

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): August 1, 2024

**WESCO International, Inc.**

(Exact name of registrant as specified in its charter)

**001-14989**

(Commission File Number)

**25-1723342**

(IRS Employer  
Identification No.)

**Delaware**  
(State or other jurisdiction of  
incorporation)  
**225 West Station Square Drive**  
**Suite 700**  
**Pittsburgh, Pennsylvania**  
(Address of principal executive offices)

**15219**  
(Zip Code)

**(412) 454-2200**

(Registrant's telephone number, including area code)

**Not applicable.**

(Former name or former address, if changed since last report)

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))

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 \$0.01 per share	WCC	New York Stock Exchange
Depository Shares, each representing a 1/1,000th interest in a share of Series A Fixed-Rate Reset Cumulative Perpetual Preferred Stock	WCC PR A	New York Stock Exchange

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 August 1, 2024, WESCO International, Inc. (the “Company”) issued a press release announcing its financial results for the second quarter of 2024. 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 second quarter of 2024 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.**

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Press Release, dated August 1, 2024</a>
99.2	<a href="#">Slide presentation for investors</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**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)

\_\_\_\_\_  
August 1, 2024  
(Date)

\_\_\_\_\_  
By: /s/ David S. Schulz  
David S. Schulz  
Executive Vice President and Chief Financial Officer



# NEWS RELEASE

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

## Wesco International Reports Second Quarter 2024 Results

- *Second quarter net sales down 4.6% YOY, organic sales down 0.8% YOY and up 4.7% sequentially*
- *Second quarter operating profit of \$324 million; operating margin of 5.9%*
  - *Gross margin of 21.9%, up 30 basis points YOY and up 60 basis points sequentially*
  - *Adjusted EBITDA margin of 7.3%, up 90 basis points sequentially and down 40 basis points YOY*
- *Divestiture of Wesco Integrated Supply (WIS) completed on April 1, 2024*
  - *Utilized net proceeds to complete \$300 million of share repurchases*
- *Operating cash flow of \$523 million for the first six months of 2024*

**PITTSBURGH, August 1, 2024 /PR Newswire/** -- Wesco International (NYSE: WCC), a leading provider of business-to-business distribution, logistics services and supply chain solutions, announces its results for the second quarter of 2024.

“Our second quarter results were somewhat below our expectations for a low single-digit decline in reported sales against a continued mixed and multi-speed economic environment. Results improved as we moved through the quarter with a return to organic sales growth in June along with sequential margin expansion. We continued to benefit from the increase in AI-driven data center growth with sales in our Wesco Data Center Solutions business up double-digits. This was more than offset by a significant slowdown in purchases by our utility customers. While we remain confident in the long-term growth of our Utility and Broadband Solutions business, the customer destocking and delay of capital projects clearly impacted our results in the quarter,” said John Engel, Chairman, President and CEO.

Mr. Engel added, “As planned, we executed our capital allocation strategies and repurchased \$300 million of our Wesco stock in the second quarter and closed on two small but important software-based acquisitions, entroCim and Storeroom Logix. With our record \$500 million of free cash flow generation in the first half, we are on track to deliver our full year free cash flow outlook of \$800 million to \$1 billion and will continue to execute our capital allocation strategies.”

Mr. Engel concluded, “We expect the mixed economic environment and customer purchasing delays in utility and broadband to continue through the second half of 2024. Quoting, bid activity levels, and our backlog remain healthy, supporting our view for sales growth in the second half against an easier year-over-year comparable, but at a more modest rate than our previous outlook. As a result, we are reducing our full-year outlook and now expect organic sales growth of (1.5)% to 0.5% versus prior year and adjusted EBITDA margin of 7.0% to 7.3%. We plan to build on our improving sequential momentum in the second half as we continue to benefit from our global capabilities, leading scale and expanded portfolio.”

The following are results for the three months ended June 30, 2024 compared to the three months ended June 30, 2023:

- Net sales were \$5.5 billion for the second quarter of 2024 compared to \$5.7 billion for the second quarter of 2023, a decrease of 4.6%. On an organic basis, which removes the impact of the WIS divestiture and differences in foreign exchange rates, sales for the second quarter of 2024 declined by 0.8%. The decrease in organic sales reflects volume declines in the EES and UBS segments, partially offset by a volume increase in the CSS segment and price inflation in the EES and UBS segments.
- Backlog at the end of the second quarter of 2024 declined by 10% compared to the end of the second quarter of 2023. Sequentially, backlog declined by approximately 2% in the quarter.
- Cost of goods sold for the second quarter of 2024 was \$4.3 billion compared to \$4.5 billion for the second quarter of 2023, and gross profit was \$1.2 billion for the second quarter of 2024 and 2023. As a percentage of net sales, gross profit was 21.9% and 21.6% for the second quarter of 2024 and 2023, respectively. The increase in gross profit as a percentage of net sales for the second quarter of 2024 primarily reflects the impact of the divestiture of the WIS business. Sequentially, gross profit as a percentage of net sales increased 60 basis points from 21.3% in the first quarter of 2024.

- Selling, general and administrative (“SG&A”) expenses were \$828.4 million, or 15.1% of net sales, for the second quarter of 2024, compared to \$831.7 million, or 14.5% of net sales, for the second quarter of 2023. SG&A expenses for the second quarter of 2024 include a \$17.8 million loss on abandonment of assets, \$6.1 million of digital transformation costs, and \$0.9 million of restructuring costs. SG&A expenses for the second quarter of 2023 include \$9.8 million of restructuring costs, \$7.3 million of digital transformation costs, and \$3.6 million of merger-related and integration costs. Adjusted for these costs, SG&A expenses were \$803.6 million, or 14.7% of net sales, for the second quarter of 2024 and \$811.0 million, or 14.1% of net sales, for the second quarter of 2023. Adjusted SG&A expenses for the second quarter of 2024 reflect the impact of the divestiture of the WIS business and lower payroll-related expenses, partially offset by higher costs to operate our facilities.
- Depreciation and amortization for the second quarter of 2024 was \$46.1 million compared to \$46.9 million for the second quarter of 2023, a decrease of \$0.8 million.
- Operating profit was \$323.5 million for the second quarter of 2024 compared to \$363.8 million for the second quarter of 2023, a decrease of \$40.3 million, or 11.1%. Operating profit as a percentage of net sales was 5.9% for the current quarter compared to 6.3% for the second quarter of the prior year. Adjusted for the loss on abandonment of assets, digital transformation costs, and restructuring costs described above, operating profit was \$348.3 million, or 6.4% of net sales, for the second quarter of 2024. Adjusted for restructuring costs, digital transformation costs, merger-related and integration costs, and accelerated trademark amortization expense described above, operating profit was \$385.3 million, or 6.7% of net sales, for the second quarter of 2023.
- Net interest expense for the second quarter of 2024 and 2023 was \$98.8 million.
- Other non-operating income for the second quarter of 2024 was \$95.9 million compared to expense of \$0.8 million for the second quarter of 2023. In the second quarter of 2024, we completed the divestiture of our WIS business and recognized a gain from the sale of \$102.9 million. Additionally, in the second quarter of 2024, we recognized a \$3.8 million loss on the termination of a business arrangement. Adjusted for the gain on the divestiture of our WIS business and the loss on termination of business arrangement, other non-operating expense was \$3.2 million for the second quarter of 2024.
- The effective tax rate for the second quarter of 2024 was 27.4% compared to 27.2% for the second quarter of 2023.
- Net income attributable to common stockholders was \$217.7 million for the second quarter of 2024 compared to \$178.7 million for the second quarter of 2023. Adjusted for the loss on abandonment of assets, digital transformation costs, restructuring costs, the gain recognized on the divestiture of the WIS business, the loss on termination of business arrangement, and the related income tax effects, net income attributable to common stockholders was \$163.5 million for the second quarter of 2024. Adjusted for restructuring costs, digital transformation costs, merger-related and integration costs, accelerated trademark amortization expense, and the related income tax effects, net income attributable to common stockholders was \$194.3 million for the second quarter of 2023. Adjusted net income attributable to common stockholders decreased 15.9% year-over-year.
- Earnings per diluted share for the second quarter of 2024 was \$4.28, based on 50.9 million diluted shares, compared to \$3.41 for the second quarter of 2023, based on 52.4 million diluted shares. Adjusted for the loss on abandonment of assets, digital transformation costs, restructuring costs, the gain recognized on the divestiture of our WIS business, the loss on termination of business arrangement, and the related income tax effects, earnings per diluted share for the second quarter of 2024 was \$3.21. Adjusted for restructuring costs, digital transformation costs, merger-related and integration costs, accelerated trademark amortization expense, and the related income tax effects, earnings per diluted share for the second quarter of 2023 was \$3.71. Adjusted earnings per diluted share decreased 13.5% year-over-year.
- Operating cash flow for the second quarter of 2024 was an outflow of \$223.8 million compared to an inflow of \$317.6 million for the second quarter of 2023. The net cash outflow in the second quarter of 2024 was primarily driven by changes in net working capital, partially offset by net income of \$232.8 million. Fluctuations in accounts payable resulted in a cash out flow of \$279.0 million for the second quarter of 2024, primarily due to the timing of inventory purchases and payments to suppliers. An increase in trade accounts receivable resulted in a use of cash of \$142.7 million due to the timing of receipts from customers.

The following are results for the six months ended June 30, 2024 compared to the six months ended June 30, 2023:

- Net sales were \$10.8 billion for the first six months of 2024 compared to \$11.3 billion for the first six months of 2023, a decrease of 3.9%. Organic sales for the first six months of 2024 declined by 2.0%, as the divestiture of the WIS business and fluctuations in foreign exchange rates negatively impacted reported net sales by 1.8% and 0.1%, respectively. The decrease in organic sales reflects volume declines in all three segments, partially offset by price inflation.
- Cost of goods sold for the first six months of 2024 was \$8.5 billion compared to \$8.8 billion for the first six months of 2023, and gross profit was \$2.3 billion and \$2.5 billion, respectively. As a percentage of net sales, gross profit was 21.6% and 21.8% for the first six months of 2024 and 2023, respectively. The unfavorable decrease of 20 basis points reflects a shift in sales mix, lower supplier volume rebates, higher inventory adjustments, and lower cash discounts.

