NYSE: WCC

Second Quarter 2023

Webcast Presentation

August 3, 2023

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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, as well as statements regarding the expected benefits and costs of the transaction between Wesco and Anixter International Inc., including anticipated future financial and operating results, synergies, accretion and growth rates, and the combined company's plans, objectives and expectations.. 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 expected benefits of the transaction between Wesco and Anixter or the anticipated benefits of Wesco’s acquisition of Rahi Systems Holdings, Inc., in the expected timeframe or at all, unexpected costs or problems that may arise in successfully integrating the businesses of the companies, the impact of increased interest rates or borrowing costs, failure to adequately protect Wesco’s intellectual property or successfully defend against infringement claims, failure to execute Wesco’s environmental, social and governance (ESG) programs as planned; disruption of information technology systems or operations, natural disasters (including as a result of climate change), health epidemics, pandemics and other outbreaks (such as the ongoing COVID-19 pandemic, including any resurgences or new variants), supply chain disruptions, geopolitical issues, such as the impact of Russia's invasion of Ukraine, including the impact of sanctions or other actions taken by the U.S. or other countries against Russia (as well as those imposed on China), the increased risk of cyber incidents and exacerbation of key materials shortages, inflationary cost pressures, material cost increases, demand volatility, and logistics and capacity constraints, which may have a material adverse effect on the combined company's business, results of operations and financial condition. 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 Annual Report on Form 10-K for the fiscal year ended December 31, 2022 and Wesco's other 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.

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Second Quarter Highlights and Outlook

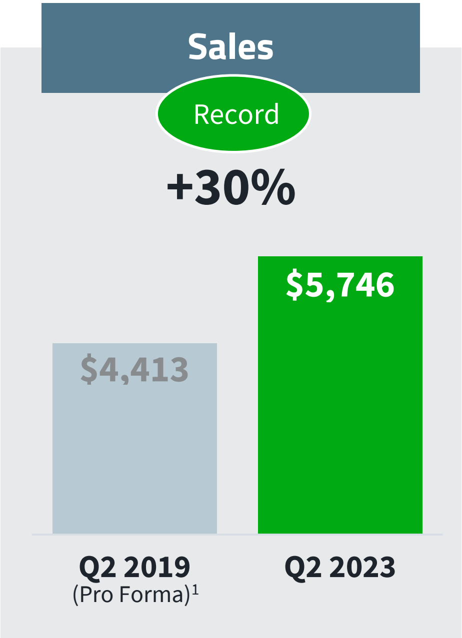
- **Strength of portfolio drove record second quarter sales**
  - Record sales in CSS and UBS driven by share gains and secular trends more than offset supply chain rebalancing that drove customer destocking, and select market weakness in the electrical industry (EES)
  - Strong cross-sell execution continued; raising target to $2.0 billion
  - Long-term secular growth drivers are intact
- **Strong cash generation in second quarter**
  - Free cash flow of ~$300 million (141% of adjusted net income); first half free cash flow now positive
  - Financial leverage reduced to 2.8x is now at lowest level since Anixter acquisition in June 2020
  - Significant capital allocation optionality in second half of 2023
- **2023 expected to be another transformational year**
  - Additional advances in digital capabilities and share gains
  - Cost reduction actions taken in response to supply chain rebalancing and select market weakness
  - Revised full year guidance based on market conditions; cash generation funds strategic objectives and increased returns

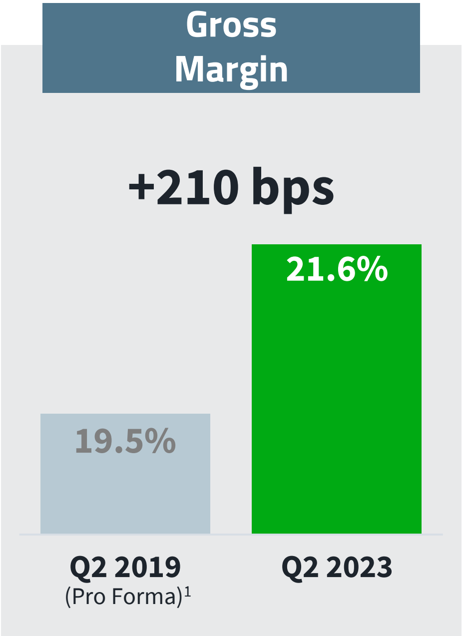
Transformation continues as we execute our plan to deliver our long-term Investor Day targets

