WESCO®

NYSE: WCC

First Quarter 2021

Webcast Presentation

May 6, 2021

Forward-Looking Statements

All statements made herein that are not historical facts should be considered as forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. These statements include, but are not limited to, statements regarding the expected benefits and costs of the transaction between WESCO and Anixter International Inc., including anticipated future financial and operating results, synergies, accretion and growth rates, and the combined company's plans, objectives, expectations and intentions, statements that address the combined company's expected future business and financial performance, and other statements identified by words such as "anticipate," "plan," "believe," "estimate," "intend," "expect," "project," "will" and similar words, phrases or expressions. These forward-looking statements are based on current expectations and beliefs of WESCO's management, as well as assumptions made by, and information currently available to, WESCO's management, current market trends and market conditions and involve risks and uncertainties, many of which are outside of WESCO's and WESCO's management's control, and which may cause actual results to differ materially from those contained in forward-looking statements. Accordingly, you should not place undue reliance on such statements. Those risks, uncertainties and assumptions include the risk of any unexpected costs or expenses resulting from the transaction, the risk of any litigation or post-closing regulatory action relating to the transaction, the risk that the transaction could have an adverse effect on the ability of the combined company to retain customers and retain and hire key personnel and maintain relationships with its suppliers, customers and other business relationships and on its operating results and business generally, or the risk that problems may arise in successfully integrating the businesses of the companies, which may result in the combined company not operating as effectively and efficiently as expected, the risk that the combined company may be unable to achieve synergies or other anticipated benefits of the proposed transaction or it may take longer than expected to achieve those synergies or benefits, the risk that the leverage of the company may be higher than anticipated, the impact of natural disasters, health epidemics and other outbreaks, especially the outbreak of COVID-19 since December 2019, which may have a material adverse effect on the combined company's business, results of operations and financial conditions, and other important factors that could cause actual results to differ materially from those projected. All such factors are difficult to predict and are beyond each company's control. Additional factors that could cause results to differ materially from those described above can be found in WESCO's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and WESCO's other reports filed with the U.S. Securities and Exchange Commission ("SEC").

Non-GAAP Measures

In addition to the results provided in accordance with U.S. Generally Accepted Accounting Principles ("U.S. GAAP"), this slide presentation includes certain non-GAAP financial measures. These financial measures include workday-adjusted net sales, gross profit, adjusted gross profit, gross margin, adjusted gross margin, earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted EBITDA, adjusted EBITDA margin, pro forma adjusted EBITDA, financial leverage, pro forma financial leverage, free cash flow, adjusted income from operations, adjusted operating margin, adjusted interest expense, net, adjusted provision for income taxes, adjusted net income, adjusted net income attributable to WESCO International, Inc., adjusted net income attributable to common stockholders, and adjusted earnings per diluted share. Additionally, certain results are presented on a pro forma basis giving effect to the combination of WESCO and Anixter as if it had occurred at the beginning of the respective prior period. 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. Additionally, certain non-GAAP measures either focus on or exclude items impacting comparability of results such as merger-related costs, and the related income tax effect of such items, allowing investors to more easily compare the Company's financial performance from period to period. Management does not use these non-GAAP financial measures for any purpose other than the reasons stated above.

Agenda

Business Overview

John Engel

Chairman, President & CEO

Financial Results Overview

Dave Schulz

Executive Vice President & CFO

2021 Off to an Excellent Start

- **Sales up 3% YOY on a pro forma workday-adjusted basis**
  - Outperforming market
  - Economic recovery better than expected and supported by secular growth trends
- **Adjusted gross margin up 50 basis points YOY on a pro forma basis and sequentially**
  - Strong execution of margin improvement program
  - Ability to more than offset cost inflation
- **Adjusted EBITDA margin up 90 basis points YOY on a pro forma basis**
  - Gross margin expansion
  - Accelerated capture of cost synergies
- **Free cash flow of 141% of adjusted net income**
  - Net debt reduction of $534 million since Anixter merger
  - Leverage of 4.9x, down 0.8x since Anixter merger