- SG&A expenses were \$1,657.8 million, or 15.3% of net sales, for the first six months of 2024, compared to \$1,649.4 million, or 14.6% of net sales, for the first six months of 2023. SG&A expenses for the first six months of 2024 include a \$17.8 million loss on abandonment of assets, \$12.1 million of digital transformation costs, \$9.0 million of restructuring costs, and \$4.8 million of excise taxes on excess pension plan assets. SG&A expenses for first six months of 2023 include \$15.6 million of digital transformation costs, \$14.8 million of merger-related and integration costs, and \$9.8 million of restructuring costs. Adjusted for the loss on abandonment of assets, digital transformation costs, restructuring costs, and excise taxes on excess pension plan assets, SG&A expenses were \$1,614.1 million, or 14.9% of net sales, for the first six months of 2024. Adjusted for digital transformation costs, merger-related and integration costs, and restructuring costs, SG&A expenses were \$1,609.2 million, or 14.3% of net sales for the first six months of 2023. The increase in adjusted SG&A expenses for the first six months of 2024 compared to the first six months of 2023 reflects higher costs to operate our facilities, an increase in IT costs, and an increase in taxes. These increases were partially offset by a decrease in transportation costs and lower payroll related expenses.
- Depreciation and amortization for the first six months of 2024 was \$91.6 million compared to \$91.3 million for the first six months of 2023, an increase of \$0.3 million.
- Operating profit was \$586.5 million for the first six months of 2024 compared to \$710.2 million for the first six months of 2023, a decrease of \$123.7 million, or 17.4%. Operating profit as a percentage of net sales was 5.4% for the current six-month period compared to 6.3% for the first six months of the prior year. Adjusted for the loss on abandonment of assets, digital transformation costs, restructuring costs, and excise taxes on excess pension plan assets described above, operating profit was \$630.2 million, or 5.8% of net sales, for the first six months of 2024. Adjusted for digital transformation costs, merger-related and integration costs, restructuring costs, and accelerated trademark amortization expense described above, operating profit was \$751.2 million, or 6.7% of net sales, for the first six months of 2023.
- Net interest expense for the first six months of 2024 was \$193.2 million compared to \$193.8 million for the first six months of 2023.
- Other non-operating income for the first six months of 2024 was \$74.3 million compared to expense of \$10.9 million for the first six months of 2023. In the first six months of 2024, we completed the divestiture of our WIS business and recognized a gain from the sale of \$102.9 million. Additionally, in the first six months of 2024, we recognized a \$3.8 million loss on termination of business arrangement. Due to fluctuations in the U.S. dollar against certain foreign currencies, a net foreign currency exchange loss of \$20.7 million was recognized for the first six months of 2024 compared to a net loss of \$13.2 million for the first six months of 2023. Net costs of \$5.5 million, comprising pension settlement cost, and net benefits of \$0.7 million associated with the non-service cost components of net periodic pension (benefit) cost were recognized for the six months ended June 30, 2024 and 2023, respectively. Adjusted for the gain on divestiture of our WIS business, the loss on termination of business arrangement, and pension settlement cost described above, other non-operating expense was \$19.3 million for the first six months of 2024.
- The effective tax rate for the first six months of 2024 was 25.4% compared to 22.9% for the first six months of 2023. The effective tax rate for the first six months of 2024 was higher than the comparable prior year period due to lower discrete income tax benefits resulting from the exercise and vesting of stock-based awards as compared to the prior year period.
- Net income attributable to common stockholders was \$319.2 million for the first six months of 2024 compared to \$361.5 million for the first six months of 2023. Adjusted for the loss on abandonment of assets, digital transformation costs, restructuring costs, excise taxes on excess pension plan assets, the gain recognized on the divestiture of the WIS business, the loss on termination of business arrangement, pension settlement cost, and the related income tax effects, net income attributable to common stockholders was \$282.9 million for the first six months of 2024. Adjusted for digital transformation costs, merger-related and integration costs, restructuring costs, accelerated trademark amortization expense, and the related income tax effects, net income attributable to common stockholders for the first six months of 2023 was \$391.3 million. Adjusted net income attributable to common stockholders decreased 27.7% year-over-year.
- Earnings per diluted share for the first six months of 2024 was \$6.22, based on 51.3 million diluted shares, compared to \$6.90 for the first six months of 2023, based on 52.4 million diluted shares. Adjusted for the loss on abandonment of assets, digital transformation costs, restructuring costs, excise taxes on excess pension plan assets, the gain recognized on the divestiture of the WIS business, the loss on termination of business arrangement, pension settlement cost, and the related income tax effects, earnings per diluted share for the first six months of 2024 was \$5.51. Adjusted for digital transformation costs, merger-related and integration costs, restructuring costs, accelerated trademark amortization expense, and the related income tax effects, earnings per diluted share for the first six months of 2023 was \$7.47. Adjusted earnings per diluted share decreased 26.2% year-over-year.

- Operating cash flow for the first six months of 2024 was an inflow of \$522.5 million compared to \$62.2 million for the first six months of 2023. Free cash flow for the first six months of 2024 was \$497.3 million, or 159.1% of adjusted net income. The net cash inflow in the first six months of 2024 was primarily driven by net income of \$348.9 million and non-cash adjustments to net income totaling \$32.1 million. Operating cash flow was positively impacted by net changes in assets and liabilities of \$141.6 million, which primarily comprised an increase in accounts payable of \$341.9 million, primarily due to the timing of inventory purchases and payments to suppliers, and a decrease in inventories of \$18.9 million, partially offset by an increase in trade accounts receivable of \$258.8 million due to the timing of receipts from customers.

#### Webcast and Teleconference Access

Wesco will conduct a webcast and teleconference to discuss the second quarter of 2024 earnings as described in this News Release on Thursday, August 1, 2024, 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 <https://investors.wesco.com>. The call will be archived on this internet site for seven days.

*Wesco International (NYSE: WCC) builds, connects, powers and protects the world. Headquartered in Pittsburgh, Pennsylvania, Wesco is a FORTUNE 500® company with more than \$22 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 20,000 people, partners with the industry's premier suppliers, and serves thousands of customers around the world. With millions of 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, educational institutions, telecommunications providers, and utilities. Wesco operates nearly 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 global 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 business strategy; growth strategy, competitive strengths, productivity and profitability enhancement, competition, new product and service introductions, and liquidity and capital resources. Such statements can generally be identified by the use of words such as "anticipate," "plan," "believe," "estimate," "intend," "expect," "project," and similar words, phrases or expressions or future or conditional verbs such as "could," "may," "should," "will," and "would," although not all forward-looking statements contain such words. 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.*

*Important factors that could cause actual results or events to differ materially from those presented or implied in the forward-looking statements include, among others, the failure to achieve the anticipated benefits of, and other risks associated with, acquisitions, joint ventures, divestitures and other corporate transactions; the inability to successfully integrate acquired businesses; the impact of increased interest rates or borrowing costs; fluctuations in currency exchange rates; failure to adequately protect Wesco's intellectual property or successfully defend against infringement claims; the inability to successfully deploy new technologies, digital products and information systems or to otherwise adapt to emerging technologies in the marketplace, such as those incorporating artificial intelligence; failure to execute on our efforts and programs related to environmental, social and governance (ESG) matters; unanticipated expenditures or other adverse developments related to compliance with new or stricter government policies, laws or regulations, including those relating to data privacy, sustainability and environmental protection; the inability to successfully develop, manage or implement new technology initiatives or business strategies, including with respect to the expansion of e-commerce capabilities and other digital solutions and digitalization initiatives; disruption of information technology systems or operations; natural disasters (including as a result of climate change), health epidemics, pandemics and other outbreaks; supply chain disruptions; geopolitical issues, including the impact of the evolving conflicts in the Middle East and Russia/Ukraine; the impact of sanctions imposed on, or other actions taken by the U.S. or other countries against, Russia or China; the failure to manage the increased risks and impacts of cyber incidents or data breaches; and exacerbation of key materials shortages, inflationary cost pressures, material cost increases, demand volatility, and logistics and capacity constraints, any of which may have a material adverse effect on the Company's business, results of operations and financial condition. All such factors are difficult to predict and are beyond the Company's control. Additional factors that could cause results to differ materially from those described above can be found in Wesco's most recent Annual Report on Form 10-K and other periodic reports filed with the U.S. Securities and Exchange Commission.*

Contact Information	
Investor Relations	Corporate Communications
Will Ruthrauff Director, Investor Relations 484-885-5648	Jennifer Sniderman Vice President, Corporate Communications 717-579-6603

<http://www.wesco.com>



**WESCO INTERNATIONAL, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(in millions, except per share amounts)  
(Unaudited)

	Three Months Ended			
	June 30, 2024		June 30, 2023	
Net sales	\$	5,479.7	\$	5,745.5
Cost of goods sold (excluding depreciation and amortization)		4,281.7	78.1 %	4,503.1    78.4 %
Selling, general and administrative expenses		828.4	15.1 %	831.7    14.5 %
Depreciation and amortization		46.1		46.9
Income from operations		323.5	5.9 %	363.8    6.3 %
Interest expense, net		98.8		98.8
Other (income) expense, net		(95.9)		0.8
Income before income taxes		320.6	5.9 %	264.2    4.6 %
Provision for income taxes		87.8		71.8
Net income		232.8	4.2 %	192.4    3.3 %
Net income (loss) attributable to noncontrolling interests		0.7		(0.7)
Net income attributable to WESCO International, Inc.		232.1	4.2 %	193.1    3.4 %
Preferred stock dividends		14.4		14.4
Net income attributable to common stockholders	\$	217.7	4.0 %	\$ 178.7    3.1 %
Earnings per diluted share attributable to common stockholders	\$	4.28	\$	3.41
Weighted-average common shares outstanding and common share equivalents used in computing earnings per diluted common share		50.9		52.4

**WESCO INTERNATIONAL, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(in millions, except per share amounts)  
(Unaudited)

	Six Months Ended				
	June 30, 2024		June 30, 2023		
Net sales	\$	10,829.7		\$	11,267.4
Cost of goods sold (excluding depreciation and amortization)		8,493.8	78.4 %		8,816.5      78.2 %
Selling, general and administrative expenses		1,657.8	15.3 %		1,649.4      14.6 %
Depreciation and amortization		91.6			91.3
Income from operations		586.5	5.4 %		710.2      6.3 %
Interest expense, net		193.2			193.8
Other (income) expense, net		(74.3)			10.9
Income before income taxes		467.6	4.3 %		505.5      4.5 %
Provision for income taxes		118.7			115.9
Net income		348.9	3.2 %		389.6      3.5 %
Net income (loss) attributable to noncontrolling interests		1.0			(0.6)
Net income attributable to WESCO International, Inc.		347.9	3.2 %		390.2      3.5 %
Preferred stock dividends		28.7			28.7
Net income attributable to common stockholders	\$	319.2	2.9 %	\$	361.5      3.2 %
Earnings per diluted share attributable to common stockholders	\$	6.22		\$	6.90
Weighted-average common shares outstanding and common share equivalents used in computing earnings per diluted common share		51.3			52.4

**WESCO INTERNATIONAL, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(dollar amounts in millions)  
(Unaudited)

	As of	
	June 30, 2024	December 31, 2023
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 716.5	\$ 524.1
Trade accounts receivable, net	3,654.6	3,639.5
Inventories	3,505.8	3,572.1
Other current assets	659.2	655.9
<b>Total current assets</b>	<b>8,536.1</b>	<b>8,391.6</b>
Goodwill and intangible assets	5,019.5	5,119.9
Other assets	1,552.9	1,549.4
<b>Total assets</b>	<b>\$ 15,108.5</b>	<b>\$ 15,060.9</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 2,688.9	\$ 2,431.5
Short-term debt and current portion of long-term debt, net	13.8	8.6
Other current liabilities	1,045.6	948.3
<b>Total current liabilities</b>	<b>3,748.3</b>	<b>3,388.4</b>
Long-term debt, net	5,203.4	5,313.1
Other noncurrent liabilities	1,305.5	1,327.5
<b>Total liabilities</b>	<b>10,257.2</b>	<b>10,029.0</b>
<b>Stockholders' Equity</b>		
Total stockholders' equity	4,851.3	5,031.9
<b>Total liabilities and stockholders' equity</b>	<b>\$ 15,108.5</b>	<b>\$ 15,060.9</b>

**WESCO INTERNATIONAL, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(dollar amounts in millions)  
(Unaudited)

	Six Months Ended	
	June 30, 2024	June 30, 2023
<b>Operating Activities:</b>		
Net income	\$ 348.9	\$ 389.6
Add back (deduct):		
Depreciation and amortization	91.6	91.3
Deferred income taxes	(7.2)	16.2
Gain on divestiture	(102.9)	—
Loss on abandonment of assets	17.8	—
Change in trade receivables, net	(258.8)	(162.9)
Change in inventories	18.9	(73.9)
Change in accounts payable	341.9	(78.6)
Other, net	72.3	(119.5)
Net cash provided by operating activities	522.5	62.2
<b>Investing Activities:</b>		
Capital expenditures	(41.2)	(44.3)
Acquisition payments	(30.1)	—
Proceeds from divestiture, net of cash transferred	334.2	—
Other, net	6.2	0.6
Net cash provided by (used in) investing activities	269.1	(43.7)
<b>Financing Activities:</b>		
Debt (repayments) borrowings, net <sup>(1)</sup>	(118.3)	104.2
Payments for taxes related to net-share settlement of equity awards	(26.0)	(54.2)
Repurchases of common stock	(350.0)	—
Payment of common stock dividends	(41.2)	(38.4)
Payment of preferred stock dividends	(28.7)	(28.7)
Debt issuance costs	(26.6)	—
Other, net	9.4	(3.3)
Net cash used in financing activities	(581.4)	(20.4)
Effect of exchange rate changes on cash and cash equivalents	(17.8)	3.6
Net change in cash and cash equivalents	192.4	1.7
Cash and cash equivalents at the beginning of the period	524.1	527.3
Cash and cash equivalents at the end of the period	\$ 716.5	\$ 529.0

<sup>(1)</sup> The six months ended June 30, 2024 includes the issuance of the Company's \$900.0 million aggregate principal amount of 6.375% Senior Notes due 2029 and (the "2029 Notes") and the Company's \$850.0 million aggregate principal amount of 6.625% Senior Notes due 2032 (the "2032 Notes" and, together with the 2029 Notes, the "2029 and 2032 Notes"). The proceeds from the issuance of the 2029 and 2032 Notes were used for the redemption of the Company's \$1,500.0 million aggregate principal amount of 7.125% Senior Notes due 2025 (the "2025 Notes"). The six months ended June 30, 2023 includes the repayment of the Company's \$58.6 million aggregate principal amount of 5.50% Anixter Senior Notes due 2023 (the "Anixter 2023 Senior Notes"). The repayment of the Anixter 2023 Senior Notes was funded with borrowings under the Company's revolving credit facility.