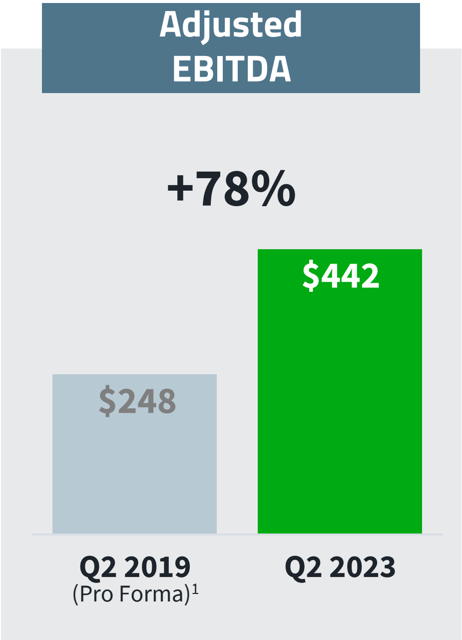
See appendix for non-GAAP reconciliations.

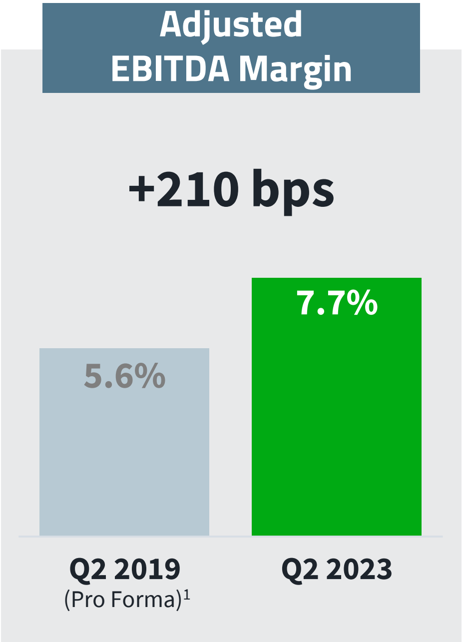
Anixter Integration Update

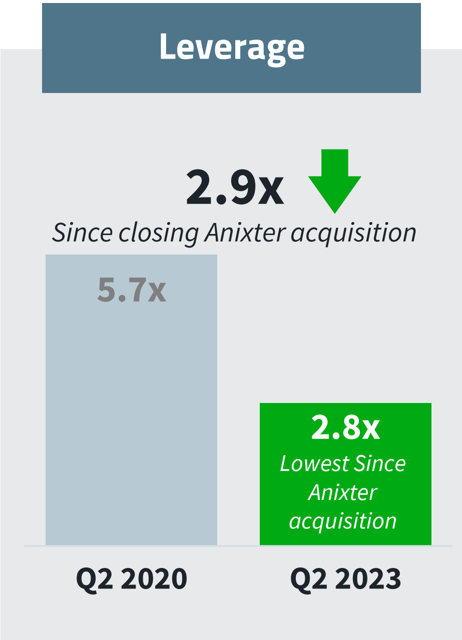
$ millions











Cross-Sell Synergies

- ~$300 million in cross-sell synergies in Q2
- Increasing cumulative target to $2.0 billion

Cost Synergies

- $78 million of cost synergies in Q2
- On track to deliver $315 million total annual savings

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[1] 2019 figures are as-reported on Form 8-K dated November 4, 2020, and include sales and adjusted EBITDA derived from the legacy Wesco data communications and utility business in Canada that were divested in the first quarter of 2021.
See appendix for non-GAAP definitions and reconciliations.

