DISTRIBUTION SOLUTIONS GROUP

Powerful Solutions. Proven Results.

NASDAQ: DSGR

Q1 2023 Financial Results

May 4, 2023

Safe Harbor Statement

Cautionary Note Regarding Forward-Looking Statements

This investor deck 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. 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, which speak only as of the date made. DSG 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 DSG’s business are also discussed from time to time in the reports DSG files with the SEC, including DSG’s Annual Report on Form 10-K, DSG’s Quarterly Reports on Form 10-Q and DSG’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) unanticipated difficulties or expenditures relating to the mergers; (ii) the risk that stockholder litigation in connection with the mergers results in significant costs of defense, indemnification and liability; and (iii) any problems arising in combining the businesses of Lawson Products, TestEquity and Gexpro Services, which may result in the combined company not operating as effectively and efficiently as expected.

Earnings Call Agenda

Today's Conference Call Will Discuss Results Primarily on an Adjusted (Non-GAAP) and Comparable Operations Basis. The complexities of Reverse Merger Accounting treatment makes GAAP comparisons difficult.

Agenda

- Q1 2023 Consolidated Highlights & Financial Results
- Segment Highlights & Financial Results
- Q&A

GAAP results reported under Reverse Merger Accounting. Combined Gexpro Services/TestEquity is the accounting acquiror of Lawson Products given common control of entities and thus, include Lawson Products results commencing on the Merger date of April 1, 2022.

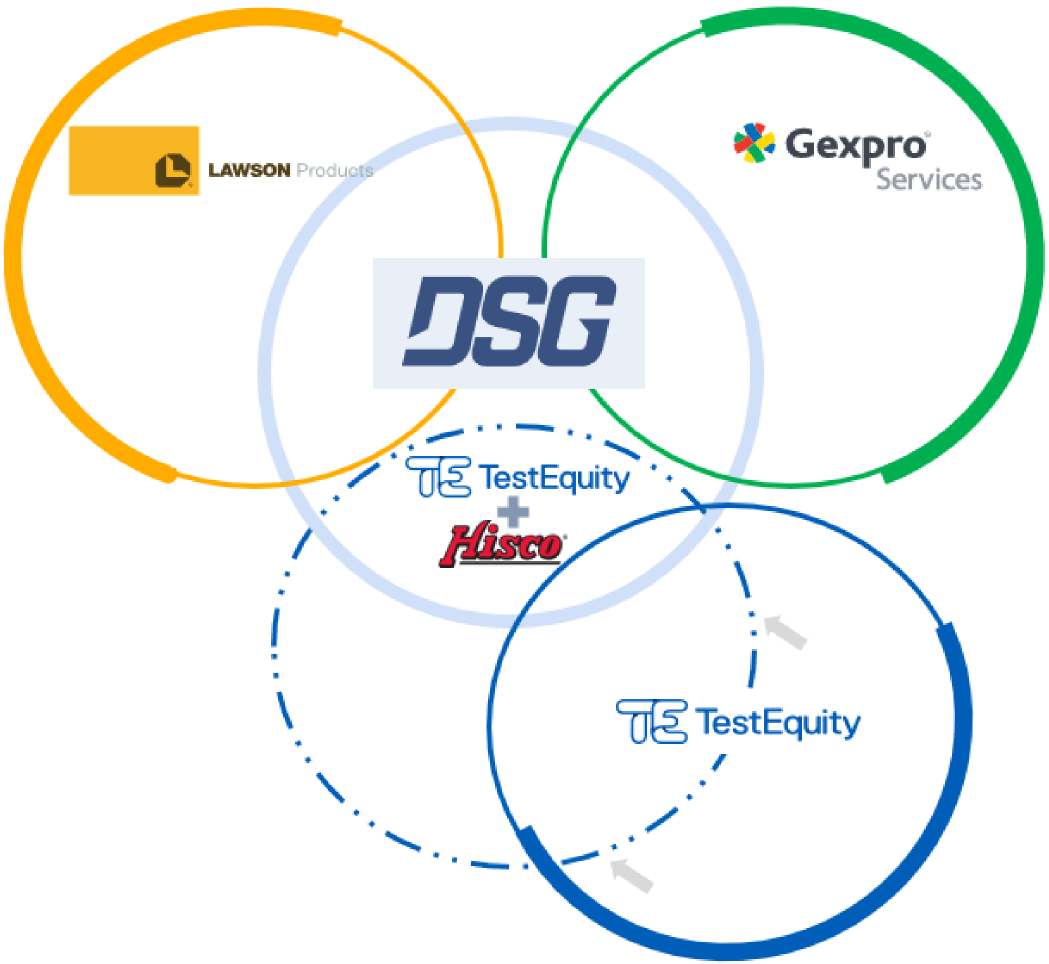
See appendix for Reconciliations.

