



WESCO®

Q1 2019 Earnings

Webcast Presentation – May 2, 2019



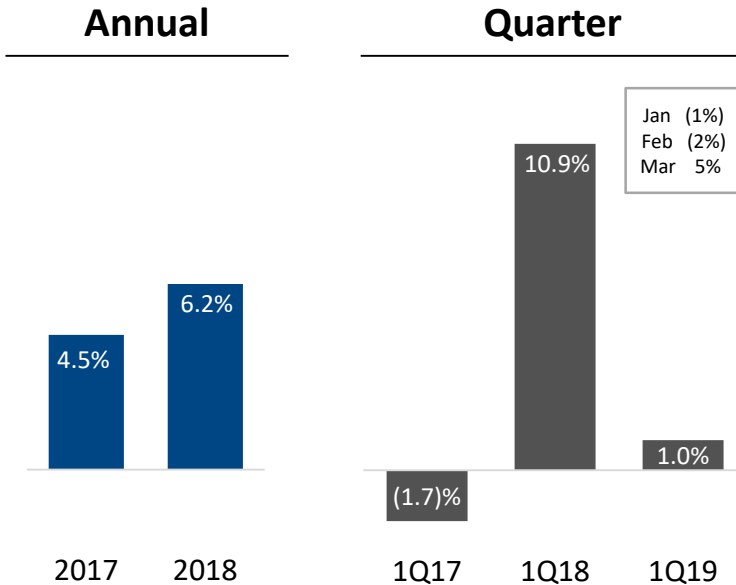
Safe Harbor Statement

All statements made herein that are not historical facts should be considered as “forward-looking statements” within the meaning of the Private Securities Litigation Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. Such risks, uncertainties and other factors include, but are not limited to: adverse economic conditions; increase in competition; expansion of business activities; disruptions in operations or information technology systems; supply chain disruptions, changes in supplier strategy or loss of key suppliers; personnel turnover or labor cost increases; risks related to acquisitions, including the integration of acquired businesses; changes in tax laws, regulations and guidance, and uncertainties regarding their application, and challenges by tax authorities to the company’s tax positions; exchange rate fluctuations; debt levels, terms, financial market conditions or interest rate fluctuations; stock market, economic or political instability; legal or regulatory matters; litigation, disputes, contingencies or claims; and other factors described in detail in the Form 10-K for WESCO International, Inc. for the year ended December 31, 2018 and any subsequent filings with the Securities & Exchange Commission. The following presentation includes a discussion of certain non-GAAP financial measures. Information required by Regulation G with respect to such non-GAAP financial measures can be found in the appendix and obtained via WESCO’s website, www.wesco.com.



Q1 2019 Highlights

Organic Sales Growth versus Prior Year



Note: Organic growth excludes the impact of: acquisitions in the first year of ownership, foreign exchange rates and number of workdays. See appendix for non-GAAP reconciliations.

First Quarter

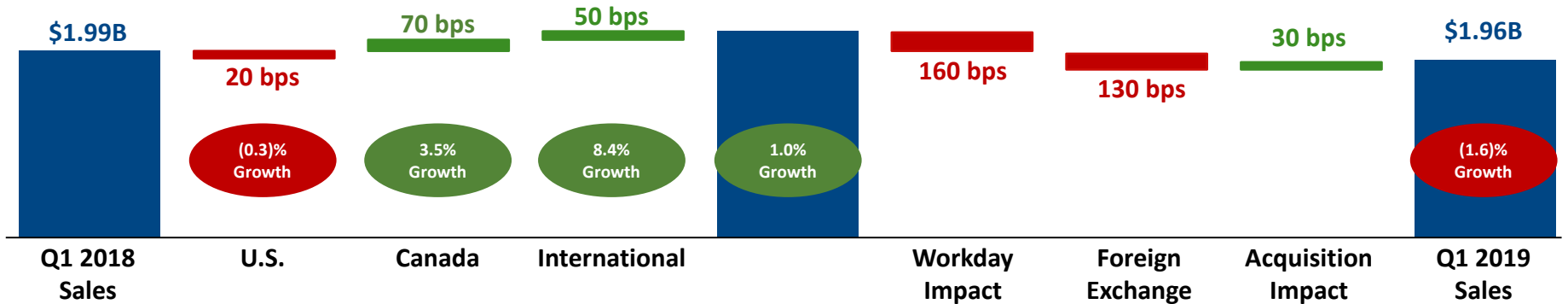
- First quarter within outlook range with sales momentum improving in March and continued in April
- Reported sales were down 2%, organic sales were up 1% (flat in the U.S., up 3% in Canada, and up 8% in International)
- Organic sales up 12% on a two year stack basis
- Strong margin performance in the first quarter
 - Billing margin expansion in all end markets and geographies
 - Gross margin expansion of 40 bps year-over-year
- Estimated pricing impact +2%
- Preliminary April organic sales up low single digits
- Acquired SLS and maintained leverage at 3.0x

