omni/Orion and SIS domestic manufacturing capabilities to mitigate tariff impacts

Revenue (in millions)



Adjusted EBITDA (in millions)

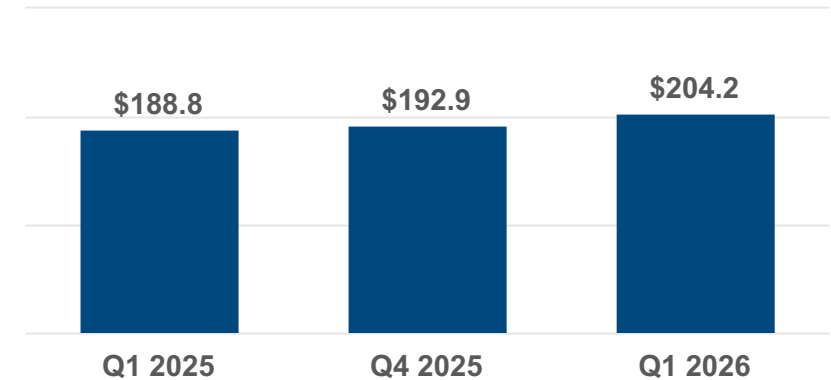


Adj EBITDA Margin 12.6% 11.7% 10.2%

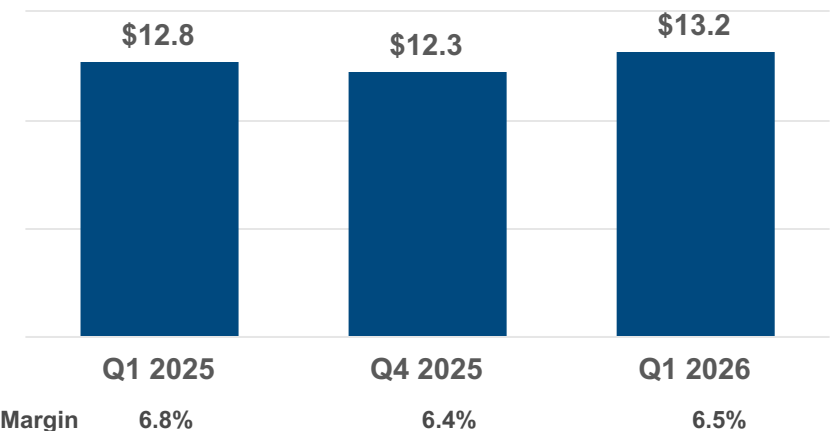
Q1 2026 Highlights:

- Organic average daily sales (ADS) growth of 9.9% from year-ago quarter on higher test and measurement, rental revenue and electronic production supplies; up 5.8% sequentially.
- Q1 adjusted EBITDA of \$13.2M or 6.5% of revenue, pressured from year-ago quarter on higher employee-related expenses including building out the leadership team. Adjusted EBITDA margin up sequentially from 6.4%
- Key operating initiatives focused on expansion of service related offerings, continued acquisition integration, pricing disciplines, sales force optimization, digital channel expansion and cost containment
- Leadership team focused on go to market strategy and daily execution and fundamental improvements

Revenue (in millions)



Adjusted EBITDA (in millions)



