WESCO®

NYSE: WCC

Second Quarter 2021

Webcast Presentation

August 5, 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 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, 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

Very Strong Results Across The Board

- **Sales up 24% YOY on a pro forma basis and up 14% sequentially**
  - Leveraging increased scale, expanded product and services capabilities, and global supplier relationships
  - Seeing early benefits from SBU cross selling and attractive secular growth trends
  - Economic recovery accelerating across our end markets
  - Backlog at record level, up 17% sequentially and 36% YOY
- **Gross margin up 140 basis points YOY on a pro forma basis and up 90 basis points sequentially**
  - Focus on value-driven pricing through enhanced and rigorous margin-improvement processes
  - Ability to pass-through inflationary prices is favorable in light of strong market demand and constrained supply
- **Adjusted EBITDA margin up 100 basis points YOY on a pro forma basis**
  - Strong synergy execution delivering results above expectations
  - Benefits accruing from structural cost takeout and increased operating leverage
- **Leverage of 4.5x; down 0.4x sequentially and 1.2x in 12 months since Anixter merger**
  - TTM adjusted EBITDA of ~$1 billion (1st year post-close)
  - Accelerated de-leveraging demonstrates inherent strength of our business model

Raised 2021 outlook on accelerating sales and margin growth momentum

Raised 3-year synergy targets and accelerated de-leveraging timeline on strength of integration execution

Growth Opportunity Amplified by Attractive Secular Growth Trends

Electrification

Automation and IoT

Green Energy and Grid Modernization

24/7 Connectivity and Security

Supply chain consolidation and relocation to North America

Digitalization

Exceptionally well-positioned across all business units

Dave Schulz

Executive Vice President & Chief Financial Officer

Second Quarter Results Overview

Second Quarter Results Overview

$M
Except per share amounts

	Q2 2020 Pro Forma[1]	Q2 2021	YOY
Sales	**$3,706**	**$4,596**	**24%**
Gross Profit	**726**	**965**	**33%**
% of sales	*19.6%*	*21.0%*	*+140 bps*
Adjusted Income from Operations[2]	**158**	**262**	**66%**
% of sales	*4.3%*	*5.7%*	*+140 bps*
Adjusted EBITDA[3]	**210**	**309**	**47%**
% of sales	*5.7%*	*6.7%*	*+100 bps*
Adjusted Diluted EPS[2]		**$2.64**	

- **Sales +24% YOY and +14% sequentially**
- **Record backlog, up 36% YOY and 17% since Q1**
- **Gross margin up 140 bps YOY and up 90 bps sequentially**
- **$44 million in realized cost synergies in Q2, and $117 million since close of Anixter merger**
- **Adjusted EBITDA margin up 100 bps YOY and up 130 bps sequentially**
- **Sales up 4%, Adjusted EBITDA up 25%, and Adjusted EBITDA margin up 110 bps from 2019 pro forma levels**

Benefits of scale, synergies, and market recovery continuing to drive strong results

[1] Includes Anixter's reported results for the period from April 4, 2020 to June 22, 2020. See appendix for reconciliation.
[2] Adjusted income from operations and adjusted earnings per diluted share exclude merger-related costs and interest, accelerated amortization expense associated with migrating to the Company's master brand architecture, and the related income tax effects.
[3] Adjusted EBITDA excludes foreign exchange and other non-operating expenses (income), non-cash stock-based compensation and merger-related costs.

Margin Improvement Program Yielding Excellent Results

Capability Building

- Revised business principles to support margin and growth
- Dynamic, interactive training and development sessions for entire sales organization

Sales Processes and Playbook

- Value-based pricing and solution selling playbooks
- Data-driven coaching and sales cadences