...improving sales and margin momentum exiting Q1



Q1 2019 Results

| | Outlook | Actual | YOY |
|--------------------|--------------|-----------------|--|
| Sales | (2%) to 2% | \$1.96B | Down 1.6%; Core ⁽¹⁾ down 1.9% |
| Gross Margin | | 19.5% | Up 40 bps |
| SG&A | | \$296.6M, 15.1% | Core up 1%, up 50 bps |
| Operating Profit | | \$71M | Down 3% |
| Operating Margin | 3.5% to 3.8% | 3.6% | Down 10 bps |
| Effective Tax Rate | ~23% | 21.7% | Up 210 bps |
| EPS | | \$0.93 | Flat to prior year |



Note: See appendix for non-GAAP reconciliations.

⁽¹⁾ Core excludes acquisitions in first year of ownership

...continued gross margin expansion and effective operating cost management

Diluted EPS Walk



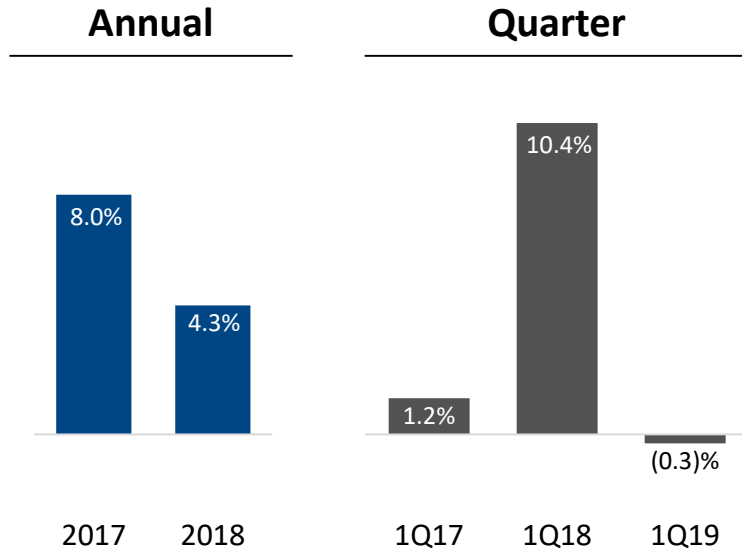
| | Q1 |
|------------------|---------------|
| 2018 | \$0.93 |
| Core operations | (0.01) |
| Acquisitions | 0.00 |
| Foreign exchange | 0.00 |
| Tax | (0.03) |
| Share count | 0.04 |
| 2019 | \$0.93 |

...flat EPS versus prior year



Industrial End Market

Organic Sales Growth versus Prior Year



Note: See appendix for non-GAAP reconciliations.

