



THE INDUSTRIAL DISTRIBUTION EXPERTS

Presented by:

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NASDAQ: DXPE

Results for Q3 Fiscal 2025

Earnings Announcement: November 6, 2025

(Quarter Ending September 30, 2025)

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, Free Cash Flow, 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.



Q3 2025 KEY TAKEAWAYS

- **Sales increased 8.6 percent to \$513.7 million compared to \$472.9 million for the third quarter of 2024, and increased 3.0 percent sequentially from \$498.7 million for the second quarter of 2025.**
 - Organic sales grew 11.5 percent year over year and 4.5 percent sequentially
 - Acquisition sales contributed \$18.4 million in sales
 - Sales per business day of \$8.0 million
- **Net income increased 2.5 percent for the third quarter to \$21.6 million, compared to \$21.1 million for the third quarter of 2024.**
- **Earnings per diluted share for the third quarter was \$1.31 based upon 16.5 million diluted shares, compared to \$1.27 earnings per diluted share in the third quarter of 2024, based on 16.6 million diluted shares.**
- **Adjusted EBITDA for the third quarter was \$56.5 million compared to \$52.4 million for the third quarter of 2024.**
 - Adjusted EBITDA as a percentage of sales, or Adjusted EBITDA margin, was 11.0 percent and 11.1 percent, respectively
- **Cash flow from operating activities increased 23.1 percent for the third quarter to \$34.9 million, compared to \$28.3 million for the third quarter of 2024.**
- **Free Cash Flow (cash flow from operating activities less capital expenditures) increased 15.4 percent for the third quarter to \$28.1 million, compared to \$24.4 million for the third quarter of 2024.**
- **Closed one acquisition during the third quarter and two subsequent to quarter end.**



Q3 2025 INCOME STATEMENT HIGHLIGHTS

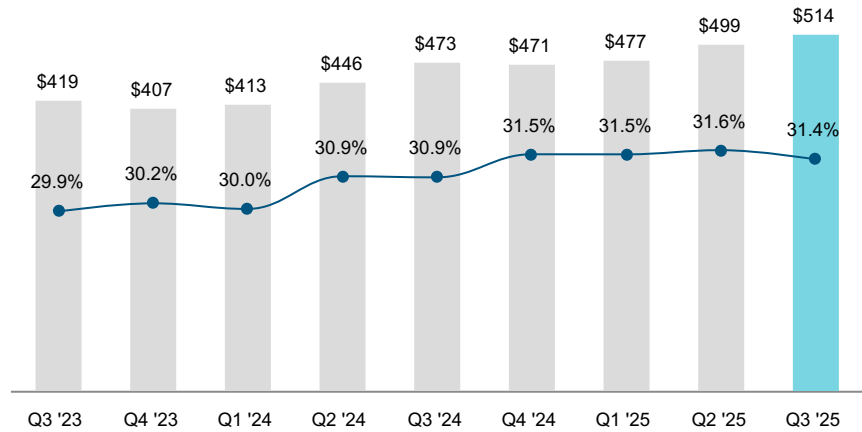
(in thousands, except percentages and per share data)

	QTD 09/30/24	QTD 06/30/25	QTD 09/30/25
Sales	\$ 472,935	\$ 498,682	\$ 513,724
% growth y/y	12.8 %	11.9 %	8.6 %
% growth seq	6.1 %	4.6 %	3.0 %
Gross Profit	\$ 146,110	\$ 157,813	\$ 161,259
% margin	30.9 %	31.6 %	31.4 %
Operating Income	\$ 39,608	\$ 45,986	\$ 43,698
% margin	8.4 %	9.2 %	8.5 %
Net Income	\$ 21,101	\$ 23,612	\$ 21,631
% margin	4.5 %	4.7 %	4.2 %
Adj. EBITDA	\$ 52,440	\$ 57,313	\$ 56,501
% margin	11.1 %	11.5 %	11.0 %
Net cash provided by Operating Activities	\$ 28,344	\$ 18,646	\$ 34,886
Free Cash Flow	\$ 24,390	\$ 8,300	\$ 28,146
Diluted EPS	\$ 1.27	\$ 1.43	\$ 1.31
Diluted Shares	16,590	16,534	16,526
Adj. Diluted EPS	\$ 1.43	\$ 1.43	\$ 1.34
Sales Per Business Day	\$ 7,390	\$ 7,916	\$ 8,027