#### 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 organic sales growth, gross profit, gross margin, earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted EBITDA, adjusted EBITDA margin, financial leverage, free cash flow, adjusted selling, general and administrative expenses, adjusted income from operations, adjusted operating margin, adjusted other non-operating expense (income), adjusted provision for income taxes, adjusted income before 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 our financial condition and results of operations on a comparable basis. Additionally, certain non-GAAP measures either focus on or exclude items impacting comparability of results such as merger-related and integration costs, digital transformation costs, restructuring costs, cloud computing arrangement amortization, pension settlement cost and excise taxes on excess pension plan assets related to the final settlement of the Anixter Inc. Pension Plan, loss on abandonment of assets, the gain recognized on the divestiture of the WIS business, the loss on termination of business arrangement, and the related income tax effects, 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

(in millions, except per share amounts)

(Unaudited)

Organic Sales Growth by Segment - Three Months Ended:

	Three Months Ended		Reported	Divestiture	Growth/(Decline)		
	June 30, 2024	June 30, 2023			Foreign Exchange	Workday	Organic Sales
EES	\$ 2,172.9	\$ 2,200.3	(1.2)%	— %	(0.6)%	— %	(0.6)%
CSS	1,865.9	1,850.9	0.8 %	— %	(0.3)%	— %	1.1 %
UBS	1,440.9	1,694.3	(15.0)%	(11.9)%	(0.1)%	— %	(3.0)%
<b>Total net sales</b>	<b>\$ 5,479.7</b>	<b>\$ 5,745.5</b>	<b>(4.6)%</b>	<b>(3.5)%</b>	<b>(0.3)%</b>	<b>— %</b>	<b>(0.8)%</b>

Organic Sales Growth by Segment - Six Months Ended:

	Six Months Ended		Reported	Divestiture	Growth/(Decline)		
	June 30, 2024	June 30, 2023			Foreign Exchange	Workday	Organic Sales
EES	\$ 4,271.9	\$ 4,335.4	(1.5)%	— %	(0.3)%	— %	(1.2)%
CSS	3,536.0	3,582.9	(1.3)%	— %	(0.1)%	— %	(1.2)%
UBS	3,021.8	3,349.1	(9.8)%	(6.0)%	— %	— %	(3.8)%
<b>Total net sales</b>	<b>\$ 10,829.7</b>	<b>\$ 11,267.4</b>	<b>(3.9)%</b>	<b>(1.8)%</b>	<b>(0.1)%</b>	<b>— %</b>	<b>(2.0)%</b>

Organic Sales Growth by Segment - Sequential:

	Three Months Ended		Reported	Divestiture	Growth/(Decline)		
	June 30, 2024	March 31, 2024			Foreign Exchange	Workday	Organic Sales
EES	\$ 2,172.9	\$ 2,099.0	3.5 %	— %	(0.4)%	1.6 %	2.3 %
CSS	1,865.9	1,670.1	11.7 %	— %	(0.3)%	1.6 %	10.4 %
UBS	1,440.9	1,580.9	(8.9)%	(12.1)%	(0.2)%	1.6 %	1.8 %
<b>Total net sales</b>	<b>\$ 5,479.7</b>	<b>\$ 5,350.0</b>	<b>2.4 %</b>	<b>(3.6)%</b>	<b>(0.3)%</b>	<b>1.6 %</b>	<b>4.7 %</b>

Note: Organic sales growth is a non-GAAP financial measure of sales performance. Organic sales growth is calculated by deducting the percentage impact from acquisitions and divestitures for one year following the respective transaction, fluctuations in foreign exchange rates and number of workdays from the reported percentage change in consolidated net sales. Workday impact represents the change in the number of operating days period-over-period after adjusting for weekends and public holidays in the United States; there was no change in the number of workdays in the second quarter and first six months of 2024 compared to the second quarter and first six months of 2023. The second quarter of 2024 had one additional workday compared to the first quarter of 2024.

**WESCO INTERNATIONAL, INC.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
(in millions, except per share amounts)  
(Unaudited)

<b>Gross Profit:</b>	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 30, 2024</b>	<b>June 30, 2023</b>	<b>June 30, 2024</b>	<b>June 30, 2023</b>
Net sales	\$ 5,479.7	\$ 5,745.5	\$ 10,829.7	\$ 11,267.4
Cost of goods sold (excluding depreciation and amortization)	4,281.7	4,503.1	8,493.8	8,816.5
<b>Gross profit</b>	<b>\$ 1,198.0</b>	<b>\$ 1,242.4</b>	<b>\$ 2,335.9</b>	<b>\$ 2,450.9</b>
Gross margin	21.9 %	21.6 %	21.6 %	21.8 %

<b>Gross Profit:</b>	<b>Three Months Ended</b>
	<b>March 31, 2024</b>
Net sales	\$ 5,350.0
Cost of goods sold (excluding depreciation and amortization)	4,212.1
<b>Gross profit</b>	<b>\$ 1,137.9</b>
Gross margin	21.3 %

Note: Gross profit is a financial measure commonly used in 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.

WESCO INTERNATIONAL, INC.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(in millions, except per share amounts)

(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
<b>Adjusted SG&amp;A Expenses:</b>				
Selling, general and administrative expenses	\$ 828.4	\$ 831.7	\$ 1,657.8	\$ 1,649.4
Loss on abandonment of assets <sup>(1)</sup>	(17.8)	—	(17.8)	—
Digital transformation costs <sup>(2)</sup>	(6.1)	(7.3)	(12.1)	(15.6)
Restructuring costs <sup>(3)</sup>	(0.9)	(9.8)	(9.0)	(9.8)
Excise taxes on excess pension plan assets <sup>(4)</sup>	—	—	(4.8)	—
Merger-related and integration costs <sup>(5)</sup>	—	(3.6)	—	(14.8)
Adjusted selling, general and administrative expenses	\$ 803.6	\$ 811.0	\$ 1,614.1	\$ 1,609.2
Percentage of net sales	14.7 %	14.1 %	14.9 %	14.3 %
<b>Adjusted Income from Operations:</b>				
Income from operations	\$ 323.5	\$ 363.8	\$ 586.5	\$ 710.2
Loss on abandonment of assets <sup>(1)</sup>	17.8	—	17.8	—
Digital transformation costs <sup>(2)</sup>	6.1	7.3	12.1	15.6
Restructuring costs <sup>(3)</sup>	0.9	9.8	9.0	9.8
Excise taxes on excess pension plan assets <sup>(4)</sup>	—	—	4.8	—
Merger-related and integration costs <sup>(5)</sup>	—	3.6	—	14.8
Accelerated trademark amortization <sup>(6)</sup>	—	0.8	—	0.8
Adjusted income from operations	\$ 348.3	\$ 385.3	\$ 630.2	\$ 751.2
Adjusted income from operations margin %	6.4 %	6.7 %	5.8 %	6.7 %
<b>Adjusted Other (Income) Expense, net:</b>				
Other (income) expense, net	\$ (95.9)	\$ 0.8	\$ (74.3)	\$ 10.9
Gain on divestiture	102.9	—	102.9	—
Loss on termination of business arrangement <sup>(7)</sup>	(3.8)	—	(3.8)	—
Pension settlement cost <sup>(8)</sup>	—	—	(5.5)	—
Adjusted other (income) expense, net	\$ 3.2	\$ 0.8	\$ 19.3	\$ 10.9
<b>Adjusted Provision for Income Taxes:</b>				
Provision for income taxes	\$ 87.8	\$ 71.8	\$ 118.7	\$ 115.9
Income tax effect of adjustments to income from operations <sup>(9)</sup>	(20.1)	5.9	(13.6)	11.2
Adjusted provision for income taxes	\$ 67.7	\$ 77.7	\$ 105.1	\$ 127.1

<sup>(1)</sup> Loss on abandonment of assets represents the write-off of certain capitalized cloud computing arrangement implementation costs relating to a third-party developed operations management software product in favor of an application with functionality that better suits the Company's operations.

<sup>(2)</sup> Digital transformation costs include costs associated with certain digital transformation initiatives.

<sup>(3)</sup> Restructuring costs include severance costs incurred pursuant to an ongoing restructuring plan.

<sup>(4)</sup> Excise taxes on excess pension plan assets represent the excise taxes applicable to the excess pension plan assets following the final settlement of the Company's U.S. pension plan.

<sup>(5)</sup> Merger-related and integration costs include integration and professional fees associated with the integration of Wesco and Anixter, as well as advisory, legal, and separation costs associated with the merger between the two companies.

<sup>(6)</sup> Accelerated trademark amortization represents additional amortization expense resulting from changes in the estimated useful lives of certain legacy trademarks that have migrated to our master brand architecture.

<sup>(7)</sup> Loss on termination of business arrangement represents the loss recognized as a result of management's decision to terminate a business arrangement with a third party.

<sup>(8)</sup> Pension settlement cost represents expense related to the final settlement of the Company's U.S. pension plan.

<sup>(9)</sup> The adjustments to income from operations have been tax effected at a rate of approximately 27% for the three and six months ended June 30, 2024, and 2023, respectively.



WESCO INTERNATIONAL, INC.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(in millions, except per share amounts)

(Unaudited)

Adjusted Earnings per Diluted Share:	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Adjusted income from operations	\$ 348.3	\$ 385.3	\$ 630.2	\$ 751.2
Interest expense, net	98.8	98.8	193.2	193.8
Adjusted other expense, net	3.2	0.8	19.3	10.9
Adjusted income before income taxes	246.3	285.7	417.7	546.5
Adjusted provision for income taxes	67.7	77.7	105.1	127.1
Adjusted net income	178.6	208.0	312.6	419.4
Net income (loss) attributable to noncontrolling interests	0.7	(0.7)	1.0	(0.6)
Adjusted net income attributable to WESCO International, Inc.	177.9	208.7	311.6	420.0
Preferred stock dividends	14.4	14.4	28.7	28.7
Adjusted net income attributable to common stockholders	\$ 163.5	\$ 194.3	\$ 282.9	\$ 391.3
Diluted shares	50.9	52.4	51.3	52.4
Adjusted earnings per diluted share	\$ 3.21	\$ 3.71	\$ 5.51	\$ 7.47

Note: For the three and six months ended June 30, 2024, SG&A expenses, income from operations, other non-operating (income) expense, the provision for income taxes and earnings per diluted share have been adjusted to exclude the loss on abandonment of assets, digital transformation costs, restructuring costs, excise taxes on excess pension plan assets related to the final settlement of the Anixter Inc. Pension Plan, the gain recognized on the divestiture of the WIS business, the loss on termination of business arrangement, pension settlement cost, and the related income tax effects. For the three and six months ended June 30, 2023, SG&A expenses, income from operations, the provision for income taxes and earnings per diluted share have been adjusted to exclude digital transformation costs, merger-related and integration costs, restructuring costs, accelerated amortization expense, and the related income tax effects. These non-GAAP financial measures provide a better understanding of our financial results on a comparable basis.