Second Quarter Results Overview

$ millions, except per share amounts

	Q2 2023	Q2 2022	YOY
Sales	**$5,746**	**$5,484**	**+3%[1]**
Gross Profit	**$1,242**	**$1,189**	**+4%**
Gross Margin	*21.6%*	*21.7%*	*(10) bps*
Adjusted EBITDA	**$442**	**$444**	**flat**
Adjusted EBITDA Margin	*7.7%*	*8.1%*	*(40) bps*
Adjusted Diluted EPS	**$3.71**	**$4.19**	**(11)%**

- All-time record sales, with record sales in CSS and UBS
- Sales impacted by select market weakness in EES
- Organic sales +3% YOY, reported sales +5% YOY
- Backlog up 6% YOY, down 2% sequentially

- Gross margin stable excluding impact from mix shift
- $25 million annual run-rate cost reduction actions taken in June will benefit second half

- Second quarter free cash flow 141% of net income
- Leverage reduced to 2.8x (lowest level since Anixter acquisition)

- Preliminary July sales per workday up ~3%[2] YOY

Record sales highlight the power and benefit of our diversified higher-growth portfolio

[1] Sales growth shown on an organic basis.
[2] Preliminary July sales per workday are not adjusted for differences in foreign exchange rates and include sales related to the Rahi Systems acquisition.
See appendix for non-GAAP definitions and reconciliations.

