

THE INDUSTRIAL DISTRIBUTION EXPERTS

Presented by:

David Little

Chairman, President & CEO

Kent Yee

Senior Vice President & CFO

NASDAQ: DXPE

Results for Q2 Fiscal 2026

Earnings Announcement: August 6, 2026

(Quarter Ending June 30, 2026)

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.

Q2 2026 KEY TAKEAWAYS

- **Sales increased 15.6 percent to $576.5 million compared to $498.7 million for the second quarter of 2025, and increased 10.5 percent sequentially from $521.7 million for the first quarter of 2026.**
  - Organic sales grew 11.1 percent year over year and 9.5 percent sequentially
  - Acquisition sales contributed $49.8 million in sales
  - Sales per business day of $9.2 million

- **Adjusted EBITDA for the second quarter was $70.4 million compared to $57.3 million for the second quarter of 2025, and $57.8 million for the first quarter of 2026.**
  - Adjusted EBITDA as a percentage of sales, or Adjusted EBITDA margin, was 12.2 percent, 11.5 percent, and 11.1 percent, respectively

- **Net income increased 21.6 percent for the second quarter to $28.7 million, compared to $23.6 million for the second quarter of 2025, and increased 43.7 percent sequentially from $20.0 million from the first quarter of 2026.**

- **Earnings per diluted share for the second quarter was $1.76 based upon 16.3 million diluted shares, compared to $1.43 earnings per diluted share in the second quarter of 2025, based on 16.5 million diluted shares.**

- **Cash flow from operating activities for the second quarter was $32.4 million, compared to $18.6 million for the second quarter of 2025 and $29.6 million for the first quarter of 2026.**

- **Free Cash Flow (cash flow from operating activities less capital expenditures) for the second quarter was $29.8 million, compared to $8.3 million for the second quarter of 2025 and $26.3 million for the first quarter of 2026.**

- **Closed one acquisition during the second quarter and one subsequent to quarter end.**

Please refer to the appendix of this presentation for reconciliations of the Non-GAAP financial measures to the most directly comparable GAAP measures.

Q2 2026 INCOME STATEMENT HIGHLIGHTS

(in thousands, except percentages and per share data)

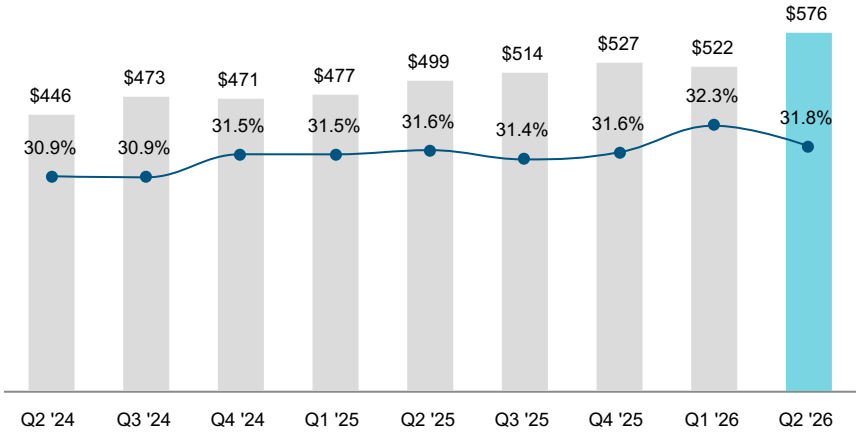
	QTD 06/30/25	QTD 03/31/26	QTD 06/30/26
Sales	**$ 498,682**	**$ 521,658**	**$ 576,461**
% growth y/y	*11.9 %*	*9.5 %*	*15.6 %*
% growth seq	*4.6 %*	*(1.1)%*	*10.5 %*
Gross Profit	**$ 157,813**	**$ 168,606**	**$ 183,067**
% margin	*31.6 %*	*32.3 %*	*31.8 %*
Operating Income	**$ 45,986**	**$ 42,474**	**$ 55,493**
% margin	*9.2 %*	*8.1 %*	*9.6 %*
Net Income	**$ 23,612**	**$ 19,978**	**$ 28,708**
% margin	*4.7 %*	*3.8 %*	*5.0 %*
Adj. EBITDA	**$ 57,313**	**$ 57,812**	**$ 70,376**
% margin	*11.5 %*	*11.1 %*	*12.2 %*
Net cash provided by Operating Activities	**$ 18,646**	**$ 29,569**	**$ 32,386**
Free Cash Flow	**$ 8,300**	**$ 26,275**	**$ 29,765**
Diluted EPS	**$ 1.43**	**$ 1.22**	**$ 1.76**
Diluted Shares	**16,534**	**16,371**	**16,345**
Adj. Diluted EPS	**$ 1.43**	**$ 1.26**	**$ 1.76**
Sales Per Business Day	**$ 7,916**	**$ 8,280**	**$ 9,150**