Q1 Highlights

- Q1 GAAP Revenue of $348M, Operating Income of $17M and Adjusted EBITDA of $39M, on strong top-line and bottom-line growth
- Q1 comparable revenue growth of 28.1% and organic revenue growth of 13.7%, which includes the results of Lawson Products for the Pre-Merger period
- Generated Adjusted EBITDA margin of 11.3%, an increase of 300 bps over our initial quarter a year ago. Sequential margin expansion continues
- GAAP EPS of $0.28 per diluted share. Adjusted EPS of $0.52 compared to $0.00 a year ago
- Teams continue to work closely - experiencing wins on cross-selling among operating companies and cost take-outs
- Great Q1 results while recognizing up against tougher comps as 2023 progresses
- In Q1, announced the signing of a Stock Purchase Agreement with HIS Company, Inc., a Texas corporation ("Hisco")

Results are presented on an Adjusted (Non-GAAP) and continuing operations basis. See appendix of this presentation and press release for reconciliations.

Creating a More Unified Platform



More closely aligns TestEquity to DSG and strengthens the overall organization's value proposition

- Extended cross-sell opportunities
- Expanded value-added capabilities across platform
- Geographic pull-through deeper into Mexico and South America
- Expected to accelerate timeline to higher structural margin profile

Operating Companies Update and Value Drivers

LAWSON Products

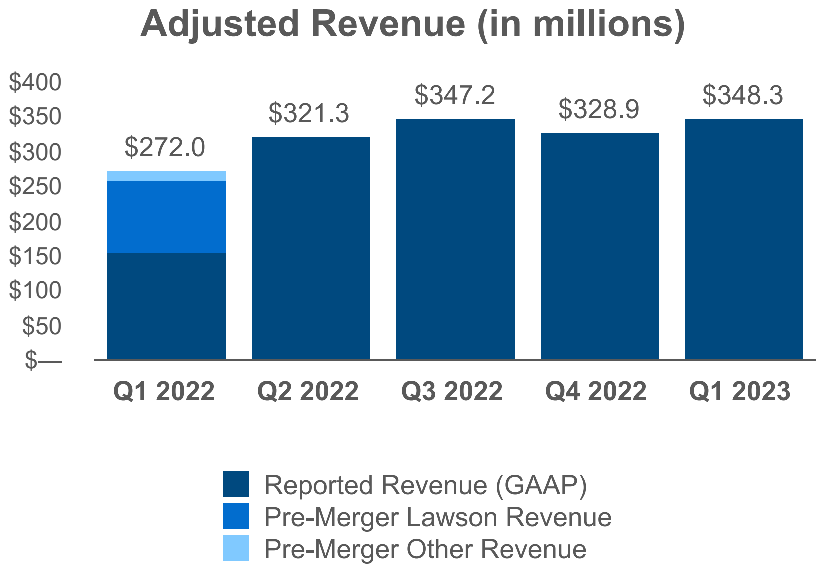
Gexpro Services

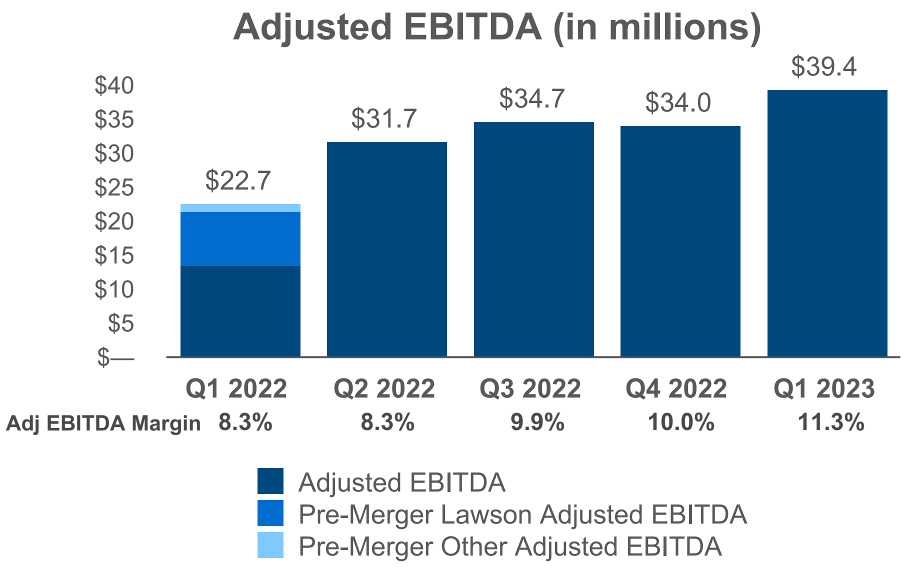
TestEquity

Q1 2023 Consolidated Financial Highlights

Results Adjusted to Reflect Comparable Results Including Pre-Merger Lawson Products

- Adjusted Revenue of $348.3M, an increase of $76.3M or +28.1% over year ago quarter; organic growth of +13.7%
- Adjusted EBITDA of $39.4M with 11.3% margin; up 73.6% from $22.7M with 8.3% margin over year ago quarter
- Q4 reflects fewer selling days





Sequentially strong revenue and Adjusted EBITDA growth

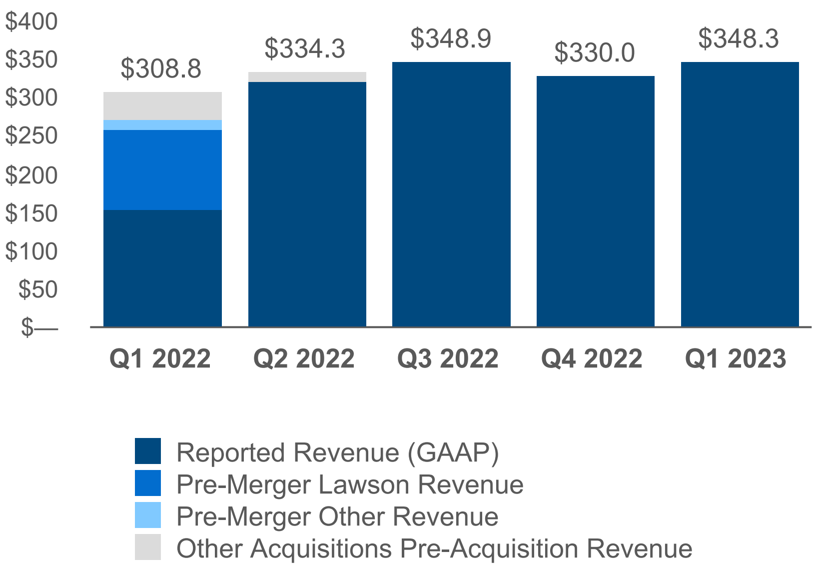
Adjusted Revenue and Adjusted EBITDA results are presented on an Adjusted (Non-GAAP) and continuing operations basis.
Q1 2022 information inclusive of Lawson Products pre-Merger results.