Performance Management

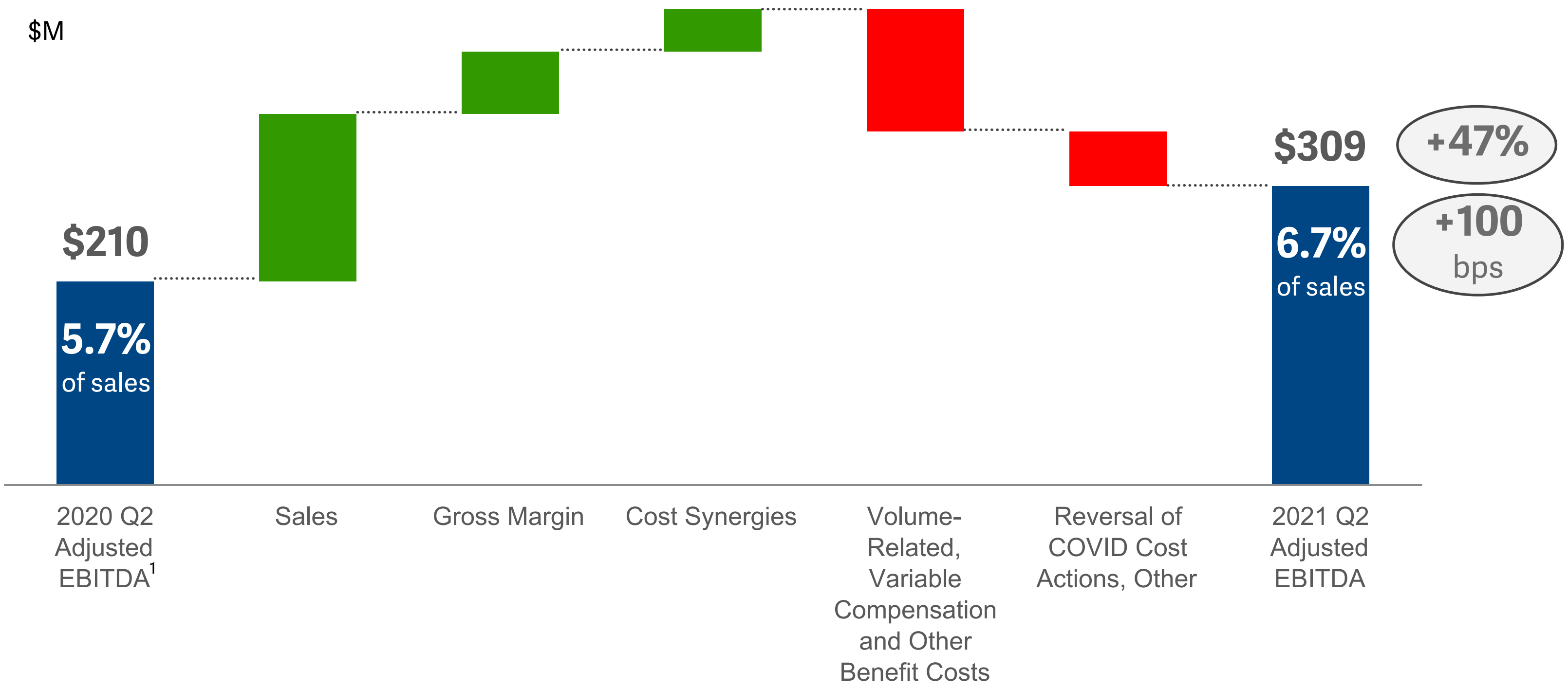
- Drive accountability to key performance metrics
- Sales force incentives

Systems and Dashboard

- New dashboards that identify and prioritize sales actions
- New digital tools and applications that unlock power of our Big Data

Executing a rigorous program across entire company

Adjusted EBITDA Bridge



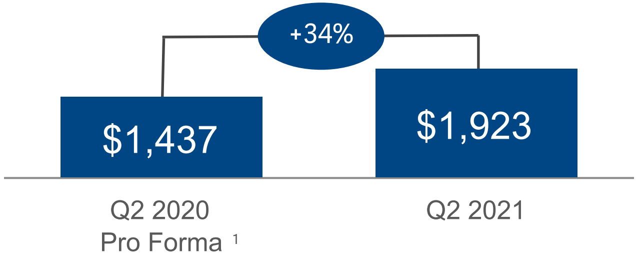
Sales Strength + Margin Expansion + Accelerated Synergy Capture = Strong EBITDA Growth

[1] Includes Anixter's reported results for the period from April 4, 2020 to June 22, 2020. See appendix for reconciliation.

