UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 5, 2020

WESCO International, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**001-14989**	**25-1723342**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
225 West Station Square Drive Suite 700		**15219**
Pittsburgh, Pennsylvania		(Zip Code)
(Address of principal executive offices)		

(412) 454-2200
(Registrant's telephone number, including area code)

Not applicable.
(Former name or former address, if changed since last report)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of Class	Trading Symbol(s)	Name of Exchange on which registered
Common Stock, par value $.01 per share	WCC	New York Stock Exchange
Depositary Shares, each representing a 1/1,00th interest in a share of Series A Fixed-Rate Reset Cumulative Perpetual Preferred Stock	WCC PR A	New York Stock Exchange
Preferred Share Purchase Rights	N/A	New York Stock Exchange

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

The information in this Item 2.02 is being furnished and shall not be deemed “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information in this Item 2.02 shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

On November 5, 2020, WESCO International, Inc. (the “Company”) issued a press release announcing its financial results for the third quarter of 2020. A copy of the press release is attached hereto as Exhibit 99.1.

Item 7.01 Regulation FD Disclosure.

The information in this Item 7.01 is being furnished and shall not be deemed “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information in this Item 7.01 shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

A slide presentation to be used by executive management of the Company in connection with its discussions with investors regarding the Company's financial results for the third quarter of 2020 is included in Exhibit 99.2 to this report and is being furnished in accordance with Regulation FD of the Securities and Exchange Commission.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 Press Release, dated November 5, 2020

99.2 Slide presentation for investors

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

	WESCO International, Inc.
	(Registrant)
November 5, 2020	By: /s/ David S. Schulz
(Date)	David S. Schulz Executive Vice President and Chief Financial Officer

NEWS RELEASE

WESCO International, Inc. / Suite 700, 225 West Station Square Drive / Pittsburgh, PA 15219

WESCO International, Inc. Reports Third Quarter 2020 Results

Third quarter summary:

- *Net sales of $4.1 billion, up 93% due to the Anixter merger*
- *Operating profit of $178.1 million; operating margin of 4.3%*
  - *Adjusted operating profit of $200.5 million; adjusted operating margin of 4.8%*
- *Earnings per diluted share of $1.31*
  - *Adjusted earnings per diluted share of $1.66*
- *Operating cash flow of $286.3 million*
  - *Free cash flow of $307.4 million, or 315% of adjusted net income*
- *Leverage of 5.3x; improved 0.4x sequentially*
  - *Net debt reduction of $280 million*

PITTSBURGH, November 5, 2020 /PRNewswire/ -- WESCO International, Inc. (NYSE: WCC), a leading provider of business-to-business distribution, logistics services and supply chain solutions, announces its results for the third quarter of 2020.

Mr. John J. Engel, WESCO's Chairman, President and CEO, commented, “We delivered very strong results in the third quarter and exceeded our sales, margin, profit and cash generation expectations. This was our first full quarter of results after completing the merger with Anixter and clearly highlights the value creation potential of this transformational combination. Business momentum improved through the quarter as we took market share and built an all-time record third quarter backlog. We aggressively managed our business and executed significant cost reduction, margin improvement and cash management actions, which enabled us to deliver profit growth in the third quarter. Free cash flow generation was exceptional at over 300% of net income and demonstrates our resilient business model and strength through the cycle. Notably, net debt was reduced by $280 million thereby reducing our financial leverage consistent with our capital allocation priorities. Again this quarter, I would like to recognize and thank all of our associates for their inspirational dedication, commitment and hard work in effectively managing in this COVID-19 driven environment."

Mr. Engel continued, "We accelerated our integration planning, execution and synergy realization efforts, and made outstanding progress in the third quarter. The strong cultural alignment between WESCO and Anixter is proving to be a key driver of our initial success. We realized $15 million of cost synergies in the third quarter, and have already initiated actions to deliver 100% of our year one cost synergy target of $68 million after just four months since closing the acquisition. I could not be more pleased with the integration team’s execution of our plan. As a result, we are raising our year 1, 2 and 3 cost synergy targets to $100 million, $180 million, and $250 million, respectively. Our initial integration progress gives us confidence that we will revisit our synergy targets as we build success upon success. We are also realizing initial sales synergies through leveraging our expanded global footprint and cross-selling our broader product and services portfolio. We believe our sales synergy efforts will support incremental revenue growth in the years ahead. As a result, we are building on these early successes and are increasingly confident in our ability to achieve significant upside potential and exceed our three year cost savings, sales growth, margin expansion, and cash generation synergy targets.”

Mr. Engel added, “WESCO’s new era is off to an exceptional start. As the premier electrical, communications and utility distribution and supply chain solutions company in the world, we are very well positioned to capitalize on the accelerating secular trends of electrification, increased bandwidth demand driven by higher voice, data, video and mobile usage, and the digitization of our B2B value chain. Building on our positive momentum, we are looking forward to entering 2021 with accelerating results. As we look to the future, we are more bullish than ever in the substantial value creation that this transformational combination will create for our customers, supplier partners, employees, investors, and the communities in which we operate."

The following are results for the three months ended September 30, 2020 compared to the three months ended September 30, 2019:

- Net sales were $4.1 billion for the third quarter of 2020 compared to $2.1 billion for the third quarter of 2019, an increase of 92.8% due to the merger with Anixter that was completed on June 22, 2020, partially offset by the weakened demand impact from the COVID-19 pandemic.

- Cost of goods sold for the third quarter of 2020 was $3.4 billion compared to $1.7 billion for the third quarter of 2019, and gross profit was $785.5 million and $400.2 million, respectively. As a percentage of net sales, gross profit was 19.0% and 18.6% for the third quarter of 2020 and 2019, respectively. Gross profit as a percentage of net sales for the third quarter of 2020 was 19.6% excluding the effect of merger-related fair value adjustments of $28.0 million.

- Selling, general and administrative expenses were $562.0 million, or 13.6% of net sales, for the third quarter of 2020, compared to $290.9 million, or 13.5% of net sales, for the third quarter of 2019. SG&A expenses for the third quarter of 2020 include merger-related costs of $14.2 million, as well as a gain on the sale of an operating branch in the U.S. of $19.8 million. Adjusted for these amounts, SG&A expenses were $567.6 million, or 13.7% of net sales, for the third quarter of 2020, reflecting the favorable impact of cost reduction actions taken in response to the COVID-19 pandemic.

- Operating profit was $178.1 million for the third quarter of 2020, compared to $93.7 million for the third quarter of 2019. Operating profit as a percentage of net sales was 4.3% for the current quarter, compared to 4.4% for the third quarter of the prior year. As adjusted for the merger-related costs and gain on the sale of a U.S. operating branch, operating profit was $200.5 million for the third quarter of 2020, or 4.8% of net sales.

- Net interest expense for the third quarter of 2020 was $74.5 million, compared to $14.3 million for the third quarter of 2019. The increase in interest expense was driven by financing activity related to the Anixter merger.

