



WESCO International

Dave Schulz, Senior Vice President and Chief Financial Officer
Raymond James 39th Annual Investors Conference, March 7, 2018



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; disruptions in operations or information technology systems; increase in competition; expansion of business activities; 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; tax law changes or challenges to tax matters, including uncertainties in the interpretation and application of the Tax Cuts and Jobs Act of 2017; 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, 2017 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.



WESCO: A Leading Global Supply Chain Solutions Provider



Capital Projects

Including new construction and retrofits, renovations, and upgrades



MRO



OEM

Founded
1922 in
Pittsburgh, PA

One of the world's largest distributors
of electrical, industrial, and
communications products and services

\$7.7 Billion in
Revenue

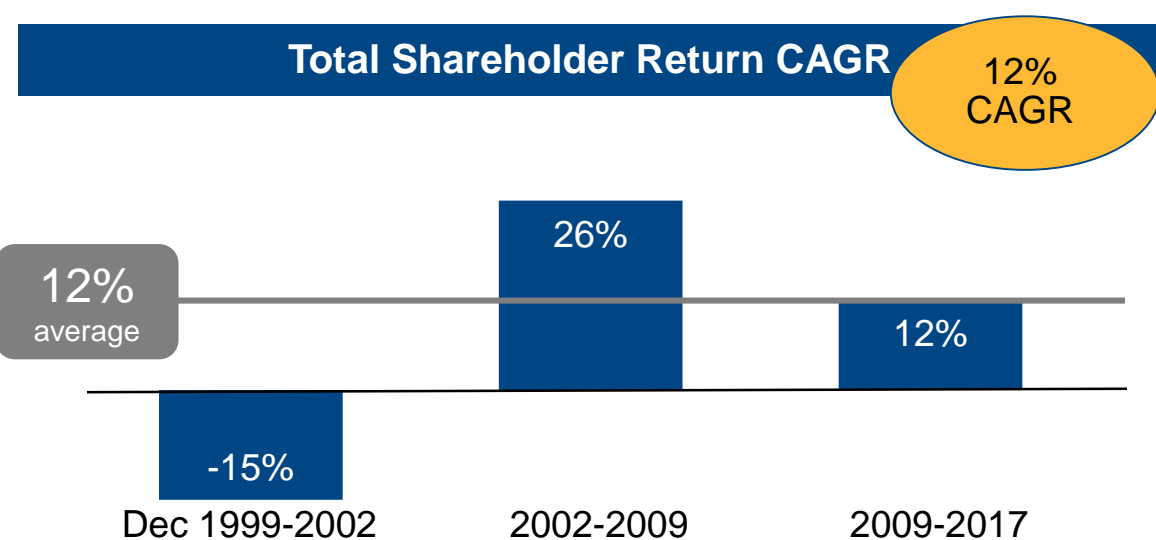
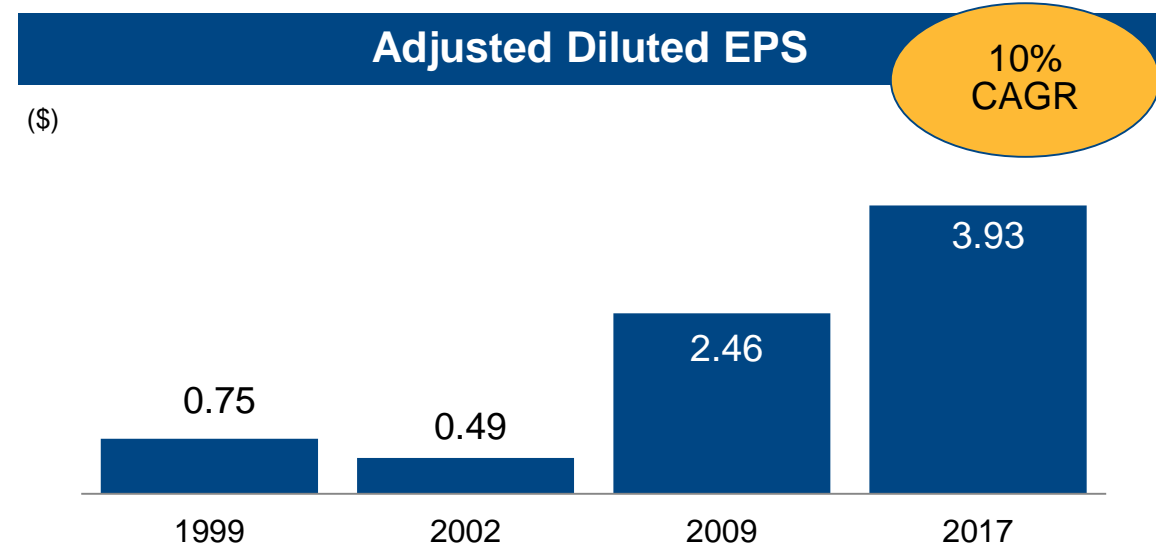
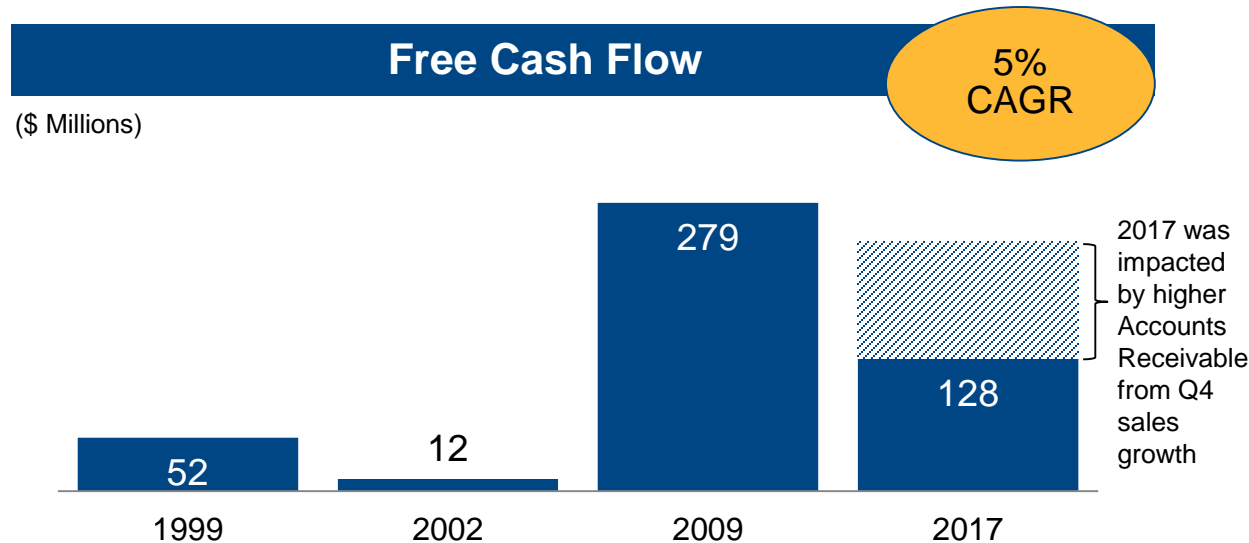
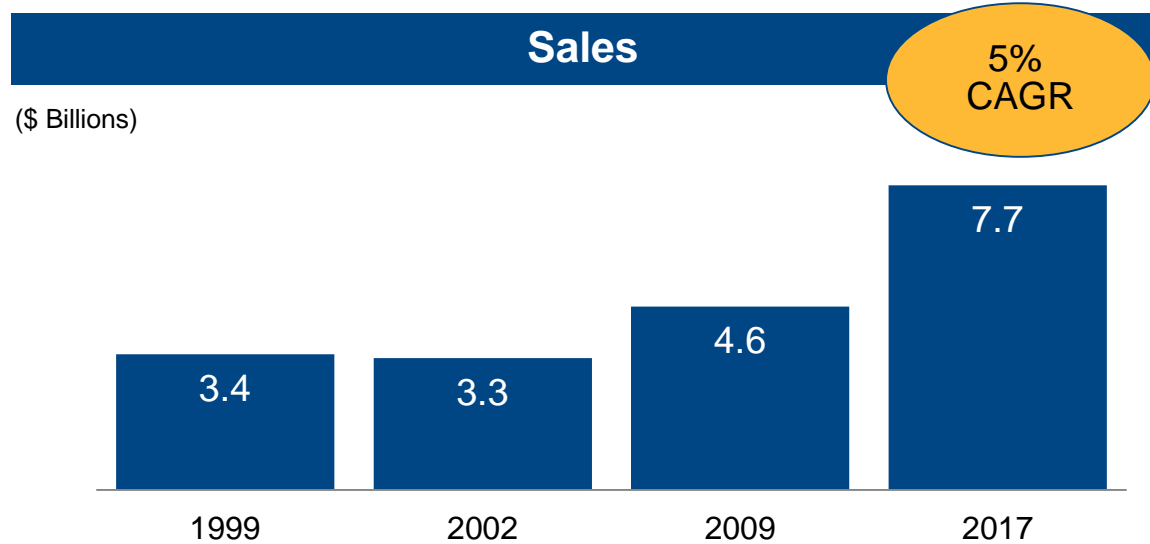
#373 of the
Fortune 500

