Wesco to Announce Long-Term Outlook and its Plans to Significantly Increase Return of Capital to Shareholders Including a Common Stock Dividend

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PITTSBURGH--(BUSINESS WIRE)-- Wesco International (NYSE: WCC) will reaffirm its 2022 financial outlook, provide its long-term growth expectations, and discuss its plans to initiate a quarterly common stock dividend program commencing in 2023 during its Investor Day meeting taking place in-person and online today at 10 a.m. ET. Speakers will include Chairman, President and Chief Executive Officer John Engel along with strategic business unit leaders and other company executives.

Wesco's 2022 full-year expectations remain consistent with the outlook described in the company's second quarter earnings call. Wesco expects sales to increase 16% to 18% and adjusted EBITDA to expand to between 7.8% and 8.0%, equating to approximately $1.68 billion of adjusted EBITDA at the midpoint of its outlook range, and adjusted EPS of $15.60 to $16.40, or up 55% to 65% versus the prior year.

Wesco will announce that over the long term it expects to achieve a "mid-single digit plus" organic sales compound annual growth rate, with EBITDA and EPS growing at least twice the sales growth rate, and free cash flow generation equal to 100% of adjusted net income annually.

The Company expects to return $1.5 billion of capital to shareholders over the next five years in the form of a quarterly cash dividend on its common stock and by executing its previously announced share repurchase authorization. Subject to approval and declaration by its Board of Directors, the Company plans to begin the cash dividend on its common stock of approximately $1.50 per share annually, payable quarterly starting in the first quarter of 2023.

John Engel, Wesco's Chairman, President and CEO, stated, "The execution of our strategic vision has increased our expectation for sales and profit growth over the near and longer term. As we have mix-shifted into greater exposure to higher-growth markets, we are benefiting and will continue to benefit from long-term secular trends. Our global scale and leading customer value proposition are driving increased operational efficiencies that will deliver continued share gains and margin expansion. All of these factors contribute to upsized cash generation allowing us to initiate a quarterly common stock dividend in 2023, while continuing to invest in our growth strategies and support our $1 billion stock repurchase program. Our goal is to deliver superior shareholder returns through above-market growth, our digital transformation and a return of capital to our shareholders. We are confident that the new Wesco, as an industry leader, is well positioned to deliver superior results and create exceptional shareholder value."

About Wesco

Wesco International (NYSE: WCC) builds, connects, powers and protects the world. Headquartered

in Pittsburgh, Pennsylvania, Wesco is a FORTUNE 500® company with more than $18 billion in annual sales and a leading provider of business-to-business distribution, logistics services and supply chain solutions. Wesco offers a best-in-class product and services portfolio of Electrical and Electronic Solutions, Communications and Security Solutions, and Utility and Broadband Solutions. The Company employs approximately 18,000 people, partners with the industry's premier suppliers, and serves thousands of customers around the world, including more than 90% of FORTUNE 100® companies. With nearly 1,500,000 products, end-to-end supply chain services, and leading digital capabilities, Wesco provides innovative solutions to meet customer needs across commercial and industrial businesses, contractors, government agencies, institutions, telecommunications providers, and utilities. Wesco operates approximately 800 branches, warehouses and sales offices in more than 50 countries, providing a local presence for customers and a global network to serve multi-location businesses and multi-national corporations.

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 relating to plans to declare and pay dividends, 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.

The details of any dividend declaration, including the amount of such dividend and the timing and establishment of the record and payment dates, will be determined by the Company's Board of Directors. The decision of whether to pay dividends and the amount of any such dividends will be based on the Company's financial position, results of operations, cash flows, capital requirements, business conditions, the requirements of applicable law, and any other factors the Board of Directors may deem relevant.

Those risks, uncertainties and assumptions include the risk of any unexpected costs or expenses resulting from 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 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 (including as a result of climate change), health epidemics, pandemics and other outbreaks, such as the ongoing COVID-19 pandemic,

supply chain disruptions, and the impact of Russia's invasion of Ukraine, including the impact of sanctions or other actions taken by the U.S. or other countries, the increased risk of cyber incidents and exacerbation of key materials shortages, inflationary cost pressures, material cost increases, demand volatility, and logistics and capacity constraints, which may have a material adverse effect on the combined company's business, results of operations and financial condition, 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, 2021 and Wesco's other reports filed with the U.S. Securities and Exchange Commission.

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Source: Wesco International