

CSW Industrials, Inc. Announces Agreement to Acquire Motors & Armatures (MARS Parts)

October 1, 2025



Forward Looking Statement

This presentation 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 presentation 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. This presentation contains estimated results of MARS Parts for the trailing twelve-month period ending August 2025 (the "estimated results"). The estimated results are forward-looking statements based on MARS Parts management's preliminary, unaudited results as of the date hereof, and MARS Parts' actual results may be materially different from the estimated results. We assume no obligation to update any forward-looking statement as a result of new information, future events or other factors. Accordingly, you should not place undue reliance on the estimated results. Our independent registered public accounting firm has not audited, reviewed or performed any procedures with respect to the estimated results and does not express any opinion or any other form of assurance with respect thereto. All forward-looking statements included in this presentation 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.



MARS Parts Acquisition Overview

MARS Parts: Proposed Acquisition Overview



Financing Considerations

\$650MM

Purchase Price
CSW's largest acquisition

- **\$650MM purchase price** representing ~12.5x MARS Parts' TTM Adjusted EBITDA
- \$20MM earn out potential in the first year, based on post-closing revenue growth
- Anticipated acquisition funding through a Syndicated Term Loan A and borrowings under CSW's existing \$700MM Revolving Credit Facility



Financial Impact

~10.5x

Implied multiple on
TTM Synergy-Adjusted EBITDA

- Expected to be **immediately accretive** to CSW's EPS and EBITDA
- TTM MARS Parts Financial Summary¹ – **Net Revenue of ~\$204MM**, with a margin profile in line with CSW's consolidated margins and strong FCF conversion
- **Significant, immediately-actionable cost synergies** identified of **~\$10MM** annual run rate, with post-synergy **implied multiple reduction to ~10.5x TTM Adjusted EBITDA**



Transaction Highlights

>30%

EBITDA margin run-rate
expected at 12 months post-close

- **Complementary expansion of existing product portfolio** in the attractive HVAC/R end market
- Leverage **existing distribution channels to grow share of wallet** with our existing customers
- **Significant cost synergies** expected to result in an EBITDA margin run rate of at least 30% on the MARS Parts business within 12 months of closing
- **Enhances value proposition** in electrical end market



Timing, Approvals, Scope

Q3 FY26

Expected Close

- **Targeted to close in Q3 of FY2026**, subject to customary closing conditions
- MARS currently operates with two separate segments for Parts and Equipment, with this acquisition encompassing only the Parts segment

MARS Parts¹ Overview and Key Brands

Key Stats	Established	1946	~\$204MM ²	~\$51.8MM
	Employees	220	TTM Revenue	TTM Adj. EBITDA
	SKUs	5,000+	~25.3%	>30.0%
			TTM Adjusted EBITDA Margin	Adjusted EBITDA Margin Post-Synergies

Company Overview

Established in New York City as an electric rewinding operation and began distributing aftermarket motors and other HVAC/R parts in the late 1950s.

Broad product portfolios, focused on HVAC electrical products, with majority of products repair oriented

Customer centric and known for in-season **product availability and fast delivery**

Bought, “Global, The Source”, in 2024 – **adding to its strong position in HVAC electrical products**, especially around universal run and start capacitors

Key Brands

MARS		High Performance, reliable and energy efficient motors. Universally replaceable into any HVAC system. MARS Parts offers ECM and PSC motors
MARS/JARD		Recognized, high-quality HVAC electrical components including capacitors, relays, contractors, and other essential parts
Turbo		Universal capacitors that replace the need for 200 different valued capacitors. Highly regarded for convenience and quality of construction
Amrad		High-quality, made in the USA, single- and dual- capacitance capacitors
PolarPads		Heavy-duty, weather-resistant equipment pads designed to provide a stable and level foundation for HVAC units

MARS Parts is one of the largest providers of HVAC/R parts and supplies in North America

¹ MARS Parts includes an acquisition completed last year for “Global, The Source”, owner of the Turbo brand of capacitors
² See Forward-Looking Statements for more information regarding MARS Parts’ TTM estimated results through August 2025