- Q1 2019 Sales
 - Organic sales were flat versus prior year (flat in the U.S. and Canada in local currency)
 - Down 2% sequentially
- Industrial market growth continues, driven by increasing production and capacity utilization; labor constraints support higher capital spending
- Global Account and Integrated Supply opportunity pipeline remains strong and bidding activity levels increased in first quarter
- Customer trends include continued high expectations for supply chain process improvements, cost reductions, and supplier consolidation

Global Accounts | Integrated Supply | OEM | General Industrial

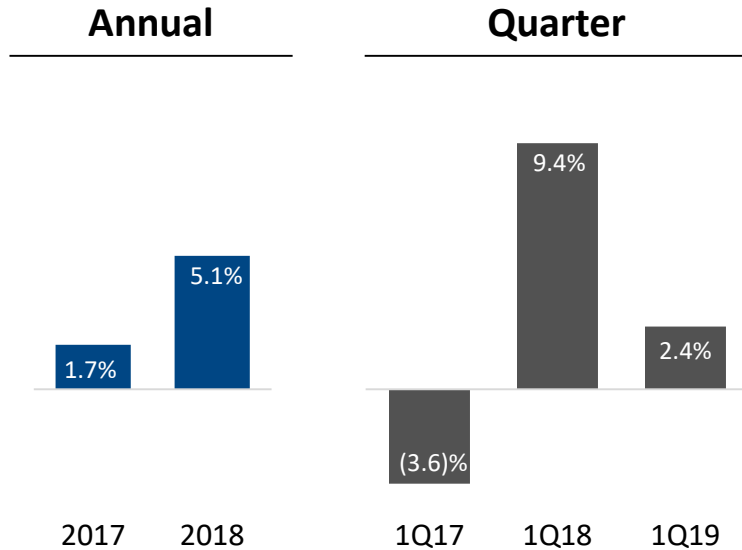
36% of WESCO Sales

Renewed our contract with a U.S. based metals and mining company to support capital projects and provide electrical and MRO materials for 5 years with estimated total revenues of over \$250 million.



Construction End Market

Organic Sales Growth versus Prior Year



Note: See appendix for non-GAAP reconciliations.

- Q1 2019 Sales
 - Organic sales were up 2% versus prior year (down 1% in the U.S. and up 8% in Canada in local currency)
 - Down 8% sequentially
- Strong backlog and improving business momentum with construction/contractor customers
- Backlog down 2% versus prior year record level and up 5% from year-end 2018 (in line with normal seasonality)
- Expecting moderate growth and uptrend in non-residential construction market to continue in 2019 construction season

Non-Residential | Contractors

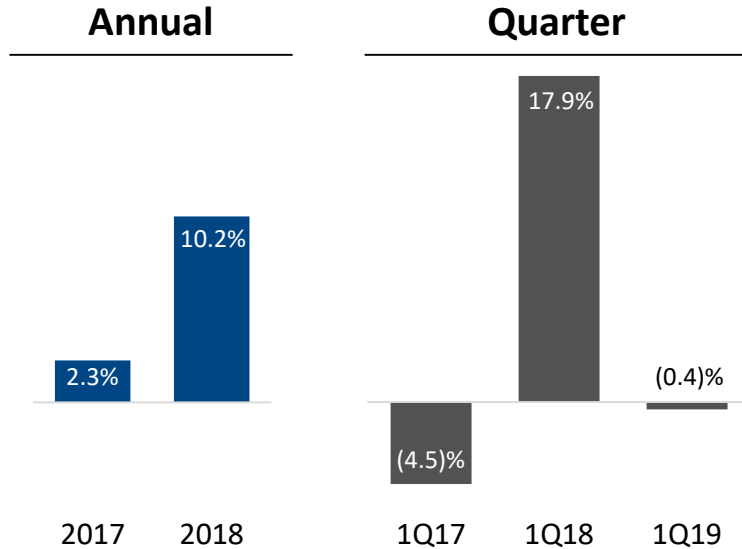
33% of WESCO Sales

Awarded a multi-million dollar contract to provide electrical gear and equipment for a hospital upgrade project in western Canada.



Utility End Market

Organic Sales Growth versus Prior Year



Note: See appendix for non-GAAP reconciliations.