Q1 2023 Consolidated Financial Highlights

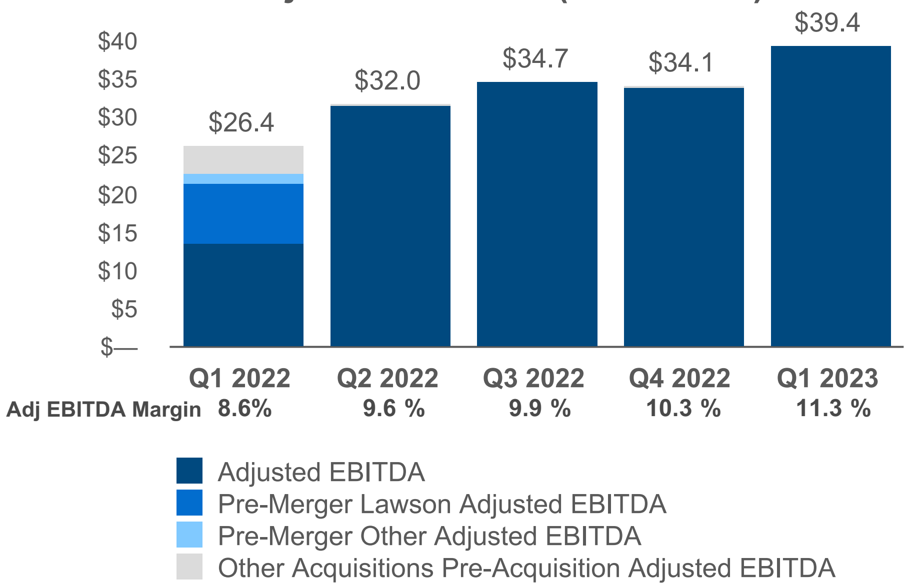
Results Inclusive of Lawson Products and Other Acquisitions Pre-Merger Results

- Adjusted Revenue and Adjusted EBITDA below include the reported GAAP results and (1) pre-Merger results of the Lawson and Other segment and (2) the pre-acquisition results of other businesses that were acquired at any time during the Q1 2022-Q1 2023 period.
- Positive quarterly trends in Adjusted Revenue and Adjusted EBITDA as acquisitions become integrated
- Q4 reflects fewer selling days

Adjusted Revenue (in millions)



Adjusted EBITDA (in millions)

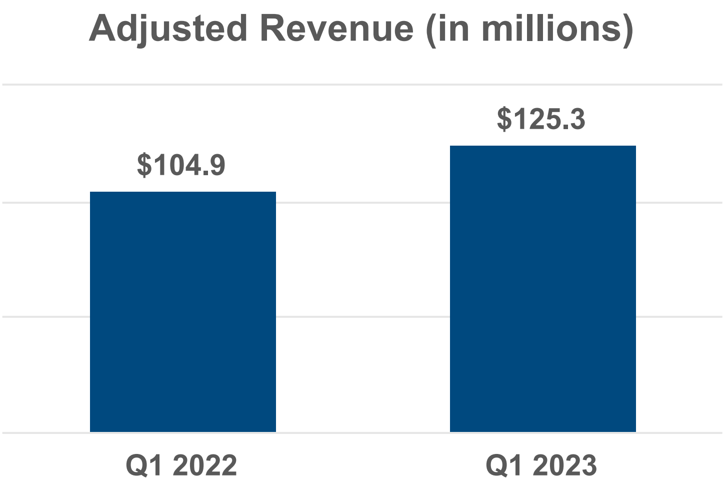


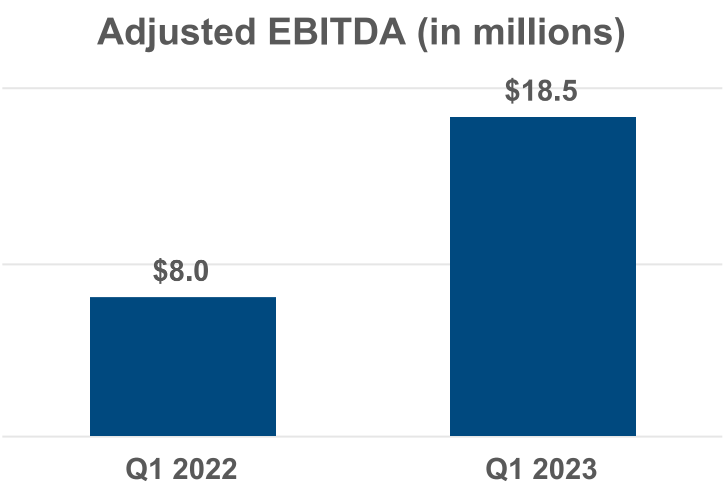
Adjusted Revenue and Adjusted EBITDA results are presented on an Adjusted (Non-GAAP) and continuing operations basis.
Q1 2022 information inclusive of Lawson Products pre-Merger results and Other Acquisition results prior to the acquisition date.

