DXP ENTERPRISES INC
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Registration No. 333-188907

PROSPECTUS SUPPLEMENT
(To Prospectus Dated June 7, 2013)

DXP ENTERPRISES, INC.

Up to $50,000,000 of

COMMON STOCK

We have entered into an equity distribution agreement with Liquidnet, Inc. (“Liquidnet”) and BB&T Capital Markets, a division of BB&T Securities, LLC (“BB&T”) (together with Liquidnet, the “Distribution Agents” and each a “Distribution Agent”), relating to shares of our common stock having an aggregate sales price of up to $50,000,000 offered by this prospectus supplement and the accompanying prospectus. In accordance with the terms of the equity distribution agreement, we may offer and sell from time to time up to the maximum dollar amount of our shares through both or any one of Liquidnet and BB&T as our sales agent. Sales of the shares, if any, will be made in “at the market offerings” as defined in Rule 415 under the Securities Act of 1933, as amended (the “Securities Act”), including without limitation sales made directly on any existing trading market for the common stock or to or through a market maker, at prices prevailing at the time of sale.

The Distribution Agents will receive from us a commission of up to 2.5% based on the gross sales price per share for any shares sold through that Distribution Agent as sales agent under the equity distribution agreement, as further described under “Plan of Distribution”. In connection with the sale of shares of common stock on our behalf, each Distribution Agent may be deemed to be an “underwriter” within the meaning of the Securities Act, and the compensation of the Distribution Agents may be deemed to be underwriting commission or discount.

Our common stock is listed on The NASDAQ Global Select Market (“NASDAQ”) under the symbol “DXPE”. The last reported sales price per share of our common stock as reported by NASDAQ on December 2, 2015 was $31.16.

Investing in our common stock involves risks. See “Risk Factors” beginning on page S-7 of this prospectus supplement and page 1 of the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

LIQUIDNET BB&T CAPITAL MARKETS

The date of this prospectus supplement is December 4, 2015.

You should rely only on the information contained in this prospectus supplement, the accompanying prospectus, and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the Distribution Agents have not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell, or a solicitation of an offer to purchase, the securities offered by this prospectus supplement and the accompanying prospectus in any jurisdiction to or from any person to whom or from whom it is unlawful to make such offer or solicitation of an offer in such jurisdiction. You should not assume that the information contained in this prospectus supplement and the accompanying prospectus or any document incorporated by reference is accurate as of any date other than the date on the front cover of the applicable document. Neither the delivery of this prospectus supplement and the accompanying prospectus nor any distribution of securities pursuant to this prospectus supplement and the accompanying prospectus shall, under any circumstances, create any implication that there has been no change in the information set forth or incorporated by reference into this prospectus supplement and the accompanying prospectus or in our affairs since the date of this prospectus supplement. Our business, financial condition, results of operations and prospects may have changed since that date.

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Prospectus Supplement

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of the securities we are offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference herein and therein. The second part, the accompanying prospectus, including the documents incorporated by reference, provides more general information. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. This prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein and therein are part of a shelf registration statement that we filed with the Securities and Exchange Commission ("SEC"). This prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein and therein include important information about us, our securities being offered and other information you should know before investing in our securities. You should read carefully this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, as well as the additional information described under "Where You Can Find More Information" on page S-iv of this prospectus supplement and page 13 of the accompanying prospectus before investing in our securities.

To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus or in any document incorporated by reference that was filed with the SEC before the date of this prospectus supplement, on the other hand, you should rely on the information in this prospectus supplement. If any statement in one of these documents is inconsistent with a statement in another document having a later date — for example, a document incorporated by reference in the accompanying prospectus — the statement in the document having the later date modifies or supersedes the earlier statement.

As used in this prospectus, the terms "DXP," "Company," "we," "our," "ours" and "us" refer to DXP Enterprises, Inc. and its subsidiaries, except where the context otherwise requires or as otherwise indicated.

