



Distribution Solutions Group's Operating Company, Gexpro Services, Enters into Agreement for Small, Highly Strategic Acquisition

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Expanding into Southeast Asia to Grow and Support OEM Customers' Wallet Share

FORT WORTH, Texas--(BUSINESS WIRE)--Sep. 24, 2024-- **Distribution Solutions Group, Inc. (NASDAQ: DSGR) ("DSG" or the "Company")**, a premier specialty distribution company, today announced that its operating company Gexpro Services signed an agreement to acquire Tech-Component Resources Pte Ltd ("TCR"), a small and growing Southeast Asian distributor of fasteners, mechanical components, and other industrial products serving OEM customers and related applications. TCR is headquartered in Singapore, and its second location is in Malaysia.

"We are excited to partner with TCR to establish a beachhead operation for Gexpro Services in Southeast Asia," said Robert Connors, Chief Executive Officer of Gexpro Services. "This highly strategic acquisition allows Gexpro Services to expand our geographic footprint and pull through products and service capabilities to serve existing customers and continue to grow market share. In addition to better serving existing customers, we have identified new target customers and verticals to expand throughout Southeast Asia. Increasing our market potential with products and service offerings in these regions extends opportunities in critical end markets, including technology, semiconductor, industrial, and manufacturing. We believe that Gexpro Services is well positioned to expand TCR's products and service capabilities for a broader and more diversified selection of offerings, creating a superior customer value proposition."

"We are thrilled to join Gexpro Services and DSG to accelerate our growth opportunities," said Koh Kee Hun, General Manager of TCR. "As part of a much larger global business network, TCR customers, suppliers, and employees will benefit from partnering with Gexpro Services and its industry-leading global supply chain solutions. We look forward to having access to Gexpro Services' unique capabilities and expanding our available product and service offering and geographic reach into a broader distribution network."

Bryan King, CEO and Chairman of the Board of DSG added, "Gexpro Services' acquisition of TCR offers an exciting, lower-risk approach for our DSG shareholders to meet existing customers' specific requests for immediate capabilities to be added on the ground in specific Southeast Asian locations. This opportunity enhances the immediate and longer-term growth objectives of DSG, while exceeding our net return on invested capital targets, and drives margin accretion. We're excited to partner with TCR and Koh Kee Hun to have a much stronger foothold in the semiconductor and other global manufacturing industries."

The transaction will be funded through DSG's existing cash and is expected to close in the fourth quarter of 2024, subject to customary closing conditions. The acquisition is not expected to be material for financial reporting purposes to DSG's results.

About Distribution Solutions Group, Inc.

Distribution Solutions Group ("DSG") is a premier multi-platform specialty distribution company providing high touch, value-added distribution solutions to the maintenance, repair & operations (MRO), the original equipment manufacturer (OEM) and the industrial technologies markets. DSG was formed through the strategic combination of Lawson Products, a leader in MRO distribution of C-parts, Gexpro Services, a leading global supply chain services provider to manufacturing customers, and TestEquity, a leader in electronic test & measurement solutions.

Through its collective businesses, DSG is dedicated to helping customers lower their total cost of operation by increasing productivity and efficiency with the right products, expert technical support and fast, reliable delivery to be a one-stop solution provider. DSG serves approximately 190,000 customers in several diverse end markets supported by approximately 4,300 dedicated employees and strong vendor partnerships. DSG ships from strategically located distribution and service centers to customers in North America, Europe, Asia, South America and the Middle East.

For more information on Distribution Solutions Group, please visit www.distributionsolutionsgroup.com.

About Gexpro Services

Gexpro Services is a world-class global supply chain solutions provider, specializing in the development of mission critical production line management, aftermarket and field installation programs. Gexpro Services provides comprehensive supply chain management solutions, including a full technology suite offering of VMI, kitting, global logistics management, manufacturing localization and import expertise, value engineering and quality assurance. Gexpro Services' end-to-end project management is designed to support manufacturing OEMs with their engineered material specifications, fulfillment, and quality requirements to improve their total cost of ownership. Gexpro Services has manufacturing and supply chain operations in over 31 service center sites across ten countries including key geographies in North America, South America, Asia, Europe, and the Middle East. Gexpro Services serves customers in six vertical markets, including renewables, industrial power, consumer and industrial, technology, transportation, and aerospace and defense. For more information, visit www.gexproservices.com.

About Tech-Component Resources

Tech-Component Resources, a privately-owned business founded in 2004, distributes fasteners, mechanical components, and other industrial products serving OEM customers and applications. The business has evolved over time from a distributor of brass inserts and self-clinching products to being a key partner, supporting manufacturing industries with a wide variety of fasteners, mechanical components and other products/services. TCR supports key manufacturing sectors such as the electronics contract manufacturing, plastic injection moulding and metal stamping sectors, which serve telecommunication, electronics, automotive, medical and construction industries. For more information, visit www.tc-resources.com.

Forward-Looking Statements

This release 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. 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 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.

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