Lawson Products – MRO Focus

Q1 2023 Highlights:

- Prior year Q1 2022 results are pre 4/1/2022 Merger
- Adjusted Revenue +19.4%; all organic growth-driven by expanding and new customer relationships
- Price increases throughout 2022 and 2023 being realized
- Ended March 31, 2023 with ~996 field sales reps. Sales per rep per day productivity improved 23.2% vs. Q1 2022
- Adjusted EBITDA of $18.5M or 14.7% of Adjusted Revenue
- Strong growth across all business units



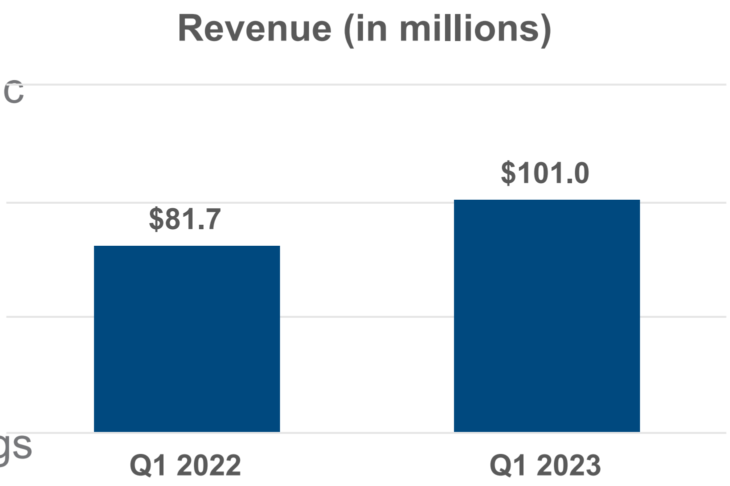


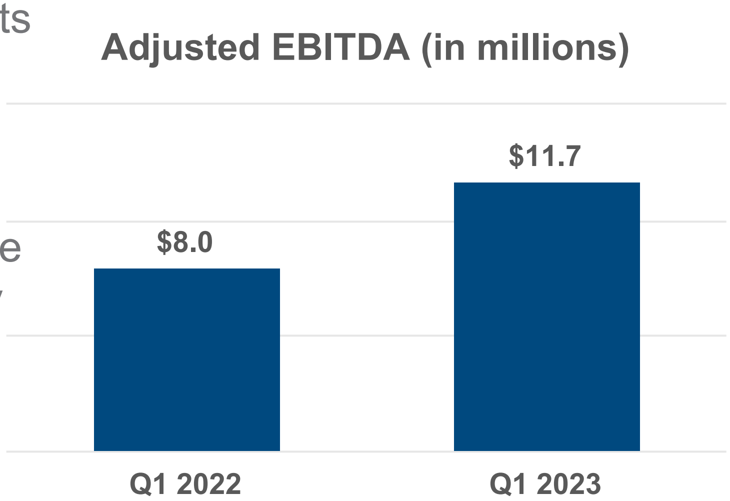
Results are presented on an Adjusted (Non-GAAP) and continuing operations basis. See appendix of this presentation and press release for reconciliations.
Bolt Supply no longer included in Lawson Products reporting segment.