DOCUMENTS INCORPORATED BY REFERENCE

The SEC allows us to "incorporate by reference" the information in documents we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus supplement, and information that we file later with the SEC will automatically update and supersede this information. These documents provide a significant amount of information about us. We incorporate by reference the documents listed below and any future filings we will make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than information furnished to the SEC under Item 2.02 or 7.01 of Form 8-K and which is not deemed filed under the Exchange Act and is not incorporated in this prospectus), prior to the termination of this offering.

- Our Annual Report on Form 10-K for our fiscal year ended December 31, 2014, filed with the SEC on March 16, 2015.

- Our Quarterly Reports on Form 10-Q for our quarterly periods ended March 31, 2015, filed with the SEC on May 11, 2015, June 30, 2015, filed with the SEC on August 10, 2015, and September 30, 2015, filed with the SEC on November 9, 2015.

- Our Current Report on Form 8-K filed with the SEC on June 23, 2015.

- The description of our common stock contained in our Registration Statement on Form 8-A, filed with the SEC on October 9, 1996.

We will provide, without charge, to each person, including any beneficial owner, to whom this prospectus supplement and the accompanying prospectus has been delivered, upon written or oral request of such person, a copy of any or all of the documents incorporated by reference herein (other than certain exhibits to such documents not specifically incorporated by reference in such documents). Requests for such copies should be directed to:

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DXP Enterprises, Inc.
7272 Pinemont Drive
Houston, Texas 77040
(713) 996-4700
Attention: Corporate Secretary

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement with the SEC under the Securities Act that registers the securities offered by this prospectus. The registration statement, including the exhibits, contains additional relevant information about us. The rules and regulations of the SEC allow us to omit from this prospectus some information included in the registration statement.

We file annual, quarterly and periodic reports, proxy statements and other information with the SEC. You may read and copy any document we file with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information about the public reference room by calling the SEC at 1-800-SEC-0330. Our SEC filings are also available to the public on the SEC's Internet website at http://www.sec.gov. Our Internet website address is http://www.dxpe.com.

We furnish holders of our common stock with annual reports containing financial statements audited by our independent auditors in accordance with generally accepted accounting principles following the end of each fiscal year. We file reports and other information with the SEC pursuant to the reporting requirements of the Exchange Act.

Our common stock is listed on NASDAQ, and we are required to file reports, proxy statements and other information with NASDAQ. You may read any document we file with NASDAQ at the offices of The NASDAQ Stock Market, Inc., which is located at One Liberty Plaza, 165 Broadway New York, New York 10006.

Descriptions in this prospectus of documents are intended to be summaries of the material, relevant portions of those documents, but may not be complete descriptions of those documents. For complete copies of those documents, please refer to the exhibits to the registration statement and other documents filed by us with the SEC.

NOTE OF CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein contain or incorporate by reference, and our officers and representatives may from time to time make, statements that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act, Section 21E of the Exchange Act, and the U.S. Private Securities Litigation Reform Act of 1995. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "intend," "expect," "plan," "anticipat "believe," "estimate," "predict," "potential," "goal," or "continue" or the negative of such terms or other comparable terminolo You are cautioned that any such forward-looking statements involve significant known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by those forward-looking statements. These factors include, but are not limited to, the following:

- decreased capital expenditures in the energy industry, which adversely impacts our customers' demand for our products and services;

- direct sales from manufacturers of products to end users;

- changes in our customer and product mix, or adverse changes to the cost of goods we sell;

- increased shipping and third-party transportation costs;

- the effectiveness of management’s strategies and decisions;

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- ability to refinance existing debt or comply with covenants of credit facilities;
- general economic and business conditions, and volatility in commodity and energy prices;
- risks associated with future acquisitions and our acquisition strategy;
- new or modified statutory or regulatory requirements;
- changing prices and market conditions; and
- such other factors as discussed throughout the "Risk Factors" sections of this prospectus supplement and the accompanying prospectus, throughout Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations of our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2015, June 30, 2015, and September 30, 2015, and throughout Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and in Part I, Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2014.