Adj EBITDA Margin	Q1 2025	Q4 2025	Q1 2026
	6.8%	6.4%	6.5%

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"> Market share growth Value-accretive initiatives Wallet-share expansion Cross-selling opportunities 	<ul style="list-style-type: none"> Adding scale, footprint, product adjacencies & services Building structurally high margin value added industrial distribution businesses Disciplined acquisition criteria 	<p style="text-align: center;">\$512.3M</p> <div style="display: flex; justify-content: center; align-items: center;"> <div style="text-align: center; margin-right: 10px;"> <div style="background-color: #003366; color: white; padding: 5px; margin-bottom: 5px;">\$306.7M</div> <div style="background-color: #cccccc; color: black; padding: 5px; margin-bottom: 5px;">\$373.5M</div> <div style="background-color: #999999; color: black; padding: 5px;">\$(167.9M)</div> </div> <div style="margin-left: 10px;"> <p>Accounts Receivable</p> <p>Inventory</p> <p>Accounts Payable</p> </div> </div> <p style="text-align: center;">3/31/2026 Trade NWC</p> <p style="text-align: center;">High returns realized on working capital investments</p>	<p style="text-align: center;">3.6x</p> <p style="text-align: center;">Leverage⁽¹⁾ at April 1, 2022 Merger Close</p> <div style="text-align: center; margin: 20px 0;"> </div> <p style="text-align: center;">3.8x</p> <p style="text-align: center;">Leverage⁽¹⁾ as of March 31, 2026</p> <ul style="list-style-type: none"> Cash used in operations of ~\$20M in Q1 Inclusive of 10 acquisitions post-April 2022 merger with cash portion of purchase price of ~\$466M 	<ul style="list-style-type: none"> Authorized \$67.5M share repurchase program in place Repurchased shares of \$34.6M in prior years; \$32.9M still available under prior authorizations

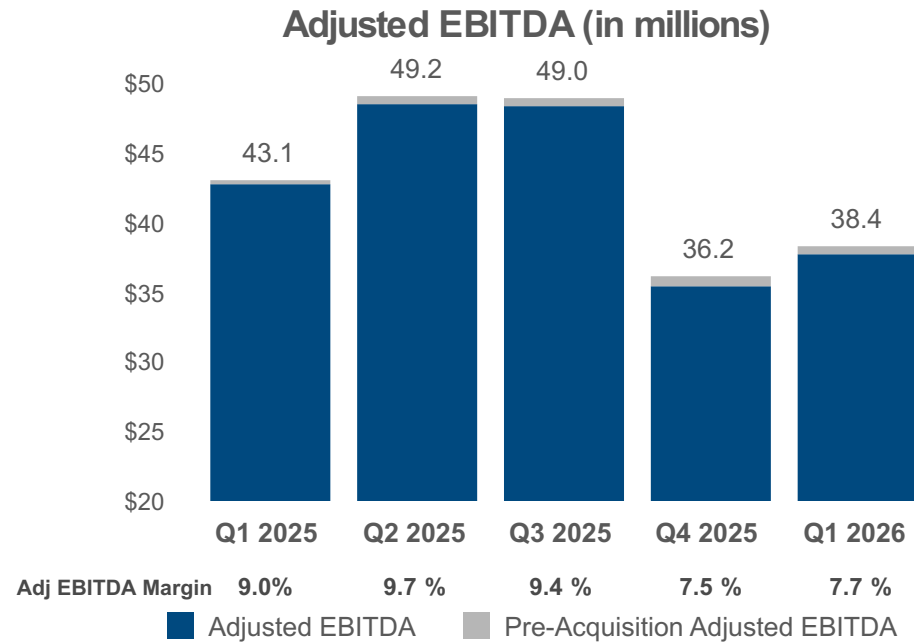
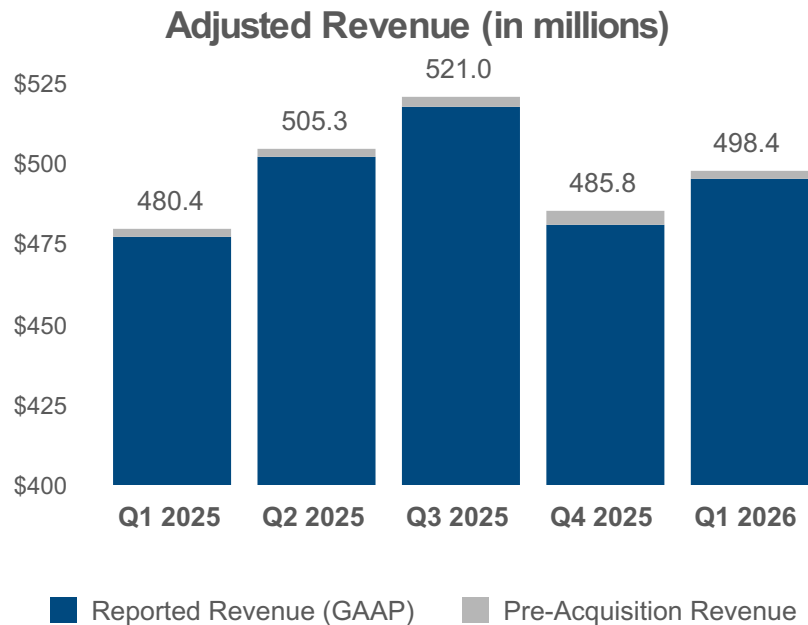
- Total Liquidity at March 31, 2026 ~\$415M⁽²⁾**
- TTM Free Cash Flow Conversion of ~74%⁽³⁾**
 - TTM ROIC of ~9%⁽⁴⁾**