Gexpro Services – OEM Focus

Q1 2023 Highlights:

- Revenue of $101.0M; up $19.3M or 23.7%; organic growth of 18.7%
- Q1 2023 revenue includes $4.0M of revenue from the 2022 acquisition of Frontier. Integrations continuing strong
- Value creation initiatives including DSG cross sell, acquisition synergies and expanded kitting offerings and E-commerce
- Strong demand continues across most end markets partially offset by technology headwinds; wallet share and new business development remains strong
- Continued expansion in gross margin through price increases, strategic sourcing initiatives and supply chain improvements
- Adjusted EBITDA of $11.7M or 11.6% of revenue up from 9.8% a year ago



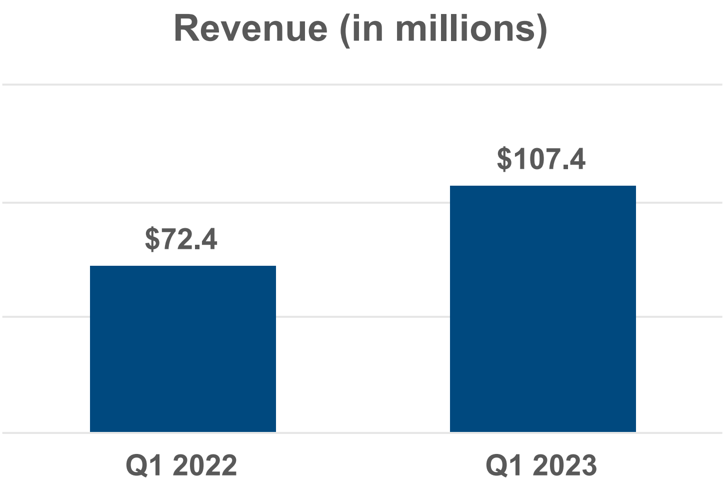


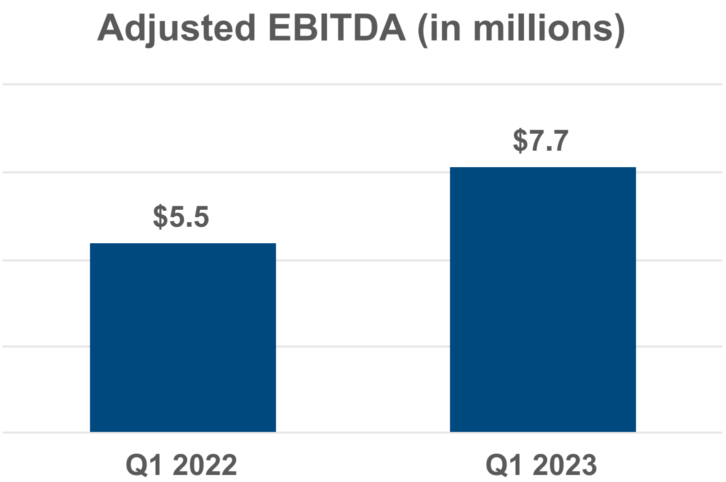
Results are presented on an Adjusted (Non-GAAP) and continuing operations basis. See appendix of this presentation and press release for reconciliations.

TestEquity – Industrial Technologies Focus

Q1 2023 Highlights:

- Revenue of $107.4M; up $35.0M or 48.3%; driven primarily from acquisitions
- Q1 2023 revenue includes $34.9M of revenue from 2022 acquisitions (TEquipment, National Test Equipment and Instrumex). Integrations well underway
- Key operating initiatives focused on acquisition integration, pricing disciplines, sales force optimization and digital channel expansion
- In planning stages of integration of Hisco into the business
- Adjusted EBITDA of $7.7M or 7.1% of revenue, up from $5.5M a year ago; incremental EBITDA of $2.4M from acquisitions





Results are presented on an Adjusted (Non-GAAP) and continuing operations basis. See appendix of this presentation and press release for reconciliations.

