

NEWS RELEASE

DXP Enterprises Completes Two Acquisitions

2024-11-06

- Leading manufacturers representatives focused on servicing the municipal water and wastewater treatment markets
- Leading vacuum pump sales, repair, and maintenance provider servicing the electronics, food & beverage, and biomedical markets
- Enhances DXP's geographic reach and capabilities
- Continues to accelerate DXP's end market diversification
- Attractive margins and cash flow

HOUSTON--(BUSINESS WIRE)-- DXP Enterprises, Inc. (NASDAQ: DXPE) today announced that it has completed the acquisitions of Burt Gurney & Associates ("BGA") and MaxVac Inc. ("MaxVac"). DXP funded the acquisitions with cash on the balance sheet.

BGA is a leading manufacturers representative in the municipal water and wastewater treatment headquartered in Omaha, Nebraska. MaxVac is a leading vacuum pump sales, repair and maintenance provider servicing the Central Valley and San Francisco, California markets focused on customers in the electronics, semiconductor, food & beverage, pharmaceutical and biomedical markets.

David R. Little, Chairman and Chief Executive Officer remarked, "We are pleased to welcome the Burt Gurney and MaxVac employees to the DXP team. Both are well-run businesses focused on providing value-added products and services to the water and vacuum pump markets. BGA will provide DXP's Water division with new geographic territory and MaxVac will provide enhanced product and reach for DXP's vacuum pump capabilities. BGA and MaxVac are great companies with key differentiators and provides us with high caliber people."

Signing of the definitive agreements occurred on November 1, 2024. Sales and adjusted EBITDA for BGA and

MaxVac for the last twelve months ending September 30, 2024, were approximately \$11.7 million and \$1.6 million, respectively. Adjusted EBITDA was calculated as income before tax, plus interest, depreciation and amortization, plus non-recurring items that will not continue after the acquisition.

Kent Yee, Chief Financial Officer added, "We are excited to welcome the talented and hardworking employees of Burt Gurney and MaxVac to the DXP team. The addition of BGA furthers us in our mission to build DXP Water into a full-line products and service focused platform servicing the municipal and industrial water and wastewater treatment markets. MaxVac provides us with a new platform to continue to scale and build vacuum pump, repair, and maintenance capabilities. We look forward to continuing on this path in 2025 as we scale DXP."

Non-GAAP Financial Measures

DXP supplements reporting of net income with non-GAAP measurements, including EBITDA, Adjusted EBITDA and free cash flow. This supplemental information should not be considered in isolation or as a substitute for the unaudited GAAP measurements. Additional information regarding EBITDA referred to in this press release is included below under "--Unaudited Reconciliation of Non-GAAP Financial Information."

The Company believes EBITDA provides additional information about: (i) operating performance, because it assists in comparing the operating performance of the business, as it removes the impact of non-cash depreciation and amortization expense as well as items not directly resulting from core operations such as interest expense and income taxes and (ii) the performance and the effectiveness of operational strategies. Additionally, EBITDA performance is a component of a measure of the Company's financial covenants under its credit facility. Furthermore, some investors use EBITDA as a supplemental measure to evaluate the overall operating performance of companies in the industry. Management believes that some investors' understanding of performance is enhanced by including this non-GAAP financial measure as a reasonable basis for comparing ongoing results of operations. By providing this non-GAAP financial measure, together with a reconciliation from net income, the Company believes it is enhancing investors' understanding of the business and results of operations, as well as assisting investors in evaluating how well the Company is executing strategic initiatives.

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, Mexico and Dubai. 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, metal working, 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.

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. In some cases, you can identify forward-looking statements by terminology such as, but not limited to, "may," "will," "should," "intend," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential," "goal," or "continue" or the negative of such terms or other comparable terminology. For more information, review the Company's filings with the Securities and Exchange Commission.

Kent Yee

Senior Vice President CFO

713-996-4700 – www.dxpe.com

Source: DXP Enterprises, Inc.