(1) As defined under DSG's credit agreement.
 (2) Inclusive of restricted & unrestricted cash position and availability under credit facility.
 (3) Defined as Reg G EBITDA less Reg G cash items, less capex, plus/minus change in inventory, accounts receivable & accounts payable divided by Reg G EBITDA.
 (4) Defined as adjusted net operating profit after tax (NOPAT) divided by invested capital (current assets plus property, plant and equipment (net), rental equipment (net), goodwill, intangible assets (net), and other assets less cash and cash equivalents, accounts payable, accrued expenses and other current liabilities and goodwill related to the April 2022 DSG merger).

Appendix

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 2025-Q1 2026 period.



GAAP to Non-GAAP Reconciliations



Q1 Revenue and Adjusted EBITDA Reconciliation (\$000s)

(Unaudited)

Quarter Ended	Lawson Products		Gexpro Services		TestEquity		Canada Branch Division		All Other		Eliminations		Consolidated DSG	
	Q1 2026	Q1 2025	Q1 2026	Q1 2025	Q1 2026	Q1 2025	Q1 2026	Q1 2025	Q1 2026	Q1 2025	Q1 2026	Q1 2025	Q1 2026	Q1 2025
Revenue from external customers	\$ 123,689	\$ 120,440	\$ 117,543	\$ 118,593	\$ 203,764	\$ 188,456	\$ 50,999	\$ 50,540	\$ —	\$ —	\$ —	\$ —	\$ 495,995	\$ 478,029
Intersegment revenue	47	22	105	312	412	317	23	3	—	—	(587)	(654)	—	—
Revenue	<u>\$ 123,736</u>	<u>\$ 120,462</u>	<u>\$ 117,648</u>	<u>\$ 118,905</u>	<u>\$ 204,176</u>	<u>\$ 188,773</u>	<u>\$ 51,022</u>	<u>\$ 50,543</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (587)</u>	<u>\$ (654)</u>	<u>\$ 495,995</u>	<u>\$ 478,029</u>
Operating income (loss)	\$ 3,056	\$ 6,316	\$ 8,401	\$ 11,241	\$ 4,047	\$ 4,130	\$ 386	\$ 651	\$ (2,260)	\$ (2,241)			\$ 13,630	\$ 20,097
Depreciation and amortization	6,714	6,552	3,129	3,453	8,280	8,128	1,601	1,846	—	—			19,724	19,979
Adjustments:														
Acquisition related costs(1)	24	102	36	265	50	(293)	643	—	—	34			753	108
Stock-based compensation(2)	938	523	365	—	688	168	—	—	433	283			2,424	974
Severance and acquisition related retention expenses(3)	745	814	96	16	181	678	119	119	—	1			1,141	1,628
Inventory step-up(4)	—	—	—	—	—	—	24	—	—	—			24	—
Other non-recurring(5)	92	—	—	—	—	—	45	—	—	—			137	—
Non-GAAP adjusted EBITDA	<u>\$ 11,569</u>	<u>\$ 14,307</u>	<u>\$ 12,027</u>	<u>\$ 14,975</u>	<u>\$ 13,246</u>	<u>\$ 12,811</u>	<u>\$ 2,818</u>	<u>\$ 2,616</u>	<u>\$ (1,827)</u>	<u>\$ (1,923)</u>			<u>\$ 37,833</u>	<u>\$ 42,786</u>
Operating income (loss) as a percent of revenue	2.5%	5.2%	7.1%	9.5%	2.0%	2.2%	0.8%	1.3%	N/M	N/M			2.7%	4.2%
Adjusted EBITDA as a percent of revenue	9.3%	11.9%	10.2%	12.6%	6.5%	6.8%	5.5%	5.2%	N/M	N/M			7.6%	9.0%

(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.