- Q1 2019 Sales
 - Organic sales were flat versus prior year (up 3% in the U.S. and down 38% in Canada in local currency)
 - Down 1% sequentially
- Continued scope expansion and value creation with investor owned utility, public power, and generation customers
- Increased interest in Integrated Supply solution offerings
- Favorable economic conditions, improvement in construction market, renewables growth, and consolidation trend within Utility industry remain positive catalysts for future spending

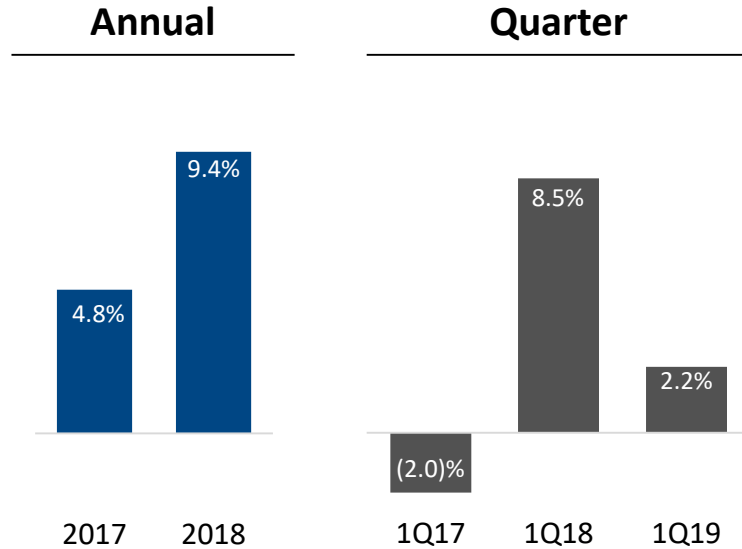
Investor Owned | Public Power | Utility Contractors

16% of WESCO Sales

Awarded a new five-year contract with estimated total revenues of over \$350 million to provide electrical generation, transmission and distribution materials, lighting, and MRO supplies, including tools and safety products, to an investor-owned utility in the U.S.



Organic Sales Growth versus Prior Year



Note: See appendix for non-GAAP reconciliations.

- Q1 2019 Sales
 - Organic sales were up 2% versus prior year (down 5% in the U.S. and up 22% in Canada in local currency)
 - Down 5% sequentially
- Technical expertise and supply chain solutions driving results in datacenter, broadband, and cloud technology projects
- Continued positive momentum seen in LED lighting retrofits, FTTX deployments, broadband build outs, and cyber and physical security for critical infrastructure protection

Commercial | Institutional | Government

15% of WESCO Sales

Awarded a multi-million dollar contract to provide a lighting solution for an energy savings upgrade at a federal government facility.

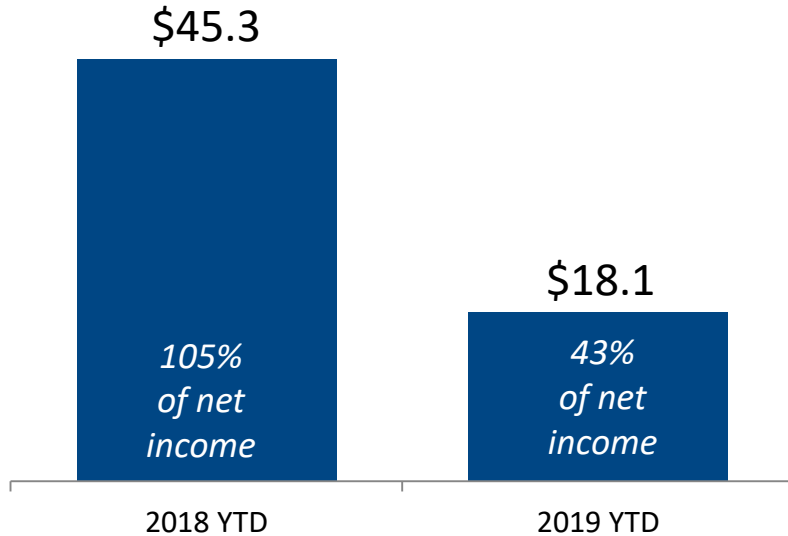


Free Cash Flow & Leverage

Free Cash Flow

(\$ Millions)