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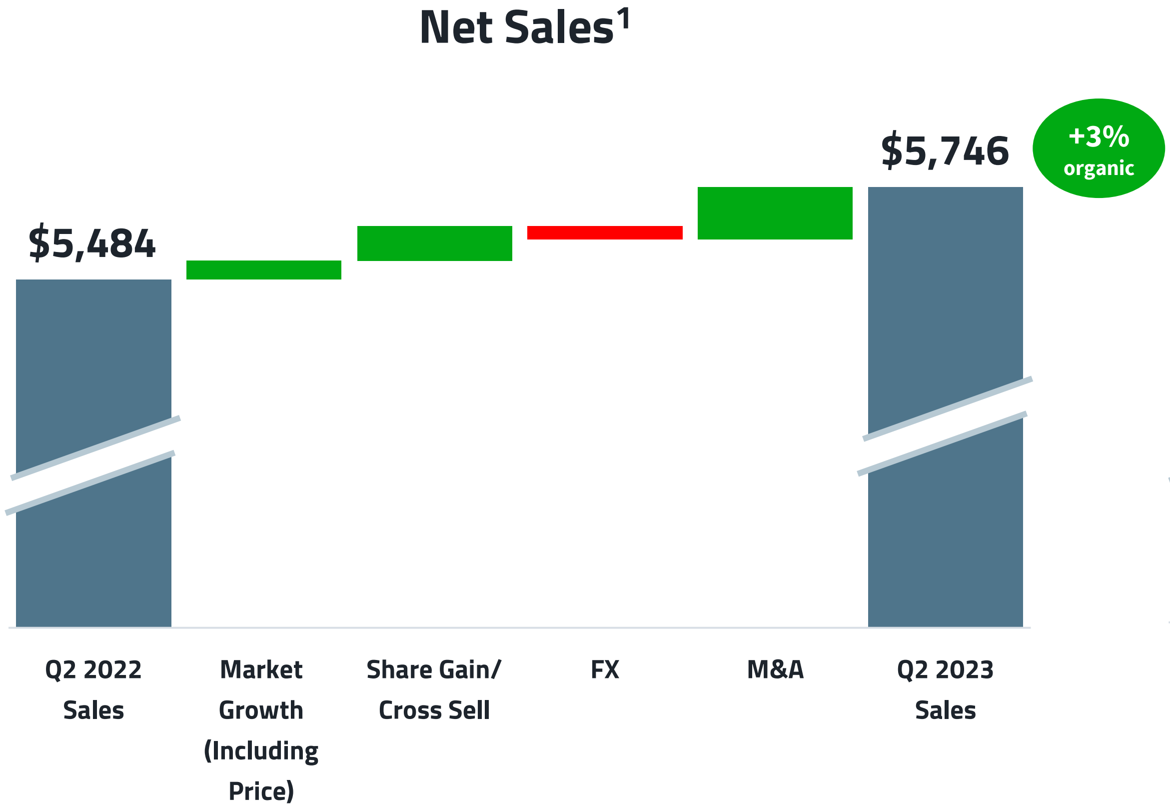
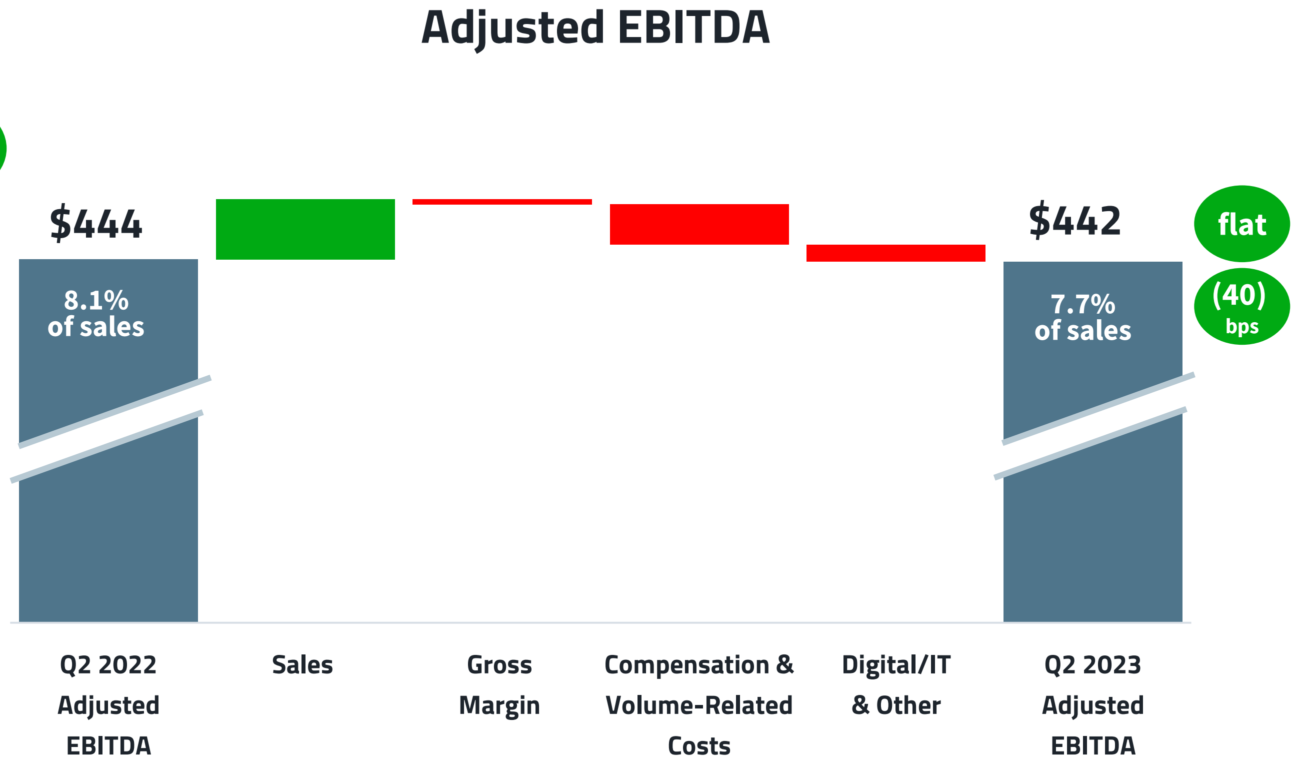
Second Quarter Sales and Adjusted EBITDA Bridges

$ millions





[1] Sales growth attribution based on company estimates.
See appendix for non-GAAP definitions and reconciliations.