While our forward-looking statements reflect our best judgment about future events and trends based on the information currently available to us, our results of operations can be affected by the assumptions we make or by risks and uncertainties known or unknown to us, including those described under “Risk Factors” in this prospectus supplement. Because such forward-looking statements are subject to risks and uncertainties and our actual results could differ materially from those in such forward-looking statements, the factors set forth under the heading “Risk Factors” in this prospectus supplement and in our most recent Annual Report on Form 10-K and other reports that we file with the SEC from time to time, among others, in some cases have affected, and in the future could affect, our actual results and could cause our actual results to differ materially from those expressed in any forward-looking statement made by us. Therefore, we cannot guarantee and you should not rely on the accuracy of the forward-looking statements.

All forward-looking statements included in this prospectus supplement are made as of the date hereof, based on information available to us as of the date hereof, and we assume no obligation to update any such forward-looking statement or statements. All forward-looking statements incorporated by reference into this prospectus supplement or the accompanying prospectus are made as of the date they were originally made based on information available to us on the date such statements were originally made, and we assume no obligation to update any such forward-looking statement or statements.

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SUMMARY

The information below is a summary of the more detailed information included elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. You should read carefully the following summary together with the more detailed information contained in this prospectus supplement, the accompanying prospectus and the information incorporated by reference into those documents, including the "Risk Factors" section of this prospectus supplement and the accompanying prospectus and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014. This summary is not complete and does not contain all of the information that you should consider when making your investment decision.

Our Company

DXP was incorporated in Texas in 1996 to be the successor to SEPCO Industries, Inc., founded in 1908. Since our predecessor company was founded, we have primarily been engaged in the business of distributing maintenance, repair and operating (MRO) products, equipment and service to industrial customers. The Company is organized into three business segments: Service Centers, Supply Chain Services and Innovative Pumping Solutions.

Our total sales have increased from $125 million in 1996 to $1.5 billion in 2014 through a combination of internal growth and business acquisitions. At September 30, 2015 we operated from 186 locations in forty-two states in the U.S., nine provinces in Canada, Dubai and one state in Mexico, serving more than 50,000 customers engaged in a variety of industrial end markets. We have grown sales and profitability by adding additional products, services, locations and becoming customer driven experts in maintenance, repair and operating solutions.

Our principal executive office is located at 7272 Pinemont Houston, Texas 77040, and our telephone number is (713) 996-4700. Our website address on the Internet is www.dxpe.com and emails may be sent to info@dxpe.com. The reference to our website address does not constitute incorporation by reference of the information contained on the website and such information should not be considered part of this prospectus.

Industry Overview

The industrial distribution market is highly fragmented. Based on 2014 sales as reported by Industrial Distribution magazine, we were the 20th largest distributor of MRO products in the United States. Most industrial customers currently purchase their industrial supplies through numerous local distribution and supply companies. These distributors generally provide the customer with repair and maintenance services, technical support and application expertise with respect to one product category. Products typically are purchased by the distributor for resale directly from the manufacturer and warehoused at distribution facilities of the distributor until sold to the customer. The customer also typically will purchase an amount of product inventory for its near term anticipated needs and store those products at its industrial site until the products are used.

We believe that the distribution system for industrial products, as described in the preceding paragraph, creates inefficiencies at both the customer and the distributor levels through excess inventory requirements and duplicative cost structures. To compete more effectively, our customers and other users of MRO products are seeking ways to enhance efficiencies and lower MRO product and procurement costs. In response to this customer desire, three primary trends have emerged in the industrial supply industry:

- Industry Consolidation. Industrial customers have reduced the number of supplier relationships they maintain to lower total purchasing costs, improve inventory management, assure consistently high levels of customer service and enhance purchasing power. This focus on fewer suppliers has led to consolidation within the fragmented industrial distribution industry.

- Customized Integrated Service. As industrial customers focus on their core manufacturing or other production competencies, they increasingly are demanding customized integration services, consisting of value-added traditional distribution, supply chain services, modular equipment and repair and maintenance services.