9,100
employees

...providing world-class brands and industry-leading service capabilities



Financial Performance



Note: See appendix for non-GAAP reconciliations.

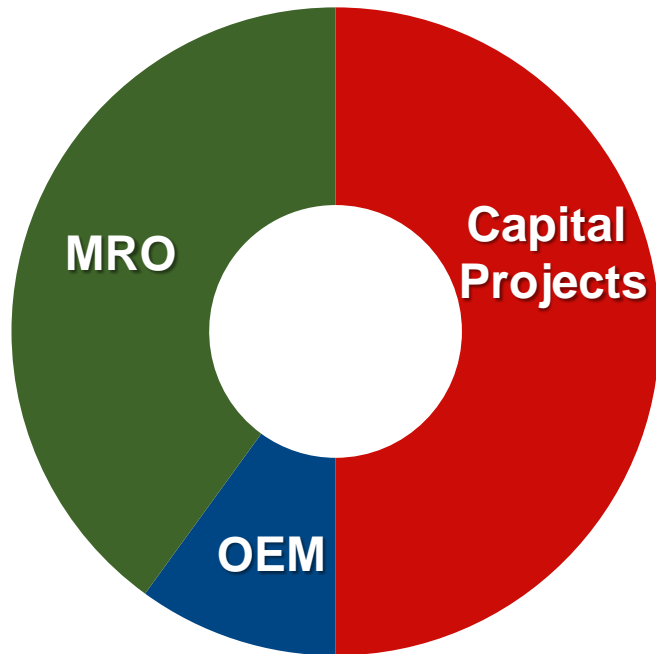
For free cash flow reconciliations, please see quarterly earnings webcasts as previously furnished to the Securities & Exchange Commission, which can be obtained from the 'Investors' page of WESCO's website at www.wesco.com

...solid long-term performance



WESCO's Go-to-Market Strategy

Serving Three Customer Demand Streams



WESCO Characteristics

500
Branches

70,000
Customers

>1,000,000
SKUs

Supporting a broad range of business models:

**Supply Chain
Solutions Partner**



**Standard
Distribution Model**

- Integrated Supply
- Global Accounts
- Kitting, assembly and pre-fabrication
- Jobsite and field support
- Engineering and design support
- Local, branch-based distribution

...providing full supply chain solutions to meet customers' unique requirements



WESCO's Value Proposition

Combining our competitive differentiators...

- A broad product portfolio
- Technical expertise and a wide range of service offerings
- Blue-chip customer and supplier base
- A global footprint
- A culture of customer service excellence, cost control, and lean continuous improvement

...into customized supply chain solutions



...that result in:

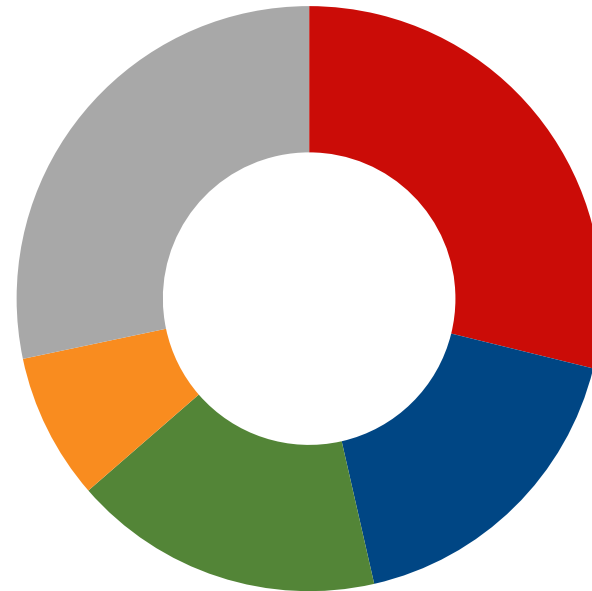
- Long-term customer relationships and deep familiarity with their operations
 - Gaining additional business with existing customers
- Better outcomes for our customers
 - Identifying opportunities
 - Selecting the best solution
 - Reducing their project and operating risks
 - Increasing their productivity and reducing their costs
 - Supporting their global operations
 - Simplifying their supply chains and outsourcing non-core activities