Electrical & Electronic Solutions (EES)

Second Quarter Drivers

- Second quarter sales down 5% organically (down 3%[1] excluding the impact of inter-segment business transfers)
  - Construction down MSD primarily due to declines in wire and cable; strong project demand offset by weakness in stock and flow
  - Industrial up LSD driven by metals and mining and petrochem markets
  - OEM down HSD driven by continued weakness in manufactured structures (specialty vehicle and manufactured housing)
- Backlog up 9% YOY, 3% sequentially, driven by larger project wins
- Adjusted EBITDA and margin down YOY driven by sales decline, mix and higher SG&A (headcount and logistics) expenses
- FY 2023 business unit revenue now expected to be roughly flat versus prior year

$ millions

	Q2 2023	Q2 2022	YOY
Sales	**$2,200**	**$2,330**	**(5)%[2]**
Adjusted EBITDA	**$189**	**$235**	**(20)%**
% of sales	8.6%	10.1%	(150) bps

[1] Excluding the impact of inter-segment business transfers, EES organic sales growth would have been approximately (3)%
[2] Sales growth shown on an organic basis

Took cost actions in response to market weakness… long-term secular growth drivers remain intact

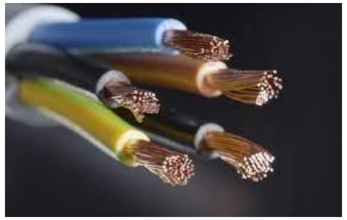
See appendix for non-GAAP definitions and reconciliations.

Q2 Mega-Project Cross-Sell Win in EES

Project Overview

- Recently awarded a $120 million project to support the construction of a new EV manufacturing facility
- Supplying switchgear, lighting, wire and cable, and electrical supplies
- Scope of award has expanded substantially driven by cross-selling legacy Wesco and Anixter products and capabilities
- Example of growth driven by secular trends of Electrification and investment in North American Supply Chain
- Shipments scheduled to start second half 2023

Switchgear



Wire & Cable

Electrical Supplies

~$40 million in shipments expected in second half 2023

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Communications & Security Solutions (CSS)

Second Quarter Drivers

- Record quarterly sales up 16% (up 7% organically) with growth in all key end markets
  - Network infrastructure up LDD
    - Substantial growth in hyperscale
    - Service provider sales down MSD driven by Canadian customers
  - Security up HSD driven by new applications due to convergence of technologies (IoT) and robust global demand
  - Professional A/V and in-building wireless applications up double digits due to continued strong demand from multinational customers
- Rahi continues to exceed expectations due to high demand from global hyperscale data center customers
- Backlog down 9% YOY and down 12% sequentially, including Rahi, driven by significant reduction in supplier lead times
- Adjusted EBITDA growth and margin expansion driven by sales growth, operating leverage, and synergy capture

$ millions

	Q2 2023	Q2 2022	YOY
Sales	**$1,851**	**$1,602**	**+7%[2]**
Adjusted EBITDA	**$180**	**$150**	**+20%**
% of sales	9.7%	9.4%	+30 bps

[1] Excluding the impact of inter-segment business transfers, CSS organic sales growth would have been approximately 4%
[2] Sales growth shown on an organic basis

Global position, leading value proposition and secular trends drive strong outlook

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See appendix for non-GAAP definitions and reconciliations.

Wesco Data Center End-to-End Solutions

Edge and Micro Data Centers	Enterprise	MTDC and Colocation Facilities	Hyperscale Environments
			

Supporting All Data Center Environments

End-to-end data center lifecycle management	Increased global services, solutions and offerings	Expanded product and solutions portfolio and scope	Extensive supplier and installer ecosystem	Focused expertise in white and gray spaces

Wesco Data Center Solutions

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Products

- Network infrastructure
- Electrical infrastructure
- Power and thermal solutions
- Power substation
- Security solutions
- Professional A/V