- The effective tax rate for the third quarter of 2020 was 23.3%, compared to 19.8% for the third quarter of 2019. The higher effective tax rate in the current quarter is primarily due to costs incurred to complete the merger with Anixter.

- Net income attributable to common stockholders was $66.2 million for the third quarter of 2020, compared to $64.5 million for the third quarter of 2019. As adjusted, net income attributable to common stockholders was $83.6 million for the third quarter of 2020.

- Earnings per diluted share for the third quarter of 2020 was $1.31, based on 50.5 million diluted shares, compared to $1.52 for the third quarter of 2019, based on 42.4 million diluted shares. As adjusted, earnings per diluted share for the third quarter of 2020 was $1.66.

- Operating cash flow for the third quarter of 2020 was $286.3 million, compared to $125.4 million for the third quarter of 2019. Free cash flow for the third quarter of 2020 was $307.4 million, or 315% of adjusted net income, compared to $116.5 million, or 181% of net income, for the third quarter of 2019.

The following are results for the nine months ended September 30, 2020 compared to the nine months ended September 30, 2019:

- Net sales were $8.2 billion for the first nine months of 2020 compared to $6.3 billion for the first nine months of 2019, an increase of 31.0% due to the merger with Anixter that was completed on June 22, 2020, partially offset by the weakened demand impact from the COVID-19 pandemic.

- Cost of goods sold for the first nine months of 2020 was $6.6 billion and gross profit was $1.6 billion, compared to $5.1 billion and $1.2 billion, respectively, for the first nine months of 2019. As a percentage of net sales, gross profit was 19.0% for the first nine months of 2020 and 2019. Gross profit as a percentage of net sales for the first nine months of 2020 was 19.3% excluding the effect of merger-related fair value adjustments of $28.0 million.

- Selling, general and administrative expenses were $1.2 billion, or 14.9% of net sales, for the first nine months of 2020, compared to $883.2 million, or 14.1% of net sales, for the first nine months of 2019. SG&A expenses for the first nine months of 2020 include merger-related costs of $92.1 million, as well as a gain on the sale of an operating branch in the U.S. of $19.8 million. Adjusted for these amounts, SG&A expenses were $1.1 billion, or 14.0% of net sales, for the first nine months of 2020, reflecting the favorable impact of cost reduction actions taken in response to the COVID-19 pandemic.

- Operating profit was $254.3 million for the first nine months of 2020, compared to $262.4 million for the first nine months of 2019. Operating profit as a percentage of net sales was 3.1% for the current nine month period, compared to 4.2% for the prior nine month period. As adjusted for the merger-related costs and gain on the sale of a U.S. operating branch, operating profit was $354.6 million for the first nine months of 2020, or 4.3% of net sales.

- Net interest expense for the first nine months of 2020 was $152.3 million, compared to $49.3 million for the first nine months of 2019. The increase in interest expense was driven by financing activity related to the Anixter merger.

- The effective tax rate for the first nine months of 2020 was 22.9%, compared to 21.0% for the first nine months of 2019. The higher effective tax rate in the current nine month period is primarily due to costs incurred to complete the merger with Anixter.

- Net income attributable to common stockholders was $64.8 million for the first nine months of 2020, compared to $170.3 million for the first nine months of 2019. As adjusted, net income attributable to common stockholders was $143.0 million for the nine months ended September 30, 2020.

- Earnings per diluted share for the first nine months of 2020 was $1.44, based on 45.1 million diluted shares, compared to $3.88 for the first nine months of 2019, based on 43.9 million diluted shares. As adjusted, earnings per diluted share for the current nine month period was $3.17.

- Operating cash flow for the first nine months of 2020 was $418.9 million, compared to $116.7 million for the first nine months of 2019. Free cash flow for the first nine months of 2020 was $462.1 million, or 292% of adjusted net income, compared to $86.3 million, or 51% of net income, for the first nine months of 2019.

Segment Results

In the third quarter of 2020, in connection with the acquisition of Anixter, the Company identified new segments, which have been organized around three strategic business units consisting of Electrical & Electronic Solutions ("EES"), Communications & Security Solutions ("CSS") and Utility & Broadband Solutions ("UBS").

Corporate expenses are incurred to obtain and coordinate financing, tax, information technology, legal and other related services. Segment results include depreciation expense or other allocations related to various corporate assets. Interest expense and other non-operating items are not allocated to the segments or reviewed on a segment basis. Corporate expenses are not directly identifiable with our reportable segments and are reported in the tables below to reconcile the reportable segments to the consolidated financial statements.

The following are results by segment for the three months ended September 30, 2020 compared to the three months ended September 30, 2019:

- EES reported net sales of $1.7 billion for the third quarter of 2020, compared to $1.3 billion for the third quarter of 2019, an increase of 32.3%. Operating profit was $105.5 million for the third quarter of 2020, compared to $72.0 million for the third quarter of 2019. Adjusted EBITDA was $107.9 million for the third quarter of 2020, or 6.5% of net sales, compared to $78.7 million for the third quarter of 2019, or 6.3% of net sales.

- CSS reported net sales of $1.4 billion for the third quarter of 2020, compared to $235.9 million for the third quarter of 2019, an increase of 488.7%. Operating profit was $89.6 million for the third quarter of 2020, compared to $10.6 million for the third quarter of 2019. Adjusted EBITDA was $120.5 million for the third quarter of 2020, or 8.7% of net sales, compared to $12.4 million for the third quarter of 2019, or 5.2% of net sales.

- UBS reported net sales of $1.1 billion for the third quarter of 2020, compared to $662.1 million for the third quarter of 2019, an increase of 66.0%. Operating profit was $74.1 million for the third quarter of 2020, compared to $43.8 million for the third quarter of 2019. Adjusted EBITDA was $85.7 million for the third quarter of 2020, or 7.8% of net sales, compared to $47.3 million for the third quarter of 2019, or 7.1% of net sales.

The following are results by segment for the nine months ended September 30, 2020 compared to the nine months ended September 30, 2019:

- EES reported net sales of $3.8 billion for the first nine months of 2020, compared to $3.6 billion for the first nine months of 2019, an increase of 5.1%. Operating profit was $194.6 million for the first nine months of 2020, compared to $198.8 million for the first nine months of 2019. Adjusted EBITDA was $212.0 million for the first nine months of 2020, or 5.6% of net sales, compared to $219.6 million for the first nine months of 2019, or 6.1% of net sales.

- CSS reported net sales of $2.0 billion for the first nine months of 2020, compared to $681.1 million for the first nine months of 2019, an increase of 186.9%. Operating profit was $127.5 million for the first nine months of 2020, compared to $32.5 million for the first nine months of 2019. Adjusted EBITDA was $164.3 million for the first nine months of 2020, or 8.4% of net sales, compared to $38.0 million for the first nine months of 2019, or 5.6% of net sales.

- UBS reported net sales of $2.4 billion for the first nine months of 2020, compared to $2.0 billion for the first nine months of 2019, an increase of 24.6%. Operating profit was $167.7 million for the first nine months of 2020, compared to $134.4 million for the first nine months of 2019. Adjusted EBITDA was $187.0 million for the first nine months of 2020, or 7.7% of net sales, compared to $144.7 million for the first nine months of 2019, or 7.4% of net sales.