...driving deeper customer relationships than traditional distributors and e-commerce providers



Competitive Differentiator: Service Capabilities

2017 Sales: \$7.7B



Our services and technical expertise drive the majority of our product sales

...value-added services drive customer loyalty and long-term relationships



Service Capabilities Examples

Supply Chain Solutions

- Integrated Supply
- Global sourcing
- Warehousing and logistics
- Storeroom management
- Vendor-managed inventory
- Transaction cost review



Capital Project Solutions

- Engineering and design support
- Lean construction processes
- Materials management
- Pre-fabrication and assembly
- Jobsite trailers and “WESCO on Wheels” customized carts



Technical Expert Solutions

- Energy usage analysis
- Lighting renovation and retrofit
- Data center assessment
- Automation upgrades
- Safety assessment and training
- Product and application training



Customized Product Solutions

- Kitting
- Assembly
- Prefabricated systems
- Cable management
- Process streamlining



...enabled by investments in technical expertise and digital capabilities



2018 Priorities

- Outperform the end markets
 - Execute One WESCO sales growth initiatives
 - Maintain focus on sales execution and effectiveness
 - Differentiate via value-added services
 - Capitalize on growth markets
 - Make accretive acquisitions
- Sustain and expand operating margin
 - Execute pricing and sourcing initiatives
 - Increase focus and awareness on the value of our services
 - Deliver productivity through operational excellence initiatives
- Maintain strong free cash flow generation and flexible capital structure
 - Execute against capital deployment priorities

...outperform the market while maintaining cost and cash management discipline

Drive Above-Market Sales Growth: Focus on One WESCO and Growth Markets

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INDUSTRIAL



CONSTRUCTION



UTILITY



CIG

Supply chain services
OEM and
direct materials
Industrial networking
Critical infrastructure
upgrade
Lighting retrofit

LED lighting/
lighting renovation
Major projects
Project services
Solar
Digital transformation
General infrastructure

Alternative energy
Utility infrastructure
Grid automation

Critical
Infrastructure
Cloud computing
Broadband / FTTX
Digital transformation

...the portfolio and expertise to capitalize on new and specialized market growth opportunities

Expand Margins: Key Processes to Drive Operating Margin Expansion

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Sourcing Optimization



Inventory Optimization



Pricing
Optimization



Network Optimization



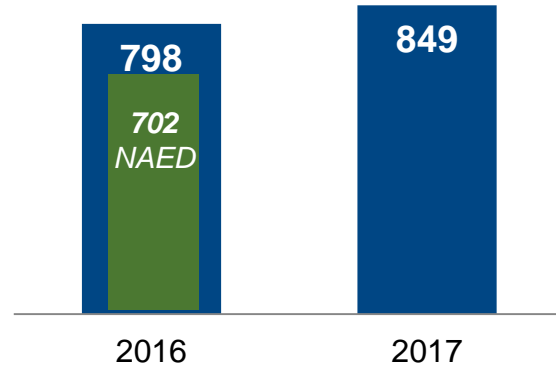
Transportation Optimization

...new capabilities and ways of working

Expand Margin: Operating Cost Leverage



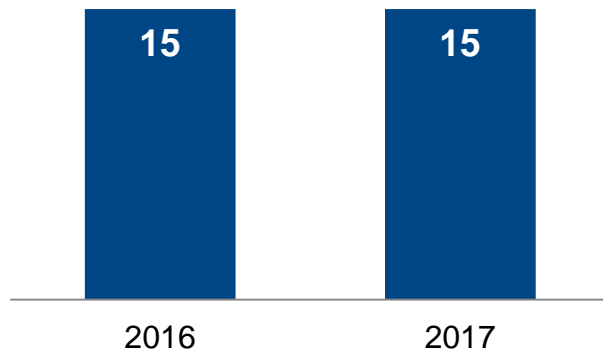
Sales per Employee (\$ Thousands)



NAED: National Association of Electrical Distributors. Source of NAED data: most recent annual benchmark study, published in June 2017.