WESCO INTERNATIONAL, INC.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(in millions, except per share amounts)

(Unaudited)

EBITDA and Adjusted EBITDA by Segment:	Three Months Ended June 30, 2024				
	EES	CSS	UBS	Corporate	Total
Net income attributable to common stockholders	\$ 179.3	\$ 114.3	\$ 268.5	\$ (344.4)	\$ 217.7
Net income (loss) attributable to noncontrolling interests	0.1	0.7	—	(0.1)	0.7
Preferred stock dividends	—	—	—	14.4	14.4
Provision for income taxes <sup>(1)</sup>	—	—	—	87.8	87.8
Interest expense, net <sup>(1)</sup>	—	—	—	98.8	98.8
Depreciation and amortization	11.4	18.2	7.4	9.1	46.1
<b>EBITDA</b>	<b>\$ 190.8</b>	<b>\$ 133.2</b>	<b>\$ 275.9</b>	<b>\$ (134.4)</b>	<b>\$ 465.5</b>
Other expense (income), net	3.0	16.0	(103.2)	(11.7)	(95.9)
Stock-based compensation expense	1.1	1.6	0.8	(0.8)	2.7
Loss on abandonment of assets <sup>(2)</sup>	—	—	—	17.8	17.8
Digital transformation costs <sup>(3)</sup>	—	—	—	6.1	6.1
Cloud computing arrangement amortization <sup>(4)</sup>	—	—	—	3.0	3.0
Restructuring costs <sup>(5)</sup>	—	—	—	0.9	0.9
<b>Adjusted EBITDA</b>	<b>\$ 194.9</b>	<b>\$ 150.8</b>	<b>\$ 173.5</b>	<b>\$ (119.1)</b>	<b>\$ 400.1</b>
<b>Adjusted EBITDA margin %</b>	<b>9.0 %</b>	<b>8.1 %</b>	<b>12.0 %</b>		<b>7.3 %</b>

<sup>(1)</sup> The reportable segments do not incur income taxes and interest expense as these costs are centrally controlled through the Corporate tax and treasury functions.

<sup>(2)</sup> Loss on abandonment of assets represents the write-off of certain capitalized cloud computing arrangement implementation costs relating to a third-party developed operations management software product in favor of an application with functionality that better suits the Company's operations.

<sup>(3)</sup> Digital transformation costs include costs associated with certain digital transformation initiatives.

<sup>(4)</sup> Cloud computing arrangement amortization consists of expense recognized in selling, general and administrative expenses for capitalized implementation costs for cloud computing arrangements to support our digital transformation initiatives.

<sup>(5)</sup> Restructuring costs include severance costs incurred pursuant to an ongoing restructuring plan.

EBITDA and Adjusted EBITDA by Segment:	Three Months Ended June 30, 2023				
	EES	CSS	UBS	Corporate	Total
Net income attributable to common stockholders	\$ 167.0	\$ 132.2	\$ 183.1	\$ (303.6)	\$ 178.7
Net (loss) income attributable to noncontrolling interests	(0.7)	0.1	—	(0.1)	(0.7)
Preferred stock dividends	—	—	—	14.4	14.4
Provision for income taxes <sup>(1)</sup>	—	—	—	71.8	71.8
Interest expense, net <sup>(1)</sup>	—	—	—	98.8	98.8
Depreciation and amortization	11.5	17.9	6.4	11.1	46.9
<b>EBITDA</b>	<b>\$ 177.8</b>	<b>\$ 150.2</b>	<b>\$ 189.5</b>	<b>\$ (107.6)</b>	<b>\$ 409.9</b>
Other expense (income), net	9.8	27.7	(1.7)	(35.0)	0.8
Stock-based compensation expense <sup>(2)</sup>	1.4	1.6	0.8	7.1	10.9
Restructuring costs <sup>(3)</sup>	—	—	—	9.8	9.8
Digital transformation costs <sup>(4)</sup>	—	—	—	7.3	7.3
Merger-related and integration costs <sup>(5)</sup>	—	—	—	3.6	3.6
<b>Adjusted EBITDA</b>	<b>\$ 189.0</b>	<b>\$ 179.5</b>	<b>\$ 188.6</b>	<b>\$ (114.8)</b>	<b>\$ 442.3</b>
<b>Adjusted EBITDA margin %</b>	<b>8.6 %</b>	<b>9.7 %</b>	<b>11.1 %</b>		<b>7.7 %</b>

<sup>(1)</sup> The reportable segments do not incur income taxes and interest expense as these costs are centrally controlled through the Corporate tax and treasury functions.

<sup>(2)</sup> Stock-based compensation expense in the calculation of adjusted EBITDA for the three months ended June 30, 2023 excludes \$1.3 million that is included in merger-related and integration costs.

<sup>(3)</sup> Restructuring costs include severance costs incurred pursuant to an ongoing restructuring plan.

<sup>(4)</sup> Digital transformation costs include costs associated with certain digital transformation initiatives.

<sup>(5)</sup> Merger-related and integration costs include integration and professional fees associated with the integration of Wesco and Anixter, as well as advisory, legal, and separation costs associated with the merger between the two companies.

WESCO INTERNATIONAL, INC.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(in millions, except per share amounts)

(Unaudited)

EBITDA and Adjusted EBITDA by Segment:	Three Months Ended March 31, 2024				
	EES	CSS	UBS	Corporate	Total
Net income attributable to common stockholders	\$ 148.2	\$ 88.4	\$ 160.8	\$ (296.0)	\$ 101.4
Net (loss) income attributable to noncontrolling interests	(0.4)	0.4	—	0.3	0.3
Preferred stock dividends	—	—	—	14.4	14.4
Provision for income taxes <sup>(1)</sup>	—	—	—	30.9	30.9
Interest expense, net <sup>(1)</sup>	—	—	—	94.4	94.4
Depreciation and amortization	11.2	18.0	7.0	9.3	45.5
<b>EBITDA</b>	<b>\$ 159.0</b>	<b>\$ 106.8</b>	<b>\$ 167.8</b>	<b>\$ (146.8)</b>	<b>\$ 286.9</b>
Other expense (income), net	5.7	18.8	0.8	(3.7)	21.6
Stock-based compensation expense	1.1	1.6	0.8	6.6	10.1
Restructuring costs <sup>(2)</sup>	—	—	—	8.0	8.0
Digital transformation costs <sup>(3)</sup>	—	—	—	6.1	6.1
Excise taxes on excess pension plan assets <sup>(4)</sup>	—	—	—	4.8	4.8
Cloud computing arrangement amortization <sup>(5)</sup>	—	—	—	2.9	2.9
<b>Adjusted EBITDA</b>	<b>\$ 165.8</b>	<b>\$ 127.2</b>	<b>\$ 169.4</b>	<b>\$ (122.1)</b>	<b>\$ 340.4</b>
<b>Adjusted EBITDA margin %</b>	<b>7.9 %</b>	<b>7.6 %</b>	<b>10.7 %</b>		<b>6.4 %</b>

<sup>(1)</sup> The reportable segments do not incur income taxes and interest expense as these costs are centrally controlled through the Corporate tax and treasury functions.

<sup>(2)</sup> Restructuring costs include severance costs incurred pursuant to an ongoing restructuring plan.

<sup>(3)</sup> Digital transformation costs include costs associated with certain digital transformation initiatives.

<sup>(4)</sup> Excise taxes on excess pension plan assets represent the excise taxes applicable to the excess pension plan assets following the final settlement of the Company's U.S. pension plan.

<sup>(5)</sup> Cloud computing arrangement amortization consists of expense recognized in selling, general and administrative expenses for capitalized implementation costs for cloud computing arrangements to support our digital transformation initiatives.

Note: EBITDA, Adjusted EBITDA and Adjusted EBITDA margin % are non-GAAP financial measures that provide indicators of the Company's performance and its ability to meet debt service requirements. For the three months ended June 30, 2024, Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization before other non-operating expenses (income), non-cash stock-based compensation expense, loss on abandonment of assets, digital transformation costs, cloud computing arrangement amortization, and restructuring costs. For the three months ended June 30, 2023, Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization before other non-operating expenses (income), non-cash stock-based compensation expense, restructuring costs, digital transformation costs, and merger-related and integration costs. For the three months ended March 31, 2024, Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization before other non-operating expenses (income), non-cash stock-based compensation expense, digital transformation costs, restructuring costs, cloud computing arrangement amortization, and excise taxes on excess pension plan assets related to the final settlement of the Anixter Inc. Pension Plan. Adjusted EBITDA margin % is calculated by dividing Adjusted EBITDA by net sales.

WESCO INTERNATIONAL, INC.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(in millions, except per share amounts)

(Unaudited)

EBITDA and Adjusted EBITDA by Segment:	Six Months Ended June 30, 2024				
	EES	CSS	UBS	Corporate	Total
Net income attributable to common stockholders	\$ 327.5	\$ 202.7	\$ 429.3	\$ (640.3)	\$ 319.2
Net (loss) income attributable to noncontrolling interests	(0.3)	1.0	—	0.3	1.0
Preferred stock dividends	—	—	—	28.7	28.7
Provision for income taxes <sup>(1)</sup>	—	—	—	118.7	118.7
Interest expense, net <sup>(1)</sup>	—	—	—	193.2	193.2
Depreciation and amortization	22.7	36.2	14.4	18.3	91.6
<b>EBITDA</b>	<b>\$ 349.9</b>	<b>\$ 239.9</b>	<b>\$ 443.7</b>	<b>\$ (281.1)</b>	<b>\$ 752.4</b>
Other expense (income), net	8.7	34.8	(102.4)	(15.4)	(74.3)
Stock-based compensation expense	2.1	3.3	1.6	5.8	12.8
Loss on abandonment of assets <sup>(2)</sup>	—	—	—	17.8	17.8
Digital transformation costs <sup>(3)</sup>	—	—	—	12.1	12.1
Restructuring costs <sup>(4)</sup>	—	—	—	9.0	9.0
Cloud computing arrangement amortization <sup>(5)</sup>	—	—	—	5.9	5.9
Excise taxes on excess pension plan assets <sup>(5)</sup>	—	—	—	4.8	4.8
<b>Adjusted EBITDA</b>	<b>\$ 360.7</b>	<b>\$ 278.0</b>	<b>\$ 342.9</b>	<b>\$ (241.1)</b>	<b>\$ 740.5</b>
<b>Adjusted EBITDA margin %</b>	<b>8.4 %</b>	<b>7.9 %</b>	<b>11.3 %</b>		<b>6.8 %</b>

<sup>(1)</sup> The reportable segments do not incur income taxes and interest expense as these costs are centrally controlled through the Corporate tax and treasury functions.

<sup>(2)</sup> Loss on abandonment of assets represents the write-off of certain capitalized cloud computing arrangement implementation costs relating to a third-party developed operations management software product in favor of an application with functionality that better suits the Company's operations.

<sup>(3)</sup> Digital transformation costs include costs associated with certain digital transformation initiatives.

<sup>(4)</sup> Restructuring costs include severance costs incurred pursuant to an ongoing restructuring plan.