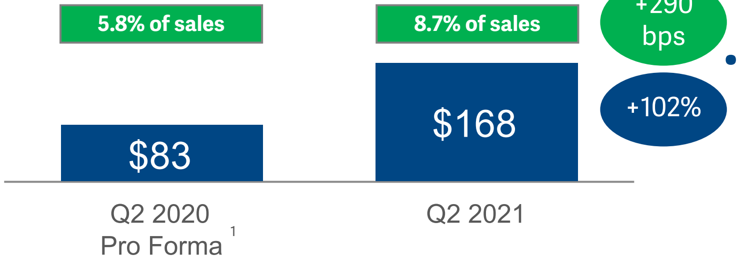
Electrical & Electronic Solutions (EES)

$M

Sales



Adjusted EBITDA

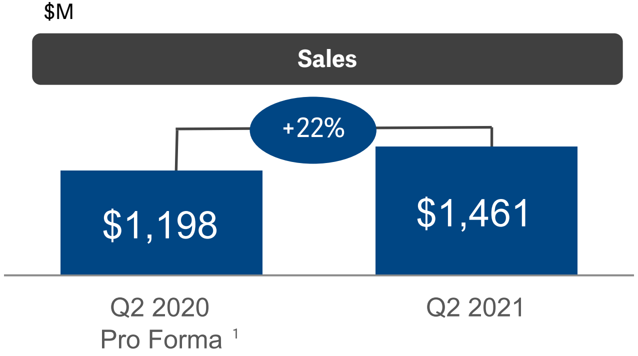


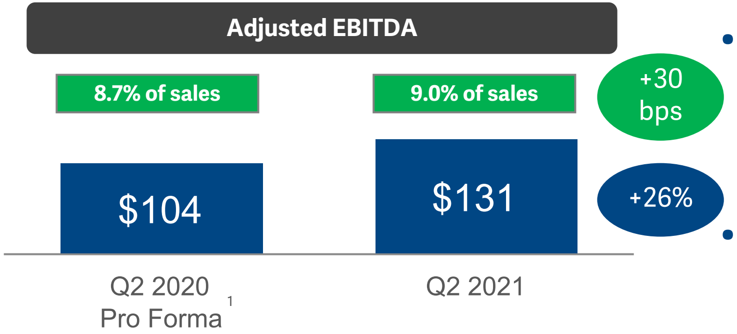
- Strong double-digit sales growth in all end markets
  - Non-resi construction remains ahead of expectations
  - Industrial and MRO gaining momentum, along with OEM and CIG
- Backlog up 15% since March to record level
- Adjusted EBITDA growth and margin expansion driven by synergy capture, effective cost controls, and execution of margin improvement initiatives
- Secular trends of electrification, automation, and green energy support increased outlook and future growth

Ability to offer complete electrical package driving share gains and strong growth

[1] Includes Anixter's reported results for the period from April 4, 2020 to June 22, 2020. See appendix for reconciliation.
See appendix for non-GAAP reconciliations.

Communications & Security Solutions (CSS)



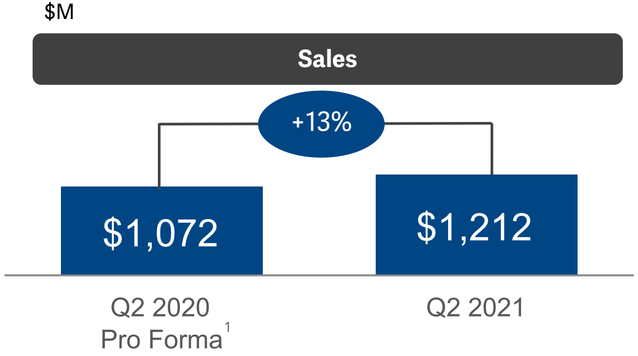


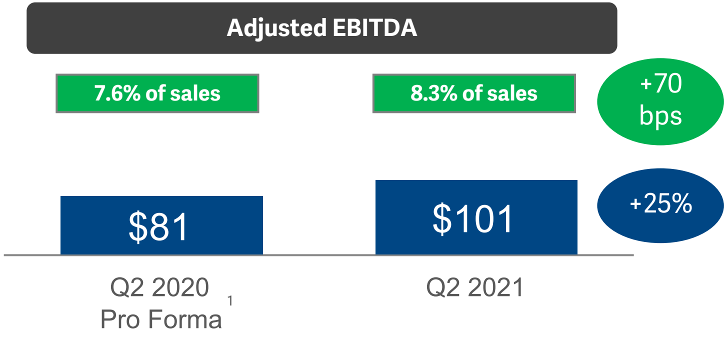
- Strong global sales growth in all end markets
  - Growth in network infrastructure led by data center and hyperscale projects
  - Security growth driven by increased IP-based surveillance and adoption of cloud-based technologies
- Backlog up 19% from March to record level
- Adjusted EBITDA growth and margin expansion driven by sales execution, synergy capture, and margin improvement initiatives partially offset by a 40 basis point headwind related to the write-off of certain safety equipment
- Secular trends of 24/7 connectivity, data center expansion, secure networks, and IoT/automation support increased outlook and future growth