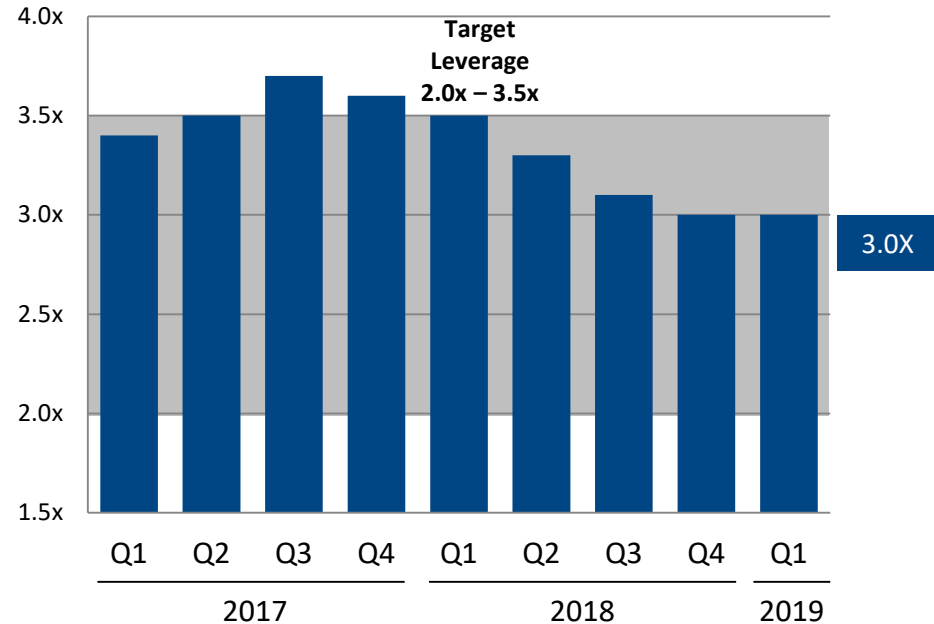
~ \$1.1B of free cash flow over last 5 years



Note: See appendix for non-GAAP reconciliations.

Leverage

(Total Debt to TTM EBITDA)



...maintained financial leverage ratio while completing acquisition of SLS

2019 Outlook



| | Q2 | Full Year |
|--------------------|--------------|---------------------|
| Sales | 3% to 6% | 3% to 6% |
| Operating Margin | 4.5% to 4.8% | 4.3% to 4.7% |
| Effective Tax Rate | ~ 23% | 22% to 24% |
| Diluted EPS | | \$5.10 to \$5.70 |
| Free Cash Flow | | ~ 90% of net income |

Notes

Excludes unannounced acquisitions.

Assumes a CAD/USD exchange rate of 0.74 in Q2.

FY 2019 has one fewer workday than FY 2018.

See appendix for non-GAAP reconciliations.

- Maintaining full year sales outlook as the benefit of the SLS acquisition is expected to be offset by additional foreign currency headwinds
- Reaffirming our full year outlook for operating margin, EPS, and free cash flow



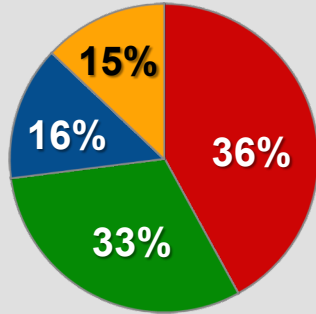
Appendix

NON-GAAP FINANCIAL MEASURES

This presentation includes certain non-GAAP financial measures. These financial measures include organic sales growth, gross profit, financial leverage, earnings before interest, taxes, depreciation and amortization (EBITDA), and free cash flow. The Company believes that these non-GAAP measures are useful to investors as they provide a better understanding of sales performance, and the use of debt and liquidity on a comparable basis. Management does not use these non-GAAP financial measures for any purpose other than the reasons stated above.



Markets & Customers



Industrial

Global Accounts | Integrated Supply
OEM | General Industrial

Construction

Non-Residential | Contractors

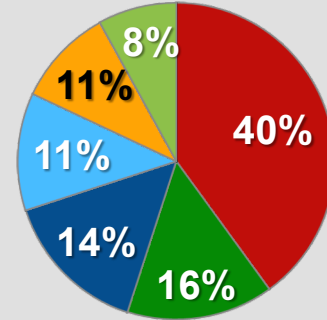
Utility

Investor Owned | Public Power
Utility Contractors

CIG

Commercial | Institutional | Government

Products & Services



General Supplies

Communications & Security

Wire, Cable & Conduit

Lighting & Sustainability

Electrical Distribution & Controls

Automation, Controls & Motors

Sales Growth



(%)