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- Single Source, First-Tier Distribution. As industrial customers continue to address cost containment, there is a trend toward reducing the number of suppliers and eliminating multiple tiers of distribution. Therefore, to lower overall costs to the customer, some MRO product distributors are expanding their product coverage to eliminate second-tier distributors and become a “one stop source”.

We believe we have increased our competitive advantage through our traditional fabrication of integrated system pump packages and integrated supply programs, which are designed to address our customers’ specific product and procurement needs. We offer our customers various options for the integration of their supply needs, ranging from serving as a single source of supply for all or specific lines of products and product categories to offering a fully integrated supply package in which we assume the procurement and management functions, which can include ownership of inventory, at the customer's location. Our approach to integrated supply allows us to design a program that best fits the needs of the customer. Customers purchasing large quantities of product are able to outsource all or most of those needs to us. For customers with smaller supply needs, we are able to combine our traditional distribution capabilities with our broad product categories and advanced ordering systems to allow the customer to engage in one-stop sourcing without the commitment required under an integrated supply contract.

Business Segments

The Company is organized into three business segments: Service Centers (SC), Supply Chain Services (SCS) and Innovative Pumping Solutions (IPS). Our segments provide management with a comprehensive financial view of our key businesses. The segments enable the alignment of strategies and objectives and provide a framework for timely and rational allocation of resources within our businesses.

Segment	2014 Sales	% of Sales	End-Markets	Locations	Employees
SC	987,560	65.9%	Oil & Gas, Food & Beverage, General Industrial, Chemical & Petrochemical, Transportation	177 service centers 8 distribution centers	2,460
SCS	163,968	10.9%	Oil & Gas Food & Beverage, Mining & Transportation	74 customer facilities	274
IPS	348,134	23.2%	Oil & Gas Mining Utilities	12 fabrication facilities	698

Service Centers Segment

The Service Centers are engaged in providing MRO products, equipment and integrated services, including technical expertise and logistics capabilities, to industrial customers with the ability to provide same day delivery. We offer our customers a single source of supply on an efficient and competitive basis by being a first-tier distributor that can purchase products directly from manufacturers. As a first-tier distributor, we are able to reduce our customers' costs and improve efficiencies in the supply chain. We also provide services such as field safety supervision, in-house and field repair and predictive maintenance. We offer a wide range of industrial MRO products, equipment and integrated services through a continuum of customized and efficient MRO solutions.

A majority of our Service Center segment sales are derived from customer purchase orders. Sales are directly solicited from customers by our sales force. DXP Service Centers are stocked and staffed with knowledgeable sales associates and backed by a centralized customer service team of experienced industry professionals. At September 30, 2015, our Service Centers’ products and services were distributed from 185 service centers and 8 distribution centers.

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DXP Service Centers provide a wide range of MRO products in the rotating equipment, bearing, power transmission, hose, fluid power, metal working, industrial supply and safety product and service categories. We currently serve as a first-tier distributor of more than 1,000,000 items of which more than 60,000 are stock keeping units (SKUs) for use primarily by customers engaged in the oil and gas, food and beverage, petrochemical, transportation and other general industrial industries. Other industries served by our Service Centers include mining, construction, chemical, municipal, agriculture and pulp and paper.

The Service Centers segment's long-lived assets are located in the United States, Canada and Mexico. Approximately 16% and 12% of the Service Centers segment's revenues were in Canada during the years ended 2014 and 2015, respectively, and virtually all of the remainder was in the U.S during these years.

At September 30, 2015, the Service Centers segment had approximately 2,103 full-time employees.

Supply Chain Services Segment

DXP's Supply Chain Services (SCS) segment manages all or part of its customers' supply chains, including procurement and inventory management. The SCS segment enters into long-term contracts with its customers that can be cancelled on little or no notice under certain circumstances. The SCS segment provides fully outsourced MRO solutions including, but not limited to, the following: inventory optimization and management; store room management; transaction consolidation and control; vendor oversight and procurement cost optimization; productivity improvement services; and customized reporting. Our mission is to help our customers become more competitive by reducing their indirect material costs and order cycle time by increasing productivity and by creating enterprise-wide inventory and procurement visibility and control.