Services

- Advisory services
- Logistics planning
- Material management
- Data center design
- Off-site staging
- Installation enhancement
- Asset management
- Rack and roll
- Secured cage delivery
- Pre-configuration and pre-termination
- Kitting and labeling
- Product enhancements
- Packaging
- Warranty tracking
- Safety training

Rahi™

Data Center Solutions approaching $2 billion in annual sales in 2023 within CSS

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Utility & Broadband Solutions (UBS)

Second Quarter Drivers

- Record quarter driven by strength in Utility and Integrated Supply
  - Utility sales up LDD driven by investments in electrification, green energy, and grid modernization
  - Broadband sales down LDD as certain customers work through inventory destocking; attractive secular growth trends remain intact
  - Integrated Supply sales up mid-teens driven by new programs and scope expansion with existing customers
- Backlog up 15% YOY, and down 2% sequentially
- Adjusted EBITDA growth and margin expansion driven by sales growth, synergy capture, and execution of margin improvement initiatives

$ millions

	Q2 2023	Q2 2022	YOY
Sales	**$1,694**	**$1,551**	**+10%**[1]
Adjusted EBITDA	**$189**	**$169**	**+12%**
% of sales	11.1%	10.9%	+20 bps

[1] Sales growth shown on an organic basis

Leadership position and complete solutions offering continue to drive strong sales and profit growth

See appendix for non-GAAP definitions and reconciliations.

Secular Trends Accelerating Power Chain Modernization and Expansion

Grid hardening and modernization

Renewables

Additional grid capacity

~$700B
Cost to modernize transmission lines by 2050

~7x
Increase in annual transmission capex by 2040

2x Historical Growth

~5x
Annual increase in average T&D investments by 2040

>$120B
Current annual investments to modernize the grid

60% of distribution lines have exceeded life expectancy

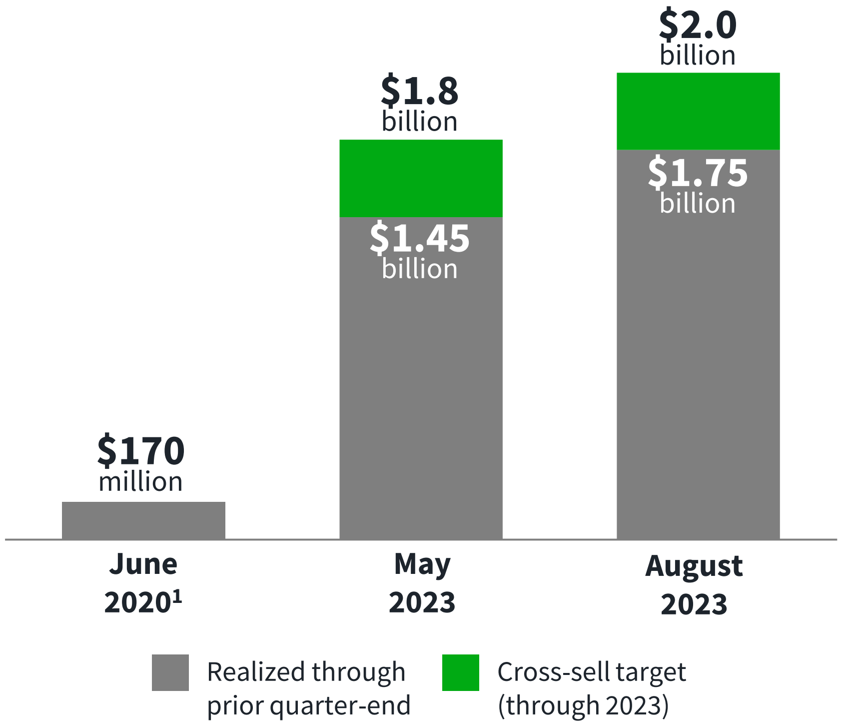
90% of transformers approaching end of useful life