Strong integration execution and macro recovery support revised guidance

WESCO + Anixter a Powerful Combination

Strengthening our Value Proposition

- **Sales Synergies**
  - Cross Selling opportunities captured from complementary products, services, and technologies that enable us to offer more solutions, to more customers, in more locations around the world
- **Cost Synergies**
  - Organization Redesign – reducing redundant roles and administrative services
  - Supply Chain Network Optimization – consolidating for efficiencies, improved service levels, benefits of scale
- **Margin Improvement Program**
  - Value-based pricing that includes enhanced sales training and refined incentive targets

Building and extending our competitive advantage as we transform

Dave Schulz

Executive Vice President & Chief Financial Officer

First Quarter Results Overview

First Quarter Results Overview

$M
Except per share amounts

	Q1 2020 Pro Forma[1]	Q1 2021	YOY
Sales	**$4,040**	**$4,041**	**flat**
Gross Profit	**793**	**811**	**2%**
% of sales	*19.6%*	*20.1%*	*+50 bps*
Adjusted Income from Operations[2]	**140**	**171**	**22%**
% of sales	*3.5%*	*4.2%*	*+70 bps*
Adjusted EBITDA[2]	**182**	**217**	**19%**
% of sales	*4.5%*	*5.4%*	*+90 bps*
Adjusted Diluted EPS[2]		**$1.43**	

- **Sales +3% on workday-adjusted basis**
- **Record backlog in Q1, up over 20% from year-end**
- **Highest gross margin since 2016**
- **Significant cost synergies in Q1**
  - **$34 million realized**

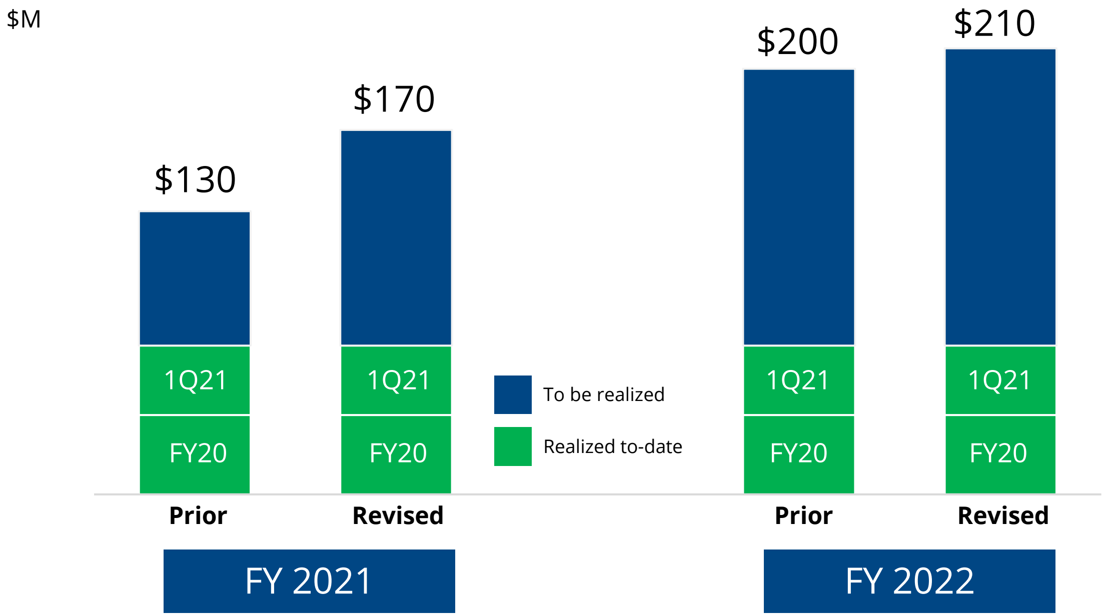
Accelerating sales momentum and substantial margin improvement to start 2021

[1] Includes Anixter's reported results for the period from January 4, 2020 to April 3, 2020, as filed in an exhibit to Form 8-K on November 4, 2020.
[2] Adjusted Income from Operations, Adjusted EBITDA and Adjusted earnings per diluted share have been adjusted to exclude merger-related costs, a net gain on the sale of WESCO's legacy utility and data communications businesses in Canada, and the related income tax effects. See appendix for reconciliation.