Please refer to the appendix of this presentation for reconciliations of the Non-GAAP financial measures to the most directly comparable GAAP measures.

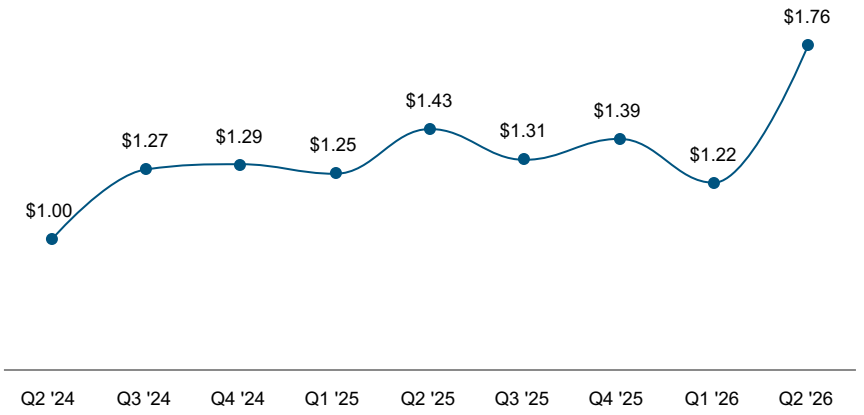
QUARTERLY FINANCIAL HIGHLIGHTS

(in millions, except percentages and per share data)