<sup>(5)</sup> Cloud computing arrangement amortization consists of expense recognized in selling, general and administrative expenses for capitalized implementation costs for cloud computing arrangements to support our digital transformation initiatives.

<sup>(6)</sup> Excise taxes on excess pension plan assets represent the excise taxes applicable to the excess pension plan assets following the final settlement of the Company's U.S. pension plan.

EBITDA and Adjusted EBITDA by Segment:	Six Months Ended June 30, 2023				
	EES	CSS	UBS	Corporate	Total
Net income attributable to common stockholders	\$ 338.3	\$ 267.6	\$ 363.4	\$ (607.8)	\$ 361.5
Net (loss) income attributable to noncontrolling interests	(0.8)	0.3	—	(0.1)	(0.6)
Preferred stock dividends	—	—	—	28.7	28.7
Provision for income taxes <sup>(1)</sup>	—	—	—	115.9	115.9
Interest expense, net <sup>(1)</sup>	—	—	—	193.8	193.8
Depreciation and amortization	21.4	35.9	12.4	21.6	91.3
<b>EBITDA</b>	<b>\$ 358.9</b>	<b>\$ 303.8</b>	<b>\$ 375.8</b>	<b>\$ (247.9)</b>	<b>\$ 790.6</b>
Other expense (income), net	10.3	28.5	(1.1)	(26.8)	10.9
Stock-based compensation expense <sup>(2)</sup>	2.8	2.7	1.6	14.2	21.3
Digital transformation costs <sup>(3)</sup>	—	—	—	15.6	15.6
Merger-related and integration costs <sup>(4)</sup>	—	—	—	14.8	14.8
Restructuring costs <sup>(5)</sup>	—	—	—	9.8	9.8
<b>Adjusted EBITDA</b>	<b>\$ 372.0</b>	<b>\$ 335.0</b>	<b>\$ 376.3</b>	<b>\$ (220.3)</b>	<b>\$ 863.0</b>
<b>Adjusted EBITDA margin %</b>	<b>8.6 %</b>	<b>9.3 %</b>	<b>11.2 %</b>		<b>7.7 %</b>

<sup>(1)</sup> The reportable segments do not incur income taxes and interest expense as these costs are centrally controlled through the Corporate tax and treasury functions.

<sup>(2)</sup> Stock-based compensation expense in the calculation of adjusted EBITDA for the six months ended June 30, 2023 excludes \$2.6 million that is included in merger-related and integration costs.

<sup>(3)</sup> Digital transformation costs include costs associated with certain digital transformation initiatives.

<sup>(4)</sup> Merger-related and integration costs include integration and professional fees associated with the integration of Wesco and Anixter, as well as advisory, legal, and separation costs associated with the merger between the two companies.

<sup>(5)</sup> Restructuring costs include severance costs incurred pursuant to an ongoing restructuring plan.

**WESCO INTERNATIONAL, INC.**

**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**

(in millions, except per share amounts)

(Unaudited)

Note: Adjusted EBITDA and Adjusted EBITDA margin % are non-GAAP financial measures that provide indicators of the Company's performance and its ability to meet debt service requirements. For the six months ended June 30, 2024, Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization before other non-operating expenses (income), non-cash stock-based compensation expense, loss on abandonment of assets, digital transformation costs, restructuring costs, cloud computing arrangement amortization, and excise taxes on excess pension plan assets related to the final settlement of the Anixter Inc. Pension Plan. For the six months ended June 30, 2023, Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization before other non-operating expenses (income), non-cash stock-based compensation expense, digital transformation costs, merger-related and integration costs, and restructuring costs. Adjusted EBITDA margin % is calculated by dividing Adjusted EBITDA by net sales.

WESCO INTERNATIONAL, INC.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(in millions, except per share amounts)

(Unaudited)

	Twelve Months Ended	
	June 30, 2024	December 31, 2023
<b>Financial Leverage:</b>		
Net income attributable to common stockholders	\$ 665.9	\$ 708.1
Net income attributable to noncontrolling interests	2.2	0.6
Preferred stock dividends	57.4	57.4
Provision for income taxes	228.7	225.9
Interest expense, net	388.7	389.3
Depreciation and amortization	181.5	181.3
<b>EBITDA</b>	<b>\$ 1,524.4</b>	<b>\$ 1,562.6</b>
Other (income) expense, net	(60.1)	25.1
Stock-based compensation expense	36.9	45.5
Merger-related and integration costs <sup>(1)</sup>	4.4	19.3
Restructuring costs <sup>(2)</sup>	15.9	16.7
Digital transformation costs <sup>(3)</sup>	32.6	36.1
Excise taxes on excess pension plan assets <sup>(4)</sup>	4.8	—
Loss on abandonment of assets <sup>(5)</sup>	17.8	—
Cloud computing arrangement amortization <sup>(6)</sup>	5.9	—
<b>Adjusted EBITDA</b>	<b>\$ 1,582.6</b>	<b>\$ 1,705.3</b>
<b>As of</b>		
	June 30, 2024	December 31, 2023
Short-term debt and current portion of long-term debt, net	\$ 13.8	\$ 8.6
Long-term debt, net	5,203.4	5,313.1
Debt discount and debt issuance costs <sup>(7)</sup>	54.0	43.0
Fair value adjustments to Anixter Senior Notes due 2023 and 2025 <sup>(7)</sup>	(0.1)	(0.1)
<b>Total debt</b>	<b>5,271.1</b>	<b>5,364.6</b>
Less: Cash and cash equivalents	716.5	524.1
<b>Total debt, net of cash</b>	<b>\$ 4,554.6</b>	<b>\$ 4,840.5</b>
<b>Financial leverage ratio</b>	<b>2.9</b>	<b>2.8</b>

<sup>(1)</sup> Merger-related and integration costs include integration and professional fees associated with the integration of Wesco and Anixter, as well as advisory, legal, and separation costs associated with the merger between the two companies

<sup>(2)</sup> Restructuring costs include severance costs incurred pursuant to an ongoing restructuring plan.

<sup>(3)</sup> Digital transformation costs include costs associated with certain digital transformation initiatives, which have historically been included in merger-related and integration costs in prior years.

<sup>(4)</sup> Excise taxes on excess pension plan assets represent the excise taxes applicable to the excess pension plan assets following the final settlement of the Company's U.S. pension plan.

<sup>(5)</sup> Loss on abandonment of assets represents the write-off of certain capitalized cloud computing arrangement implementation costs relating to a third-party developed operations management software product in favor of an application with functionality that better suits the Company's operations.

<sup>(6)</sup> Cloud computing arrangement amortization consists of expense recognized in selling, general and administrative expenses for capitalized implementation costs for cloud computing arrangements to support our digital transformation initiatives.

<sup>(7)</sup> 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 ratio is a non-GAAP measure of 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 other non-operating expenses (income), non-cash stock-based compensation expense, merger-related and integration costs, restructuring costs, digital transformation costs, excise taxes on excess pension plan assets related to the final settlement of the Anixter Inc. Pension Plan, loss on abandonment of assets, and cloud computing arrangement amortization.

**WESCO INTERNATIONAL, INC.**

**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**

(in millions, except per share amounts)

(Unaudited)

<b>Free Cash Flow:</b>	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 30, 2024</b>	<b>June 30, 2023</b>	<b>June 30, 2024</b>	<b>June 30, 2023</b>
Cash flow (used in) provided by operations	\$ (223.8)	\$ 317.6	\$ 522.5	\$ 62.2
Less: Capital expenditures	(20.8)	(30.4)	(41.2)	(44.3)
Add: Other adjustments	10.5	6.0	16.0	9.4
Free cash flow	\$ (234.1)	\$ 293.2	\$ 497.3	\$ 27.3
Percentage of adjusted net income	(131.1)%	141.0 %	159.1 %	6.5 %

Note: Free cash flow is a non-GAAP financial 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 six months ended June 30, 2024, the Company paid for certain costs related to digital transformation and restructuring. For the three and six months ended June 30, 2023, the Company paid for certain costs to integrate the acquired Anixter business and related to digital transformation as well as certain restructuring costs. Such expenditures have been added back to operating cash flow to determine free cash flow for such periods. Our calculation of free cash flow may not be comparable to similar measures used by other companies.

NYSE: WCC



# Second Quarter 2024

Webcast Presentation

August 1, 2024





# 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 business strategy, growth strategy, competitive strengths, productivity and profitability enhancement, competition, new product and service introductions, and liquidity and capital resources. Such statements can generally be identified by the use of words such as "anticipate," "plan," "believe," "estimate," "intend," "expect," "project," and similar words, phrases or expressions or future or conditional verbs such as "could," "may," "should," "will," and "would," although not all forward-looking statements contain such words. 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. Important factors that could cause actual results or events to differ materially from those presented or implied in the forward-looking statements include, among others, the failure to achieve the anticipated benefits of, and other risks associated with, acquisitions, joint ventures, divestitures and other corporate transactions; the inability to successfully integrate acquired businesses; the impact of increased interest rates or borrowing costs; fluctuations in currency exchange rates; failure to adequately protect Wesco's intellectual property or successfully defend against infringement claims; the inability to successfully deploy new technologies, digital products and information systems or to otherwise adapt to emerging technologies in the marketplace, such as those incorporating artificial intelligence; failure to execute on our efforts and programs related to environmental, social and governance (ESG) matters; unanticipated expenditures or other adverse developments related to compliance with new or stricter government policies, laws or regulations, including those relating to data privacy, sustainability and environmental protection; the inability to successfully develop, manage or implement new technology initiatives or business strategies, including with respect to the expansion of e-commerce capabilities and other digital solutions and digitalization initiatives; disruption of information technology systems or operations; natural disasters (including as a result of climate change), health epidemics, pandemics and other outbreaks; supply chain disruptions; geopolitical issues, including the impact of the evolving conflicts in the Middle East and Russia/Ukraine; the impact of sanctions imposed on, or other actions taken by the U.S. or other countries against, Russia or China; the failure to manage the increased risks and impacts of cyber incidents or data breaches; and exacerbation of key materials shortages, inflationary cost pressures, material cost increases, demand volatility, and logistics and capacity constraints, any of which may have a material adverse effect on the Company's business, results of operations and financial condition. All such factors are difficult to predict and are beyond the Company's control. Additional factors that could cause results to differ materially from those described above can be found in Wesco's most recent Annual Report on Form 10-K and other periodic reports filed with the U.S. Securities and Exchange Commission.

## 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 measures. These financial measures include organic sales growth, gross profit, gross margin, earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted EBITDA, adjusted EBITDA margin, financial leverage, free cash flow, adjusted selling, general and administrative ("SG&A") expenses, adjusted income from operations, adjusted operating margin, adjusted provision for income taxes, adjusted income before 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 our financial condition and results of operations on a comparable basis. Additionally, certain non-GAAP measures either focus on or exclude items impacting comparability of results such as merger-related and integration 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.