Complementary Portfolio to Accelerate Above-Market, Profitable Growth

Complementary Products Create Strong Synergistic Offering

- ✓ Strong Offering
- ✓ Moderate Offering
- ✓ Limited Offering
- ✓ Little to No Exposure



	RECTORSEAL	MAPS	RECTORSEAL	MAPS
Electrical Components	✓	✓	✓	✓
Motors	✓	✓	✓	✓
Equipment Mounting	✓	✓	✓	✓
Indoor Air Quality	✓		✓	✓
Air Movement	✓		✓	✓
Chemicals	✓	✓	✓	✓
Condensate Management	✓	✓	✓	✓
Installation Supplies – Ducted	✓	✓	✓	✓
Installation Supplies – Ductless	✓		✓	✓

Key Benefits



Creates a highly competitive platform for cross selling across leading brands while leveraging scale



Highly complementary HVAC products with an increasing focus on repair v. replacement

Expected Synergies for Margin Expansion



MARS executive team staying with the equipment business



Facility optimization while leveraging the current CSW footprint



Leverage vendor and supplier relationships and SKU rationalization
Reduce tariff impact



Sales resource leverage and scale



Eliminate duplicative marketing spend and third-party IT spend



Freight savings
Production optimization



Expected Annual Run-Rate Synergies: at least \$10MM

Addition of Capacitors to the CSW Product Offering Enhances HVAC/R Electrical Components Portfolio

Capacitor Key Products



Turbo Universal

Universal motor-run and motor-start capacitors, allowing for a single product to service all capacitor needs



USA Capacitors

USA manufactured motor-run and motor-start capacitors, capable of meeting the full range of air conditioning & heat pump needs



JARD Capacitors

Value oriented motor-run and motor-start capacitors, fit for purpose, to support air conditioning & heat pump needs

Addition of Motors to the CSW Product Offering Enhances HVAC/R Electrical Components Portfolio

Motor Product Categories



HVAC Blower

Full line of PSC, X-13 and ECM motors capable of powering air handler & furnace blowers. ECM drop-ins to quickly configure for a range of sizes & applications.



