

# WESCO®

**NYSE: WCC**

## **WESCO International**

Raymond James Institutional Investors Conference

March 2021



WESCO

## 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, the risk that problems may arise in successfully integrating the businesses of the companies or that the combined company could be required to divest one or more businesses, 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").





WESCO: The premier B2B distributor and supply-chain solutions provider



### Mission

We build, connect,  
power and protect the  
world



### Vision

Be the best tech-enabled  
supply chain solutions  
provider in the world



## 1 **Value creation through industry consolidation**

- Acquisition of like-sized competitor created industry leader
- Substantial revenue and cost synergies drive margin expansion
- Global footprint and customer base, a differentiator enabling above-market growth
- Diverse end markets and geographies provide stability through the cycle

## 2 **Secular trends and digitization drive incremental growth**

- Electrification, data networking and remote connectivity accelerate demand
- Leveraging business insights through data science enhances business value

## 3 **Strong free cash flow provides optionality**

- Consistent free cash flow through the cycle provides optionality
- Prioritizing debt reduction post-acquisition

# Acquisition of Like-Sized Competitor Creates Industry Leader



**WESCO®**

A leader in electrical distribution

**ANIXTER**

A leader in data communications, security,  
and wire & cable distribution

**Creates  
industry leader**

**Economies  
of scale**

**Higher growth and  
higher margin portfolio**

**Efficiencies through  
integration**

**Best in class  
industry talent**

**Cross-selling  
opportunities**

**Diverse end markets and  
International expansion**

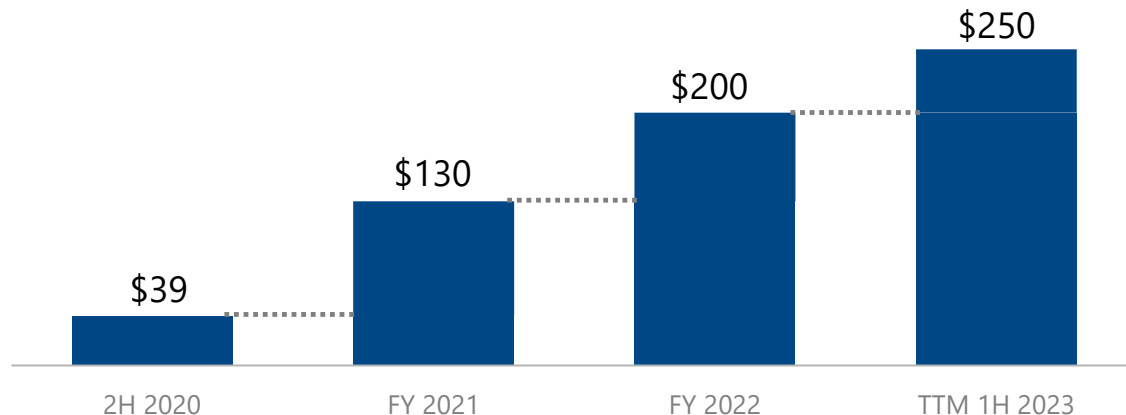
**One-stop shop:  
products, services, solutions**

# Cost Synergy Progress Accelerating

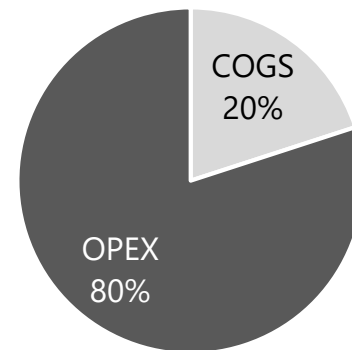


**Cumulative Realized Cost Synergy Target**

\$M



**Target Cost Synergy Mix**



Strong focus on business continuity and capturing upside potential

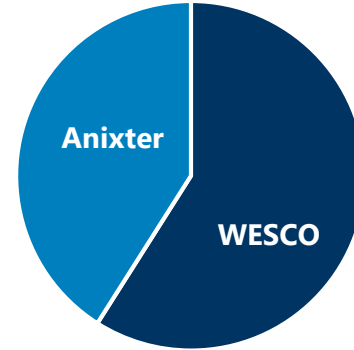
# Cross-selling Synergies from Complementary Businesses



**Electrical &  
Electronic Solutions**



**Communications &  
Security Solutions**



**Utility & Broadband  
Solutions**

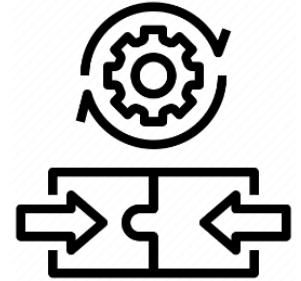
Differentiated customer portfolios across all segments create opportunities