Webcast and Teleconference Access

WESCO will conduct a webcast and teleconference to discuss the third quarter of 2020 earnings as described in this News Release on Thursday, November 6, 2020, at 10:00 a.m. E.T. The call will be broadcast live over the internet and can be accessed from the Investor Relations page of the Company's website at www.wesco.investorroom.com. The call will be archived on this internet site for seven days.

WESCO International, Inc. (NYSE: WCC), a publicly traded FORTUNE 500® company headquartered in Pittsburgh, Pennsylvania, is a leading provider of business-to-business distribution, logistics services and supply chain solutions. Pro forma 2019 annual sales were over $17 billion, including Anixter International Inc., which it acquired in June 2020. 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 over 18,000 people, maintains relationships with over 30,000 suppliers, and serves more than 150,000 customers worldwide. With nearly 1.5 million 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 nearly 800 branch and warehouse locations in over 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 regarding the process to divest the legacy WESCO Utility and Datacom businesses in Canada, including the expected length of the process, 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, the risk that the divesture of the legacy WESCO Utility and Datacom businesses in Canada may take longer than expected 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, 2019 and WESCO's other reports filed with the U.S. Securities and Exchange Commission ("SEC").

Contact Information:
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WESCO INTERNATIONAL, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(dollar amounts in thousands, except per share amounts)
(Unaudited)

	Three Months Ended					
	September 30, 2020			September 30, 2019		
Net sales	$	4,141,801		$	2,148,110	
Cost of goods sold (excluding depreciation and amortization)		3,356,259	81.0 %		1,747,913	81.4 %
Selling, general and administrative expenses		561,971	13.6 %		290,852	13.5 %
Depreciation and amortization		45,476			15,612	
Income from operations		178,095	4.3 %		93,733	4.4 %
Interest expense, net		74,540			14,306	
Other, net		(777)			(798)	
Income before income taxes		104,332	2.5 %		80,225	3.7 %
Income tax expense		24,294			15,886	
Net income		80,038	1.9 %		64,339	3.0 %
Net loss attributable to noncontrolling interests		(640)			(156)	
Net income attributable to WESCO International, Inc.		80,678	1.9 %		64,495	3.0 %
Preferred stock dividends		14,511			—	
Net income attributable to common stockholders	$	66,167	1.6 %	$	64,495	3.0 %
Earnings per share attributable to common stockholders	$	1.31		$	1.52	
Weighted-average common shares outstanding and common share equivalents used in computing earnings per diluted common share (in thousands)		50,487			42,378	
Reportable Segments						
Net sales:						
Electrical & Electronic Solutions	$	1,653,726		$	1,250,079	
Communications & Security Solutions		1,388,791			235,921	
Utility & Broadband Solutions		1,099,284			662,110	
	$	4,141,801		$	2,148,110	
Income from operations:						
Electrical & Electronic Solutions	$	105,508		$	72,007	
Communications & Security Solutions		89,634			10,555	
Utility & Broadband Solutions		74,092			43,811	
Corporate		(91,139)			(32,640)	
	$	178,095		$	93,733	

WESCO INTERNATIONAL, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(dollar amounts in thousands, except per share amounts)
(Unaudited)

	Nine Months Ended					
	September 30, 2020			September 30, 2019		
Net sales	$	8,197,154		$	6,259,465	
Cost of goods sold (excluding depreciation and amortization)		6,641,438	81.0 %		5,067,799	81.0 %
Selling, general and administrative expenses		1,221,114	14.9 %		883,222	14.1 %
Depreciation and amortization		80,324			46,035	
Income from operations		254,278	3.1 %		262,409	4.2 %
Interest expense, net		152,281			49,293	
Other, net		(1,463)			(1,359)	
Income before income taxes		103,460	1.3 %		214,475	3.4 %
Income tax expense		23,707			44,970	
Net income		79,753	1.0 %		169,505	2.7 %
Net loss attributable to noncontrolling interests		(825)			(824)	
Net income attributable to WESCO International, Inc.		80,578	1.0 %		170,329	2.7 %
Preferred stock dividends		15,787			—	
Net income attributable to common stockholders	$	64,791	0.8 %	$	170,329	2.7 %
Earnings per share attributable to common stockholders	$	1.44		$	3.88	
Weighted-average common shares outstanding and common share equivalents used in computing earnings per diluted common share (in thousands)		45,104			43,901	
Reportable Segments						
Net sales:						
Electrical & Electronic Solutions	$	3,811,498		$	3,626,423	
Communications & Security Solutions		1,953,967			681,087	
Utility & Broadband Solutions		2,431,689			1,951,955	
	$	8,197,154		$	6,259,465	
Income from operations:						
Electrical & Electronic Solutions	$	194,643		$	198,774	
Communications & Security Solutions		127,502			32,501	
Utility & Broadband Solutions		167,651			134,431	
Corporate		(235,518)			(103,297)	
	$	254,278		$	262,409	

WESCO INTERNATIONAL, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(dollar amounts in thousands)
(Unaudited)

	September 30, 2020	December 31, 2019
Assets		
Current Assets		
Cash and cash equivalents	$ 352,249	$ 150,902
Trade accounts receivable, net	2,492,248	1,187,359
Inventories	2,357,634	1,011,674
Other current assets	395,319	190,476
Total current assets	5,597,450	2,540,411
Other assets	6,270,889	2,477,224
Total assets	$ 11,868,339	$ 5,017,635
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 1,830,877	$ 830,478
Short-term borrowings and current portion of long-term debt	28,844	26,685
Other current liabilities	681,214	226,896
Total current liabilities	2,540,935	1,084,059
Long-term debt, net	4,878,124	1,257,067
Other noncurrent liabilities	1,236,056	417,838
Total liabilities	8,655,115	2,758,964
Stockholders' Equity		
Total stockholders' equity	3,213,224	2,258,671
Total liabilities and stockholders' equity	$ 11,868,339	$ 5,017,635

WESCO INTERNATIONAL, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollar amounts in thousands)
(Unaudited)

	Nine Months Ended	
	September 30, 2020	September 30, 2019
Operating Activities:		
Net income	$ 79,753	$ 169,505
Add back (deduct):		
Depreciation and amortization	80,324	46,035
Deferred income taxes	(8,261)	4,621
Change in trade receivables, net	3,584	(122,903)
Change in inventories	77,681	(1,500)
Change in accounts payable	80,489	46,902
Other	105,368	(25,996)
Net cash provided by operating activities	418,938	116,664
Investing Activities:		
Capital expenditures	(42,562)	(30,323)
Other[1]	(3,681,335)	(23,167)
Net cash used in investing activities	(3,723,897)	(53,490)
Financing Activities:		
Debt borrowings, net[2]	3,606,339	148,387
Equity activity, net	(2,565)	(152,735)
Other[3]	(96,454)	(13,734)
Net cash provided by (used in) financing activities	3,507,320	(18,082)
Effect of exchange rate changes on cash and cash equivalents	(1,014)	(3,275)
Net change in cash and cash equivalents	201,347	41,817
Cash and cash equivalents at the beginning of the period	150,902	96,343
Cash and cash equivalents at the end of the period	$ 352,249	$ 138,160

(1) Includes payments to acquire Anixter of $3,707.6 million, net of cash acquired of $103.4 million.