Cost Synergy Update

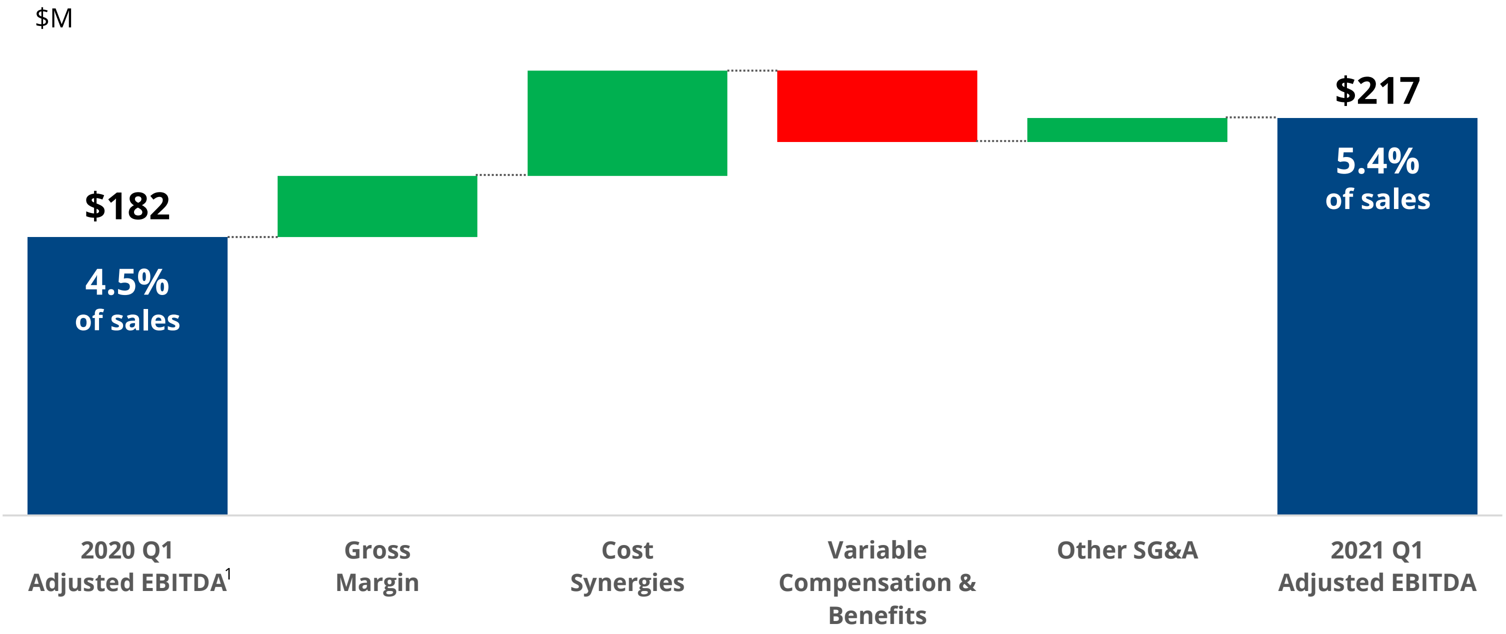
Increasing cumulative 2021 and 2022 targets due to faster execution

On track to meet 2023 target of $250M



Evaluation of cumulative 3-year synergy target underway

Adjusted EBITDA Bridge



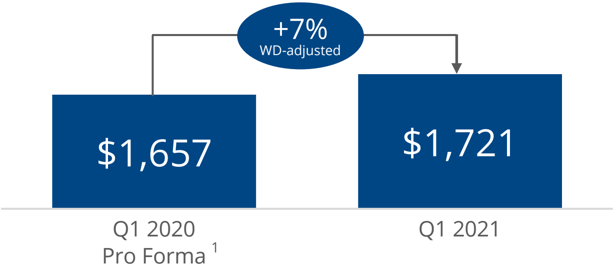
Accelerated Synergy Capture + Market Recovery Drives Margin Growth

[1] Includes Anixter's reported results for the period from January 4, 2020 to April 3, 2020, as filed in an exhibit to Form 8-K on November 4, 2020.
See appendix for non-GAAP reconciliations.