Operating Expenses (%)

19% NAED Benchmark



2015 - 2016

- Eliminated approximately 1,000 positions
- Eliminated or consolidated 40 branches, including our businesses in Australia and Brazil
- Invested in resources to deliver competitive advantage and improve margin:
 - Added end market sales & marketing leaders and product category managers
 - Established and expanded eCommerce organization
 - Created WESCO's first Global Supply Chain organization
 - Improved IT and business unit finance capabilities

2017

- Added approximately 100 technical sales and service resources
- Continued to tightly manage operating costs

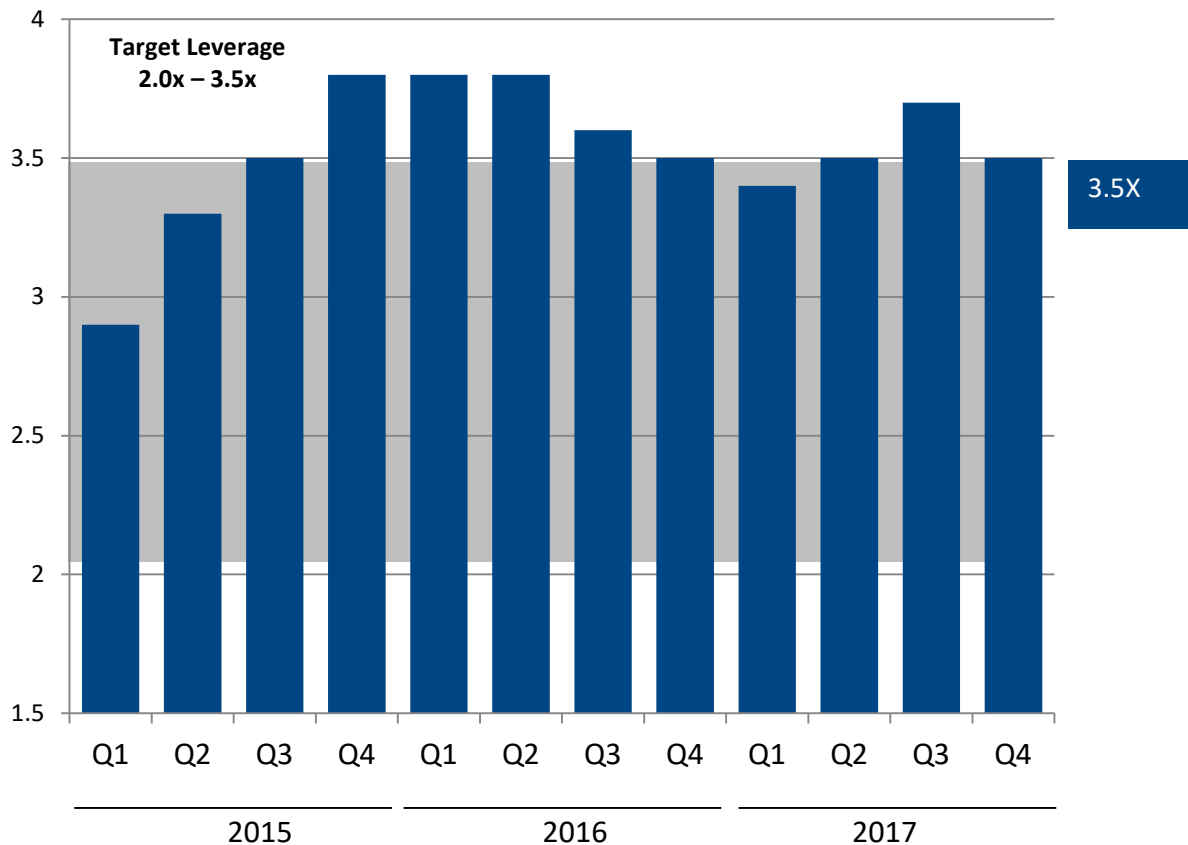
...compares favorably to industry benchmarks

Generate Strong Free Cash Flow, Allocate Capital to Drive Growth and Shareholder Returns