(2) Primarily includes the net proceeds from the issuance of senior unsecured notes of $2,815.0 million, as well as borrowings under the Company's asset-based revolving credit facility and accounts receivable securitization facility. These cash inflows were used to fund the merger with Anixter.

(3) Includes approximately $79.9 million of costs associated with the debt financing used to fund a portion of the merger with Anixter, and $15.8 million of dividends paid to holders of Series A preferred stock.

NON-GAAP FINANCIAL MEASURES

In addition to the results provided in accordance with U.S. Generally Accepted Accounting Principles ("U.S. GAAP") above, this earnings release includes certain non-GAAP financial measures. These financial measures include 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 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. 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 transactions impacting comparability of results, 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.

WESCO INTERNATIONAL, INC.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(dollar amounts in thousands, except per share data)
(Unaudited)

Gross Profit:	**Three Months Ended September 30, 2020**	**Three Months Ended September 30, 2019**	**Nine Months Ended September 30, 2020**	**Nine Months Ended September 30, 2019**
Net sales	$ 4,141,801	$ 2,148,110	$ 8,197,154	$ 6,259,465
Cost of goods sold (excluding depreciation and amortization)	3,356,259	1,747,913	6,641,438	5,067,799
Gross profit	$ 785,542	$ 400,197	$ 1,555,716	$ 1,191,666
Adjusted gross profit[1]	$ 813,561	$ 400,197	$ 1,583,735	$ 1,191,666
Gross margin	19.0 %	18.6 %	19.0 %	19.0 %
Adjusted gross margin[1]	19.6 %	18.6 %	19.3 %	19.0 %

Note: Gross profit is a financial measure commonly used within the distribution industry. Gross profit is calculated by deducting cost of goods sold, excluding depreciation and amortization, from net sales. Gross margin is calculated by dividing gross profit by net sales.

(1) Adjusted gross profit and adjusted gross margin exclude the effect of merger-related fair value adjustments to inventory of $28.0 million for the three and nine months ended September 30, 2020.

Adjusted Income from Operations:	**Three Months Ended September 30, 2020**	**Three Months Ended September 30, 2019**	**Nine Months Ended September 30, 2020**	**Nine Months Ended September 30, 2019**
Income from operations	$ 178,095	$ 93,733	$ 254,278	$ 262,409
Merger-related costs	14,175	—	92,127	—
Merger-related fair value adjustments	28,019	—	28,019	—
Gain on sale of asset	(19,816)	—	(19,816)	—
Adjusted income from operations	$ 200,473	$ 93,733	$ 354,608	$ 262,409

Adjusted Provision for Income Taxes:	**Three Months Ended September 30, 2020**	**Three Months Ended September 30, 2019**	**Nine Months Ended September 30, 2020**	**Nine Months Ended September 30, 2019**
Provision for income taxes	$ 24,294	$ 15,886	$ 23,707	$ 44,970
Income tax effect of adjustments to income from operations[1]	4,923	—	22,073	—
Adjusted provision for income taxes	$ 29,217	$ 15,886	$ 45,780	$ 44,970

(1) The adjustments to income from operations have been tax effected at a rate of 22%.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(dollar amounts in thousands, except per share data)
(Unaudited)

	Three Months Ended		Nine Months Ended	
Adjusted Earnings per Diluted Share:	**September 30, 2020**	**September 30, 2019**	**September 30, 2020**	**September 30, 2019**
Adjusted income from operations	$ 200,473	$ 93,733	$ 354,608	$ 262,409
Interest expense, net	74,540	14,306	152,281	49,293
Other, net	(777)	(798)	(1,463)	(1,359)
Adjusted income before income taxes	126,710	80,225	203,790	214,475
Adjusted provision for income taxes	29,217	15,886	45,780	44,970
Adjusted net income	97,493	64,339	158,010	169,505
Net loss attributable to noncontrolling interests	(640)	(156)	(825)	(824)
Adjusted net income attributable to WESCO International, Inc.	98,133	64,495	158,835	170,329
Preferred stock dividends	14,511	—	15,787	—
Adjusted net income attributable to common stockholders	$ 83,622	$ 64,495	$ 143,048	$ 170,329
Diluted shares	50,487	42,378	45,104	43,901
Adjusted earnings per diluted share	$ 1.66	$ 1.52	$ 3.17	$ 3.88

Note: Income from operations, the provision for income taxes and earnings per diluted share for the three and nine months ended September 30, 2020 have been adjusted to exclude merger-related costs and fair value adjustments, gain on sale of an operating branch in the U.S. and the related income tax effects. These non-GAAP financial measures provide a better understanding of the Company's financial results on a comparable basis.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(dollar amounts in thousands, except per share data)
(Unaudited)

EBITDA and Adjusted EBITDA by Segment:	Three Months Ended September 30, 2020				
	EES	CSS	UBS	Corporate	Total
Net income attributable to common stockholders	$ 107,192	$ 90,585	$ 73,924	$ (205,534)	$ 66,167
Net loss attributable to noncontrolling interests	(270)	—	—	(370)	(640)
Preferred stock dividends	—	—	—	14,511	14,511
Income tax expense	—	—	—	24,294	24,294
Interest expense, net	—	—	—	74,540	74,540
Depreciation and amortization	10,411	18,536	7,550	8,979	45,476
EBITDA	**$ 117,333**	**$ 109,121**	**$ 81,474**	**$ (83,580)**	**$ 224,348**
Other, net	(1,414)	(951)	168	1,420	(777)
Stock-based compensation expense	141	6	77	5,778	6,002
Merger-related costs	—	—	—	14,175	14,175
Merger-related fair value adjustments	11,695	12,344	3,980	—	28,019
Gain on sale of asset	(19,816)	—	—	—	(19,816)
Adjusted EBITDA	**$ 107,939**	**$ 120,520**	**$ 85,699**	**$ (62,207)**	**$ 251,951**
Adjusted EBITDA margin %	**6.5 %**	**8.7 %**	**7.8 %**		**6.1 %**

EBITDA and Adjusted EBITDA by Segment:	Three Months Ended September 30, 2019				
	EES	CSS	UBS	Corporate	Total
Net income attributable to common stockholders	$ 72,163	$ 10,555	$ 43,811	$ (62,034)	$ 64,495
Net loss attributable to noncontrolling interests	(156)	—	—	—	(156)
Income tax expense	—	—	—	15,886	15,886
Interest expense, net	—	—	—	14,306	14,306
Depreciation and amortization	7,171	1,811	3,396	3,234	15,612
EBITDA	**$ 79,178**	**$ 12,366**	**$ 47,207**	**$ (28,608)**	**$ 110,143**
Other, net	(798)	—	—	—	(798)
Stock-based compensation expense	279	19	58	4,070	4,426
Adjusted EBITDA	**$ 78,659**	**$ 12,385**	**$ 47,265**	**$ (24,538)**	**$ 113,771**
Adjusted EBITDA margin %	**6.3 %**	**5.2 %**	**7.1 %**		**5.3 %**