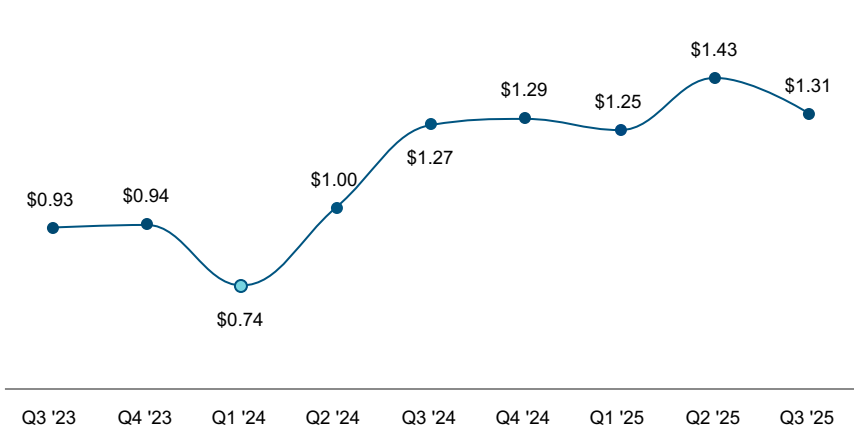
QUARTERLY FINANCIAL HIGHLIGHTS

(in millions, except percentages and per share data)

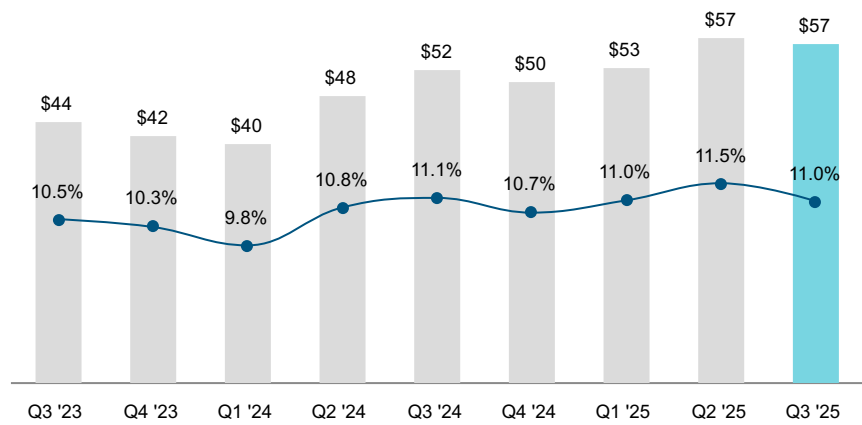
SALES AND GROSS MARGIN



DILUTED EARNINGS PER SHARE*

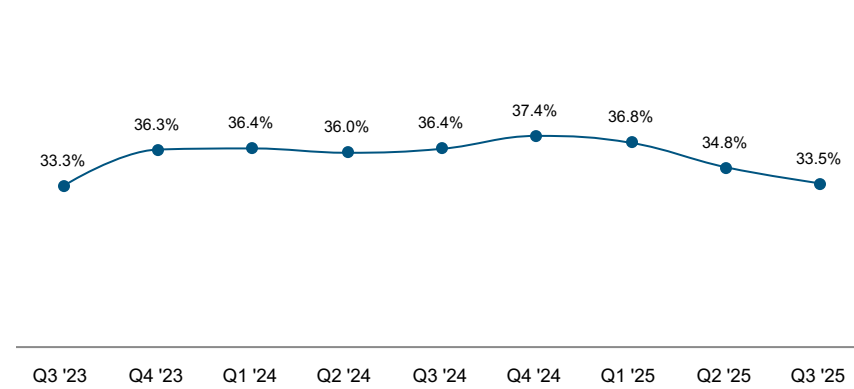


ADJ. EBITDA AND ADJ. EBITDA MARGIN



RETURN ON INVESTED CAPITAL (ROIC%)