Financial Position and Capitalization Table

Strong Balance Sheet and Capital Allocation Framework

- Prudent leverage target of 3 - 4x Net Debt to Adjusted EBITDA
- Trailing net debt to 2023 adjusted EBITDA leverage ratio of 2.7x. - decrease from 3.6x a year ago
- Cash of $31.1M and $69.8M of availability under existing credit facility, ability to access $200M accordion for M&A
- Disciplined approach to capital allocation, focused on balance sheet strength and investment in highest ROIC opportunities
- Total debt of $415.9M; maturities of debt over the next 12 months nominal ($15M)

Capitalization Table as of March 31, 2023

$000s	**Q1 2023**
Cash	$ 31,144
Current Assets	468,583
Long-term Assets	728,628
Total Assets	$ 1,228,355
Current Liabilities	$ 173,135
Long-term Debt	395,215
Other Long-term Liabilities	87,596
Total Liabilities	655,946
Total Stockholders' Equity	572,409
Total Liabilities & Stockholders' Equity	$ 1,228,355

Disciplined Capital Allocation Framework

Q1 '23 trade working capital $352M and to-date incremental investment in working capital of $24M

Q1 '23 2.7x Net Debt to Adjusted EBITDA Leverage

8 highly strategic & accretive tuck-in distribution company acquisitions in the preceding 18 months

$7.6M available for opportunistic buybacks

Summary

- ***Four quarters of sequential margin improvement****; expected* ***continuing strong path*** *on a combined basis*
- *Q1 results driven by both organic growth and acquired revenue – aligns with growth strategy;* ***combined 28.1% adjusted revenue growth***
- *Improvement in Adjusted EBITDA margin to* ***11.3%*** *over 10.3% in Q4 2022*
- *Companies* ***collaborating well together*** *to identify growth and cost saving opportunities*
- ***Conservative financial management*** *and prudent capital allocation to continue*
- ***Disciplined M&A strategy*** *to capture accretive, bolt-on acquisitions;* ***pipeline*** *for add-on acquisitions* ***remains robust*** *including the* ***proposed acquisition of Hisco***

Appendix

DSG DISTRIBUTION SOLUTIONS GROUP

Q1 Adjusted Revenue and EBITDA Reconciliation ($000s)

Results Inclusive of Lawson Products Pre-Merger Results

	Lawson Products		Gexpro Services		TestEquity		All Other		Consolidated DSG	
Quarter Ended	**Q1 2023**	**Q1 2022**	**Q1 2023**	**Q1 2022**	**Q1 2023**	**Q1 2022**	**Q1 2023**	**Q1 2022**	**Q1 2023**	**Q1 2022**
GAAP Revenue	$ 125,280	$ —	$ 101,016	$ 81,683	$ 107,359	$ 72,402	$ 14,615	$ —	$ 348,270	$ 154,085
Pre-Merger Revenue(1)	—	104,902	—	—	—	—	—	12,975	—	117,877
Adjusted Revenue	$ 125,280	$ 104,902	$ 101,016	$ 81,683	$ 107,359	$ 72,402	$ 14,615	$ 12,975	$ 348,270	$ 271,962
GAAP Operating Income	$ 8,245	$ —	$ 7,374	$ 3,592	$ 26	$ (604)	$ 1,076	$ —	$ 16,721	$ 2,988
Pre-Merger Operating Income(1)	—	11,096	—	—	—	—	—	980	—	12,076
Adjusted Operating Income	8,245	11,096	7,374	3,592	26	(604)	1,076	980	16,721	15,064
Depreciation and amortization	6,558	1,946	3,865	2,821	4,805	4,768	494	143	15,722	9,678
Adjustments:										
Merger/integration costs(2)	1,009	2,974	214	842	—	600	—	—	1,223	4,416
Stock-based compensation(3)	2,204	(8,595)	—	—	—	—	—	—	2,204	(8,595)
Severance costs(4)	238	621	—	—	113	456	—	5	351	1,082
Acquisition related costs(5)	—	—	161	569	2,715	271	—	—	2,876	840
Inventory net realizable value adjustment(6)	—	—	—	—	—	—	—	—	—	—
Inventory step-up(6)	—	—	—	163	—	—	—	—	—	163
Other non-recurring(7)	196	—	60	24	—	—	—	—	256	24
Adjusted EBITDA	$ 18,450	$ 8,042	$ 11,674	$ 8,011	$ 7,659	$ 5,491	$ 1,570	$ 1,128	$ 39,353	$ 22,672
GAAP Operating income as a percent of GAAP Revenue	6.6%	—%	7.3%	4.4%	—%	(0.8)%	7.4%	—%	4.8%	1.9%
Adjusted EBITDA as a percent of Adjusted Revenue	14.7%	7.7%	11.6%	9.8%	7.1%	7.6%	10.7%	8.7%	11.3%	8.3%