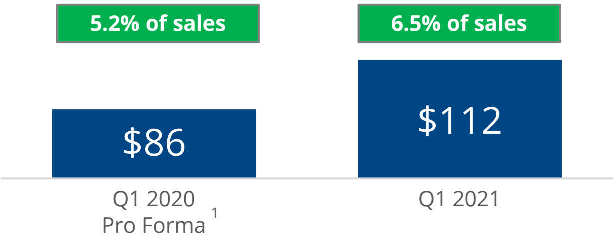
Electrical & Electronic Solutions (EES)

$M

Sales



Adjusted EBITDA



- Sales up 4% YOY and up 7% on a workday-adjusted basis
- Construction sales up on faster recovery than anticipated
  - More projects being released from backlog
  - Backlog at record high with sequential monthly growth
- OEM up on strong and improving demand
- Industrial/MRO activity levels improving in-line with industrial recovery
- Secular trends of electrification, LED adoption, IoT and automation supporting demand growth
- Adjusted EBITDA margin up 130bps due to synergy capture, effective cost controls, and execution of margin improvement initiatives

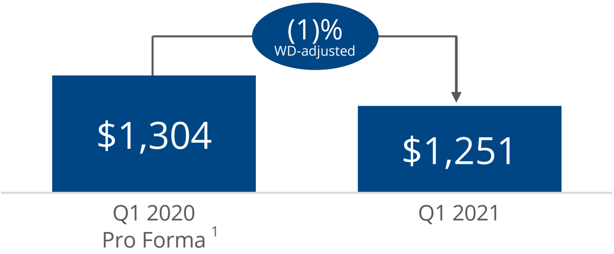
Record backlog, strong execution and improving end market trends driving momentum

[1] Includes Anixter's reported results for the period from January 4, 2020 to April 3, 2020, as filed in an exhibit to Form 8-K on November 4, 2020.
See appendix for non-GAAP reconciliations.

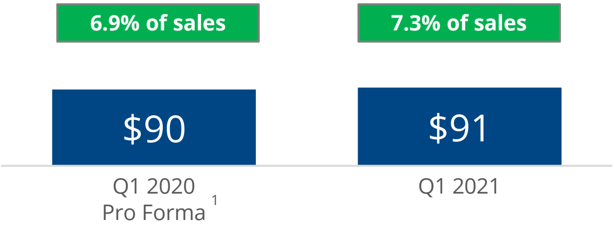
Communications & Security Solutions (CSS)

$M

Sales



Adjusted EBITDA



- Sales down 4% YOY and down 1% on a workday-adjusted basis, outperforming market trends; backlog at record level
- Strong growth in security solutions driven by retrofit projects and global accounts
- Network infrastructure growth in datacenter and hyperscale projects
- Growth offset by project timing, a slowdown in safety sales and COVID-19 impact in certain regions
- Secular trends of remote connectivity, data center capacity expansion, secure networks, and IoT and automation supporting demand growth
- Adjusted EBITDA margin 40 bps higher including inventory write-down with increase driven by integration synergies and execution of margin improvement initiatives

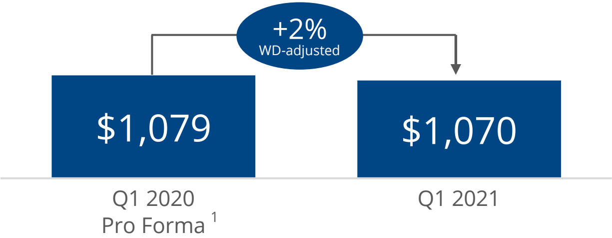
Industry-leading value propositions in attractive high-growth markets

[1] Includes Anixter's reported results for the period from January 4, 2020 to April 3, 2020, as filed in an exhibit to Form 8-K on November 4, 2020.
See appendix for non-GAAP reconciliations.