Condenser Fan

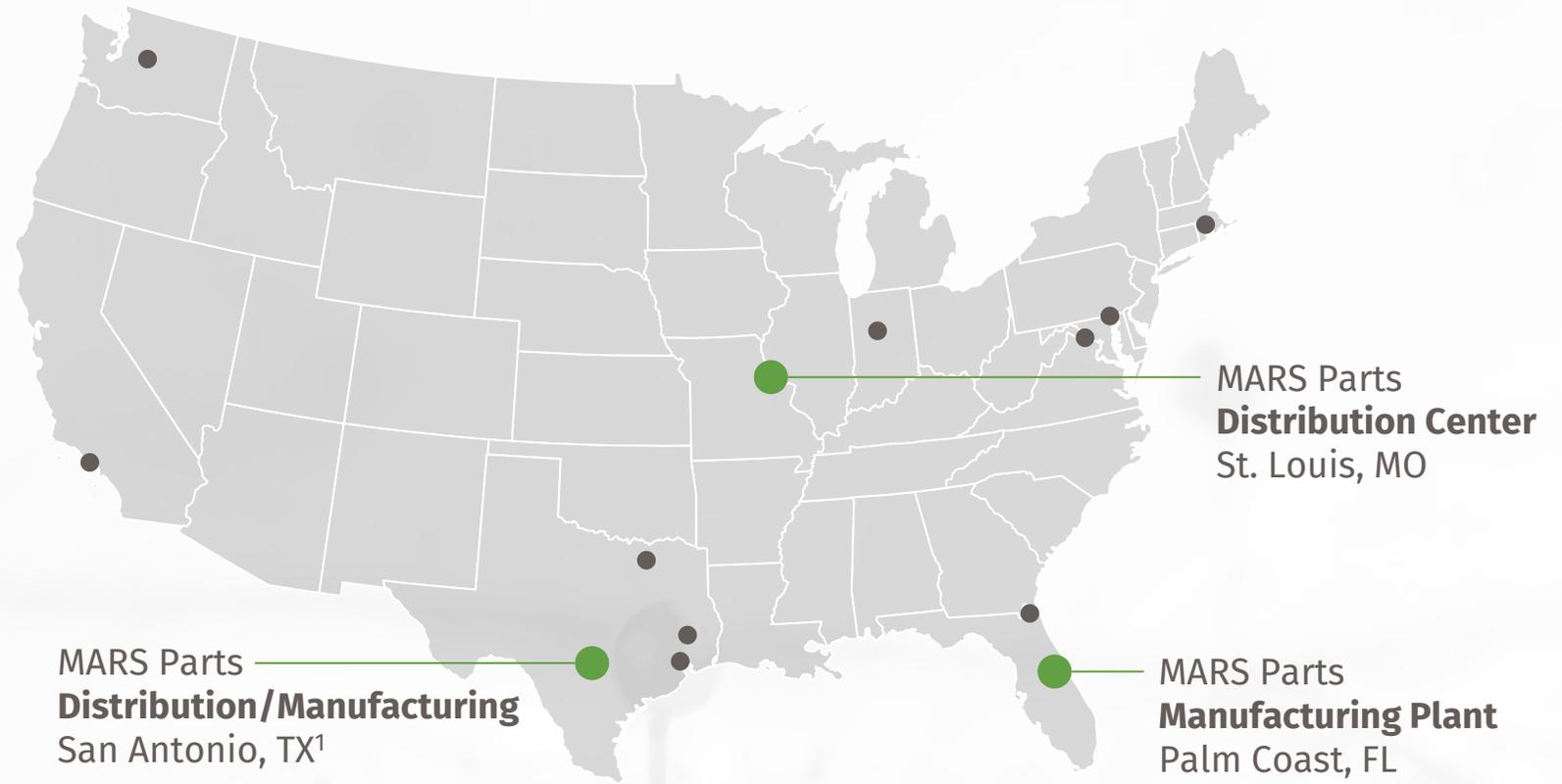
Full line of condenser fan motors to serve air conditioning & heat pump condenser applications. Supports shaft-up and shaft-down mounting options for full drop-in capability.



Refrigeration

Complete line of commercial refrigeration evaporator fan motors for walk in cooler & freezer applications.

MARS Parts Primary Facilities



St. Louis, MO

280k sq ft | ~65 employees

- Primary distribution center for MARS Parts
- Recognized for a logistics system that allows for strong parcel and LTL fulfillment

● *CSW Industrials Distribution and Manufacturing Footprint*

Palm Coast, FL

46k sq ft | ~75 employees

- Capacitor manufacturing plant producing ~2MM capacitors per year
- Produces universal & specific size capacitors
- Ability to expand production within current footprint

¹ Location will be part of the acquisition, but will be transitioned as part of expected synergies

CSW Industrials + MARS Parts: A Strong, Complementary, and Strategic Fit

CSW's Acquisition Track Record

We have a successful record of making accretive and synergistic acquisitions that support expansion of our broad portfolio of solutions.

Acquisition Metrics

- Identify and execute accretive acquisitions that will broaden and complement our portfolio of brands and products
- Focus on commercially proven products and solutions that:
 - Are attractive in our target end markets
 - Currently have limited access to distribution channels that will benefit from our market channels
- Utilize strong free cash flow or financing to fund acquisitions