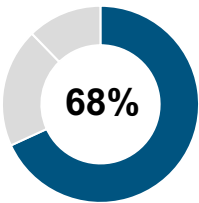
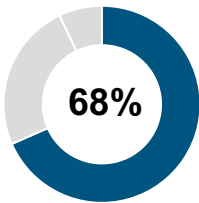
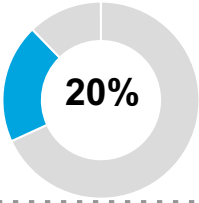
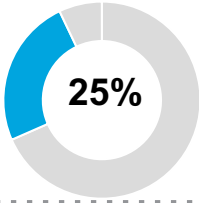
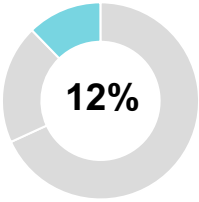
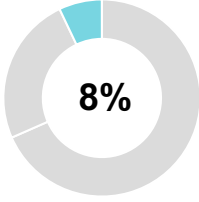
Return on invested capital is defined as tax-effected LTM EBITDA / average total net operating assets.



*For March 2024, diluted earnings per share (EPS) was adjusted to exclude one-time acquisition integration costs and other unique non-cash charges, resulting in an actual diluted EPS of \$0.67 for Q1 2024.

QUARTERLY OPERATING PERFORMANCE BY SEGMENT

(in millions, except percentages)*

	<u>SALES</u>	<u>SALES MIX</u>	<u>OPERATING PROFIT (OP)</u>	<u>OP CONTRIBUTION</u>	<u>OPERATING MARGIN</u>
DXP SERVICE CENTERS	\$350.2		\$51.3		14.6%
DXP INNOVATIVE PUMPING SOLUTIONS®	\$100.6		\$18.4		18.3%
DXP SUPPLY CHAIN SERVICES	\$63.0		\$5.3		8.4%
SEGMENT TOTAL	\$513.7		\$75.0		14.6%
CORPORATE (expenses & amortization of intangibles)	\$—		\$(31.4)		
TOTAL	\$513.7		\$43.7		8.5%

*Amounts may not foot/reconcile due to rounding

QUARTERLY CASH FLOW AND WORKING CAPITAL

(in thousands, except percentages)

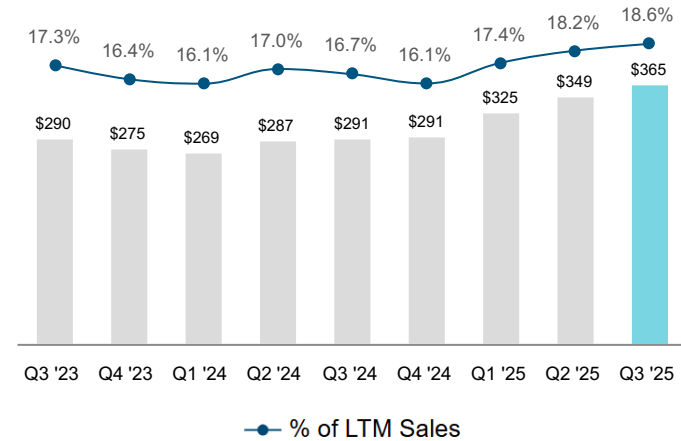
	YTD 9/30/2025	QTD 6/30/2025	QTD 9/30/2025
Net Income	\$ 65,832	\$ 23,612	\$ 21,631
Depreciation and Amortization	28,544	9,490	9,920
Change in Net Working Capital	(60,539)	(21,537)	(13,591)
Other Operating Cash Flows, Net	22,668	7,081	16,926
Net Cash provided by Operating Activities	\$ 56,505	\$ 18,646	\$ 34,886
Purchase of Property & Equipment	(37,000)	(10,346)	(6,740)
Free Cash Flow	\$ 19,505	\$ 8,300	\$ 28,146
Other Investing Cash Flows, Net	(21,733)	(994)	(10,588)
Net Cash used in Investing Activities	\$ (58,733)	\$ (11,340)	\$ (17,328)
Net Cash used in Financing Activities	\$ (23,194)	\$ (9,511)	\$ (6,600)
Effect of foreign currency on cash	\$ 840	\$ 852	\$ (59)
Cash and restricted cash at end of the period	\$ 123,829	\$ 112,930	\$ 123,829
Supplemental Information			
Purchase of businesses	\$ 24,448	\$ 1,010	\$ 10,588
Cash paid for interest	\$ 40,225	\$ 13,003	\$ 13,527
Cash paid for income taxes	\$ 35,095	\$ 13,614	\$ 1,147
Net Debt	\$ 520,176	\$ 532,699	\$ 520,176

