



## Distribution Solutions Group's Operating Company, TestEquity, Enters into Agreement for Strategic Acquisition

October 3, 2024

### *Product Line and Geographic Expansion Through Carve-out Transaction*

FORT WORTH, Texas--(BUSINESS WIRE)--Oct. 3, 2024-- **Distribution Solutions Group, Inc. (NASDAQ:DSGR) ("DSG" or the "Company")**, a premier specialty distribution company, today announced that its operating company TestEquity signed an agreement to acquire ConRes Test Equipment, ("ConRes TE"), a division of Continental Resources, Inc. ("ConRes"), in a carve-out transaction of this leading test and measurement equipment provider based near Boston in Bedford, Massachusetts.

"We are thrilled to add a premier suite of products and services along with a talented employee base from ConRes TE," said Russ Frazee, President & Chief Executive Officer of TestEquity. "This acquisition is consistent with our focus to drive overall customer-intimacy by expanding and diversifying TestEquity's test equipment offerings and value-add service capabilities in all of our end markets. Notably, it will broaden our technical expertise with a strong focus on used equipment and rental solutions, expanded calibration-repair capabilities, as well as an important ISO 17025 accredited lab in the Eastern U.S., staffed with in-house technicians able to scale our offerings and customer reach."

"With a strong emphasis on capital allocation, ConRes TE, like each of our 2024 acquisitions, scored very high as an accretive use of our capital. This acquisition mirrors a strategic capital purchase with high ROI, similar to purchasing a large fleet of used test and measurement equipment. We can immediately fold in the existing cash flows of ConRes TE, deepen relationships with top-tier national customers, and benefit from their Northeast calibration lab and sales resources, unlocking organic growth opportunities. This margin accretive acquisition will enhance our ability to support existing and new customers better, improve asset utilization, and drive returns and margins higher at an accelerated basis when combined with TestEquity," concluded Bryan King, DSG's Chairman and Chief Executive Officer.

"We are looking forward to the opportunity to partner with TestEquity," said Jim McCann Jr., President at ConRes Test Equipment. "This acquisition marks an exciting new chapter for both organizations, combining ConRes TE's extensive expertise and customer-focused approach with TestEquity's robust portfolio and industry leadership. Together, we are poised to deliver unparalleled solutions and services to our existing and future customers, fostering innovation and driving excellence in the test and measurement industry."

ConRes Test Equipment generates approximately \$12 million in annual sales and is expected to be immediately accretive to DSG's adjusted EBITDA margins on a go-forward basis. The transaction will be funded through DSG's existing cash and availability under its credit agreement and is expected to close in the fourth quarter of 2024, subject to customary closing conditions. This acquisition is not expected to be material for financial reporting purposes to DSG's results.

### About Distribution Solutions Group, Inc.

Distribution Solutions Group ("DSG") is a premier multi-platform specialty distribution company providing high touch, value-added distribution solutions to the maintenance, repair & operations (MRO), the original equipment manufacturer (OEM) and the industrial technologies markets. DSG was formed through the strategic combination of Lawson Products, a leader in MRO distribution of C-parts, Gexpro Services, a leading global supply chain services provider to manufacturing customers, and TestEquity, a leader in electronic test & measurement solutions.

Through its collective businesses, DSG is dedicated to helping customers lower their total cost of operation by increasing productivity and efficiency with the right products, expert technical support and fast, reliable delivery to be a one-stop solution provider. DSG serves approximately 190,000 customers in several diverse end markets supported by approximately 4,300 dedicated employees and strong vendor partnerships. DSG ships from strategically located distribution and service centers to customers in North America, Europe, Asia, South America and the Middle East.

For more information on Distribution Solutions Group, please visit [www.distributionsolutionsgroup.com](http://www.distributionsolutionsgroup.com).

### About TestEquity

TestEquity is the premier partner for electronics design, assembly, and repair solutions empowering the entire electronics lifecycle. As a leading distributor, TestEquity provides the largest and highest quality selection of test and measurement equipment, related industrial assembly supplies, and tool kits from top manufacturer partners, supporting industries such as technology, aerospace, defense, automotive, electronics, education, and medical. TestEquity also designs top-tier environmental test chambers and offers over 300,000 products from more than 1,000 brands, benefiting from the widespread electronification across various industries including IoT, EV, and 5G. For more information, visit [www.testequity.com](http://www.testequity.com).

### About ConRes Test Equipment

ConRes Test Equipment, a privately-owned business founded in 1962, offers rental, lease, and sales options for test equipment across North America. Partnering with leading manufacturers, ConRes Test Equipment provides a wide array of quality test and measurement equipment solutions, including spectrum/signal analyzers, network analyzers, oscilloscopes, and other general purpose test equipment. ConRes Test Equipment delivers its customers the correct equipment for the right application on time and calibrated to manufacturer specifications. ConRes Test Equipment is committed to delivering exceptional value and trusted services through its extensive product range and expert solutions. For more information, visit [www.conrestestequipment.com](http://www.conrestestequipment.com).

### Forward-Looking Statements

This release contains certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E

of the Securities Exchange Act of 1934, as amended, and the "safe-harbor" provisions under the Private Securities Litigation Reform Act of 1995, 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 variations of them and other words and terms of similar meaning and expression (and the negatives of such words and terms) 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. 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. DSG undertakes no obligation to release publicly any revisions to forward-looking statements as a result of new information, future events or otherwise. Each forward-looking statement speaks only as of the date on which such statement is made, and DSG undertakes no obligation to update any such statement to reflect events or circumstances arising after such date. Actual results may differ materially from those projected as a result of certain risks and uncertainties. Factors that could cause or contribute to such differences or that might otherwise impact DSG's business, financial condition and results of operations include the risks that DSG may encounter difficulties integrating the business of DSG with the business of other companies that DSG has combined with or may otherwise combine with and that certain assumptions with respect to such business or transactions could prove to be inaccurate. Certain risks associated with DSG's business are also discussed from time to time in the reports DSG files with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K or other reports the Company may file from time to time with the Securities and Exchange Commission, which should be reviewed carefully.

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Source: Distribution Solutions Group, Inc.