National network of 500,000 EV charging stations by 2030

Sources: Bernstein, EEI, EIA, McKinsey, Company estimates

Increasing Cross-Sell Target to $2.0 Billion

Cumulative Cross-Sell Synergies



- Expanding pipeline of cross-sell opportunities
- Strong customer relationships and global supplier partnerships
- Minimal overlap between legacy Wesco and Anixter customers
- Highly complementary products and services
- Salesforce training and incentives in place
- Capturing cross-sell opportunities within and across all three SBUs

Growth opportunity is further amplified by attractive secular growth trends

Successful cross-selling initiatives driving market outperformance

[1] At Anixter acquisition close on June 22, 2020

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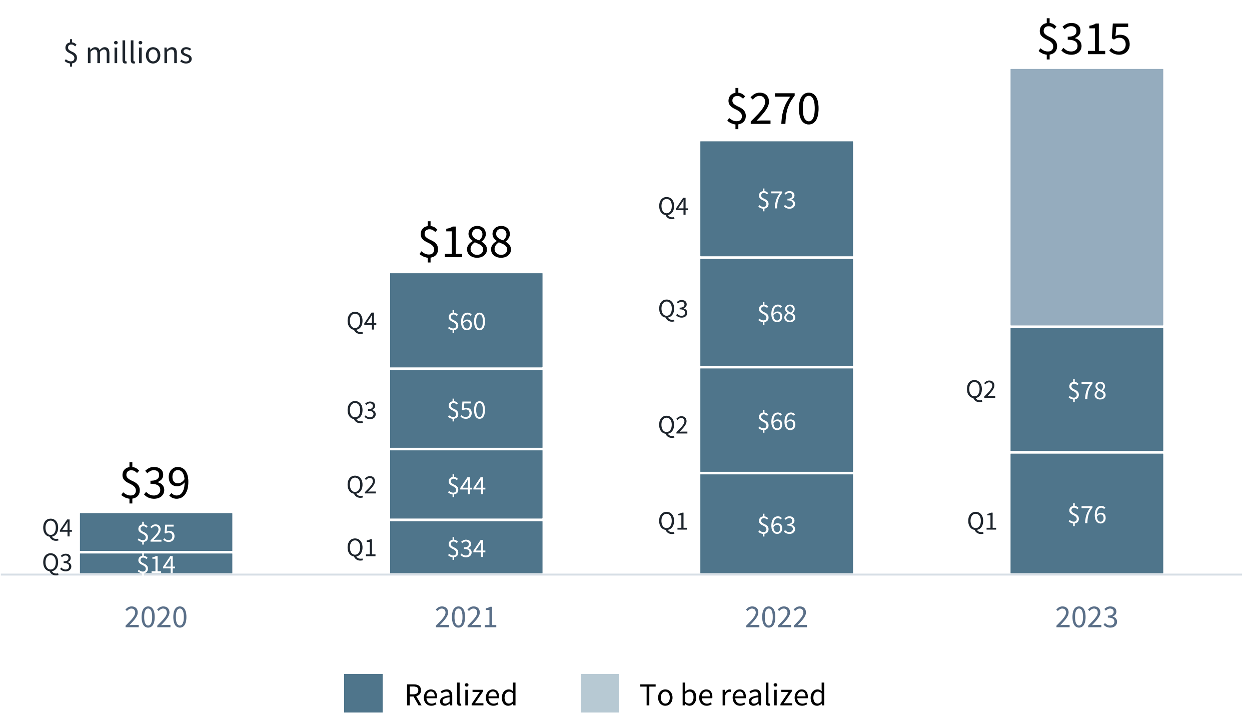
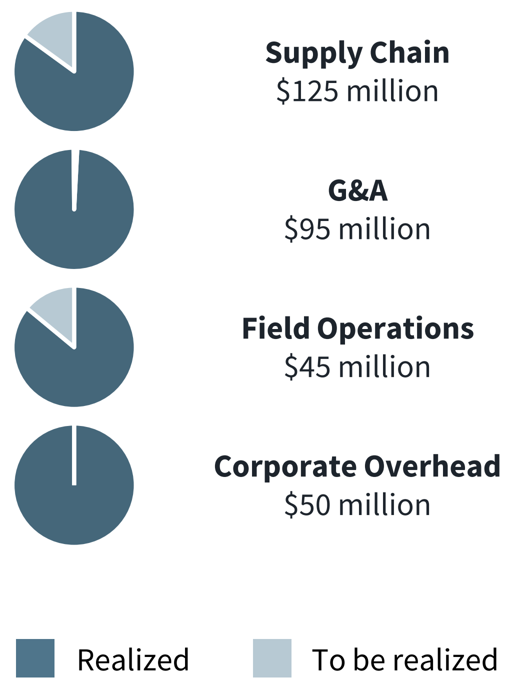
Cost Synergy Realization Continues