Notes:

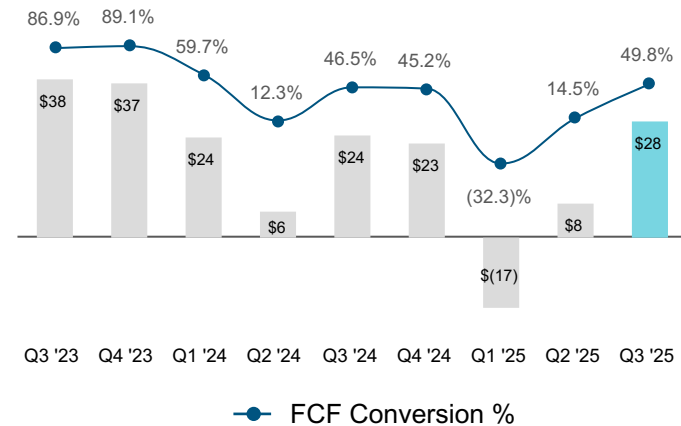
(1) Net working capital is calculated as current assets less current liabilities excluding cash and restricted cash, short term debt obligations, and short term operating leases.

(2) Free cash flow conversion percentage is calculated as free cash flow over adjusted EBITDA.

NET WORKING CAPITAL (in millions)⁽¹⁾

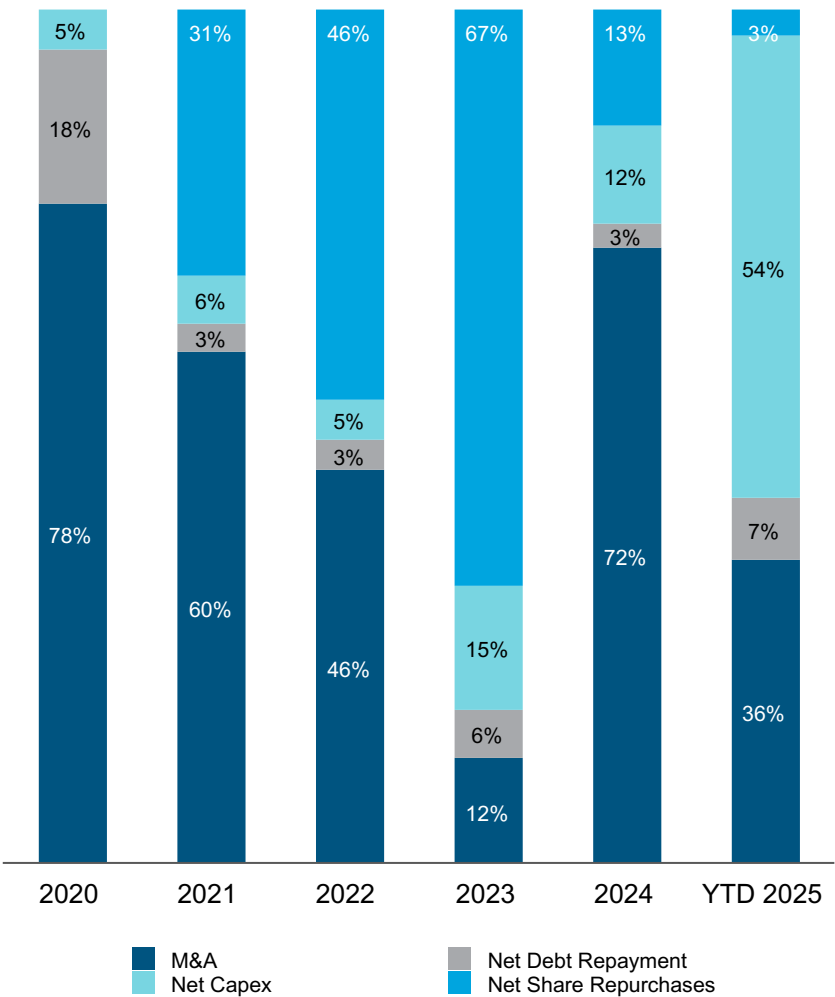


FREE CASH FLOW (in millions)⁽²⁾



DISCIPLINED CAPITAL ALLOCATION PRIORITIES

2020 - 2025 Capital Allocation



Balanced Capital Deployment

- Track record of sustainable and proactive debt management through the cycle
- Net leverage target of $\leq 3.5x$
- Disciplined M&A strategy focused on end market diversification, portfolio enhancement and geographic expansion
- Flexible capital deployment policy with ability to shift capital based on business requirements
- Flexible share repurchase program that allows opportunistic buyback of DXP stock
- ROIC should continue to improve as the company focuses on margins and operating leverage and improving run rate EBITDA