Key Highlights

18¹
Acquisitions
completed since
October 2015

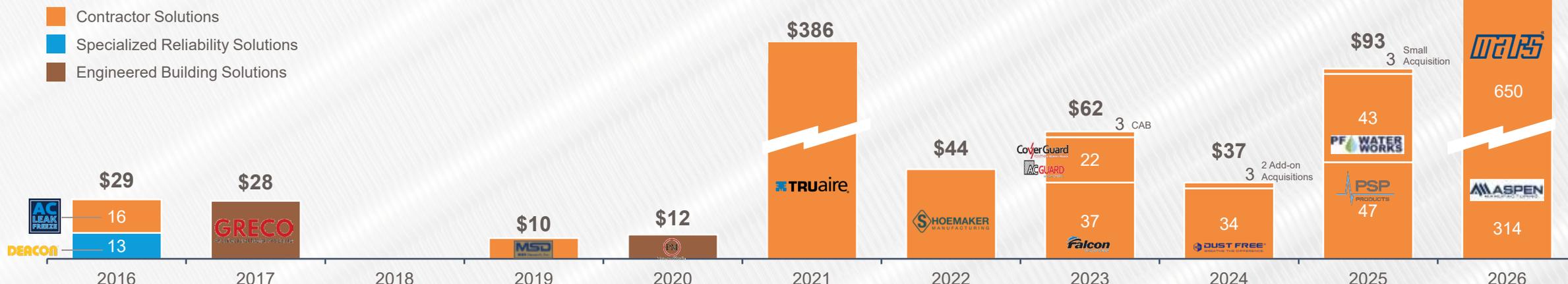
~\$1.7B¹
Cumulative
capital deployed
on acquisitions

10.0x
Weighted average
purchase price
multiple²

Acquisitions Post-Spin

~\$1.0B within the last year

(Acquisition Price in millions; years reflect CSW Fiscal years)



¹ Includes pending purchase of MARS Parts

² Reflects weighted average of publicly disclosed purchase multiples and includes pending MARS Parts purchase using post-synergies implied multiple of 10.5x; excludes Petersen Metals, MSD Research and Deacon acquisitions due to undisclosed multiples.

CSW's Approach to Shareholder Value Creation

Uniquely positioned to accelerate our profitable growth engine.

➤ Opportunity to Leverage Our Broadened HVAC/R Portfolio and Distribution Channels

- Leverage our existing distribution channel with potential to **grow share of wallet** with our existing customers
- **Expands product offering** and adds vitality to the combined product portfolio
- MARS Parts' **complementary** products combined with Contractor Solutions' portfolio creates a **comprehensive, synergistic offering**
- **Recurring aftermarket repair** sales combined with **replacement** sales to expand **cross-selling** opportunities

➤ Investing in Accordance with Our Stated Capital Allocation Strategy

- Provides opportunities to continue to **drive above market, profitable growth** and **deliver value to our shareholders**
- **MARS Parts margin profile** is expected to expand to a minimum **30% EBITDA margin** run-rate 12 months post-close after realizing significant cost synergies of at least \$10MM annually
- Generates **near and long-term accretion** for **CSW shareholders** by strengthening historical above-market growth rates

Delivering on disciplined acquisition strategy, maintaining strong balance sheet, maximizing channels to market, and further expanding product offering

CSW's Acquisition Screen

CSW Industrials' Stated Acquisition Target Criteria



Long-term growth in excess of GDP



Strong margin contribution in-line with existing operations, with realized margin improvement in 12 months as a part of CSW



Leverages our strategy and channels to market, including our extensive distribution network



Executes our capital allocation strategy, investing in opportunities with the highest risk-adjusted rate of return



Expands current markets with product introductions and meaningful acquisitions



Maintains strong balance sheet



Drives enhanced returns by leveraging market knowledge, existing systems, and processes

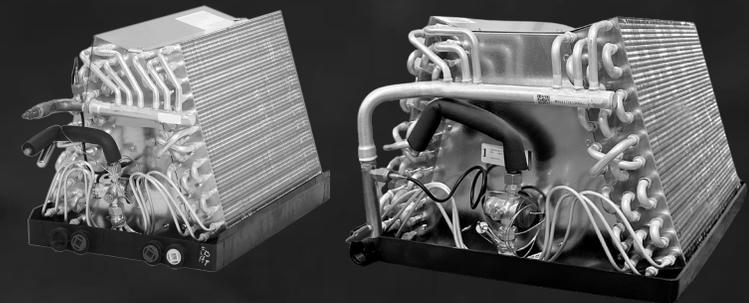
Disciplined Capital Allocation

1

Capital allocation decisions are prioritized on a risk-adjusted returns basis

2

Ultimate goal of capital allocation decisions = driving long-term shareholder value