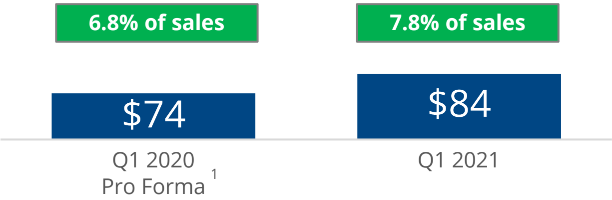
Utility & Broadband Solutions (UBS)

$M

Sales



Adjusted EBITDA



- Sales down 1% YOY, up 2% on workday-adjusted basis
- Utility's strong and consistent growth driven by industry-leading value proposition, scope expansion and secular trends around grid hardening and reliability
- Broadband growth driven by secular trends of 5G build-out and fiber network expansion for rural development
- Integrated Supply sales were down vs. prior year but improved sequentially in-line with industrial recovery
- Adjusted EBITDA margin up 100 bps due to synergy capture, effective cost controls, and execution of margin improvement initiatives

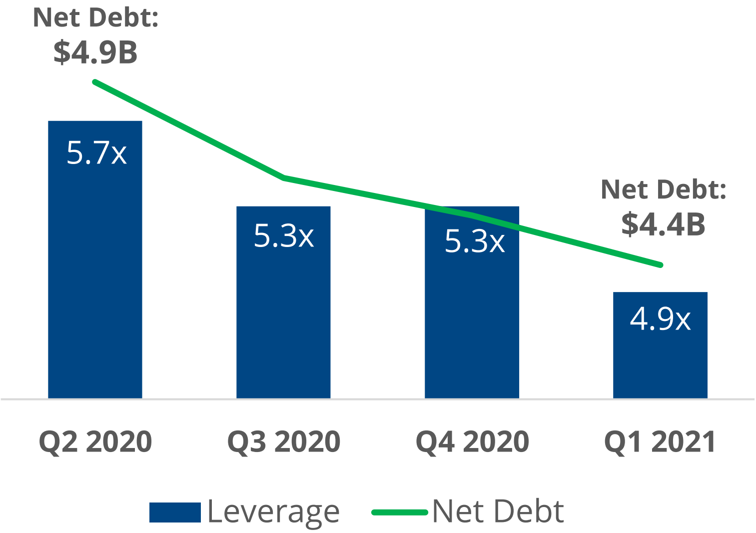
Leading supply chain capabilities enable WESCO to continue to take share

[1] Includes Anixter's reported results for the period from January 4, 2020 to April 3, 2020, as filed in an exhibit to Form 8-K on November 4, 2020.
See appendix for non-GAAP reconciliations.

Strong Free Cash Flow Supporting Debt Paydown

$M

Free Cash Flow			
$142	$307	$124	$125



- **Free Cash Flow of $698 million TTM**
- **Net debt reduced by $144 million in Q1**
  - **$534 million since June 2020**
  - **No near-term debt maturities**
- **Leverage reduced 0.4x in Q1**
  - **0.8x since June 2020**

On track to return to target leverage range of 2.0-3.5x by mid-2023

See appendix for non-GAAP reconciliations.

2021 Outlook

	FY 2021 Outlook	
	Prior (2/9/21)	**Revised (5/6/21)**
Reported Sales[1]	3% - 6%	**4.5% - 7.5%**
2021 Adjusted EBITDA margin[2]	5.4% - 5.7%	**5.8% - 6.1%**
Effective Tax Rate	~23%	**~22%**
Adjusted EPS[2]	$5.50 - $6.00	**$6.80 - $7.30**
Free Cash Flow (percent of net income)	~100%	**~100%**
Capital Expenditures	$100 - $120M	**$100 - $120M**

Accelerated synergy capture and market growth drive increased outlook for 2021

[1] Reflects one less workday in 2021 compared to 2020.
[2] Adjusted EBITDA is defined as EBITDA before other, net, non-cash stock-based compensation, merger-related costs and the net gain on the sale of WESCO's legacy utility and data communications businesses in Canada; Adjusted EPS only excludes the net gain on the sale of WESCO's legacy utility and data communications businesses in Canada, merger-related costs and the related income tax effects.