## Second Quarter Summary and Outlook

### **Results were somewhat below our expectations for a low-single digit decline against a continued mixed and multi-speed economy**

- Organic sales down 1% versus all-time quarterly record sales in the prior year period and up 5% sequentially
- EES and CSS organic sales growth rates improved every month throughout the quarter
- Strong growth in data center driven by AI, offset by a significant slowdown of purchases by utility customers
- Adjusted EBITDA margin up 90 basis points sequentially and down 40 basis points YOY

### **Record first half free cash flow of \$500 million; completed share repurchase utilizing net divestiture proceeds**

- Completed \$300 million of share repurchases in Q2 (1.7 million shares)
- Reached agreement to acquire entroCIM, a data center and building intelligence software company, and Storeroom Logix, an asset and inventory management software company
- On track to deliver full year free cash flow of \$800 million to \$1 billion

### **Expect mixed economic environment and customer purchasing delays in utility and broadband to continue through the second half of 2024**

- Reducing full-year outlook to account for utility market slowdown and year-to-date performance
- Continue to expect 2H sequential sales growth against an easier year-over-year comparable, but at a more modest rate
- Expect reported sales to be down (3.5)% to (1.5)% and EBITDA margin of 7.0% to 7.3%; ~\$1.55B of EBITDA at the mid-point

Global capabilities, leading scale and expanded portfolio drive improving sequential growth in the second half



See appendix for non-GAAP reconciliations

## Second Quarter YOY Results

Solid results against continued mixed and multi-speed economy



- Organic sales down 1%, reported sales down 5%
- Estimated growth from price of ~2%
- Sales volume lower against all-time record sales in the prior year and multi-speed economy

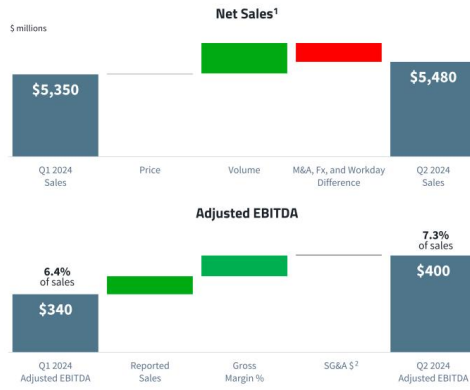
- Gross margin 21.9%, up 30 bps YOY primarily due to the divestiture of Integrated Supply
- EES and UBS gross margins up YOY but offset by CSS gross margin contraction
- Total SG&A dollars roughly flat
- Impact of SG&A on Adjusted EBITDA reflects the Integrated Supply divestiture and cost actions that more than offset the annual merit increase



<sup>1</sup> Sales growth attribution based on company estimates  
<sup>2</sup> SG&A excludes the impact of stock-based compensation and cloud computing amortization  
 See appendix for non-GAAP definitions and reconciliations

## Second Quarter Sequential Results

~100bps sequential increase in adjusted EBITDA margin

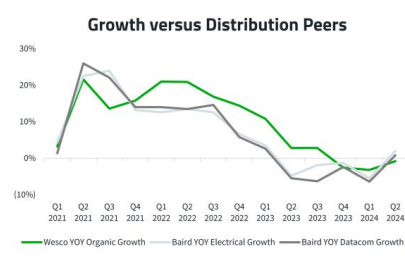
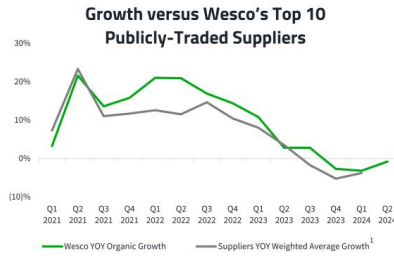


- Organic sales up 5%, reported sales up 2%
- All three SBUs up sequentially on organic basis
  - EES organic sales up 2%, reported sales up 4%
  - CSS organic sales up 10%, reported sales up 12%
  - UBS organic sales up 2%, reported sales down 9%
- Gross margin 21.9%, up 60 basis points sequentially driven by improved gross margin within EES and UBS, the Integrated Supply divestiture
- Impact of SG&A on Adjusted EBITDA reflects the Integrated Supply divestiture that offset the annual merit increase



<sup>1</sup> Sales growth attribution based on company estimates  
<sup>2</sup> SG&A excludes the impact of stock-based compensation and cloud computing amortization  
 See appendix for non-GAAP definitions and reconciliations

# Wesco Has Outgrown Suppliers and Peers Over Multi-Year Period



**Wesco's Top 10 Public Suppliers**

- Includes Wesco's top 10 publicly traded suppliers
- Making up ~25% of total Wesco COGs
- No one supplier accounted for more than 5% of Wesco's purchases in 2023

ABB	Hubbell
Belden	Legrand
CommScope	Prysmian
Corning	Rockwell
Eaton	Schneider

**Baird Distribution Survey**

Results from Baird's Distribution Survey for electrical and datacom distributors



<sup>1</sup>Weighted based on the proportion of Wesco's purchases that each supplier represents

## Electrical & Electronic Solutions (EES)

*Solid sequential and year-over-year margin improvement*

### Second Quarter Drivers

- Organic sales down 1%, reported sales down 1% YOY
  - Construction down LSD as growth from large project shipments offset by continued weakness in solar
  - Industrial flat with strong project activity offset by MRO
  - OEM down LSD
- Backlog down 2% sequentially and down 9% versus prior year with continued strong bid and quote activity
- Adjusted EBITDA margin up YOY driven by higher gross margin and cost controls

\$ millions

	Q2 2024	Q2 2023	YOY
<b>Sales</b>	<b>\$2,173</b>	<b>\$2,200</b>	<b>(1)%<sup>1</sup></b>
<b>Adjusted EBITDA</b>	<b>\$195</b>	<b>\$189</b>	<b>3%</b>
% of sales	9.0%	8.6%	40 bps

<sup>1</sup> Sales growth shown on an organic basis

Secular trends of electrification, automation, green energy and supply chain relocation drive future growth



See appendix for non-GAAP reconciliations

## Communications & Security Solutions (CSS)

Meaningful data center growth acceleration offset by margin mix

### Second Quarter Drivers

- Organic sales up 1%, reported sales up 1% YOY
  - Data Center up high-teens driven by growth in hyperscale and MTDC, and enterprise
  - Enterprise Network Infrastructure (ENI) down LSD driven by lower sales to service providers and headwinds in commercial office space
  - Security down MSD due to weaker demand in the U.S and only partially offset by double digit growth in APAC and CALA
- Backlog up 8% sequentially representing increased sales momentum; down 4% YOY
- Decline in adjusted EBITDA margin due primarily to lower gross margin:
  - ENI gross margin down due to project and customer mix
  - Data center and security gross margins stable vs. prior year

\$ millions

	Q2 2024	Q2 2023	YOY
<b>Sales</b>	<b>\$1,866</b>	<b>\$1,851</b>	<b>1%<sup>1</sup></b>
<b>Adjusted EBITDA</b>	<b>\$151</b>	<b>\$180</b>	<b>(16)%</b>
% of sales	8.1%	9.7%	(160) bps

<sup>1</sup> Sales growth shown on an organic basis

Size and scale of customers drive future operating leverage and support addition of higher margin products and services



See appendix for non-GAAP reconciliations

## Utility & Broadband Solutions (UBS)

*Strong margin performance against near-term utility market softness*

### Second Quarter Drivers

- Organic sales down 3%, reported sales down 15% YOY due to the Integrated Supply divestiture
  - Utility sales down LSD on tough comparable in the prior year with sales up LDD
  - Short term demand pressure due to customer de-stocking as well as the delay of some projects due to interest rate concerns and pending regulatory rate case decisions
  - Weakness across the majority of utility customers with spending by two-thirds of our US customers down in the quarter
  - Broadband sales down HSD due to continued demand weakness in the U.S. which was only partially offset by growth in Canada
- Backlog down 10% sequentially and down 15% YOY
- Adjusted EBITDA margin up YOY driven by the Integrated Supply divestiture and higher gross margin on the core utility and broadband business

\$ millions

	Q2 2024	Q2 2023	YOY
<b>Sales</b>	<b>\$1,441</b>	<b>\$1,694</b>	<b>(3)%<sup>1</sup></b>
<b>Adjusted EBITDA</b>	<b>\$174</b>	<b>\$189</b>	<b>(8)%</b>
% of sales	12.0%	11.1%	90 bps

<sup>1</sup> Sales growth shown on an organic basis.

Long-term capex budgets, as well as large scale data center and electrification drives confidence in secular growth



See appendix for non-GAAP reconciliations



## Highlighting Recent Large Wins

### EES

**Customer**  
Global EPC and construction services provider

**Summary**  
Awarded a \$20+ million contract to support a power plant retrofit project. Project won by leveraging existing relationships established through the utility solar business to expand scope of service with this customer



### CSS

**Customer**  
Global technology company

**Summary**  
\$50+ million win with a leading North American technology company to provide data center products including high-speed fiber, cable management, racks and accessories, as well as multiple advisory and project deployment services



### UBS

**Customer**  
One of the largest renewable energy companies in the world

**Summary**  
Awarded a \$20+ million contract to provide high voltage transmission products and related services for a utility-grade renewable project



# Upsized Cash Generation Supporting Increased Return of Capital



## 2024 Priorities

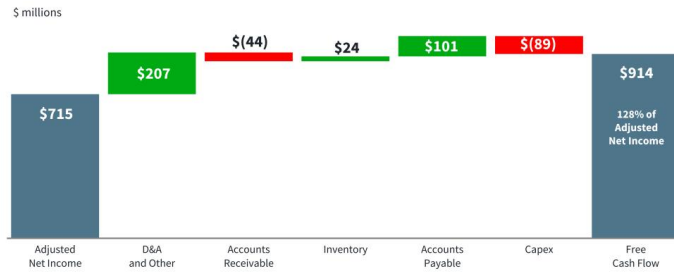
- Fully utilized Integrated Supply divestiture net proceeds of ~\$300 million to repurchase ~1.7 million shares in the second quarter
- Upsized free cash flow generation provides optionality for share repurchase, debt reduction and/or M&A in the second half

## Longer-Term Priorities

- On-track to achieve 5-year operating cash flow target of \$3.5-\$4.5 billion (2022-2026)
- Expect to return ~40% of operating cash flow to shareholders via common dividend and execution of our \$1 billion share repurchase authorization (over half remains available)
- Organic reinvestment via our digital transformation
- Maintaining balance sheet and additional M&A optionality; intend to call preferred stock in June 2025

## Free Cash Flow

Over \$900 million on a trailing 12-month basis (through 6/30/24)



~\$400 million free cash flow in 2H 2023; \$500 million 1H 2024



See appendix for non-GAAP reconciliations

## 2024 Strategic Business Unit Sales Growth Drivers

	% of Wesco 2023 Sales <sup>1</sup>	2024 Outlook (May '24)	2024 Outlook (August '24)	SBU Sales Breakdown <sup>2</sup>	2024 Outlook (May '24)	2024 Outlook (August '24)
<b>Electrical &amp; Electronic Solutions</b>	<b>40%</b>	Flat-to-Up LSD	Flat-to-Up LSD	Construction	↔	↔
				Industrial	↑	↑
				OEM	↔	↔
<b>Communications &amp; Security Solutions</b>	<b>33%</b>	Up LSD-to-MSD	Up LSD-to-MSD	Enterprise Network Infrastructure	↑	↑
				Security	↔	↔
				Data Center	↑	↑
<b>Utility &amp; Broadband Solutions</b>	<b>27%</b>	Up MSD <sup>1</sup>	Down LSD-to-MSD <sup>1</sup>	Utility	↑	↓
				Broadband	↔	↓



<sup>1</sup> Excludes Integrated Supply business which was divested as of April 1, 2024  
<sup>2</sup> Bars indicate the percentage of SBU sales

## 2024 Outlook

		2024 Outlook May	2024 Outlook August
Sales	Organic sales	Flat to 3%	(1.5)% to 0.5%
	Plus: impact of two additional workdays in 2024	1%	1%
	Integrated Supply Divestiture Impact <sup>1</sup>	~(3)%	~(3)%
	<b>Reported sales growth</b>	<b>(2)% to 1%</b>	<b>(3.5)% to (1.5)%</b>
	<b>Reported sales</b>	<b>\$21.9 - \$22.6 billion</b>	<b>\$21.6 - \$22.0 billion</b>
Adjusted EBITDA	Adjusted EBITDA margin	7.5% - 7.9%	7.0% - 7.3%
	<i>Implied midpoint of range</i>	<i>~\$1.7 billion</i>	<i>~\$1.55 billion</i>
Adjusted EPS	Adjusted diluted EPS	\$13.75 - \$15.75	\$12.00 - \$13.00
Cash	Free cash flow	-\$800M - \$1B	-\$800M - \$1B

Carry over pricing expected to contribute ~1% to 2024 growth.