Industry leading value proposition driving share gains and global growth

[1] Includes Anixter's reported results for the period from April 4, 2020 to June 22, 2020. See appendix for reconciliation.
See appendix for non-GAAP reconciliations.

Utility & Broadband Solutions (UBS)





- Strong sales growth in all end markets
  - Growth in utility driven by IOU investments in grid modernization and new business wins
  - Double-digit broadband growth driven by greater connectivity demand and rural broadband expansion
  - Integrated supply up versus PY and sequentially, in-line with industrial recovery
- Backlog up 19% since March to record level
- Adjusted EBITDA growth and margin expansion driven by higher sales, cost synergies, and margin improvement initiatives
- Growth outlook driven by industry-leading value proposition, scope expansion and attractive secular trends of green energy and infrastructure investment

Leadership and scale driving share gains and strong growth

[1] Includes Anixter's reported results for the period from April 4, 2020 to June 22, 2020. See appendix for reconciliation.
See appendix for non-GAAP reconciliations.

Sales Synergies Increase as Strong Value Proposition Takes Hold

- Increasing cumulative sales synergy target from $170 million to $500 million by end of 2023
- Pipeline of recent cross-sell wins growing

Recent Cross-Sell Wins	 EES	 CSS	 UBS
Cross-Sell Overview	Provided a national contractor with a comprehensive and custom wire solution to support construction projects across 14 states in the U.S.	Won a multi-year contract and expanded our product and services offerings to include lighting and EV charging solutions	Selected as the supply chain partner by a major telecom provider to provide a broad-based fiber optic solution to be deployed to over 50,000 residences
Primary relationship	WESCO®	ANIXTER	WESCO®
Products and capabilities	ANIXTER	WESCO®	ANIXTER WESCO®
Major Product and Services Categories	**Wire Solutions** **(store, cut, deliver)**	**Lighting**; **EV Charging**	**Fiber Optic Cable and Accessories**; **Supply Chain Services**

Cross-sell momentum highlights the power of the combined portfolio

[1] Reflects 3% growth compared to Pro Forma 2019 sales

Increasing Cost Synergy Target to $300 Million

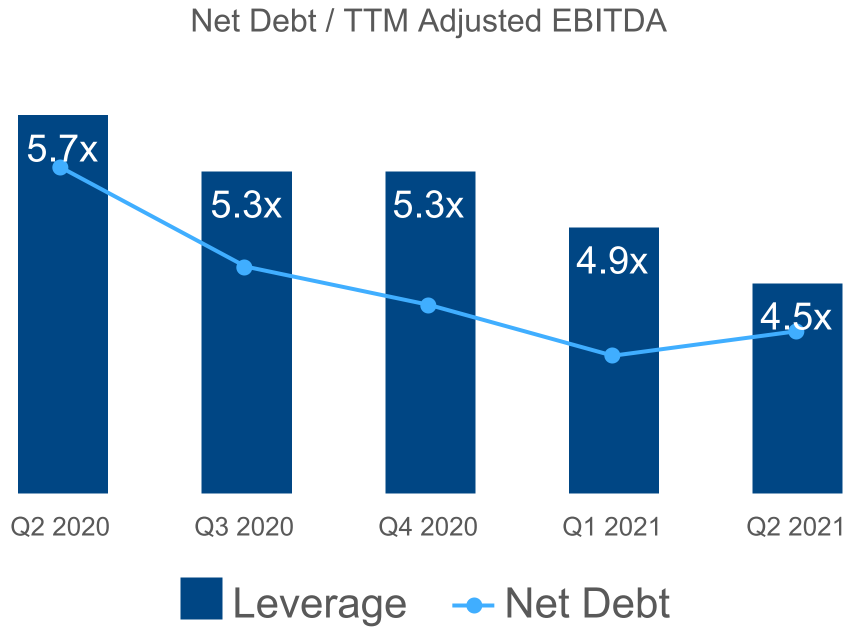
$117 Million Realized To-Date

- Increasing cost synergy target 20% to $300 million by December 2023
  - 80% SG&A and 20% COGS
- Increasing one-time integration expenses to $225 million to reflect increased savings target
- Expect additional savings from previously identified projects