WESCO INTERNATIONAL, INC.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(dollar amounts in thousands, except per share data)
(Unaudited)

	Nine Months Ended September 30, 2020				
EBITDA and Adjusted EBITDA by Segment:	**EES**	**CSS**	**UBS**	**Corporate**	**Total**
Net income attributable to common stockholders	$ 196,665	$ 128,295	$ 167,483	$ (427,652)	$ 64,791
Net loss attributable to noncontrolling interests	(664)	—	—	(161)	(825)
Preferred stock dividends	—	—	—	15,787	15,787
Income tax expense	—	—	—	23,707	23,707
Interest expense, net	—	—	—	152,281	152,281
Depreciation and amortization	24,638	24,393	15,153	16,140	80,324
EBITDA	**$ 220,639**	**$ 152,688**	**$ 182,636**	**$ (219,898)**	**$ 336,065**
Other, net	(1,358)	(793)	168	520	(1,463)
Stock-based compensation expense	849	54	221	14,405	15,529
Merger-related costs	—	—	—	92,127	92,127
Merger-related fair value adjustments	11,695	12,344	3,980	—	28,019
Gain on sale of asset	(19,816)	—	—	—	(19,816)
Adjusted EBITDA	**$ 212,009**	**$ 164,293**	**$ 187,005**	**$ (112,846)**	**$ 450,461**
Adjusted EBITDA margin %	**5.6 %**	**8.4 %**	**7.7 %**		**5.5 %**

	Nine Months Ended September 30, 2019				
EBITDA and Adjusted EBITDA by Segment:	**EES**	**CSS**	**UBS**	**Corporate**	**Total**
Net income attributable to common stockholders	$ 199,598	$ 32,501	$ 134,431	$ (196,201)	$ 170,329
Net loss attributable to noncontrolling interests	(824)	—	—	—	(824)
Income tax expense	—	—	—	44,970	44,970
Interest expense, net	—	—	—	49,293	49,293
Depreciation and amortization	21,343	5,453	10,118	9,121	46,035
EBITDA	**$ 220,117**	**$ 37,954**	**$ 144,549**	**$ (92,817)**	**$ 309,803**
Other, net	(1,359)	—	—	—	(1,359)
Stock-based compensation expense	837	57	173	13,174	14,241
Adjusted EBITDA	**$ 219,595**	**$ 38,011**	**$ 144,722**	**$ (79,643)**	**$ 322,685**
Adjusted EBITDA margin %	**6.1 %**	**5.6 %**	**7.4 %**		**5.2 %**

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 other, net, non-cash stock-based compensation, costs and fair value adjustments associated with the merger with Anixter, and gain on sale of an operating branch in the U.S.

WESCO INTERNATIONAL, INC.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(dollar amounts in thousands, except per share data)
(Unaudited)

Financial Leverage:	**Pro Forma Twelve Months Ended September 30, 2020**	**Reported Twelve Months Ended December 31, 2019**
Net income attributable to common stockholders	$ 264,116	$ 223,426
Net loss attributable to noncontrolling interests	(1,229)	(1,228)
Preferred stock dividends	15,787	—
Income tax expense	40,051	59,863
Interest expense, net	216,699	64,156
Depreciation and amortization	145,471	62,107
EBITDA	$ 680,895	$ 408,324
Other, net	2,365	614
Stock-based compensation	43,868	19,062
Merger-related costs and fair value adjustments	166,849	3,130
Gain on sale of asset	(19,816)	—
Adjusted EBITDA	$ 874,161	$ 431,130
	September 30, 2020	**December 31, 2019**
Short-term borrowings and current portion of long-term debt	$ 28,844	$ 26,685
Long-term debt	4,878,124	1,257,067
Debt discount and debt issuance costs[1]	92,343	8,876
Fair value adjustments to Anixter Notes due 2023 and 2025[1]	(1,824)	—
Total debt	4,997,487	1,292,628
Less: cash and cash equivalents	352,249	150,902
Total debt, net of cash	$ 4,645,238	$ 1,141,726
Financial leverage ratio	5.3	2.6

[1] Long-term debt is presented in the condensed 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.

Note: Financial leverage measures the use of debt. Financial leverage ratio is calculated by dividing total debt, excluding debt discount, debt issuance costs and fair value adjustments, net of cash, by adjusted EBITDA. EBITDA is defined as the trailing twelve months earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as the trailing twelve months EBITDA before foreign exchange and other non-operating expenses, non-cash stock-based compensation, costs and fair value adjustments associated with the merger with Anixter, and gain on sale of an operating branch in the U.S. Pro forma financial leverage ratio is calculated by dividing total debt, excluding debt discount and debt issuance costs, net of cash, by pro forma adjusted EBITDA. Pro forma EBITDA and pro forma adjusted EBITDA gives effect to the combination of WESCO and Anixter as if it had occurred at the beginning of the respective trailing twelve month period.

WESCO INTERNATIONAL, INC.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(dollar amounts in thousands, except per share data)
(Unaudited)

Free Cash Flow:	**Three Months Ended**		**Nine Months Ended**	
	September 30, 2020	**September 30, 2019**	**September 30, 2020**	**September 30, 2019**
Cash flow provided by operations	$ 286,250	$ 125,439	$ 418,938	$ 116,664
Less: Capital expenditures	(15,399)	(8,921)	(42,562)	(30,323)
Add: Merger-related expenditures	36,591	—	85,674	—
Free cash flow	$ 307,442	$ 116,518	$ 462,050	$ 86,341
Percentage of adjusted net income	315 %	181 %	292 %	51 %

Note: Free cash flow is a measure of liquidity. Capital expenditures are deducted from operating cash flow to determine free cash flow. Free cash flow is available to fund investing and financing activities. For the three and nine months ended September 30, 2020, the Company paid certain fees, expenses and other costs to consummate the merger with Anixter. Such expenditures have been added back to cash flow provided by operations to determine free cash flow for such periods.

WESCO®

Third Quarter 2020

Webcast Presentation

November 5, 2020

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 A 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 l statements regarding the process to divest the legacy WESCO Utility and Datacom businesses in Canada, including the expected length of the process, the expected benefits of the transaction between WESCO and Anixter International Inc., including anticipated future financial and operating results, synergies, accretion and growth rates, and the company's plans, objectives, expectations and intentions, statements that address the combined company's expected future business and financial performance, and other identified by words such as "anticipate," "plan," "believe," "estimate," "intend," "expect," "project," "will" and similar words, phrases or expressions. These forward-looking st 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, cu 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 r 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 regu 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 l personnel and maintain relationships with its suppliers, customers and other business relationships and on its operating results and business generally, the risk that proble 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 th 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 th 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 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 com business, results of operations and financial conditions, the risk that the divesture of the legacy WESCO Utility and Datacom businesses in Canada may take longer than exp 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 cont 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 D 2019 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 presentation includes certain non-GAAP financial mea These financial measures include pro forma sales, gross profit, gross margin, adjusted gross profit, 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 inco operations, adjusted operating margin, adjusted provision for income taxes, adjusted net income, adjusted net income attributable to WESCO International, Inc., adjusted n attributable to common stockholders, and adjusted earnings per diluted share. The Company believes that these non-GAAP measures are useful to investors as they provid 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 transacti impacting comparability of results, allowing investors to more easily compare the Company's financial performance from period to period. Management does not use these financial measures for any purpose other than the reasons stated above.