| | 2017 | | | | | 2018 | | | | | 2019 |
|----------------------------|--------------|--------------|------------|-------------|------------|-------------|-------------|------------|------------|------------|--------------|
| | <u>Q1</u> | <u>Q2</u> | <u>Q3</u> | <u>Q4</u> | <u>FY</u> | <u>Q1</u> | <u>Q2</u> | <u>Q3</u> | <u>Q4</u> | <u>FY</u> | <u>Q1</u> |
| Change in Net Sales | (0.2) | (0.1) | 7.8 | 11.3 | 4.7 | 12.5 | 10.2 | 3.4 | 0.7 | 6.5 | (1.6) |
| Acquisition Impact | 0.9 | | | | 0.2 | | | | | | 0.3 |
| Core | (1.1) | (0.1) | 7.8 | 11.3 | 4.5 | 12.5 | 10.2 | 3.4 | 0.7 | 6.5 | (1.9) |
| FX Impact | 0.6 | (1.1) | 0.8 | 1.2 | 0.4 | 1.6 | 1.2 | (0.8) | (0.8) | 0.3 | (1.3) |
| Workday Impact | | | (1.6) | | (0.4) | | | | | | (1.6) |
| Organic | (1.7) | 1.0 | 8.6 | 10.1 | 4.5 | 10.9 | 9.0 | 4.2 | 1.5 | 6.2 | 1.0 |

Note: Core sales growth excludes acquisitions during the first year of ownership.



Q1 2019 Organic Sales Growth by Geography

(%)

| | U.S. | Canada | International | WESCO |
|------------------------------------|-------|--------|---------------|-------|
| Change in net sales (USD) | (1.5) | (3.6) | 2.8 | (1.6) |
| Impact from acquisitions | 0.4 | - | - | 0.3 |
| Impact from foreign exchange rates | - | (5.5) | (4.0) | (1.3) |
| Impact from number of workdays | (1.6) | (1.6) | (1.6) | (1.6) |
| Organic sales growth | (0.3) | 3.5 | 8.4 | 1.0 |



Sales Growth by End Market

(\$ Millions)

| | Q1 2019 vs. Q1 2018 | | | Q1 2019 vs. Q4 2018 | | |
|-------------------------------------|---------------------|----------------|---------------|---------------------|----------------|---------------|
| | Q1 2019 | Q1 2018 | % Growth | Q1 2019 | Q4 2018 | % Growth |
| Industrial Core | \$740 | \$762 | (2.9%) | \$740 | \$742 | (0.3%) |
| Construction Core | 633 | 640 | (1.2%) | 633 | 680 | (7.0%) |
| Utility Core | 309 | 317 | (2.3%) | 309 | 306 | 1.1% |
| CIG Core | 281 | 283 | (0.7%) | 281 | 291 | (3.5%) |
| Total Core Gross Sales | \$1,963 | \$2,002 | (1.9%) | \$1,963 | \$2,019 | (2.8%) |
| Total Gross Sales from Acquisitions | 6 | - | | 6 | - | |
| Total Gross Sales | \$1,969 | \$2,002 | (1.7%) | \$1,969 | \$2,019 | (2.5%) |
| Gross Sales Reduction/Discounts | (7) | (8) | | (7) | (8) | |
| Total Net Sales | \$1,961 | \$1,994 | (1.6%) | \$1,961 | \$2,011 | (2.5%) |

Note: The prior period end market amounts noted above may contain reclassifications to conform to current period presentation.