Cost Synergies Realized To-Date and Full Target

Outlook raised on higher value of existing initiatives

Leverage Improved 1.2x in 12 months since Anixter Merger



- Leverage reduced 0.4x in Q2
  - Net debt increase driven by investment in working capital to support double-digit sales growth
  - Working capital improved 3 days YOY
- Amended securitization and announced redemption of Senior Notes due 2024 providing $18 million in annualized interest savings; $2 million in FY 2021
- Moody's rating upgraded; Moody's and S&P ratings placed on positive outlook

Accelerated timeline: now on track to return to target leverage range of 2.0-3.5x by 2H:22

2021 Outlook

	2020 Pro Forma	
Sales	$16.0 billion	
Adjusted EBITDA	$858 million	
	2021 Outlook	
	Prior (5/6/21)	**Revised (8/5/21)**
Market growth	4.5% - 6.5%	**9% - 10%**
Plus: share gain/cross sell	1% - 2%	**2% - 4%**
Less: impact of one fewer workday in 2021 and divestitures	(1)%	**(1)%**
Reported sales[1]	4.5% - 7.5%	**10% - 13%**
Adjusted EBITDA margin[2]	5.8% - 6.1%	**6.1% - 6.4%**
Effective tax rate	~22%	**~23%**
Adjusted EPS[2]	$6.80 - $7.30	**$8.40 - $8.80**
Free cash flow (percent of net income)	~100%	**~90%**
Capital expenditures and other IT/digital investments	$100 - $120M	**$100 - $120M**

Accelerated execution and market recovery drives increased outlook for 2021

[1] Reflects one less workday in 2021 compared to 2020. Outlook reflects growth compared to 2020 pro forma sales of $16.0 billion.
[2] Adjusted EBITDA is defined as EBITDA before other, net, non-cash stock-based compensation and merger-related costs; Adjusted EPS excludes merger-related costs, accelerated trademark amortization, and the related income tax effects.

Summary

- **Very strong results across the board**
  - Outperforming the market
  - Double-digit sales growth YOY on a pro forma basis and sequentially in all businesses
    - Capitalizing on leadership position and expanding business
    - Realizing cross-sell benefits
    - Delivering cost synergies ahead of schedule
  - Delivering strong gross and adjusted EBITDA margin expansion
  - Leverage reduced to 4.5x; down 1.2x since June 2020
- **Market recovery accelerating**
- **Increased full year outlook again for Sales, Adjusted EBITDA, and Adjusted EPS**
- **Increased 3-year synergy targets and accelerated de-leveraging timeline**
- **Exceptionally well positioned to benefit from secular growth trends**

Our performance and improving macro environment drive stronger 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 data center
MSD: Mid-single digit
PF: Pro Forma
PY: Prior Year
OEM: Original equipment manufacturer
OPEX: Operating expenses
ROW: Rest of world
SBU: Strategic Business Unit
Seq: Sequential
TTM: Trailing twelve months
UBS: Utility & Broadband Solutions (business unit)
WD: Workday
YOY: Year-over-year

Definitions

Record: Highest in company history, on a pro forma basis, since Anixter's acquisition of Power Solutions in 2015.
Executed synergies: Initiatives fully implemented – actions taken to generate savings
Realized synergies: Savings that impact financial results versus pro forma 2019
One-time operating expenses: Operating expenses that are in or will be realized in the P&L (including cash and non-cash)
Leverage: Debt, net of cash, divided by trailing-twelve-month adjusted EBITDA