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Leverage (Total Par Debt to TTM EBITDA)



~\$1.2B of free
cash flow over
last 5 years

Priorities for Driving Shareholder Value

- Support organic growth ✓
- Fund accretive acquisitions ✓
- Maintain target leverage ✓
- Repurchase shares ✓
 - Authorization from Board
 - Offset dilution from annual equity awards
 - Opportunistic purchases

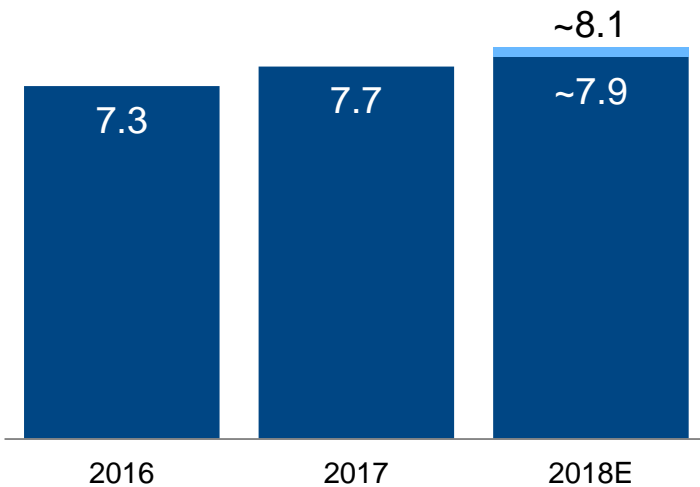
Note: See appendix for non-GAAP reconciliations.

...maintaining fiscal discipline and flexible capital structure



2018 Financial Outlook

Sales (\$B)

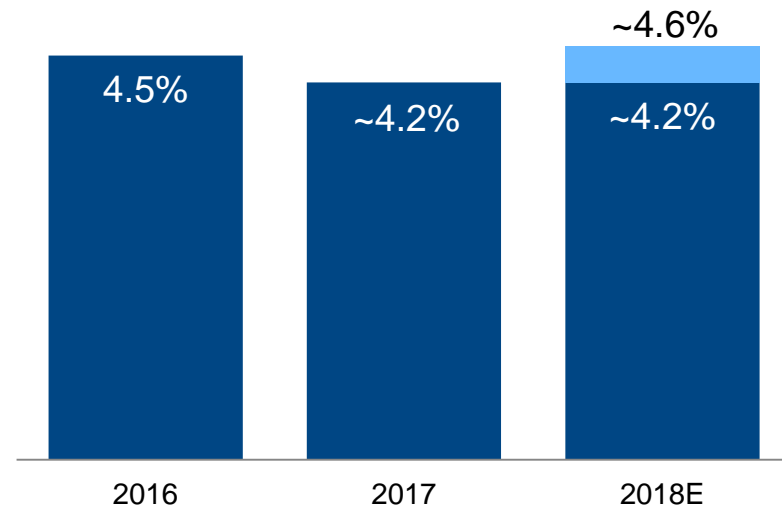


Sales Growth

+3% to 6%

- End market growth
- ~1% market outperformance

Operating Margin (%)



Margin improvement

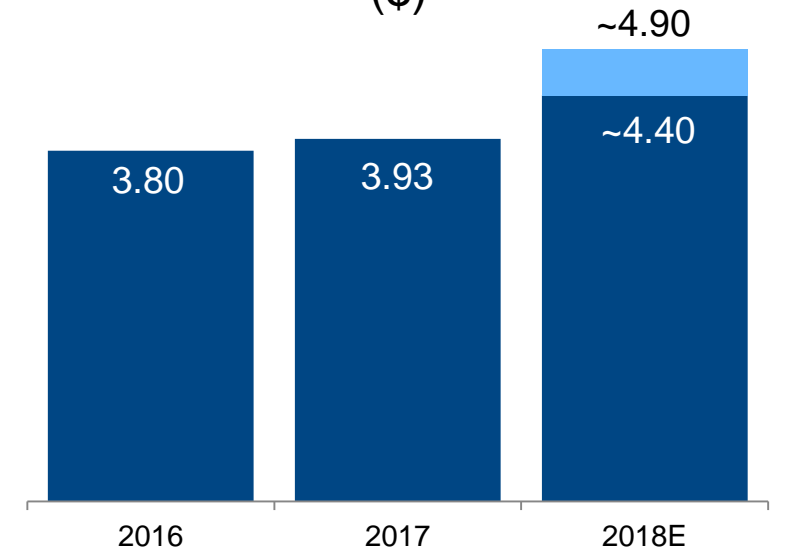
+20 to 60 bps

- Operating leverage
- Favorable business mix
- Improved pricing

Variable comp restoration

(20) bps

Diluted EPS⁽¹⁾⁽²⁾ (\$)