(1) Represents Lawson Products pre-merger revenue and operating income
(2) Merger transaction costs related to the negotiation, review and execution of the merger agreements relating to the business combination of Lawson Products, TestEquity and Gexpro Services and subsequent integration costs
(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 2023 and 2022, not related to a formal restructuring plan
(5) Expense for acquisition related costs, unrelated to the business combination of Lawson Products, TestEquity and Gexpro Services
(6) Inventory fair value step-up adjustments resulting from the acquisition accounting for additional acquisitions completed by Gexpro Services
(7) Other non-recurring costs consist of sales force optimization and other non-recurring items

GAAP to Non-GAAP Reconciliations

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Adjusted Revenue and Adjusted EBITDA Reconciliation ($000s)

Results Inclusive of Lawson Products Pre-Merger Results and Other Acquisitions – Pre-Acquisition Date

	Consolidated DSG				
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
GAAP Revenue	$ 154,085	$ 321,336	$ 347,151	$ 328,850	$ 348,270
Pre-Merger Lawson Revenue(1)	104,902	—	—	—	—
Pre-Merger Other Revenue(1)	12,975	—	—	—	—
Pre-Acquisition Revenue(1)	36,828	12,931	1,730	1,192	—
Adjusted Revenue	$ 308,790	$ 334,267	$ 348,881	$ 330,042	$ 348,270
GAAP Operating Income	$ 2,988	$ 4,113	$ 22,027	$ 12,658	$ 16,721
Pre-Merger Lawson Operating Income(1)	11,096	—	—	—	—
Pre-Merger Other Operating Income(1)	980	—	—	—	—
Pre-Acquisition Operating Income(1)	3,673	294	8	134	—
Adjusted Operating Income	18,737	4,407	22,035	12,792	16,721
Depreciation and amortization	9,678	14,746	8,979	13,872	15,722
Adjustments:					
Merger/integration costs(2)	4,416	5,790	2,364	3,063	1,223
Stock-based compensation(3)	(8,595)	4,013	(3,568)	2,003	2,204
Severance costs(4)	1,082	953	944	443	351
Acquisition related costs(5)	840	334	38	1,570	2,876
Inventory net realizable value adjustment(6)	—	—	1,737	—	—
Inventory step-up(7)	163	1,622	1,082	—	—
Other non-recurring(8)	24	82	1,097	394	256
Pre-Acquisition add-backs(9)	64	61	3	2	—
Adjusted EBITDA	$ 26,409	$ 32,008	$ 34,711	$ 34,139	$ 39,353
GAAP Operating income as a percent of GAAP Revenue	1.9%	1.3%	6.3%	3.8%	4.8%
Adjusted EBITDA as a percent of Adjusted Revenue	8.6%	9.6%	9.9%	10.3%	11.3%

References to table footnotes on slide 17

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Adjusted Revenue and EBITDA Reconciliation – Table Footnotes

(1) Represents additional revenue and operating income of Lawson pre-Merger and Other Acquisitions prior to their acquisition dates not in reported GAAP results

(2) Merger transaction costs related to the negotiation, review and execution of the merger agreements relating to the business combination of Lawson Products, TestEquity and Gexpro Services and subsequent integration costs

(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 2023 and 2022, not related to a formal restructuring plan

(5) Expense for acquisition related costs, unrelated to the business combination of Lawson Products, TestEquity and Gexpro Services

(6) Inventory net realizable value adjustment recorded to reduce inventory related to discontinued products where the anticipated net realizable value was lower than the cost reflected in the Company's records

(7) Inventory fair value step-up adjustments resulting from the reverse merger acquisition accounting for Lawson Products and acquisition accounting for additional acquisitions completed by Gexpro Services

(8) Other non-recurring costs consist of sales force optimization and other non-recurring items

(9) Represents additional EBITDA adjustments of Other Acquisitions prior to the respective acquisition dates