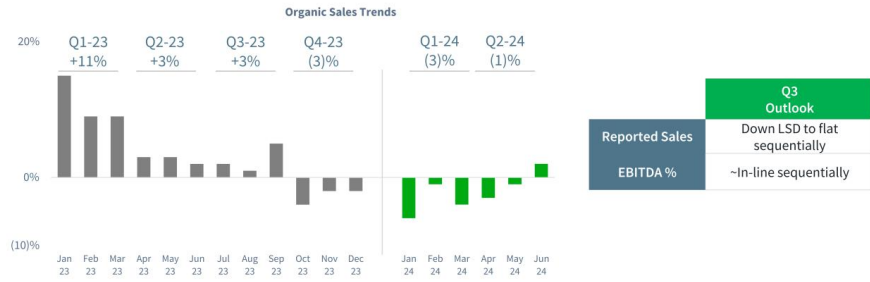
2024 Underlying Assumptions	FY 2024 May	FY 2024 August
Depreciation and Amortization	~\$170-190 million	~\$170-190 million
Cloud Computing Amortization Expense Adjustment	~\$20 million <sup>2</sup>	~\$20 million <sup>2</sup>
Interest Expense	~\$360-390 million	~\$360-390 million
Other Expense, net	~\$25 million	~\$25 million
Capital Expenditures	~\$100 million	~\$100 million
Share Count	~50.5 million	~50.5 million
Effective Tax Rate	~26%	~26.5%
	(27% Q2-Q4)	(27.2% Q3-Q4)



<sup>1</sup> Integrated Supply business divested as of April 1, 2024  
<sup>2</sup> Cloud computing amortization recognized as SG&A expense in accordance with GAAP  
 See appendix for non-GAAP definitions and reconciliations

# Third Quarter Outlook

Improving momentum through Q2



Preliminary month-to-date July sales per workday are down LSD



<sup>1</sup> Preliminary July sales per workday are not adjusted for differences in foreign exchange rates and exclude the impact of the Integrated Supply divestiture. Note, July 2024 has two more workdays than July 2023.

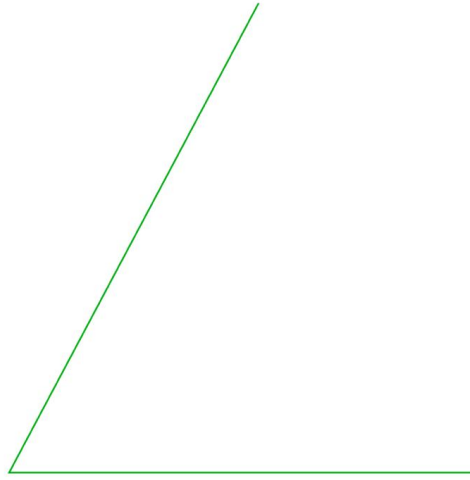
SAVE THE DATE

# 2024 Investor Day

Wesco International | September 26



# APPENDIX





## Glossary

<b>1H:</b> First half of fiscal year	<b>MTDC:</b> Multi-tenant data center
<b>2H:</b> Second half of fiscal year	<b>PF:</b> Pro Forma
<b>AV:</b> Audio/visual	<b>PY:</b> Prior Year
<b>B2B:</b> Business-to-Business	<b>OEM:</b> Original equipment manufacturer
<b>COGS:</b> Cost of goods sold	<b>OPEX:</b> Operating expenses
<b>CIG:</b> Commercial, Institutional and Government	<b>ROW:</b> Rest of world
<b>CSS:</b> Communications & Security Solutions (strategic business unit)	<b>RTW:</b> Return to Workplace
<b>EES:</b> Electrical & Electronic Solutions (strategic business unit)	<b>SBU:</b> Strategic Business Unit
<b>ETR:</b> Effective tax rate	<b>Seq:</b> Sequential
<b>FCF:</b> Free Cash Flow	<b>SVR:</b> Supplier Volume Rebate
<b>FTTx:</b> Fiber-to-the-x (last mile fiber optic network connections)	<b>T&amp;D:</b> Transmission and Distribution
<b>HSD:</b> High-single digit	<b>TTM:</b> Trailing twelve months
<b>LDD:</b> Low-double digit	<b>UBS:</b> Utility & Broadband Solutions (strategic business unit)
<b>LSD:</b> Low-single digit	<b>WD:</b> Workday
<b>MRO:</b> Maintenance, repair and operating	<b>WDCS:</b> Wesco Data Center Solutions
<b>MSD:</b> Mid-single digit	<b>YOY:</b> Year-over-year



## Workdays

	Q1	Q2	Q3	Q4	FY
2021	62	64	64	62	252
2022	63	64	64	62	253
2023	63	64	63	62	252
2024	63	64	64	63	254



## Non-GAAP Measure Definitions

Organic sales growth is a non-GAAP financial measure of sales performance. Organic sales growth is calculated by deducting the percentage impact from acquisitions and divestitures for one year following the respective transaction, foreign exchange rates, and number of workdays from the reported percentage change in consolidated net sales.

Gross profit is a financial measure commonly used in 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.

EBITDA, Adjusted EBITDA and Adjusted EBITDA margin % 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 (income), non-cash stock-based compensation expense, merger-related and integration costs, and net gain on the divestiture of Wesco's legacy utility and data communications businesses in Canada. Adjusted EBITDA margin % is calculated by dividing Adjusted EBITDA by net sales.

Free cash flow is a non-GAAP financial 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.

Financial leverage is a non-GAAP measure of 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 (income), non-cash stock-based compensation expense, merger-related and integration costs.



## Organic Sales Growth by Segment

\$ millions

### Organic Sales Growth by Segment - Three Months Ended:

	Three Months Ended		Growth/(Decline)				
	June 30, 2024	June 30, 2023	Reported	Divestiture	Foreign Exchange	Workday	Organic Sales
EES	\$ 2,172.9	\$ 2,200.3	(1.2)%	—%	(0.6)%	—%	(0.6)%
CSS	1,865.9	1,850.9	0.8%	—%	(0.3)%	—%	1.1%
UBS	1,440.9	1,694.3	(15.0)%	(11.9)%	(0.1)%	—%	(3.0)%
<b>Total net sales</b>	<b>\$ 5,479.7</b>	<b>\$ 5,745.5</b>	<b>(4.6)%</b>	<b>(3.5)%</b>	<b>(0.3)%</b>	<b>—%</b>	<b>(0.8)%</b>

### Organic Sales Growth by Segment - Sequential:

	Three Months Ended		Growth/(Decline)				
	June 30, 2024	March 31, 2024	Reported	Divestiture	Foreign Exchange	Workday	Organic Sales
EES	\$ 2,172.9	\$ 2,099.0	3.5%	—%	(0.4)%	1.6%	2.3%
CSS	1,865.9	1,670.1	11.7%	—%	(0.3)%	1.6%	10.4%
UBS	1,440.9	1,580.9	(8.9)%	(12.1)%	(0.2)%	1.6%	1.8%
<b>Total net sales</b>	<b>\$ 5,479.7</b>	<b>\$ 5,350.0</b>	<b>2.4%</b>	<b>(3.6)%</b>	<b>(0.3)%</b>	<b>1.6%</b>	<b>4.7%</b>



## Gross Profit and Free Cash Flow – Quarter

\$ millions

	Three Months Ended	
	June 30, 2024	June 30, 2023
<b>Gross Profit:</b>		
Net sales	\$ 5,479.7	\$ 5,745.5
Cost of goods sold (excluding depreciation and amortization)	4,281.7	4,503.1
Gross profit	\$ 1,198.0	\$ 1,242.4
Gross margin	21.9%	21.6%

	Three Months Ended	
	June 30, 2024	June 30, 2023
<b>Free Cash Flow:</b>		
Cash flow (used in) provided by operations	\$ (223.8)	\$ 317.6
Less: Capital expenditures	(20.8)	(30.4)
Add: Other adjustments	10.5	6.0
Free cash flow	\$ (234.1)	\$ 293.2
Percentage of adjusted net income	(131.1)%	141.0%



## Free Cash Flow – Trailing Twelve Months

\$ millions

Free Cash Flow:	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Twelve
					Months Ended
					June 30, 2024
Cash flow provided by (used in) operations	361.7	69.3	746.3	(223.8)	953.5
Less: Capital expenditures	(19.3)	(28.7)	(20.4)	(20.8)	(89.2)
Add: Other adjustments	14.7	18.6	5.5	10.5	49.3
Free cash flow	357.1	59.2	731.4	(234.1)	913.6
Adjusted net income	249.4	152.9	133.9	178.6	714.8
Percentage of adjusted net income	143%	39%	546%	(131)%	128%



## Adjusted EBITDA – 2Q 2024

\$ millions

EBITDA and Adjusted EBITDA by Segment:	Three Months Ended June 30, 2024				
	EES	CSS	UBS	Corporate	Total
Net income attributable to common stockholders	\$ 179.3	\$ 114.3	\$ 268.5	\$ (344.4)	\$ 217.7
Net income (loss) attributable to noncontrolling interests	0.1	0.7	—	(0.1)	0.7
Preferred stock dividends	—	—	—	14.4	14.4
Provision for income taxes <sup>(1)</sup>	—	—	—	87.8	87.8
Interest expense, net <sup>(2)</sup>	—	—	—	98.8	98.8
Depreciation and amortization	11.4	18.2	7.4	9.1	46.1
<b>EBITDA</b>	<b>\$ 190.8</b>	<b>\$ 133.2</b>	<b>\$ 275.9</b>	<b>\$ (134.4)</b>	<b>\$ 465.5</b>
Other expense (income), net	3.0	16.0	(103.2)	(11.7)	(95.9)
Stock-based compensation expense	1.1	1.6	0.8	(0.8)	2.7
Loss on abandonment of assets <sup>(3)</sup>	—	—	—	17.8	17.8
Digital transformation costs <sup>(4)</sup>	—	—	—	6.1	6.1
Cloud computing arrangement amortization <sup>(5)</sup>	—	—	—	3.0	3.0
Restructuring costs <sup>(6)</sup>	—	—	—	0.9	0.9
<b>Adjusted EBITDA</b>	<b>\$ 194.9</b>	<b>\$ 150.8</b>	<b>\$ 173.5</b>	<b>\$ (119.1)</b>	<b>\$ 400.1</b>
<b>Adjusted EBITDA margin %</b>	<b>9.0 %</b>	<b>8.1 %</b>	<b>12.0 %</b>		<b>7.3 %</b>

<sup>(1)</sup> The reportable segments do not incur income taxes and interest expense as these costs are centrally controlled through the Corporate tax and treasury functions.

<sup>(2)</sup> Loss on abandonment of assets represents the write-off of certain capitalized cloud computing arrangement implementation costs relating to a third-party developed operations management software product in favor of an application with functionality that better suits the Company's operations.

<sup>(3)</sup> Digital transformation costs include costs associated with certain digital transformation initiatives.

<sup>(4)</sup> Cloud computing arrangement amortization consists of expense recognized in selling, general and administrative expenses for capitalized implementation costs for cloud computing arrangements to support our digital transformation initiatives.

<sup>(5)</sup> Restructuring costs include severance costs incurred pursuant to an ongoing restructuring plan.