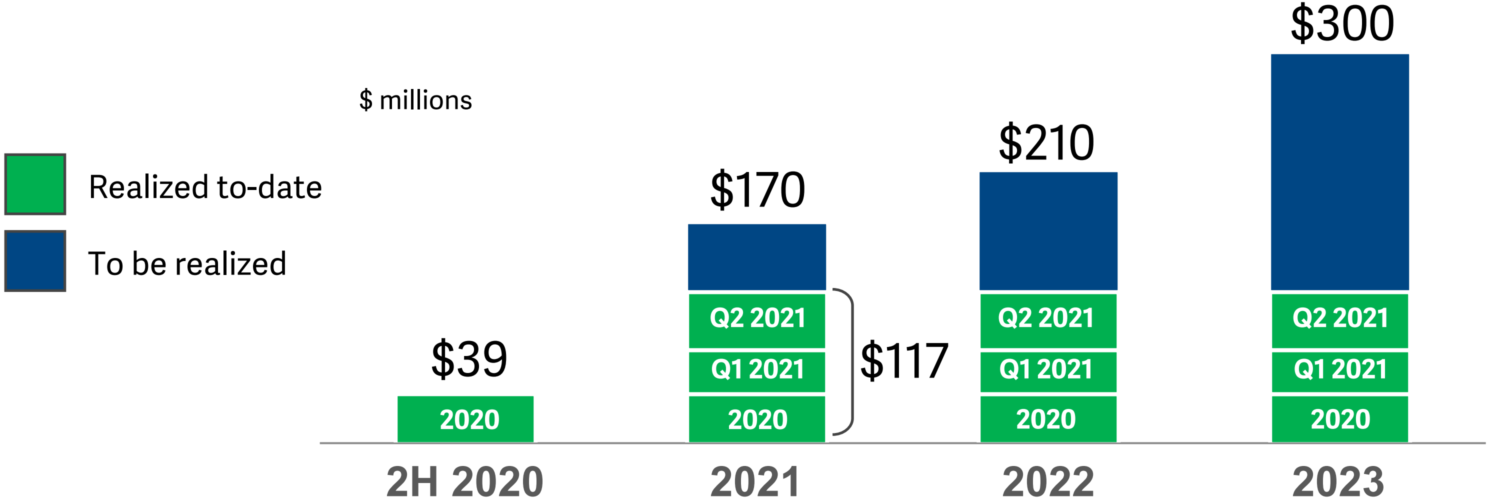
Workdays

	Q1	Q2	Q3	Q4	FY
2019	63	64	63	62	252
2020	64	64[1]	64	61	253
2021	62	64	64	62	252

[1] Pro Forma Q2 2020 period has 62.5 workdays.

Increasing Cost Synergy Outlook

Cumulative Realized Cost Synergy Target



Cumulative merger and integration expenses	$37	$125	$175	$225

Increasing outlook due to higher existing synergies and new opportunities

Pro Forma and Workday-Adjusted Net Sales

$ in millions

Pro Forma Workday-Adjusted Net Sales:

	Three Months Ended						
	June 30, 2021	June 30, 2020			Growth		
	Reported	Reported	Anixter[1]	Pro Forma	Reported	Pro Forma	Adjusted[2]
Net sales	$ 4,596	$ 2,087	$ 1,619	$ 3,706	120.2%	24.0%	21.6%

[1] Represents Anixter's net sales for the period from April 4, 2020 to June 22, 2020.

[2] Represents the percentage impact of 64 workdays in the three months ended June 30, 2021 compared to 62.5 workdays in the three months ended June 30, 2020.

Gross Profit and Free Cash Flow

$ in millions

Gross Profit:

	Three Months Ended	
	June 30, 2021	June 30, 2020
Net sales	$ 4,596	$ 2,087
Cost of goods sold (excluding depreciation and amortization)	3,631	1,693
Gross profit	**$ 965**	**$ 394**
Gross margin	21.0 %	18.9 %

Free Cash Flow

	Three Months Ended	
	June 30, 2021	June 30, 2020
Cash flow (used in) provided by operations	$ (18)	$ 101
Less: Capital expenditures	(10)	(11)
Add: Merger-related expenditures	27	52
Free cash flow	**$ (1)**	**$ 142**
Adjusted net income	152	57
% of adjusted net income	— %	248 %

Adjusted EBITDA

$ in millions

EBITDA, Adjusted EBITDA, and Adjusted EBITDA margin % by Segment

	Three Months Ended June 30, 2021				
	EES	CSS	UBS	Corporate	Total
Net income applicable to common stockholders	154	111	95	(255)	$ 105
Net loss attributable to noncontrolling interests	—	—	—	—	—
Preferred stock dividends	—	—	—	14	14
Provision for income taxes	—	—	—	33	33
Interest expense, net	—	—	—	68	68
Depreciation and amortization	13	19	5	9	46
EBITDA	$ 167	$ 130	$ 100	$ (131)	$ 266
Other income, net	—	—	—	(1)	(1)
Stock-based compensation	1	1	1	3	6
Merger-related costs	—	—	—	38	38
Adjusted EBITDA	168	131	101	(91)	309
Adjusted EBITDA margin %	8.7 %	9.0 %	8.3 %		6.7 %

Note: EBITDA and Adjusted EBITDA are non-GAAP financial measures that provide indicators of the Company's performance and its ability to meet debt service requirements. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA before foreign exchange and other non-operating expenses, non-cash stock-based compensation costs, merger-related costs..