Effective tax rate

21% to 23%

Diluted shares outstanding

~47.5M

(1) See Appendix for non-GAAP reconciliations.

(2) Reflects the estimated impact of the Tax Cuts and Jobs Act of 2017.

...sales and margin improvement are expected to drive double-digit EPS growth



Long-Term Growth Algorithm

Annual Expectations over the Long-Term

Sales

- Market growth
- 1% to 2% from market outperformance
- 1% to 3% from acquisitions

EPS

- ~50% operating profit pull-through on organic growth
 - gross margin improvement
 - operating cost leverage

Free Cash Flow

- Greater than 90% of net income

...managing the business for strong EPS growth and cash flow



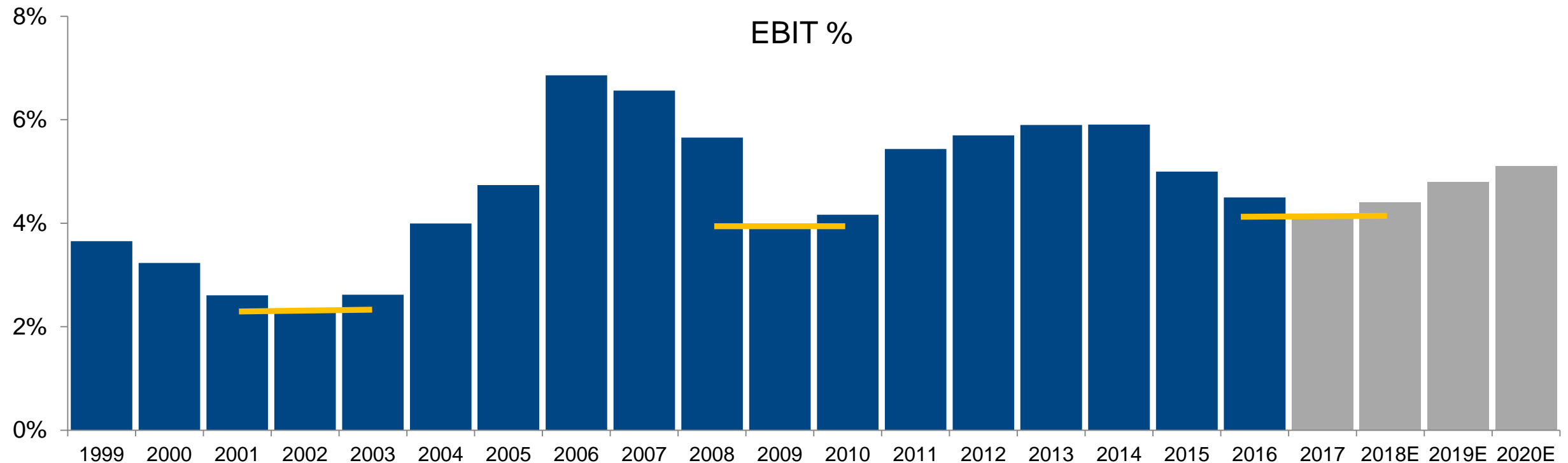
Expecting Operating Margin Expansion

DRIVERS:

Volume
leverage

Procurement, pricing and distribution
network optimization

Continued
cost focus



...driven by volume leverage, supply chain initiatives and continued cost focus



Invest in WESCO

- Industry leader with deep domain expertise in electrical, industrial, construction, and utility
- Proven business model and well positioned in large, fragmented markets
- Blue-chip customer and supplier base
- Proven acquirer and integrator in a consolidating industry
- Extensive global supply chain capability
- Operational excellence culture founded on lean principles
- Operating margin expansion results and future potential
- Strong free cash flow generation through economic cycle



...strong company with proven and effective supply chain solutions



WESCO
INTERNATIONAL