



## **DXP Enterprises, Inc. Announces Results of Arbitration With ITT Goulds Pump**

Company Release - 09/24/2015 17:57

HOUSTON--(BUSINESS WIRE)-- **DXP Enterprises, Inc. (NASDAQ: DXPE)** today announced that the final outcome regarding arbitration with ITT Goulds has been delivered after almost two years of back and forth and final arbiter deliberation. DXP and ITT Goulds have distributor agreements stemming from DXP's acquisition history including RA Mueller, Quadna, Austin & Denholm, Alaska Pump and SEPCO. As a result of arbitration, we have been served notice to terminate our agreements with ITT Goulds which provides for a maximum of 180 days, depending upon the agreement, to create an orderly transition. DXP is committed to make this transition as seamless and orderly as possible for our customers, employees and shareholders.

DXP has been a loyal distributor and partner with Goulds for over 30 years. During DXP's history with Goulds, DXP grew to be the largest distributor within the Goulds network, having significantly grown their market share over the years, growing purchases from approximately \$3 million in 1986 to over \$60 million in 2013. DXP's relationship has focused on helping Goulds serve customers in the oil and gas, mining, chemical, food & beverage and general industrial markets. In 2012 alone, DXP increased Goulds business over 40%. As a partner, DXP was happy to grow together as long as we were listening to and meeting customer needs. This created a win-win for our customers, suppliers and shareholders as we met our respective goals. With this decision, Goulds has decided to cancel their largest customer. The Goulds' relationship has been one of DXP's longest standing partnerships and brings to an end a successful partnership.

David Little, Chief Executive Officer, stated, "While we have derived value from our relationship over the past 30 years, DXP is well positioned today to continue our growth strategy, becoming the one stop solution for customers' rotating equipment needs. Anytime we review our distribution agreements we take a disciplined approach hoping to create a win-win for our customers, employees, supplier partners and shareholders. At this juncture, the result of the arbitration with ITT Goulds was one-sided and we are excited to move forward for our customers' and employees' benefit. This resolution increases our flexibility to grow profitably as we continue to focus on meeting customer needs, delivering strong performance and sustainable economic value for our customers, employees and shareholders."

ITT Goulds prevailed in the arbitration on a small violation of the distributor agreement regarding DXP's acquisition of B27 and a disagreement regarding whether Goulds agreed to take API products off the distributor agreements. With DXP's relationship with Goulds deteriorating and DXP's focus on meeting customer needs in the balance, DXP proactively decided to acquire B27 in 2014 after several efforts and attempts to remedy the friction in the relationship.

DXP is excited to move forward creating the best solution for our customers on delivery, aftermarket service, quality of product and competitive pricing. As DXP moves forward, we are excited to work with suppliers like Grundfos, IDEX, John Crane, National Oilwell Varco, Pentair, PSG, PumpWorks and Xylem, to name a few.

Paul Twaddell, Vice President, Global Sales and Marketing for PSG stated, "By focusing on the customer, PSG and DXP have supplied quality pump solutions supported by strong service capabilities for many years. We look forward to building on our combined success for years to come."

For almost three years, Goulds' leadership made it clear that Goulds would cancel DXP's distributor agreement unless we provided Goulds with a large number of DXP's oil and gas and industrial accounts to be serviced directly by Goulds. DXP hoped to reconcile these differences but ultimately ended in arbitration.

As a result of DXP's and Goulds' back and forth, DXP is prepared to replace all of Goulds' products with existing manufacturers, new manufacturers and a high quality private label offering. DXP is excited to move forward with all of its supplier partners.

Finally, DXP is a value added distribution company that brings expertise and total cost savings to the industrial customer. DXP is, and always will be, a customer driven growth company. DXP is looking forward to bringing expertise, quality, speed and a total solution to the customers' rotating equipment needs.

Welcome to the new, fast and free -- DXP Rotating Equipment Division.

DXP welcomes all calls from all our existing and new customers on how we can continue and better serve their needs.

#### **About DXP Enterprises, Inc.**

DXP Enterprises, Inc. is a leading products and service distributor that adds value and total cost savings solutions to industrial customers throughout the United States, Canada, Dubai and Mexico. DXP provides innovative pumping solutions, supply chain services and maintenance, repair, operating and production ("MROP") services that emphasize and utilize DXP's vast product knowledge and technical expertise in rotating equipment, bearings, power transmission, cutting tools, industrial supplies and safety products and services. DXP's breadth of MROP products and service solutions allows DXP to be flexible and customer driven, creating competitive advantages for our customers. DXP's business segments include Service Centers, Innovative Pumping Solutions and Supply Chain Services. For more information, go to [www.dxpe.com](http://www.dxpe.com).

*The Private Securities Litigation Reform Act of 1995 provides a "safe-harbor" for forward-looking statements. Certain information included in this press release (as well as information included in oral statements or other written statements made by or to be made by the Company) contains statements that are forward-looking. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future; and accordingly, such results may differ from those expressed in any forward-looking statement made by or on behalf of the Company. These risks and uncertainties include, but are not limited to; ability to obtain needed capital, dependence on existing management, leverage and debt service, domestic or global economic conditions, and changes in customer preferences and attitudes. For more information, review the Company's filings with the Securities and Exchange Commission.*

View source version on [businesswire.com](http://www.businesswire.com): <http://www.businesswire.com/news/home/20150924006532/en/>

DXP Enterprises, Inc.  
Mac McConnell, 713-996-4700  
Senior Vice President, Finance & CFO  
[www.dxpe.com](http://www.dxpe.com)

Source: DXP Enterprises, Inc.