APPENDIX

DXP

RECONCILIATION OF OPERATING INCOME

(in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Operating Income for Reportable Segments	\$ 75,049	\$ 69,930	\$ 215,105	\$ 185,526
Adjustments for:				
Amortization of intangibles	5,370	5,245	16,053	14,333
Corporate expenses	25,981	25,077	68,853	65,102
Total Operating Income	\$ 43,698	\$ 39,608	\$ 130,199	\$ 106,091
Interest Expense	14,894	15,716	44,298	46,644
Other (Income) expense, net	(648)	160	(2,320)	(2,844)
Income before Income Taxes	\$ 29,452	\$ 23,732	\$ 88,221	\$ 62,291

RECONCILIATION OF NON-GAAP MEASURES

(in thousands, except days)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Service Centers	\$ 350,179	\$ 316,831	\$ 1,016,985	\$ 911,783
Innovative Pumping Solutions	100,551	89,825	280,273	225,417
Supply Chain Services	62,994	66,279	191,717	193,926
Total DXP Sales	\$ 513,724	\$ 472,935	\$ 1,488,975	\$ 1,331,126
Acquisition Sales	\$ 18,403	\$ 28,535	\$ 74,120	\$ 63,713
Organic Sales	\$ 495,321	\$ 444,400	\$ 1,414,855	\$ 1,267,413
Business Days	64	64	190	191
Sales per Business Day	\$ 8,027	\$ 7,390	\$ 7,837	\$ 6,969
Organic Sales per Business Day	\$ 7,739	\$ 6,944	\$ 7,447	\$ 6,636
Net Income	\$ 21,631	\$ 21,101	\$ 65,832	\$ 49,126
Interest expense	14,894	15,716	44,298	46,644
Provision for income taxes	7,821	2,631	22,389	13,165
Depreciation and Amortization	9,920	8,720	28,544	24,385
EBITDA	\$ 54,266	\$ 48,168	\$ 161,063	\$ 133,320
Plus: other non-recurring items	757	2,950	992	4,292
Plus: stock compensation expense	1,478	1,322	4,278	3,398
Adjusted EBITDA	\$ 56,501	\$ 52,440	\$ 166,333	\$ 141,010

DEFINITIONS

Organic Sales and Acquisition Sales

We define and calculate organic sales to include locations and acquisitions under our ownership for at least twelve months. "Acquisition Sales" are sales from acquisitions that have been under our ownership for less than twelve months and are excluded in our calculation of Organic Sales.

Business Days

"Business Days" are days of the week, excluding Saturdays, Sundays, and holidays, that our locations are open during the year. Depending on the location and the season, our branches may be open on Saturdays and Sundays; however, for consistency, those days have been excluded from the calculation of Business Days.

Sales per Business Day

We define and calculate Sales per Business Day as sales divided by the number of Business Days in the relevant reporting period.

Organic Sales per Business Days

We define and calculate Organic Sales per Business Day as Organic Sales divided by the number of Business Days in the relevant reporting period.

EBITDA and Adjusted EBITDA

We define and calculate EBITDA as Net income attributable to DXP Enterprises, Inc., plus interest, taxes, depreciation, and amortization. We define and calculate Adjusted EBITDA as Net income attributable to DXP Enterprises, Inc., plus interest, taxes, depreciation, and amortization plus stock-based compensation expense, and all other non-cash charges, adjustments, and non-recurring items. We identify the impact of all other non-cash charges, adjustments and non-recurring items because we believe these items do not directly reflect our underlying operations.

EBITDA Margin and Adjusted EBITDA Margin

We define and calculate EBITDA Margin as EBITDA divided by sales. We define and calculate Adjusted EBITDA Margin as Adjusted EBITDA divided by sales.

Free Cash Flow

We define and calculate free cash flow as net cash (used in) provided by operating activities less purchases of property and equipment.