DXP has developed assessment tools and master plan templates aimed at taking cost out of supply chain processes, streamlining operations and boosting productivity. This multi-faceted approach allows us to manage the entire channel for maximum efficiency and optimal control, which ultimately provides our customers with a low-cost solution.

DXP takes a consultative approach to determine the strengths and opportunities for improvement within a customer's indirect supply chain. This assessment determines if and how we can best streamline operations, drive value within the procurement process, and increase control in storeroom management.

Decades of supply chain inventory management experience and comprehensive research, as well as a thorough understanding of our customers' businesses and industries have allowed us to design standardized programs that are flexible enough to be fully adaptable to address our customers' unique supply chain challenges. These standardized programs include:

- SmartAgreement, a planned, pro-active procurement solution for MRO categories leveraging DXP's local Service Centers.
- SmartBuy, DXP's on-site or centralized MRO procurement solution.
- SmartSource[SM], DXP's on-site procurement and storeroom management by DXP personnel.
- SmartStore, DXP's customized e-Catalog solution.
- SmartVend, DXP's industrial dispensing solution. It allows for inventory-level optimization, user accountability and item usage reduction by 20-40%.

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SmartServ, DXP's integrated service pump solution. It provides a more efficient way to manage the entire life cycle of pumping systems and rotating equipment.

DXP's SmartSolutions programs help customers to cut product costs, improve supply chain efficiencies and obtain expert technical support. DXP represents manufacturers of up to 90% of all the maintenance, repair and operating products of our customers. Unlike many other distributors who buy products from second-tier sources, DXP takes customers to the source of the products they need.

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At September 30, 2015, the Supply Chain Services segment operated supply chain installations in approximately sixty-two (62) of our customers' facilities.

At September 30, 2015, all of the Supply Chain Services segment's long-lived assets are located in the U.S. and all of 2014 and 2015 sales were recognized in the U.S.

At September 30, 2015, the Supply Chain Services segment had approximately 272 full-time employees.

Innovative Pumping Solutions Segment

DXP's Innovative Pumping Solutions® (IPS) segment provides integrated, custom pump skid packages, pump remanufacturing and manufactures branded private label pumps to meet the capital equipment needs of our global customer base. Our IPS segment provides a single source for engineering, systems design and fabrication for unique customer specifications.

Our sales of integrated pump packages, remanufactured pumps or branded private label pumps are generally derived from customer purchase orders containing the customers' unique specifications. Sales are directly solicited from customers by our dedicated sales force.

DXP's engineering staff can design a complete custom pump package to meet our customers' project specifications. Drafting programs such as Solidworks® and AutoCAD® allow our engineering team to verify the design and layout of packages with our customers prior to the start of fabrication. Finite Elemental Analysis programs such as Cosmos Professional® are used to design the package to meet all normal and future loads and forces. This process helps maximize the pump packages' life and minimizes any impact to the environment.

With over 100 years of fabrication experience, DXP has acquired the technical expertise to ensure that our pumps and pump packages are built to meet the highest standards. DXP utilizes manufacturer authorized equipment and manufacturer certified personnel. Pump packages require MRO products and original equipment manufacturers' (OEM) equipment such as pumps, motors, valves, and consumable products, such as welding supplies. DXP leverages its MRO product inventories and breadth of authorized products to lower the total cost and maintain the quality of our pump packages.