Adjusted EPS

(in millions, except for EPS)	Q2 2021		
	Reported Results	Adjustments [1]	Adjusted Results
Income from operations	$ 218.9	$ 42.8	$ 261.7
Net interest	67.6	—	67.6
Other income, net	(0.8)	—	(0.8)
Income before income taxes	152.1	42.8	194.9
Provision for income taxes [2]	32.8	10.4	43.2
Effective tax rate	18.1 %		19.7 %
Net income	119.3	32.4	151.7
Less: Non-controlling interest	0.1	—	0.1
Net income attributable to WESCO	119.2	32.4	151.8
Preferred stock dividends	14.4	—	14.4
Net income attributable to common stockholders	104.8	32.4	137.4
Diluted Shares	52.0		52.0
EPS	$ 2.02		$ 2.64

[1] Adjustments include merger-related costs, accelerated amortization expense associated with migrating to the Company's master brand architecture, and the related income tax effects.

[2] The adjustments to income from operations have been tax effected at rates of approximately 24% for three months ended June 30, 2021.

Capital Structure and Leverage

$ in millions

Financial Leverage:	Pro Forma[1] Twelve Months Ended June 30, 2021	December 31, 2020
Net income attributable to common stockholders	$ 221	$ 116
Net loss attributable to noncontrolling interests	—	(1)
Preferred stock dividends	58	30
Provision for income taxes	63	56
Interest expense, net	287	256
Depreciation and amortization	175	153
EBITDA	**$ 804**	**$ 610**
Other, net	(5)	5
Stock-based compensation	19	35
Merger-related costs and fair value adjustments	181	207
Out-of-period adjustment	19	19
Net gain on sale of asset and Canadian divestitures	(28)	(20)
Adjusted EBITDA	**$ 990**	**$ 856**

Debt	As of, June 30, 2021	December 31, 2020	Maturity
Receivables Securitization (variable)	1,180	950	2024
Inventory Revolver (variable)	295	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	36	47	Various
Total debt[1]	**$ 4,749**	**$ 4,985**	
Less: cash and cash equivalents	288	449	
Total debt, net of cash	**$ 4,461**	**$ 4,536**	
Leverage	4.5 x	5.3 x	

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

Combined Proforma Financial Information

$ in millions	Three Months Ended, June 30, 2020				
	EES	CSS	UBS	Corporate	Total
Proforma Net Sales[1]	$ 1,436.6	$ 1,198.2	$ 1,071.5	$ —	$ 3,706.3
Gross profit					725.9
Gross margin %					19.6 %
Operating income					56.9
Operating margin %					1.5 %
Merger-related costs					101.3
Adjusted operating income					**158.2**
Adjusted operating margin %					**4.3 %**
EBITDA	80.2	101.4	80.7	(69.8)	192.5
EBITDA margin %	5.6 %	8.5 %	7.5 %	nm	5.2 %
Other income, net	0.7	—	—	(1.0)	(0.3)
Stock-based compensation	1.7	2.1	0.6	14.0	18.4
Merger-related costs	—	0.6	—	100.7	101.3
Adjusted EBITDA	**$ 82.6**	**$ 104.1**	**$ 80.7**	**$ (57.5)**	**$ 209.9**
Adjusted EBITDA margin %	**5.8 %**	**8.7 %**	**7.6 %**	nm	**5.7 %**

[1] Includes Anixter's reported results for the period from April 4, 2020 to June 22, 2020.

Note: EBITDA and Adjusted EBITDA are non-GAAP financial measures that provide indicators of the Company's performance and its ability to meet debt service requirements. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA before foreign exchange and other non-operating expenses, non-cash stock-based compensation costs, and costs associated with the merger with Anixter.