Q1 2019 Organic Sales by End Market

(%)

| | Industrial | Construction | Utility | CIG | WESCO |
|--------------------------|------------|--------------|---------|-------|-------|
| Core Sales Growth | (2.9) | (1.2) | (2.3) | (0.7) | (1.9) |
| FX Impact | (1.0) | (2.0) | (0.3) | (1.3) | (1.3) |
| Workday Impact | (1.6) | (1.6) | (1.6) | (1.6) | (1.6) |
| Organic Growth | (0.3) | 2.4 | (0.4) | 2.2 | 1.0 |



Gross Margin

(\$ Millions)

| | Three Months Ended | |
|--|--------------------|-------------------|
| | March 31, 2019 | March 31, 2018 |
| Net sales | \$1,961 | \$1,994 |
| Cost of goods sold (excluding depreciation and amortization) | 1,579 | 1,614 |
| Gross profit ⁽¹⁾ | \$382 | \$380 |
| Gross margin ⁽¹⁾ | 19.5% | 19.1% |

⁽¹⁾ Gross profit is calculated by deducting cost of goods sold, excluding depreciation and amortization, from net sales. Gross margin is calculated by dividing gross profit by net sales. Note: For gross margin in prior periods, see quarterly earnings webcasts as previously furnished to the Securities & Exchange Commission, which can be obtained from the Investor Relations page of WESCO's website at www.wesco.com.



Capital Structure

(\$ Millions)

| | Outstanding at December 31, 2018 | Outstanding at March 31, 2019 | Debt Maturity Schedule |
|-----------------------------------|-------------------------------------|----------------------------------|---------------------------|
| AR Revolver ^(V) | 275 | 340 | 2020 |
| Inventory Revolver ^(V) | 52 | 33 | 2020 |
| 2019 Term Loans ^(V) | 25 | - | 2019 |
| 2021 Senior Notes ^(F) | 500 | 500 | 2021 |
| 2024 Senior Notes ^(F) | 350 | 350 | 2024 |
| Other ^(V) | 31 | 28 | N/A |
| Total Debt | 1,233 | 1,251 | |

| Key Financial Metrics | | |
|-------------------------------|---------|---------|
| | YE 2018 | Q1 2019 |
| Cash | 96 | 106 |
| Capital Expenditures | 36 | 11 |
| Free Cash Flow ⁽¹⁾ | 261 | 18 |
| Liquidity ⁽²⁾ | 824 | 781 |

^(V) Variable Rate Debt

^(F) Fixed Rate Debt

⁽¹⁾ Cash flow provided by operations less capital expenditures.

⁽²⁾ Total availability under asset-backed credit facilities plus cash in investment accounts.



Financial Leverage

(\$ Millions)

Twelve Months Ended
March 31, 2019

| | |
|-------------------------------|--------------|
| Income from operations | \$350 |
| Depreciation and amortization | 62 |
| EBITDA | \$412 |

March 31, 2019

| | |
|--|----------------|
| Short-term borrowings and current debt | \$29 |
| Long-term debt | 1,214 |
| Debt discount and debt issuance costs ⁽¹⁾ | 9 |
| Total debt | \$1,251 |
| Less: cash and cash equivalents | 106 |
| Total debt, net of cash | \$1,145 |

| | |
|---------------------------------------|------|
| Financial leverage ratio | 3.0X |
| Financial leverage ratio, net of cash | 2.8X |

(1) Long-term debt is presented in the consolidated balance sheet as of March 31, 2019 net of debt discount and debt issuance costs.

Note: For financial leverage ratio in prior periods, see quarterly earnings webcasts as previously furnished to the Securities & Exchange Commission, which can be obtained from the Investor Relations page of WESCO's website at www.wesco.com.



Free Cash Flow Reconciliation

(\$ Millions)

| | Q1 2018 | Q1 2019 |
|----------------------------------|------------|------------|
| Cash flow provided by operations | \$53.0 | \$28.9 |
| Less: Capital expenditures | (7.7) | (10.8) |
| Free cash flow | 45.3 | 18.1 |
| Net income | \$42.9 | \$42.0 |
| Percentage of net income | 105% | 43% |

Note: Free cash flow is provided by the Company as an additional liquidity measure. Capital expenditures are deducted from operating cash flow to determine free cash flow. Free cash flow is available to fund investing and financing activities.

Work Days



| | Q1 | Q2 | Q3 | Q4 | FY |
|------|----|----|----|----|-----|
| 2017 | 64 | 64 | 63 | 62 | 253 |
| 2018 | 64 | 64 | 63 | 62 | 253 |
| 2019 | 63 | 64 | 63 | 62 | 252 |