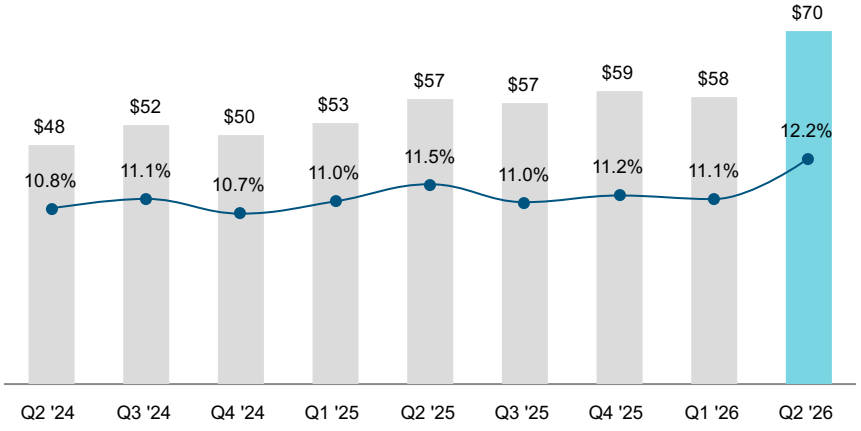
SALES AND GROSS MARGIN



DILUTED EARNINGS PER SHARE*

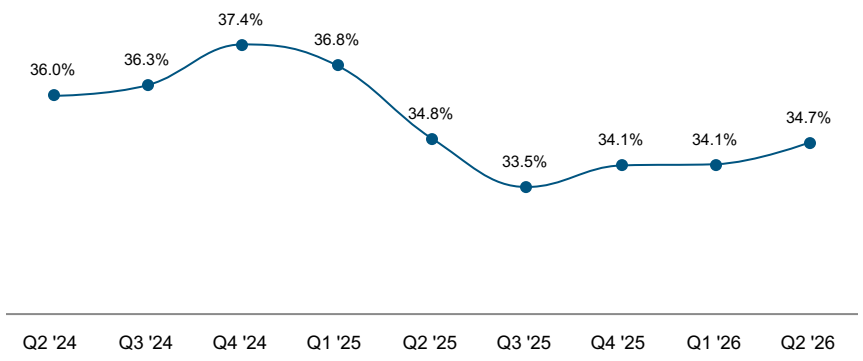


ADJ. EBITDA AND ADJ. EBITDA MARGIN



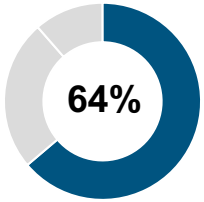
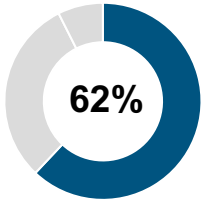
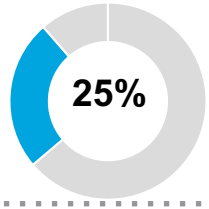
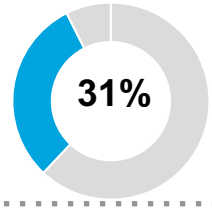
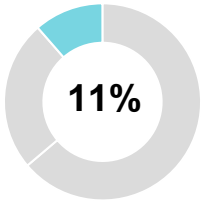
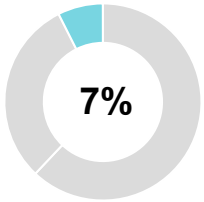
RETURN ON INVESTED CAPITAL (ROIC%)

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



QUARTERLY OPERATING PERFORMANCE BY SEGMENT

*(in millions, except percentages)**

	SALES	SALES MIX	OPERATING PROFIT (OP)	OP CONTRIBUTION	OPERATING MARGIN
DXP SERVICE CENTERS	$367.9		$54.2		14.7%
DXP INNOVATIVE PUMPING SOLUTIONS®	$142.7		$26.7		18.7%
DXP SUPPLY CHAIN SERVICES	$65.8		$6.5		9.9%
SEGMENT TOTAL	$576.5		$87.3		15.1%
CORPORATE (expenses & amortization of intangibles)	$—		$(31.8)		
TOTAL	$576.5		$55.5		9.6%

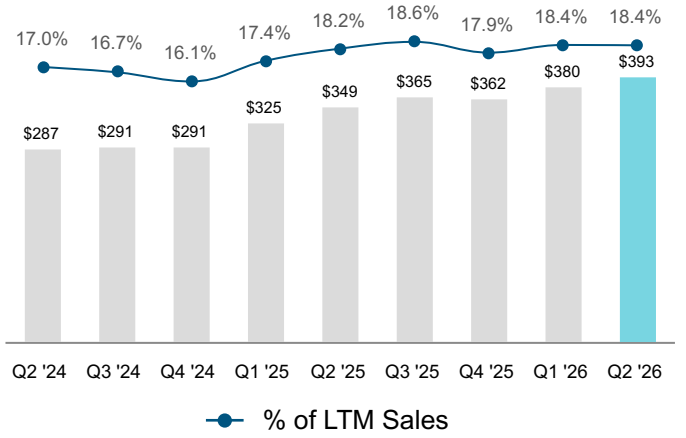
*Amounts may not foot/reconcile due to rounding