# Strong Progress to Date



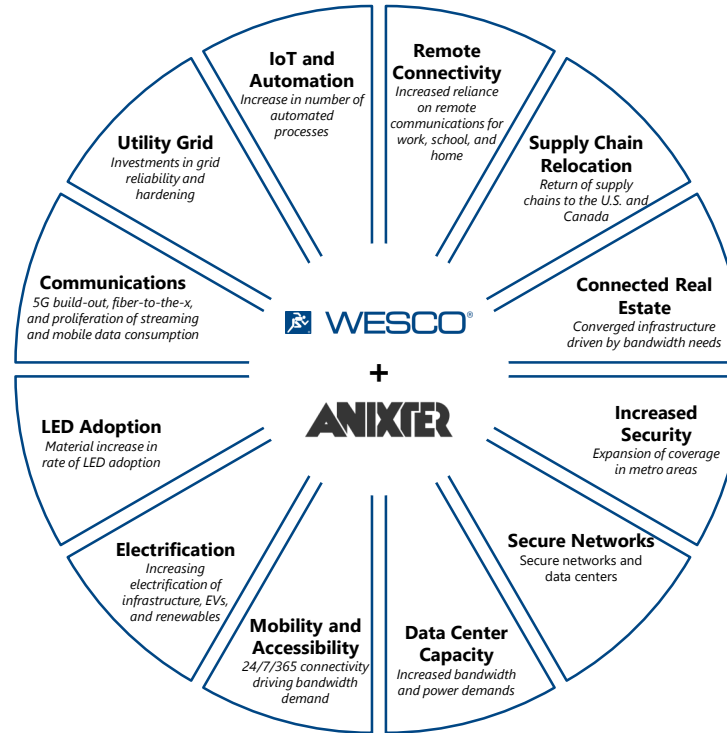
## Integration Accomplishments in First Six Months

- Established Integration Management Office well in advance of close
- Selected and recruited senior management team
- Created new segment reporting structure
- Deployed gross margin program across combined company
- Launched cross-selling program across all three SBUs
- Streamlined organizational structure
- Identified cultural strengths, unifying best practices
- Maintained momentum in base business, outperforming the market





# Well Positioned to Benefit as Secular Growth Strengthens



Secular trends drive incremental growth across all business units

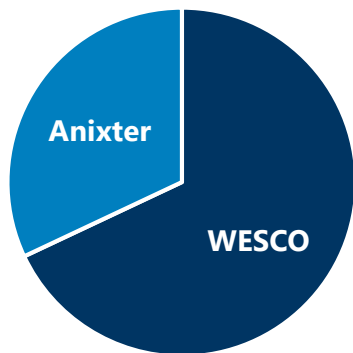


## Electrical & Electronic Solutions



**40%**

of total company sales



## Growth Drivers

- Accelerating electrification
- Aging public infrastructure
- Labor shortages require more supply chain support
- Increasing LED adoption
- Continued LNG development
- Automation and growth of IoT applications
- Relocation of supply chains to North America
- Supply chain consolidation and outsourcing

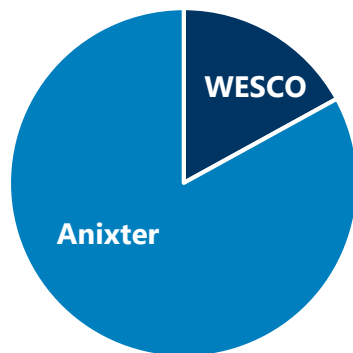


## Communications & Security Solutions



**33%**

of total company sales



## Growth Drivers

- Increased bandwidth and data center demands
- Increased reliance on remote communications
- Return to work solutions
- 24/7/365 connectivity driving IP convergence and secular growth
- 5G build-out, FTTx, proliferation of streaming and mobile data consumption
- Smart Cities including city-wide surveillance
- Growth of secure networks