DXP's fabrication facilities provide convenient technical support and pump repair services. The facilities contain state of the art equipment to provide the technical services our customers require including, but not limited to, the following:

- Structural welding
- Pipe welding
- Custom skid assembly
- Custom coatings
- Hydrostatic pressure testing
- Mechanical string testing

Examples of our innovative pump packages, but are not limited to:

- Diesel and electric driven firewater packages
- Pipeline booster packages

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- Potable water packages
- Pigging pump packages
- Lease Automatic Custody Transfer (LACT) charge units
- Chemical injection pump packages wash down units
- Seawater lift pumps
- Jockey pump packages
- Condensate pump packages
- Cooling water packages
- Seawater/produced water injection packages
- Variety of packages to meet common industry specifications such as API, ANSI and NFPA

At September 30, 2015, the Innovative Pumping Solutions segment operated out of twelve facilities, ten of which are located in the United States and two in Canada.

Approximately 1.9% of the IPS segment's long-lived assets are located in Canada and the remainder were located in the U.S. Approximately 9.6% of the IPS segment's 2014 revenues were recognized in Canada and 89.4% were in the U.S.

At September 30, 2015, the IPS segment had approximately 644 full-time employees.

Recent Developments:

On December 3, 2015, DXP promoted Mr. Jay Randle to Senior Vice President/Sales and made him an executive officer of the Company. During 2015, Mr. Randle was involved in the following related party transactions:

- A subsidiary of DXP leases a building under a twelve year lease. The building is used to manufacture pumps. Mr. Randle owns 20% of the entity which owns the building. The monthly current base rent is $24,050.
- Mr. Randle owns 16.1% of an entity which owns 47.5% of Pumpworks Castings, LLC. A subsidiary of DXP owns 47.5% of Pumpworks Castings, LLC. Pumpworks Castings, LLC manufactures castings used by DXP.

DXP acquired B27, LLC on January 2, 2014. As a member of the seller group of B27, LLC, Mr. Randle will receive approximately $179,000 in connection with the working capital settlement paid by DXP during 2015.

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THE OFFERING

Issuer	DXP Enterprises, Inc.
Common Stock Being Offered	Shares of common stock, $.01 par value, having an aggregate offering price of up to $50,000,000.
Use of Proceeds	We intend to use the net proceeds from the sale of shares for general corporate purposes. See "Use of Proceeds" below.
Risk Factors	See "Risk Factors" on page S-7 of this prospectus supplement and page 1 of the accompanying prospectus for a discussion of factors you should carefully consider before investing in shares of our common stock.
Exchange Listing	Our common stock is traded on NASDAQ under the symbol "DXPE".

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RISK FACTORS

An investment in our common stock has a high degree of risk. You should carefully consider the following risk factors, as well as the risk factors included under the caption “Risk Factors” beginning on page 1 of the accompanying prospectus and the risk factors included in “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, which are incorporated by reference herein, together with all the other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. If any of these risk factors should occur, our profitability, financial condition or liquidity could be materially impacted. As a result, you may lose part or all of your investment.

You may experience future dilution as a result of future equity offerings.

We are not restricted from issuing additional common stock or preferred stock, including securities that are convertible into or exchangeable for, or that represent to the right to receive, common stock or preferred stock. In future offerings, we may sell shares or other securities at a price per share that is less than the price per share paid by investors in this offering. The issuance of additional shares of common stock or securities convertible into our common stock will dilute the ownership interest of our existing common shareholders. New investors also may have rights, preferences and privileges that are senior to, and that adversely affect, our then-current common shareholders.

The right of shareholders to receive liquidation and dividend payments on our common stock is junior to the rights of holders of existing and future indebtedness and to any other senior securities we may issue in the future.

Shares of common stock are equity interests in DXP and do not constitute indebtedness. This means that the shares of common stock will rank junior to all of our indebtedness and to other non-equity claims against us and our assets available to satisfy claims against us, including in our liquidation. Additionally, holders of our common stock are subject to the prior dividend and liquidation rights of holders of our outstanding preferred stock. Our board of directors is authorized to issue additional classes or series of preferred stock in the future without any action on the part of our common shareholders.

Since we have discretion in how we use the proceeds from this offering, we may use the proceeds in ways with which you disagree.