Q3 Summary

- Results exceeded our expectations across the board on sales, profit, and free cash flow
- Exceptionally strong profitability with adjusted EBITDA margin up versus prior year
  - COVID-19 cost reduction actions significantly exceeded expectations
  - Realized cost synergies of $15 million in Q3
- Sales down 5% versus pro forma prior year
  - Sequential sales improvement through the quarter
  - EES and CSS up double digits sequentially; taking share in all three SBUs
- Record Q3 backlog for WESCO + Anixter
- Exceptionally strong free cash flow generation of $307 million or 315% of adjusted net income
- Leverage of 4.8x including first year synergies, down 0.5x sequentially; Net debt down $280 million sequentially
- Improving momentum in Q4 with preliminary October workday-adjusted sales down 3% versus prior year pro forma sales
- Outstanding progress on Anixter Integration
  - Executed full year 1 target cost synergies in first four months since close
  - Raising year 1, 2 and 3 synergy targets
  - Significant upside potential on our sales growth, cost, margin, and free cash flow targets

Excellent first full quarter of WESCO + Anixter

WESCO's Three Strategic Business Units (SBUs)

Electrical & Electronic Solutions (EES)

% of SALES (2019 Pro Forma)

42% of total company sales

INDUSTRIES: Construction | Industrial | OEM | CIG | Lighting

SERVING:

- Contractors and specialty integrators
- Industrial, automation, commercial, institutional, and government
- OEM and global complex manufacturing
- Turn-key lighting and energy solutions

Communications & Security Solutions (CSS)

33% of total company sales

INDUSTRIES: Technology | Financial | Government | Healthcare | Education

SERVING:

- Cloud and data center
- Contractors and integrators
- Security solutions
- Professional audio/video
- In-building wireless
- Safety solutions

Utility & Broadband Solutions (UBS)

25% of total company sales

INDUSTRIES: Utility | Broadband | Integrated Supply

SERVING:

- IOUs, public power, and contractors
- Global Service Providers, wireless and broadband operators
- Integrated Supply solutions

Industry-leading businesses diversified by products, services, end markets and geogra

Secular Trends Driving Growth Across All SBUs

Key Secular Trends	EES	CSS	UBS
IoT and Automation *Increase in number of automated processes*	✔	✔	✔
Data Center Capacity *Increased bandwidth and power demands*	✔	✔	✔
Communications *5G build-out, fiber-to-the-x, and proliferation of streaming and mobile data consumption*	✔	✔	✔
Supply Chain Relocation *Return of supply chains to the U.S. and Canada*	✔	✔	✔
Connected Real Estate *Converged infrastructure driven by bandwidth needs*	✔	✔	✔
Increased Security *Expansion of coverage in metro areas*	✔	✔	✔
LED Adoption *Material increase in rate of LED adoption*	✔	✔	✔
Electrification *Increasing electrification of infrastructure, EVs, and renewables*	✔		✔
Mobility and Accessibility *24/7/365 connectivity driving bandwidth demand*		✔	✔
Utility Grid *Investments in grid reliability and hardening*	✔		✔
Remote Connectivity *Increased reliance on remote communications for work, school, and home*		✔	✔
Secure Networks Secure networks and data centers	✔	✔	

SBUs with leading scale and well positioned to benefit from evolving secular growth t

Financial Benefits of Transformational Combination

Estimated Run Rate Impact After Year 3

- ✓ Expands adjusted EBITDA margin 100+ bps and delivers 50 - 60% EPS accretion
- ✓ Doubles standalone EPS growth rate
- ✓ Generates annual free cash flow greater than $600 million
- ✓ Provides cross-selling and international expansion opportunities to significantly accelerate sales growth

Substantial revenue, cost, margin and cash synergies drive significant value creatio

Second Half Priorities – Q3 Achievements

1) Build on improving sales momentum

- Sales up 8% sequentially on pro forma basis
- EES and CSS up double digits sequentially on pro forma basis

2) Maintain disciplined cost management

- COVID-19 cost reduction initiatives exceeded expectations
- Operating expenses down $44 million versus prior year on a pro forma basis

3) Deploy Anixter's gross margin improvement programs that generated 7 consecutive quarters of improvement through Q2 2020

- Gross margin up 20 bps versus prior year and sequentially on a pro forma basis

4) Rapidly execute Anixter merger synergies

- Executed the full year 1 run rate target of $68 milli first four months
- Raising year 1, 2 and 3 synergy targets

5) Focus free cash flow generation on debt repayment

- Generated $307 million of free cash flow
- Reduced net debt by $280 million
- Leverage reduced from 5.3x to 4.8x including increased year 1 synergies

6) Begin reporting under new Strategic Busines structure

- Completed

Continuing to keep our commitments

Integration Update

Q3 Progress

- Excellent progress on integration with accelerating synergy generation and capture
- Executed full year 1 run rate synergy target of $68 million in four months since close with $15 million realized in Q3; revised synergy expectations
- Cross-sell pilot program established with initial encouraging results
- Divestiture of legacy WESCO Canadian Utility and Datacom businesses on track
- Initial integration progress gives us confidence that we will revisit our synergy targets as we build success upon success
- Significant upside potential on our three-year sales growth, cost, margin, and free cash flow targets

Revised Cost Synergies

($ millions)

Increasing estimated one-time operating costs from ~$140 million to ~$175 million over the first three years

Synergy Type

Increasing synergy targets due to outstanding execution and additional opportunities identifi

Third Quarter Results Overview

$ in millions
Except per share amounts

	Q3 2019 Pro Forma[1]	Q2 2020 Pro Forma[1]	Q3 2020	Versus Q3 2019	Versus Q2 2020
Sales	**$4,370**	**$3,819**	**$4,142**	**(5)%**	**8%**
Adjusted Gross Profit[2]	**847**	**741**	**814**	**(4)%**	**10%**
% of sales	*19.4%*	*19.4%*	*19.6%*	*20 bps*	*20 bps*
Adjusted EBIT[3]	**196**	**160**	**200**	**3%**	**25%**
% of sales	*4.5%*	*4.2%*	*4.8%*	*30 bps*	*60 bps*
Adjusted EBITDA	**239**	**211**	**252**	**5%**	**19%**
% of sales	*5.5%*	*5.5%*	*6.1%*	*60 bps*	*60 bps*
Adjusted Diluted EPS			**$1.66**		

Year-over-year and sequential increases in margins and profitability

[1] Information as filed as an exhibit to Form 8-K on November 4, 2020.
[2] Adjusted Gross Margin excludes the effect of measuring the inventories acquired in the merger with Anixter at their acquisition date fair value.
[3] Q2 2020 pro forma period adjusted to exclude $101 million of merger-related costs.