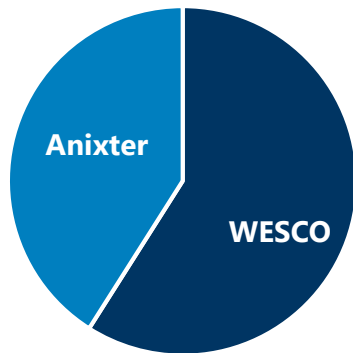


## Utility & Broadband Solutions



**27%**

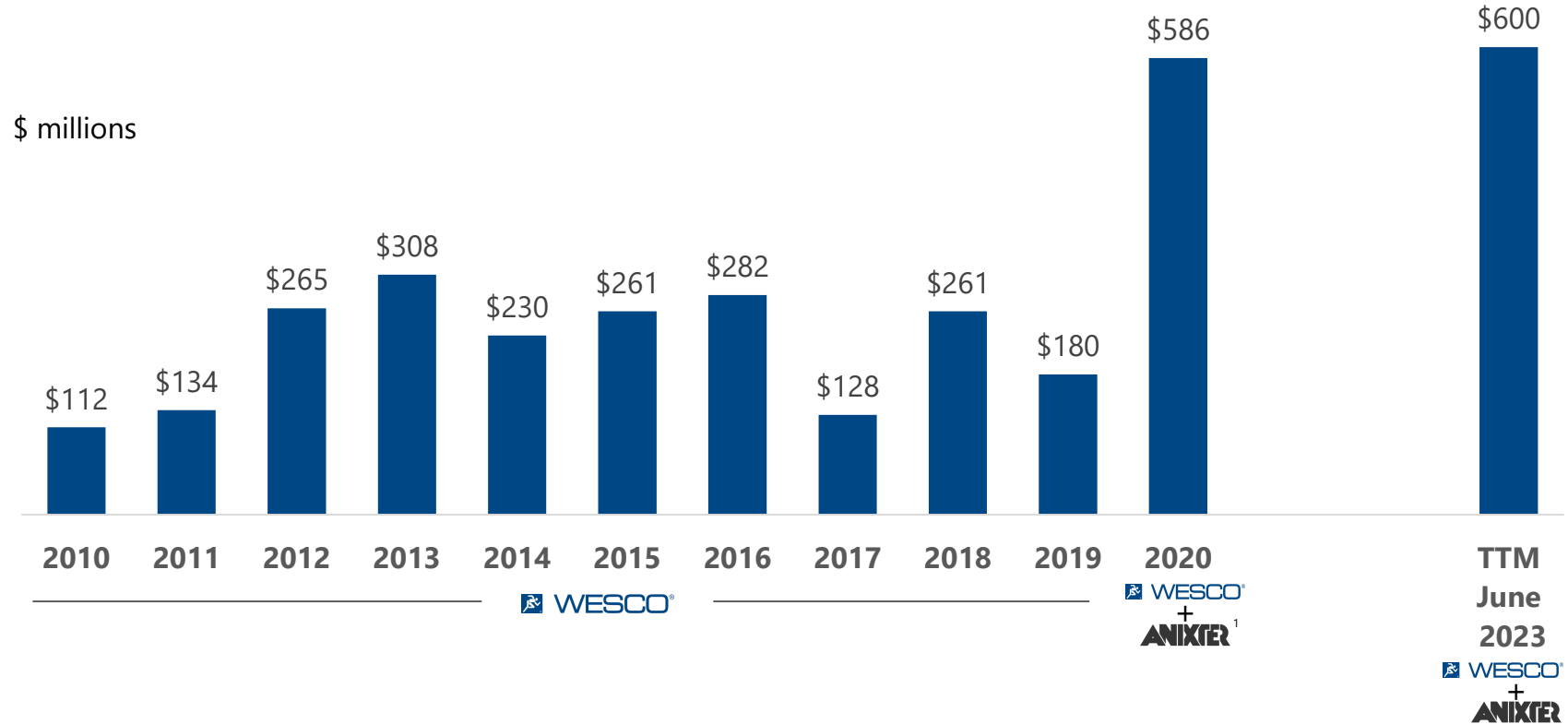
of total company sales



## Growth Drivers

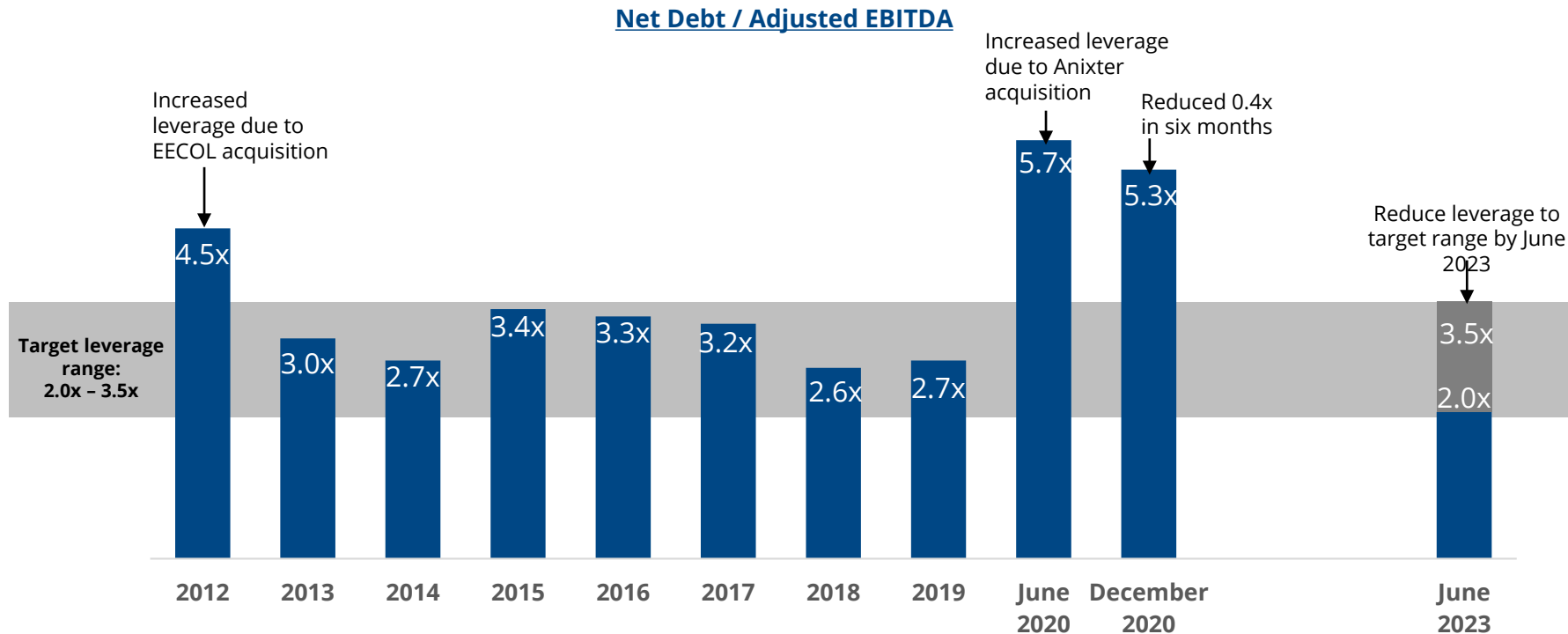
- Investments in grid modernization and reliability
- Continued consolidation in IOUs and outsourcing of supply chain to drive cost savings and efficiency
- Power generation mix shift to renewable sources
- 24/7/365 connectivity driving bandwidth needs
- Rural broadband expansion
- Continued development and deployment of automation, smart sensors and IOT technologies

# Strong Free Cash Flow Through the Cycle



Stable, consistent, counter-cyclical free cash flow provides optionality

# Capital Deployment: Debt Retirement



Track record of managing leverage within target range and rapidly delevering following M&A



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# APPENDIX



# Free Cash Flow

## Free Cash Flow

	Twelve Months Ended December 31,										
(\$ millions)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net cash provided by operating activities	127	168	288	315	251	283	300	149	297	224	544
Less: capital expenditures	(15)	(33)	(23)	(28)	(21)	(22)	(18)	(21)	(36)	(44)	(57)
Plus: non-recurring pension contribution	-	-	-	21	-	-	-	-	-	-	-
Plus: merger-related expenditures	-	-	-	-	-	-	-	-	-	-	99
<b>Free cash flow</b>	<b>112</b>	<b>134</b>	<b>265</b>	<b>308</b>	<b>230</b>	<b>261</b>	<b>282</b>	<b>128</b>	<b>261</b>	<b>180</b>	<b>586</b>