QUARTERLY CASH FLOW AND WORKING CAPITAL

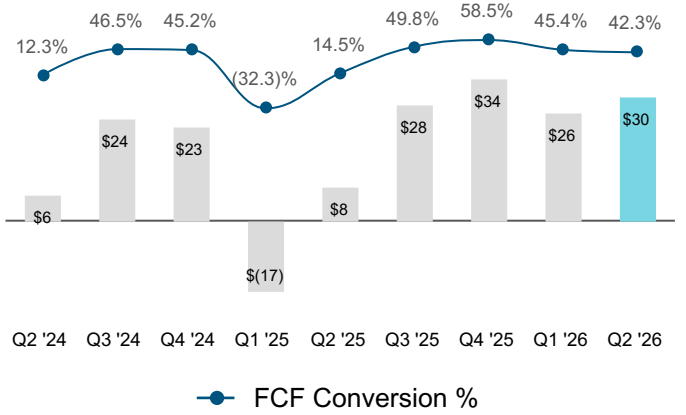
(in thousands, except percentages)

	QTD 6/30/2025	QTD 3/31/2026	QTD 6/30/2026
Net Income	$ 23,612	$ 19,978	$ 28,708
Depreciation and Amortization	9,490	12,051	12,203
Change in Net Working Capital	(21,537)	(7,170)	(11,241)
Other Operating Cash Flows, Net	7,081	4,710	2,716
Net Cash provided by Operating Activities	**$ 18,646**	**$ 29,569**	**$ 32,386**
Purchase of Property & Equipment	(10,346)	(3,294)	(2,621)
Free Cash Flow	**$ 8,300**	**$ 26,275**	**$ 29,765**
Other Investing Cash Flows, Net	(994)	(102,693)	(9,685)
Net Cash used in Investing Activities	**$ (11,340)**	**$ (105,987)**	**$ (12,306)**
Net Cash used in Financing Activities	**$ (9,511)**	**$ (13,116)**	**$ (5,858)**
Effect of foreign currency on cash	$ 852	$ (868)	$ (985)
Net change in cash and restricted cash	$ (1,353)	$ (90,402)	$ 13,237
Cash and restricted cash at beginning of the period	$ 114,283	$ 303,783	$ 213,381
Cash and restricted cash at end of the period	**$ 112,930**	**$ 213,381**	**$ 226,618**
Supplemental Information			
Purchase of businesses, net	$ 1,010	$ 102,702	$ 10,243
Cash paid for interest	$ 13,003	$ 14,950	$ 15,147
Cash paid for income taxes	$ 13,614	$ 653	$ 3,664
Net Debt	$ 532,699	$ 631,284	$ 615,927

NET WORKING CAPITAL (in millions)(1)



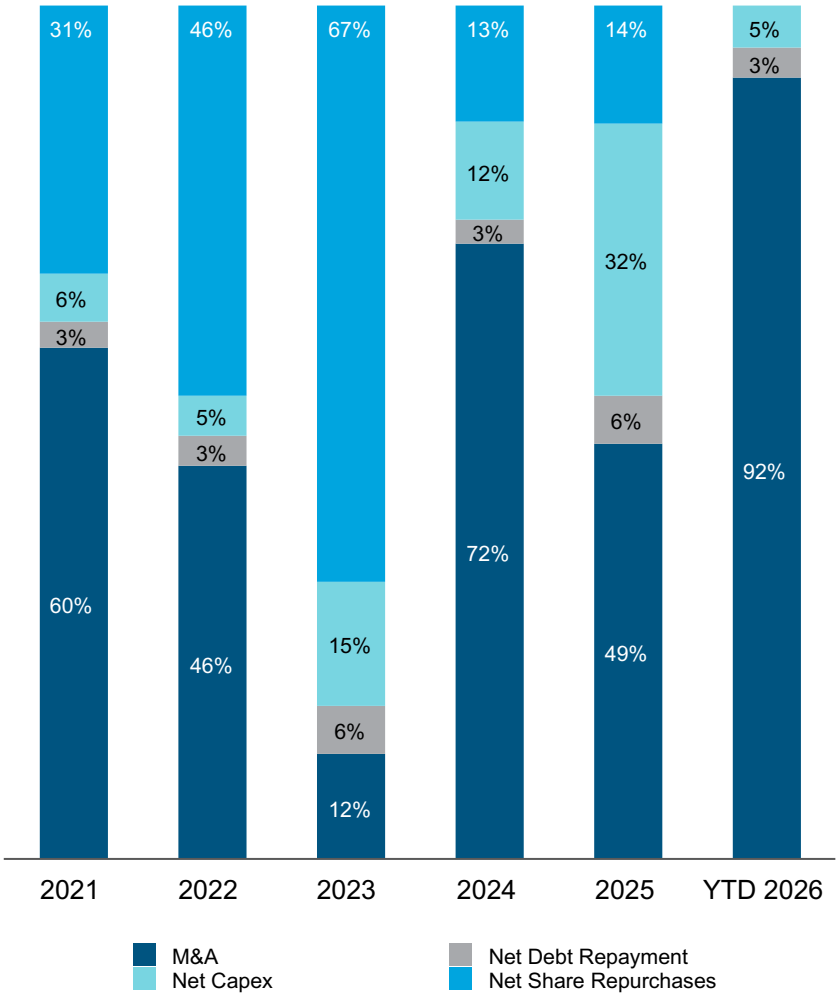
FREE CASH FLOW (in millions)(2)