Electrical & Electronic Solutions (EES)

$ in millions

- Construction demand improving in North A
  - Record Q3 backlog
  - U.S. up MSD sequentially versus pro fo
  - Some project delays but not cancellati
- Increasing momentum in industrial & OEM
  - Improving short cycle conditions in mo verticals
  - Robust opportunity pipeline
- Adjusted EBITDA and margin up sequentia

Awarded multiple contracts for switchgear and electrical materials inclu lighting for the upgrade of a water treatment facility in Ontario, Cana

Improving sequential momentum and record backlog provides positive setup for 2

Adjusted EBITDA excludes the impact from foreign exchange and other non-operating expenses, stock-based compensation, merger-related costs, merger-related fair value adjustments, and gain on the sale of an asset. See appendix for non-GAAP reconciliations.

Communications & Security Solutions (CSS)

$ in millions

Sales

Adjusted EBITDA

- Improving momentum during the quarter; continued share gains
- Security sales up LSD versus market down
- Global Accounts up LSD led by strong resu hyperscale datacenters, global security anc systems integrators
- Adjusted EBITDA and margin up sequentia

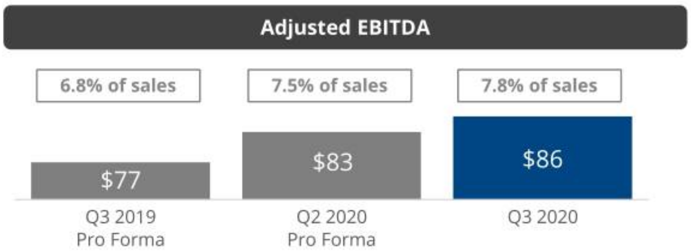
Awarded a multi-million dollar contract to provide a comprehensi solution of products and material management services for the construction of two datacenters in Mexico

Outperforming market with industry-leading value propositions; exceptionally well-positioned in these high growth

See appendix for non-GAAP reconciliations.

Utility & Broadband Solutions (UBS)

$ in millions



- Broadband sales up MSD versus prior year HSD sequentially driven by 5G buildouts a FTTx deployments
- Traditional utility businesses flat versus pri year on combined basis
- Continuing to expand scope of services wi utility customers and FTTx projects
- Adjusted EBITDA and margin up sequentia

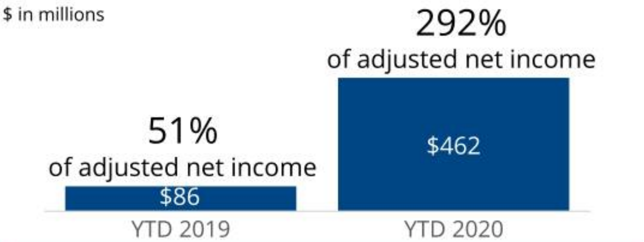
Awarded a multi -year contract to provide electrical transmission a distribution materials and inventory management services for a publi

Outperforming the market and building on industry leadership and unmatched supply chain capa

See appendix for non-GAAP reconciliations.

Free Cash Flow & Liquidity

Free Cash Flow



Q3 free cash flow: $307 million or 315% of adjusted net income

Cash & Debt Maturity

Capital Allocation Priorities and Results

- Continue to rapidly delever to target range of 2.0 – 3.5x net debt to adjusted EBITDA by Jun 2023
- Strong results in Q3
  - Free cash flow generation of $307 million
  - Net debt reduction of $280 million
  - Leverage ratio reduced from 5.3x in Q2 to 4 in Q3 including increased year 1 synergies

Liquidity

As of 9/30/20

- Liquidity of ~$1.1 billion
  - Invested cash: $213 million
  - Revolver availability: $727 million
  - AR facility availability: $135 million

Outstanding free cash flow generation and strong liquidity supports future growt

Summary

- **Excellent profitability performance in a COVID-driven environment**
- **Substantial progress made on integration execution in first four months**
  - Increased year 1, 2 and 3 cost synergy targets to reflect accelerating execution of integr
    initiatives and significant upside to original targets
  - Already generating cross-selling revenue synergies
  - Executed first year synergies in first four months; increased year 1 target to $100 millio
  - Continue to drive initiatives to exceed sales growth, margin expansion and cash genera
    synergy targets of the transformational combination of WESCO + Anixter
- **Excellent free cash flow generation demonstrating resilient business model and stren through the cycle**
- **Exceptionally well positioned for evolving secular growth trends**

WESCO's new era is off to an exceptional start

ADDITIONAL INFORMATION

Electrical & Electronic Solutions (EES)

$7.2 billion in sales

$458 million in adjusted EBITDA

Pro Forma 2019

2,900+ specialized salespeople and technical support personnel

30+ countries

70,000 customers

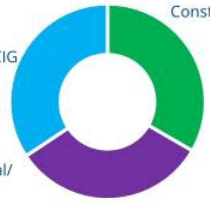
600 warehouses and branches

1 million+ products

Key Growth Drivers

- Accelerating electrification
- Aging public infrastructure and need for government investments
- Continued LNG development
- Increasing LED adoption
- Customer skilled labor shortages; demanding more from supply chain pa
- Increasing automation and growth of IoT and IIoT applications
- Relocation of supply chains to North America
- Increasing customer supply chain consolidation and outsourcing

By Application



By Region

Pro Forma TTM as of 9/30/20

U.S. 67% of sales

CANADA 22% of sales

RES WO 11%

Best-in-class solutions offering with attractive secular trends driving growth

Communications & Security Solutions (CSS)

$5.6 billion in sales

$434 million in adjusted EBITDA

Pro Forma 2019

1,600 technical sales specialists, multi-level technical support

50+ countries

125,000 customers

320 warehouses and branches

450,000+ products

Key Growth Drivers

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

By Application

By Region

Pro Forma TTM as of 9/30/20

U.S. 70% of sales

CANADA 8% of sales

RES WO 22% c

Leading global scale and capabilities provide sustainable differentiators

Utility & Broadband Solutions (UBS)

$4.4 billion in sales

$307 million in adjusted EBITDA

Pro Forma 2019

385 technical sales specialists

235 customer sites managed

8,500 customers

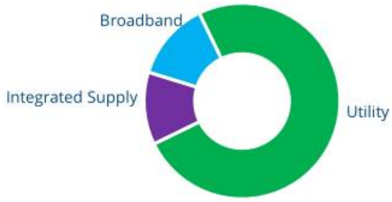
140 warehouses and branches

670,000+ products

Key Growth Drivers

- Investments in grid modernization, reliability and hardening
- Continued consolidation in public utilities and outsourcing of supply chai drive cost savings and efficiency
- Power generation mix shift from nuclear and fossil fuels to renewable so
- 24/7/365 connectivity driving increased bandwidth needs