## Adjusted EBITDA – 2Q 2023

\$ millions

EBITDA and Adjusted EBITDA by Segment:	Three Months Ended June 30, 2023				
	EES	CSS	UBS	Corporate	Total
Net income attributable to common stockholders	\$ 167.0	\$ 132.2	\$ 183.1	\$ (303.6)	\$ 178.7
Net (loss) income attributable to noncontrolling interests	(0.7)	0.1	—	(0.1)	(0.7)
Preferred stock dividends	—	—	—	14.4	14.4
Provision for income taxes <sup>(1)</sup>	—	—	—	71.8	71.8
Interest expense, net <sup>(1)</sup>	—	—	—	98.8	98.8
Depreciation and amortization	11.5	17.9	6.4	11.1	46.9
<b>EBITDA</b>	<b>\$ 177.8</b>	<b>\$ 150.2</b>	<b>\$ 189.5</b>	<b>\$ (107.6)</b>	<b>\$ 409.9</b>
Other expense (income), net	9.8	27.7	(1.7)	(35.0)	0.8
Stock-based compensation expense <sup>(2)</sup>	1.4	1.6	0.8	7.1	10.9
Restructuring costs <sup>(3)</sup>	—	—	—	9.8	9.8
Digital transformation costs <sup>(4)</sup>	—	—	—	7.3	7.3
Merger-related and integration costs <sup>(5)</sup>	—	—	—	3.6	3.6
<b>Adjusted EBITDA</b>	<b>\$ 189.0</b>	<b>\$ 179.5</b>	<b>\$ 188.6</b>	<b>\$ (114.8)</b>	<b>\$ 442.3</b>
<b>Adjusted EBITDA margin %</b>	<b>8.6 %</b>	<b>9.7 %</b>	<b>11.1 %</b>		<b>7.7 %</b>

<sup>(1)</sup> The reportable segments do not incur income taxes and interest expense as these costs are centrally controlled through the Corporate tax and treasury functions.

<sup>(2)</sup> Stock-based compensation expense in the calculation of adjusted EBITDA for the three months ended June 30, 2023 excludes \$1.3 million that is included in merger-related and integration costs.

<sup>(3)</sup> Restructuring costs include severance costs incurred pursuant to an ongoing restructuring plan.

<sup>(4)</sup> Digital transformation costs include costs associated with certain digital transformation initiatives.

<sup>(5)</sup> Merger-related and integration costs include integration and professional fees associated with the integration of Wesco and Antistar, as well as advisory, legal, and separation costs associated with the merger between the two companies.





## Adjusted EBITDA – 1Q 2024

\$ millions

EBITDA and Adjusted EBITDA by Segment:	Three Months Ended March 31, 2024				
	EES	CSS	UBS	Corporate	Total
Net income attributable to common stockholders	\$ 148.2	\$ 88.4	\$ 160.8	\$ (296.0)	\$ 101.4
Net income (loss) attributable to noncontrolling interests	(0.4)	0.4	—	0.3	0.3
Preferred stock dividends	—	—	—	14.4	14.4
Provision for income taxes <sup>(1)</sup>	—	—	—	30.9	30.9
Interest expense, net <sup>(1)</sup>	—	—	—	94.4	94.4
Depreciation and amortization	11.2	18.0	7.0	9.3	45.5
<b>EBITDA</b>	<b>\$ 159.0</b>	<b>\$ 106.8</b>	<b>\$ 167.8</b>	<b>\$ (146.8)</b>	<b>\$ 286.9</b>
Other expense (income), net	5.7	18.8	0.8	(3.7)	21.6
Stock-based compensation expense	1.1	1.6	0.8	6.6	10.1
Restructuring costs <sup>(2)</sup>	—	—	—	8.0	8.0
Digital transformation costs <sup>(3)</sup>	—	—	—	6.1	6.1
Excise taxes on excess pension plan assets <sup>(4)</sup>	—	—	—	4.8	4.8
Cloud computing arrangement amortization <sup>(5)</sup>	—	—	—	2.9	2.9
<b>Adjusted EBITDA</b>	<b>\$ 165.8</b>	<b>\$ 127.2</b>	<b>\$ 169.4</b>	<b>\$ (122.1)</b>	<b>\$ 340.4</b>
<b>Adjusted EBITDA margin %</b>	<b>7.9 %</b>	<b>7.6 %</b>	<b>10.7 %</b>		<b>6.4 %</b>

<sup>(1)</sup> The reportable segments do not incur income taxes and interest expense as these costs are centrally controlled through the Corporate tax and treasury functions.

<sup>(2)</sup> Restructuring costs include severance costs incurred pursuant to an ongoing restructuring plan.

<sup>(3)</sup> Digital transformation costs include costs associated with certain digital transformation initiatives.

<sup>(4)</sup> Excise taxes on excess pension plan assets represent the excise taxes applicable to the excess pension plan assets following the final settlement of the Company's U.S. pension plan.

<sup>(5)</sup> Cloud computing arrangement amortization consists of expense recognized in selling, general and administrative expenses for capitalized implementation costs for cloud computing arrangements to support our digital transformation initiatives.



# Adjusted EPS

\$ millions, except per share amounts

	Three Months Ended	
	June 30, 2024	June 30, 2023
<b>Adjusted SG&amp;A Expenses:</b>		
Selling, general and administrative expenses	\$ 828.4	\$ 831.7
Loss on abandonment of assets <sup>(1)</sup>	(17.8)	—
Digital transformation costs <sup>(2)</sup>	(6.1)	(7.3)
Restructuring costs <sup>(3)</sup>	(0.9)	(9.8)
Excise taxes on excess pension plan assets <sup>(4)</sup>	—	—
Merger-related and integration costs <sup>(5)</sup>	—	(3.6)
Adjusted selling, general and administrative expenses	\$ 803.6	\$ 811.0
Percentage of net sales	14.7 %	14.1 %
<b>Adjusted Income from Operations:</b>		
Income from operations	\$ 323.5	\$ 363.8
Loss on abandonment of assets <sup>(1)</sup>	17.8	—
Digital transformation costs <sup>(2)</sup>	6.1	7.3
Restructuring costs <sup>(3)</sup>	0.9	9.8
Excise taxes on excess pension plan assets <sup>(4)</sup>	—	—
Merger-related and integration costs <sup>(5)</sup>	—	3.6
Accelerated trademark amortization <sup>(6)</sup>	—	0.8
Adjusted income from operations	\$ 348.3	\$ 385.3
Adjusted income from operations margin %	6.4 %	6.7 %
<b>Adjusted Other (Income) Expense, net:</b>		
Other (income) expense, net	\$ (95.9)	\$ 0.8
Gain on divestiture	102.9	—
Loss on termination of business arrangement <sup>(7)</sup>	(3.8)	—
Pension settlement cost <sup>(8)</sup>	—	—
Adjusted other (income) expense, net	\$ 3.2	\$ 0.8
<b>Adjusted Provision for Income Taxes:</b>		
Provision for income taxes	\$ 87.8	\$ 71.8
Income tax effect of adjustments to income from operations <sup>(9)</sup>	(20.1)	5.9
Adjusted provision for income taxes	\$ 67.7	\$ 77.7



<sup>(1)</sup> Loss on abandonment of assets represents the write-off of certain capitalized cloud computing arrangement implementation costs relating to a third-party developed operations management software product in favor of an application with functionality that better suits the Company's operations.

<sup>(2)</sup> Digital transformation costs include costs associated with certain digital transformation initiatives.

<sup>(3)</sup> Restructuring costs include severance costs incurred pursuant to an ongoing restructuring plan.

<sup>(4)</sup> Excise taxes on excess pension plan assets represent the excise taxes applicable to the excess pension plan assets following the final settlement of the Company's U.S. pension plan.

<sup>(5)</sup> Merger-related and integration costs include integration and professional fees associated with the integration of Wesco and Autixter, as well as advisory, legal, and separation costs associated with the merger between the two companies.

<sup>(6)</sup> Accelerated trademark amortization represents additional amortization expense resulting from changes in the estimated useful lives of certain legacy trademarks that have migrated to our master brand architecture.

<sup>(7)</sup> Loss on termination of business arrangement represents the loss recognized as a result of management's decision to terminate a business arrangement with a third party.

<sup>(8)</sup> Pension settlement cost represents expense related to the final settlement of the Company's U.S. pension plan.

<sup>(9)</sup> The adjustments to income from operations have been tax effected at a rate of approximately 27% for the three and six months ended June 30, 2024, and 2023, respectively.

## Adjusted Earnings Per Diluted Share

	Three Months Ended	
	June 30, 2024	June 30, 2023
Adjusted Earnings per Diluted Share:		
Adjusted income from operations	\$ 348.3	\$ 385.3
Interest expense, net	98.8	98.8
Adjusted other expense, net	3.2	0.8
Adjusted income before income taxes	246.3	285.7
Adjusted provision for income taxes	67.7	77.7
Adjusted net income	178.6	208.0
Net income (loss) attributable to noncontrolling interests	0.7	(0.7)
Adjusted net income attributable to WESCO International, Inc.	177.9	208.7
Preferred stock dividends	14.4	14.4
Adjusted net income attributable to common stockholders	\$ 163.5	\$ 194.3
Diluted shares	50.9	52.4
Adjusted earnings per diluted share	\$ 3.21	\$ 3.71



## Capital Structure and Leverage

\$ millions

	Twelve Months Ended	
	June 30, 2024	December 31, 2023
<b>Financial Leverage:</b>		
Net income attributable to common stockholders	\$ 665.9	\$ 708.1
Net income attributable to noncontrolling interests	2.2	0.6
Preferred stock dividends	57.4	57.4
Provision for income taxes	228.7	225.9
Interest expense, net	388.7	389.3
Depreciation and amortization	181.5	181.3
<b>EBITDA</b>	<b>\$ 1,524.4</b>	<b>\$ 1,562.6</b>
Other (income) expense, net	(60.1)	25.1
Stock-based compensation expense	36.9	45.5
Merger-related and integration costs <sup>(1)</sup>	4.4	19.3
Restructuring costs <sup>(2)</sup>	15.9	16.7
Digital transformation costs <sup>(3)</sup>	32.6	36.1
Excise taxes on excess pension plan assets <sup>(4)</sup>	4.8	—
Loss on abandonment of assets <sup>(5)</sup>	17.8	—
Cloud computing arrangement amortization <sup>(6)</sup>	5.9	—
<b>Adjusted EBITDA</b>	<b>\$ 1,582.6</b>	<b>\$ 1,705.3</b>
	<b>As of</b>	
	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Short-term debt and current portion of long-term debt, net	\$ 13.8	\$ 8.6
Long-term debt, net	5,203.4	5,313.1
Debt discount and debt issuance costs <sup>(7)</sup>	54.0	43.0
Fair value adjustments to Anixter Senior Notes due 2023 and 2025 <sup>(8)</sup>	(0.1)	(0.1)
<b>Total debt</b>	<b>5,271.1</b>	<b>5,364.6</b>
Less: Cash and cash equivalents	716.5	524.1
<b>Total debt, net of cash</b>	<b>\$ 4,554.6</b>	<b>\$ 4,840.5</b>
<b>Financial leverage ratio</b>	<b>2.9</b>	<b>2.8</b>



- <sup>(1)</sup> Merger-related and integration costs include integration and professional fees associated with the integration of Wesco and Anixter, as well as advisory, legal, and separation costs associated with the merger between the two companies.
- <sup>(2)</sup> Restructuring costs include severance costs incurred pursuant to an ongoing restructuring plan.
- <sup>(3)</sup> Digital transformation costs include costs associated with certain digital transformation initiatives, which have historically been included in merger-related and integration costs in prior years.
- <sup>(4)</sup> Excise taxes on excess pension plan assets represent the excise taxes applicable to the excess pension plan assets following the final settlement of the Company's U.S. pension plan.
- <sup>(5)</sup> Loss on abandonment of assets represents the write-off of certain capitalized cloud computing arrangement implementation costs relating to a third-party developed operations management software product in favor of an application with functionality that better suits the Company's operations.
- <sup>(6)</sup> Cloud computing arrangement amortization consists of expense recognized in selling, general and administrative expenses for capitalized implementation costs for cloud computing arrangements to support our digital transformation initiatives.
- <sup>(7)</sup> 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.

