



## CSW Industrials Deploys \$40 Million of Acquisition Capital in Contractor Solutions Segment

August 6, 2024

### Investment Highlights

- Capital investment of \$40 million for acquisition of PSP Products, Inc., which offers a diverse line of surge protection devices and industry leading load management systems
- Valuation represents approximately 5.0x PSP Products' trailing twelve-months' EBITDA
- Expected to be accretive to earnings per share in the first full year of ownership
- \$647MM of cumulative acquisition capital investment since going public in October 2015

DALLAS, Aug. 06, 2024 (GLOBE NEWSWIRE) -- CSW Industrials, Inc. (Nasdaq: CSWI) today announced the strategic acquisition of PSP Products, Inc. ("PSP"), deploying \$40 million. This acquisition further demonstrates the Company's commitment to allocate capital to leverage our powerful HVAC/R distribution channel to extend our offering of products to our customers. CSWI funded the transaction with cash on hand and borrowings under its existing \$500 million revolving credit facility.

Joseph B. Armes, Chairman, President, and Chief Executive Officer of CSW Industrials, said, "I am pleased to announce the acquisition of PSP to our shareholders. Adding new customers and partners into the CSWI family along with innovative products is expected to yield additional market share gains within the Contractor Solutions segment. This new acquisition represents incremental, synergistic inorganic growth within our current end markets and aligns with our objective to drive long-term shareholder value."

Jeff Underwood, Senior Vice President of CSWI and General Manager, Contractor Solutions, commented, "PSP has been a great partner for CSWI in recent years, as our teams have worked hand in hand co-developing an industry-leading series of HVAC electrical products. Bringing the PSP team into our organization will allow us to continue our pace of innovation and allows CSWI to better serve electrical distributors and contractors through the expansion of our product offering."

The acquisition of PSP Products, Inc. brings a family of superior surge protection and load management products to CSWI. PSP utilizes a differentiated technology approach to its electrical management devices to ensure reliability, vigor, and strength. All PSP surge protection devices are designed, tested and built to perform in extreme conditions for decades. PSP is the industry leader in load management systems, offering novel products which make generator installation jobs easier and more profitable.

The \$40 million of capital for the acquisition of PSP, including estimated working capital adjustments but excluding future earn-outs, represents a valuation of approximately 5.0x PSP's trailing twelve-month adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA).

### Safe Harbor Statement

This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. Words or phrases such as "may," "should," "expects," "could," "intends," "plans," "anticipates," "estimates," "believes," "forecasts," "predicts" or other similar expressions are intended to identify forward-looking statements, which include, without limitation, earnings forecasts, effective tax rate, statements relating to our business strategy and statements of expectations, beliefs, future plans and strategies and anticipated developments concerning our industry, business, operations, and financial performance and condition.

The forward-looking statements included in this press release are based on our current expectations, projections, estimates, and assumptions. These statements are only predictions, not guarantees. Such forward-looking statements are subject to numerous risks and uncertainties that are difficult to predict. These risks and uncertainties may cause actual results to differ materially from what is forecast in such forward-looking statements, and include, without limitation, the risk factors described from time to time in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K.

All forward-looking statements included in this press release are based on information currently available to us, and we assume no obligation to update any forward-looking statement except as may be required by law.

### About CSW Industrials

CSW Industrials is a diversified industrial growth company with industry-leading operations in three segments: Contractor Solutions, Specialized Reliability Solutions, and Engineered Building Solutions. CSWI provides niche, value-added products with two essential commonalities: performance and reliability. The primary end markets we serve with our well-known brands include: HVAC/R, plumbing, general industrial, architecturally-specified building products, energy, mining, and rail transportation. For more information, please visit [www.cswindustrials.com](http://www.cswindustrials.com).

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