# Leverage



	Twelve Months Ended,			
	12/31/2018	12/31/2019	6/30/2020	12/31/2020
	Reported	Reported	Pro Forma	Pro Forma
Net income attributable to common stockholders	227	223	320	116
Net loss attributable to noncontrolling interests	(2)	(1)	(1)	(1)
Preferred stock dividends	-	-	1	30
Provision for income taxes	56	60	55	56
Interest expense, net	69	66	177	256
Depreciation and amortization	63	62	133	154
<b>EBITDA</b>	<b>413</b>	<b>410</b>	<b>684</b>	<b>610</b>
Other, net	3	(2)	-	5
Stock-based compensation expense	16	19	47	35
Merger-related costs	-	3	122	207
Foreign exchange and other	-	-	4	-
Out of period adjustment	-	-	-	19
Gain on sale of asset	-	-	-	(20)
<b>Adjusted EBITDA</b>	<b>432</b>	<b>431</b>	<b>858</b>	<b>855</b>
Short-term borrowings and current portion of long-term debt	56	27	28	529
Long-term debt	1,167	1,257	5,069	4,370
Debt discount and debt issuance costs	10	9	96	88
Fair value adjustment to Anixter Notes due 2023 and 2025	-	-	(2)	(2)
<b>Total debt</b>	<b>1,233</b>	<b>1,293</b>	<b>5,191</b>	<b>4,985</b>
Less: cash and cash equivalents	96	151	265	449
<b>Total debt, net of cash</b>	<b>1,137</b>	<b>1,142</b>	<b>4,925</b>	<b>4,536</b>
<b>Financial leverage ratio</b>	<b>2.6x</b>	<b>2.7x</b>	<b>5.7x</b>	<b>5.3x</b>

For prior periods please refer to WESCO International SEC filings and quarterly earnings presentations.