Summary

- **Excellent start to the year with strong results across the board**
  - Capitalized on market leadership and operating leverage as economic recovery accelerated
  - Continued to outperform market and realizing cross-sell benefits
  - Delivered margin expansion on strong execution of integration plan; synergy targets raised
- **Continue to rapidly delever balance sheet with leverage reduced 0.8x since June 2020**
- **Increased full year outlook for sales, Adjusted EBITDA, and Adjusted EPS**
  - Continuing to monitor supply chain and pandemic recovery cadence
- **Well positioned to participate in evolving secular growth opportunities**

Our performance and improving macro environment drive stronger 2021 outlook

APPENDIX

Glossary

Abbreviations

1H: First half of fiscal year
2H: Second half of fiscal year
A/V: Audio/visual
COGS: Cost of goods sold
CIG: Commercial, Institutional, and Government
CSS: Communications & Security Solutions (business unit)
EES: Electrical & Electronic Solutions (business unit)
ETR: Effective tax rate
FTTx: Fiber-to-the-x (last mile fiber optic network connections)
HSD: High-single digit
LSD: Low-single digit
MRO: Maintenance, repair, and operating
MTDC: Multi-tenant datacenter
MSD: Mid-single digit
PF: Pro Forma
OEM: Original equipment manufacturer
OPEX: Operating expenses
ROW: Rest of world
Seq: Sequential
TTM: Trailing twelve months
UBS: Utility & Broadband Solutions (business unit)
WD: Workday
YoY: Year-over-year

Definitions

Executed synergies: Initiatives fully implemented – actions taken to generate savings
Realized synergies: Savings that impact financial results versus pro forma 2019
Leverage: Debt, net of cash, divided by trailing-twelve-month adjusted EBITDA

Workdays

	Q1	Q2	Q3	Q4	FY
2019	63	64	63	62	252
2020	64	64	64	61	253
2021	62	64	64	62	252

Pro Forma and Workday-Adjusted Sales

$ in millions

Pro Forma Workday-Adjusted Net Sales

	Three Months Ended						
	March 31, 2021	March 31, 2020			Growth		
	Reported	Reported	Anixter[1]	Pro Forma	Reported	Pro Forma	Adjusted[2]
Net sales	$ 4,041	$ 1,969	$ 2,072	$ 4,040	105%	0%	3%

[1] Represents Anixter's reported results for the period from January 4, 2020 to April 3, 2020, as previously filed in an exhibit to Form 8-K on November 4, 2020.

[2] Represents the percentage impact of 62 workdays in the three months ended March 31, 2021 compared to 64 workdays in the three months ended March 31, 2020.

Gross Profit and Free Cash Flow

$ in millions

Gross Profit

	Three Months Ended,	
	March 31, 2021	March 31, 2020
Net sales	$ 4,041	$ 1,969
Cost of goods sold[1]	3,230	1,592
Gross profit	**$ 811**	**$ 377**
Gross margin	*20.1%*	*19.1%*

Free Cash Flow

	Three Months Ended,	
	March 31, 2021	March 31, 2020
Cash flow provided by operations	$ 120	$ 32
Less: capital expenditures	(10)	(16)
Add: merger-related expenditures	15	-
Free cash flow	**$ 125**	**$ 16**
Adjusted net income	88	38
% of adjusted net income	*141%*	*41%*

[1] Excludes depreciation and amortization.

Adjusted EBITDA

$ in millions

EBITDA, Adjusted EBITDA and Adjusted EBITDA margin % by Segment	Three Months Ended March 31, 2021				
	EES	CSS	UBS	Corporate	Total
Net income attributable to common stockholders	$ 101	$ 74	$ 87	$ (216)	$ 45
Net income attributable to noncontrolling interests	(1)	-	-	1	-
Preferred stock dividends	-	-	-	14	14
Provision for income taxes	-	-	-	7	7
Interest expense, net	-	-	-	70	70
Depreciation and amortization	11	16	5	9	41
EBITDA	**$ 111**	**$ 90**	**$ 92**	**$ (115)**	**$ 177**
Other, net	-	-	-	(3)	(3)
Stock-based compensation expense	1	1	1	3	5
Merger-related costs	-	-	-	46	46
Gain from sale	-	-	(9)	-	(9)
Adjusted EBITDA	**$ 112**	**$ 91**	**$ 84**	**$ (70)**	**$ 217**
Adjusted EBITDA margin %	**6.5%**	**7.3%**	**7.8%**		**5.4%**