By Application



By Region

Pro Forma TTM as of 9/30/20

U.S. 87% of sales

CANADA 10% of sales

RES WO 3% o

Leading market position, with strong growth profile and track record, drives continued

Fourth Quarter FAQs

- **Expect sequential sales to moderate due to normal seasonality and fewer workdays (3 fewer workdays than Q3 2020)**
- **Continued focus on cost management:**
  - Maintain control over discretionary spending
  - Additional realized synergies in Q4
- **Effective October 1, returned all employees to full salary, instituted 2020 merit adjustments, and resumed 401(k) company match**
- **Continued elimination of non-essential capital expenditures**
- **Remit first cash interest payments on 2025 and 2028 senior notes in December**

Continued focus on execution of integration initiatives

Work Days

	Q1	Q2	Q3	Q4	FY
2018	64	64	63	62	253
2019	63	64	63	62	252
2020	64	64	64	61	253
2021	62	64	64	62	252

APPENDIX

Adjusted EPS

(in millions, except for EPS)	Q3 2020			YTD Q3 2020		
	Reported Results	Adjustments [1]	Adjusted Results	Reported Results	Adjustments [1]	Adjusted Results
Income from operations	$ 178	22	$ 200	$ 254	100	$ 355
Interest expense, net	75	-	75	152	-	152
Other, net	(1)	-	(1)	(1)	-	(1)
Income before income taxes	104	22	127	103	100	204
Income tax	24	5 [2]	29	24	22 [2]	46
Effective tax rate	*23.3%*		*23.1%*	*22.9%*		*22.5%*
Net income	80	17	97	80	78	158
Less: Non-controlling interests	(1)	-	(1)	(1)	-	(1)
Net income attributable to WESCO	81	17	98	81	78	159
Preferred stock dividends	15	-	15	16	-	16
Net income attributable to common stockholders	66	17	84	65	78	143
Diluted Shares	50.5		50.5	45.1		45.1
EPS	$ 1.31		$ 1.66	$ 1.44		$ 3.17

[1] Merger-related costs and fair value adjustments, gain on sale of an operating branch in the U.S. and the related income tax effects.
[2] The adjustments have been tax effected at a rate of 22%.

Capital Structure and Leverage

$ in millions

EBITDA and Adjusted EBITDA	Pro Forma Twelve Months Ended, September 30, 2020	Reported Twelve Months Ended, December 31, 2019
Net income attributable to common stockholders	$ 264	$ 223
Net loss attributable to noncontrolling interests	(1)	(1)
Preferred stock dividends	16	-
Income tax expense	40	60
Interest expense, net	217	64
Depreciation and amortization	145	62
EBITDA	**$ 681**	**$ 408**
Other, net	**2**	**1**
Stock-based compensation	**44**	**19**
Merger-related costs and fair value adjustments	**167**	**3**
Gain on sale of asset	**(20)**	**-**
Adjusted EBITDA	**$ 874**	**$ 431**
Cost Synergies[1]	85	-
Pro Forma Adjusted EBITDA	**$ 959**	**$ 431**

Debt	As of, September 30,	As of, December 31, 2019	**Maturity**
AR Revolver (variable)	$ 890	$ 415	2023
Inventory Revolver (variable)	325	-	2025
2021 Senior Notes (fixed)	500	500	2021
2023 Senior Notes AXE (fixed)	59	-	2023
2024 Senior Notes (fixed)	350	350	2024
2025 Senior Notes AXE (fixed)	4	-	2025
2025 Senior Notes (fixed)	1,500	-	2025
2028 Senior Notes (fixed)	1,315	-	2028
Other	54	28	Various
Total debt[2]	**$ 4,997**	**$ 1,293**	
Less: cash and cash equivalents	352	151	
Total debt, net of cash	**$ 4,645**	**$ 1,142**	
Leverage	5.3x	2.6x	
Pro Forma Leverage	4.8x	2.6x	

[1] Reflects $85 million of incremental year 1 synergies above $15 million already realized.
[2] Debt is presented in the condensed consolidated balance sheets net of debt discount and debt issuance costs and include adjustments to record the long-term debt assumed in the merger with Anixter at its acquisition date fa

Note: For financial leverage ratio in prior periods, see quarterly earnings webcasts as previously furnished to the Securities & Exchange Commission, which can be obtained from the Investor Relations page of WESCO's website

Gross Profit and Free Cash Flow

$ in millions

Gross Profit	Three Months Ended, September 30, 2020	Three Months Ended, September 30, 2019
Net sales	$ 4,142	$ 2,148
Cost of goods sold	3,356	1,748
Gross profit	**$ 786**	**$ 400**
Merger-related fair value adjustments to inventory	28	-
Adjusted gross profit[1]	**$ 814**	**$ 400**
Gross margin	*19.0%*	*18.6%*
Adjusted gross margin [1]	*19.6%*	*18.6%*

Free Cash Flow	Three Months Ended, September 30, 2020	Three Months Ended, September 30, 2019
Cash flow provided by operations	$ 286	$ 126
Less: capital expenditures	(15)	(9)
Add: merger-related expenditures	36	-
Free cash flow[2]	**$ 307**	**$ 117**
Adjusted net income	97	64
% of adjusted net income	*315%*	*181%*

[1] Gross profit is calculated by deducting cost of goods sold, excluding depreciation and amortization, from net sales. Gross margin is calculated by dividing gross profit by net sales. Adjusted gross profit and adjusted gro exclude the effect of merger-related fair value adjustments to inventory of $28.0 million for the three and nine months ended September 30, 2020.
[2] Free cash flow is provided by the Company as an additional liquidity measure. Capital and merger-related expenditures are deducted from operating cash flow to determine free cash flow. Free cash flow is available to and financing activities.

Note: For gross profit in prior periods, see quarterly earnings webcasts as previously furnished to the Securities & Exchange Commission, which can be obtained from the Investor Relations page of WESCO's website at w

Adjusted EBITDA

$ in millions

EBITDA and Adjusted EBITDA by Segment

	Three Months Ended September 30, 2020				
	EES	CSS	UBS	Corporate	Total
Net income attributable to common stockholders	$ 107	$ 91	$ 74	$ (206)	$ 66
Net loss attributable to noncontrolling interests	-	-	-	(1)	(1)
Preferred stock dividends	-	-	-	15	15
Income tax expense	-	-	-	24	24
Interest expense, net	-	-	-	75	75
Depreciation and amortization	10	19	8	9	46
EBITDA	**$ 117**	**$ 110**	**$ 82**	**$ (84)**	**$ 225**
Other, net	(1)	(1)	-	1	(1)
Stock-based compensation expense	-	-	-	6	6
Merger-related costs	-	-	-	14	14
Merger-related fair value adjustments	12	12	4	-	28
Gain on sale of asset	(19)	-	-	-	(19)
Adjusted EBITDA	**$ 108**	**$ 121**	**$ 86**	**$ (63)**	**$ 252**
Adjusted EBITDA margin %	**6.5%**	**8.7%**	**7.8%**		**6.1%**

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 intere 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 fair value adjustments associate with the merger with Anixter, and gain on sale of asset.