Management will have broad discretion over the use of proceeds from this offering. You will be relying on the judgment of our management with regard to the use of these net proceeds and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. It is possible that the net proceeds will be invested, employed, or used in ways that do not yield a favorable, or any, return for us. The failure of our management to use such funds effectively could have a material adverse effect on our business, financial condition, operating results and cash flow.

Sales of a significant number of shares of our common stock in the public markets, or the perception that such sales could occur, could depress the market price of our common stock.

Sales of a significant number of shares of our common stock in the public markets, or the perception that such sales could occur as a result of our utilization of a universal shelf registration statement, our equity distribution agreement or otherwise could depress the market price of our common stock and impair our ability to raise capital through the sale of additional equity securities. We cannot predict the effect that future sales of our common stock or the market perception that we are permitted to sell a significant number of our securities would have on the market price of our common stock.

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The trading price of our common stock may be volatile.

The market price of our common stock could be subject to wide fluctuations in response to, among other things, the risk factors described in our periodic reports, and other factors beyond our control, such as fluctuations in the valuation of companies perceived by investors to be comparable to us. Furthermore, the stock markets have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political, and market conditions, such as recessions, commodity and energy price fluctuations, interest rate changes or international currency fluctuations, may negatively affect the market price of our common stock. In the past, many companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could adversely affect our business.

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USE OF PROCEEDS

We intend to use all of the net proceeds from this offering, after deducting the Distribution Agents' commission and our offering expenses, for general corporate purposes, including, without limitation, growth and acquisition initiatives. A portion of the net proceeds of this offering may be invested temporarily in short-term investment grade securities pending their use for such purposes or used to pay down the revolving line of credit under our credit facility. At September 30, 2015, $189.5 million was outstanding on our revolving line of credit and the term loan component of our credit facility was $184.4 million, for a total of $373.9 million outstanding at a weighted average interest rate of approximately 2.45%. Our credit facility expires on January 2, 2019.

An affiliate of BB&T is a lender under our credit facility. As a result, such affiliate may receive a portion of the net proceeds from this offering to the extent that we use such proceeds, or any portion thereof, to repay amounts outstanding on our revolving line of credit.

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PLAN OF DISTRIBUTION

We have entered into an equity distribution agreement with the Distribution Agents under which we may issue and sell shares of our common stock having an aggregate sales price of up to $50,000,000 from time to time through either or both Distribution Agents as our sales agents. Sales of the shares of common stock under this prospectus supplement, if any, will be in "at the market offerings" as defined in Rule 415 under the Securities Act, including, without limitation, sales made directly on NASDAQ or on any other existing trading market for the common stock or to or through a market maker. As sales agents, the Distribution Agents will not engage in any transactions that stabilize our common stock.

From time to time during the term of the equity distribution agreement, we may deliver a placement notice to either Distribution Agent specifying the parameters of an offering of common stock, including the amount of shares to be sold, the length of the selling period, any limitation on the number of shares that may be sold in one day and the minimum price below which sales may not be made. Upon acceptance of a placement notice, the recipient Distribution Agent will use its commercially reasonable efforts, consistent with its normal trading and sales practices, to sell on our behalf all of the designated shares of common stock under the terms and subject to the conditions set forth in the equity distribution agreement. We or the Distribution Agent may suspend the offering of shares of common stock at any time by notifying the other. The obligation of the Distribution Agents under the equity distribution agreement to sell shares pursuant to any notice is subject to a number of conditions, which each Distribution Agent reserves the right to waive in its sole discretion.

Each Distribution Agent will provide written confirmation to us no later than the opening of the trading day following the trading day on which such Distribution Agent has sold shares of common stock for us under the equity distribution agreement. Each confirmation will include the number of shares sold on that day, the gross proceeds from the sale of the shares, the aggregate compensation payable by us to that Distribution Agent in connection with the sale, and the net proceeds to us from the sale of the shares.