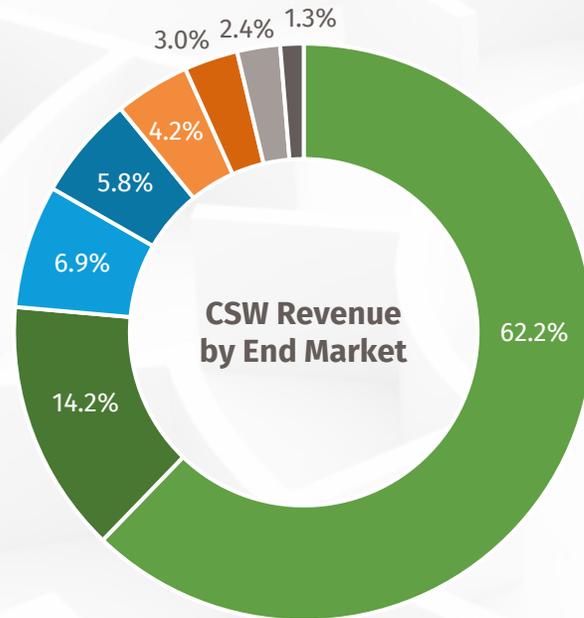


Aspen Manufacturing Coils

CSW's Go-Forward Revenue by Segment and End Market

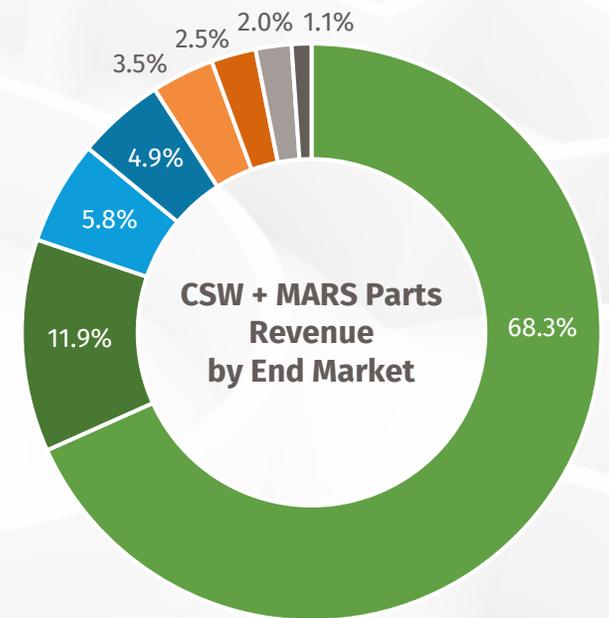
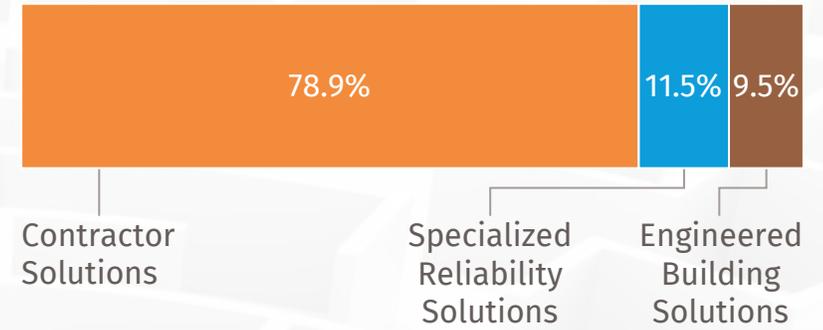
CSW TTM Revenue¹ ~\$1,072MM

Reporting Segments



CSW TTM + MARS Parts Revenue^{1,2} ~\$1,276MM

Reporting Segments



- HVAC/R
- Architecturally Specified Building Products
- Plumbing
- General Industrial
- Energy
- Electric
- Mining
- Rail

1 Trailing Twelve Months (TTM) are defined as the twelve months ended 7/31/25 for CSW (including Pro Forma Aspen) and MARS Parts.
 2 The combined financial information is presented for illustrative and informational purposes only and is not intended to represent or be indicative of what the actual results of combined operations would have been for the periods indicated, and it is neither representative of nor projects the combined results of operations for any future period.



CSW
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