[1] Stock-based compensation expense in the calculation of adjusted EBITDA for the three months ended March 31, 2021 excludes $1.3 million as this amount is included in merger-related costs.

Adjusted EPS

(in millions, except for EPS)	Q1 2021 Reported Results	Q1 2021 Adjustments [1]	Q1 2021 Adjusted Results	Q1 2020 Reported Results	Q1 2020 Adjustments [1]	Q1 2020 Adjusted Results
Income from operations	$ 133.3	$ 37.4	$ 170.7	$ 60.9	$ 4.6	$ 65.5
Interest expense, net	70.4	-	70.4	16.6	(0.5)	16.1
Other, net	(2.8)	-	(2.8)	(0.1)	-	(0.1)
Income before income taxes	65.7	37.4	103.1	44.4	5.1	49.6
Income tax	6.5	8.1 [2]	14.6	10.3	1.2 [2]	11.4
Effective tax rate	*9.9%*		*14.2%*	*23.1%*		*23.1%*
Net income	59.2	29.3	88.4	34.2	3.9	38.1
Less: Non-controlling interests	-	-	-	(0.2)	-	(0.2)
Net income attributable to WESCO	59.2	29.3	88.4	34.4	3.9	38.3
Preferred stock dividends	14.4	-	14.4	-	-	-
Net income attributable to common stockholders	44.8	29.3	74.0	34.4	3.9	38.3
Diluted Shares	51.7		51.7	42.1		42.1
EPS	$ 0.87		$ 1.43	$ 0.82		$ 0.91

[1] Adjustments include merger-related costs and interest, a net gain on the sale of WESCO's legacy utility and data communications businesses in Canada, and the related income tax effects.

[2] The adjustments to income from operations and net interest expense have been tax effected at rates of 21.8% and 23.1% for the three months ended March 31, 2021 and 2020, respectively.

Capital Structure and Leverage

$ in millions

Financial Leverage

	Pro Forma Twelve Months Ended,	
	March 31, 2021	December 31, 2020
Net income attributable to common stockholders	$ 90	$ 116
Net loss attributable to noncontrolling interests	(0)	(1)
Preferred stock dividends	44	30
Provision for income taxes	40	56
Interest expense, net	293	256
Depreciation and amortization	162	153
EBITDA	**$ 629**	**$ 610**
Other, net	**(5)**	**5**
Stock-based compensation	**30**	**35**
Merger-related costs and fair value adjustments	**246**	**207**
Out-of-period adjustment	**19**	**19**
Net gain on sale of asset and Canadian divestitures	**(29)**	**(20)**
Adjusted EBITDA	**$ 890**	**$ 855**

Debt

	As of,		Maturity
	March 31, 2021	December 31, 2020	
Receivables Securitization (variable)	$ 945	$ 950	2023
Inventory Revolver (variable)	475	250	2025
2021 Senior Notes (fixed)	-	500	2021
2023 Senior Notes AXE (fixed)	59	59	2023
2024 Senior Notes (fixed)	350	350	2024
2025 Senior Notes AXE (fixed)	4	4	2025
2025 Senior Notes (fixed)	1,500	1,500	2025
2028 Senior Notes (fixed)	1,325	1,325	2028
Other	38	47	Various
Total debt[1]	**$ 4,696**	**$ 4,985**	
Less: cash and cash equivalents	304	449	
Total debt, net of cash	**$ 4,392**	**$ 4,536**	
Leverage	4.9x	5.3x	

[1] Total debt is presented in the consolidated balance sheets net of debt discount and debt issuance costs, and includes adjustments to record the long-term debt assumed in the merger with Anixter at its acquisition date fair value.