We will pay each Distribution Agent a commission of up to 2.5% of the gross sales price of any such shares sold, through that Distribution Agent as sales agent, as set forth in the equity distribution agreement. However, such commission may be less than 2.5%. The remaining sales proceeds, after deducting any transaction fees imposed by any governmental or self-regulatory organization in connection with the sales, will equal our net proceeds for the sale of the shares. We have also agreed to reimburse the Distribution Agents for certain of their legal expenses in certain circumstances (initial amount not to exceed $55,000, in the aggregate for both Distribution Agents combined, and further amounts not to exceed $10,000, in the aggregate for both Manages combined, times the number of quarters for which due diligence is conducted).

Under the equity distribution agreement, we also may sell shares of common stock to each Distribution Agent, as principal for its own account, at a price agreed upon at the time of sale. If we sell shares to a Distribution Agent as principal, we will enter into a separate terms agreement with that Distribution Agent, and we will describe that agreement in a separate prospectus supplement or pricing supplement. However, the sales agent has no obligation to agree to purchase common stock as principal or to enter into a separate agreement with us.

Settlement for sales of common stock will occur on the third trading day following the date on which any sales are made (or an earlier day if an earlier day becomes the industry practice for regular way trading) in return for payment of the net proceeds to us, unless we agree otherwise with the agent. There is no arrangement for funds to be received in an escrow, trust or similar arrangement.

We will report at least quarterly the number of shares of common stock sold through the Distribution Agents, the net proceeds to us and the compensation paid by us to the Distribution Agents in connection with such sales of common stock.

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We have agreed that during each period beginning with the date of any notice by us to sell shares and ending after the sale of the shares referenced in the notice or, if earlier, our withdrawal of such notice, we will notify the Distribution Agents before we offer to sell, contract to sell, sell, grant any option to sell or otherwise dispose of any shares of common stock (other than the shares to be sold hereunder) or securities convertible into or exchangeable for common stock, warrants or any rights to purchase or acquire common stock, other than with respect to shares issued, granted or sold or options to purchase common stock issuable upon the exercise of options or other equity awards pursuant to any stock option, stock bonus or other stock or compensatory plan or arrangement described in this prospectus supplement or the accompanying prospectus, or securities issued in connection with an acquisition, merger or sale or purchase of assets, or shares issued or sold pursuant to any dividend reinvestment plan that we may adopt (provided implementation of such plan is disclosed to the Distribution Agents in advance), or the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of common stock (provided implementation of such plan is disclosed to the Distribution Agents in advance), or shares issued upon the exchange, conversion, or redemption of securities or exercise of warrants, options or other rights in effect or outstanding.

The offering of common stock pursuant to the equity distribution agreement will terminate upon the earlier of (i) the sale of all shares of common stock subject to the equity distribution agreement and (ii) the termination of the equity distribution agreement by either Distribution Agent, as to such Distribution Agent, or us in accordance with the equity distribution agreement.

In connection with the sale of shares of common stock on our behalf hereunder, each Distribution Agent may be deemed to be an “underwriter’” within the meaning of the Securities Act, and the compensation paid to that Distribution Agent may be deemed to be underwriting commissions or discounts. We have agreed to provide indemnification and contribution to the Distribution Agents against specified liabilities, including liabilities under the Securities Act.

We have determined that shares of our common stock are “actively-traded securities” excepted from the requirements of Rule 101 of Regulation M under the Exchange Act. If we have reason to believe that our common stock is no longer an “actively-traded security” as defined under Rule 101(c)(1) of Regulation M under the Exchange Act, we will promptly notify the Distribution Agents and sales of our common stock under the equity distribution agreement will be suspended until that or other exemptive provisions have been satisfied in the judgment of the Distribution Agents and us.

The Distribution Agents may engage in transactions with, or perform other services for, us in the ordinary course of business. An affiliate of BB&T is a lender under our credit facility. As a result, such affiliate may receive a portion of the net proceeds from this offering to the extent that we use such proceeds, or any portion thereof, to pay down the revolving line of credit under our credit facility.

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LEGAL MATTERS

The validity of the common stock offered hereby will be passed upon for u