N/M - Not meaningful

GAAP to Non-GAAP Reconciliations

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

Results Inclusive of Acquisitions – Pre-Acquisition Date

(Unaudited)

	Quarter Ended	Consolidated DSG				
		Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Revenue		\$ 478,029	\$ 502,437	\$ 517,958	\$ 481,599	\$ 495,995
Pre-acquisition revenue(1)		2,346	2,837	3,068	4,212	2,449
Adjusted revenue		<u>\$ 480,375</u>	<u>\$ 505,274</u>	<u>\$ 521,026</u>	<u>\$ 485,811</u>	<u>\$ 498,444</u>
Operating income (loss)		\$ 20,097	\$ 26,826	\$ 23,619	\$ 7,721	\$ 13,630
Pre-acquisition operating Income (loss) (1)		309	565	565	771	556
Adjusted Operating Income (loss)		<u>20,406</u>	<u>27,391</u>	<u>24,184</u>	<u>8,492</u>	<u>14,186</u>
Depreciation and amortization		19,979	20,338	20,042	20,520	19,724
Adjustments:						
Acquisition related costs(2)		108	(208)	87	178	753
Stock-based compensation(3)		974	1,250	2,400	2,048	2,424
Severance and acquisition related retention expenses(4)		1,628	355	2,094	1,403	1,141
Inventory step-up(5)		—	—	—	—	24
Other non-recurring(6)		—	—	215	3,567	137
Pre-Acquisition add-backs(7)		32	29	27	29	23
Adjusted EBITDA		<u>\$ 43,127</u>	<u>\$ 49,155</u>	<u>\$ 49,049</u>	<u>\$ 36,237</u>	<u>\$ 38,412</u>
Operating income (loss) as a percent of revenue		4.2%	5.3%	4.6%	1.6%	2.7%
Adjusted EBITDA as a percent of adjusted revenue		9.0%	9.7%	9.4%	7.5%	7.7%

References to table footnotes are on slide 15

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 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					
	Q1 2026		Q1 2025		Q4 2025	
	Amount	Diluted EPS ⁽²⁾	Amount	Diluted EPS ⁽²⁾	Amount	Diluted EPS ⁽²⁾
Net income (loss)	\$ 382	\$ 0.01	\$ 3,261	\$ 0.07	\$ (6,371)	\$ (0.14)
Pretax adjustments:						
Stock-based compensation	2,424	0.05	974	0.02	2,048	0.04
Acquisition related costs	753	0.02	108	—	178	—
Amortization of intangible assets	11,004	0.23	11,585	0.24	11,600	0.25
Severance and acquisition related retention expenses	1,141	0.02	1,628	0.03	1,403	0.03
Change in fair value of earnout liabilities	—	—	1,000	0.02	—	—
Inventory step-up	24	—	—	—	—	—
Other non-recurring	137	—	—	—	3,567	0.08
Total pretax adjustments	15,483	0.32	15,295	0.31	18,796	0.40
Tax effect on adjustments(1)/(3)	(4,423)	(0.09)	(4,044)	(0.07)	(5,020)	(0.10)
Deferred tax asset valuation allowance(3)/(4)	47	—	190	—	1,085	0.02
Non-GAAP adjusted net income	\$ 11,489	\$ 0.24	\$ 14,702	\$ 0.31	\$ 8,490	\$ 0.18

(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 47.030 million, 47.400 million and 46.199 million diluted shares for the first quarter of 2026 and 2025, and the fourth 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.