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.

DISCIPLINED CAPITAL ALLOCATION PRIORITIES

2021 - 2026 Capital Allocation*



Balanced Capital Deployment

- Track record of sustainable and proactive debt management through the cycle
- Net leverage target of ≤ 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

*Amounts may not foot/reconcile due to rounding

APPENDIX

RECONCILIATION OF OPERATING INCOME

(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Operating Income for Reportable Segments	**$ 87,310**	**$ 74,042**	**$ 165,071**	**$ 140,056**
Adjustments for:				
Amortization of intangibles	6,798	5,327	13,815	10,684
Corporate expenses	25,019	22,729	53,289	42,871
Total Operating Income	**$ 55,493**	**$ 45,986**	**$ 97,967**	**$ 86,501**
Interest Expense	16,831	14,744	33,274	29,404
Other (Income) expense, net	(1,059)	(354)	(1,653)	(1,672)
Income before Income Taxes	**$ 39,721**	**$ 31,596**	**$ 66,346**	**$ 58,769**

RECONCILIATION OF NON-GAAP MEASURES

(in thousands, except days)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Service Centers	$ 367,898	$ 339,731	$ 705,874	$ 666,806
Innovative Pumping Solutions	142,739	93,540	261,399	179,722
Supply Chain Services	65,824	65,411	130,846	128,723
Total DXP Sales	**$ 576,461**	**$ 498,682**	**$ 1,098,119**	**$ 975,251**
Acquisition Sales	**$ 49,848**	**$ 24,605**	**$ 90,593**	**$ 55,717**
Organic Sales	**$ 526,613**	**$ 474,077**	**$ 1,007,526**	**$ 919,534**
Business Days	63	63	126	126
Sales per Business Day	**$ 9,150**	**$ 7,916**	**$ 8,715**	**$ 7,740**
Organic Sales per Business Day	**$ 8,359**	**$ 7,525**	**$ 7,996**	**$ 7,298**
Net Income	$ 28,708	$ 23,612	$ 48,686	$ 44,201
Interest expense	16,831	14,744	33,274	29,404
Provision for income taxes	11,013	7,984	17,660	14,568
Depreciation and Amortization	12,203	9,490	24,254	18,624
EBITDA	**$ 68,755**	**$ 55,830**	**$ 123,874**	**$ 106,797**
Plus: stock compensation expense	1,466	1,483	3,268	2,800
Plus: other non-recurring items	155	—	1,046	235
Adjusted EBITDA	**$ 70,376**	**$ 57,313**	**$ 128,188**	**$ 109,832**

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.