Cumulative Realized Synergies



Cumulative Realized Synergies By Type



Tracking well toward 2023 cumulative cost synergy target of $315 million

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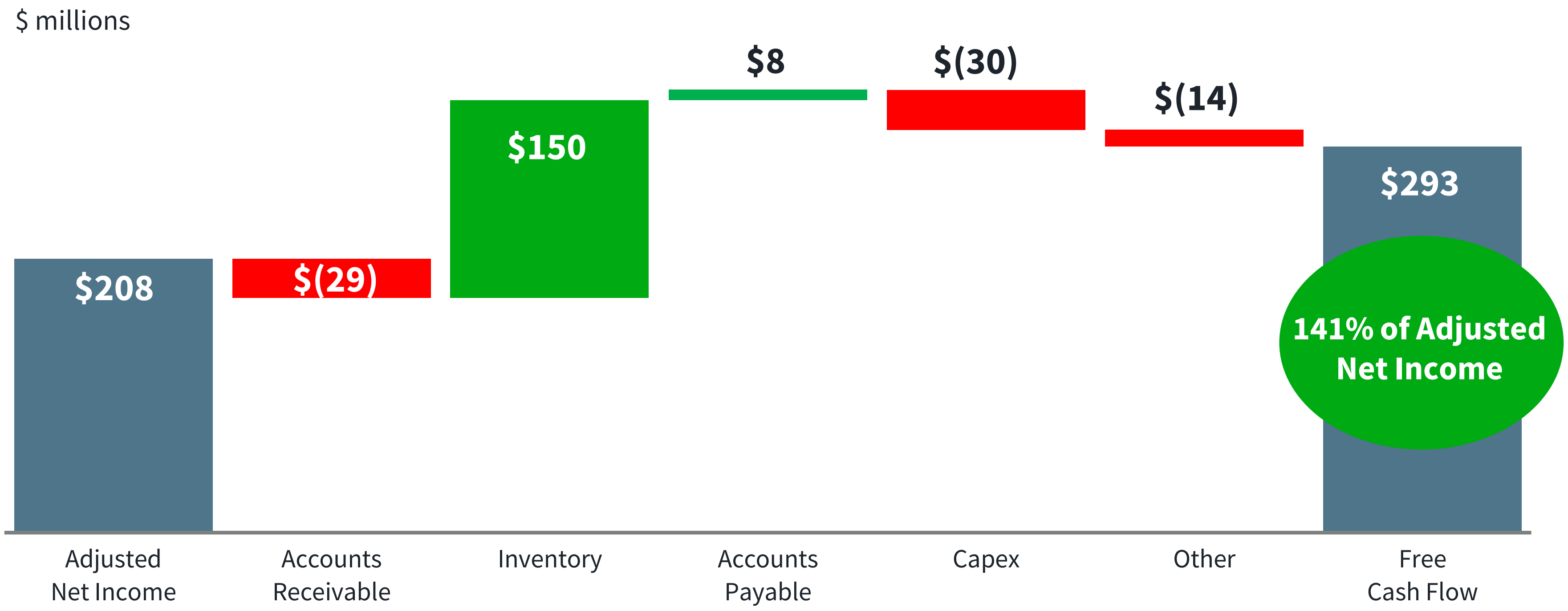
Free Cash Flow

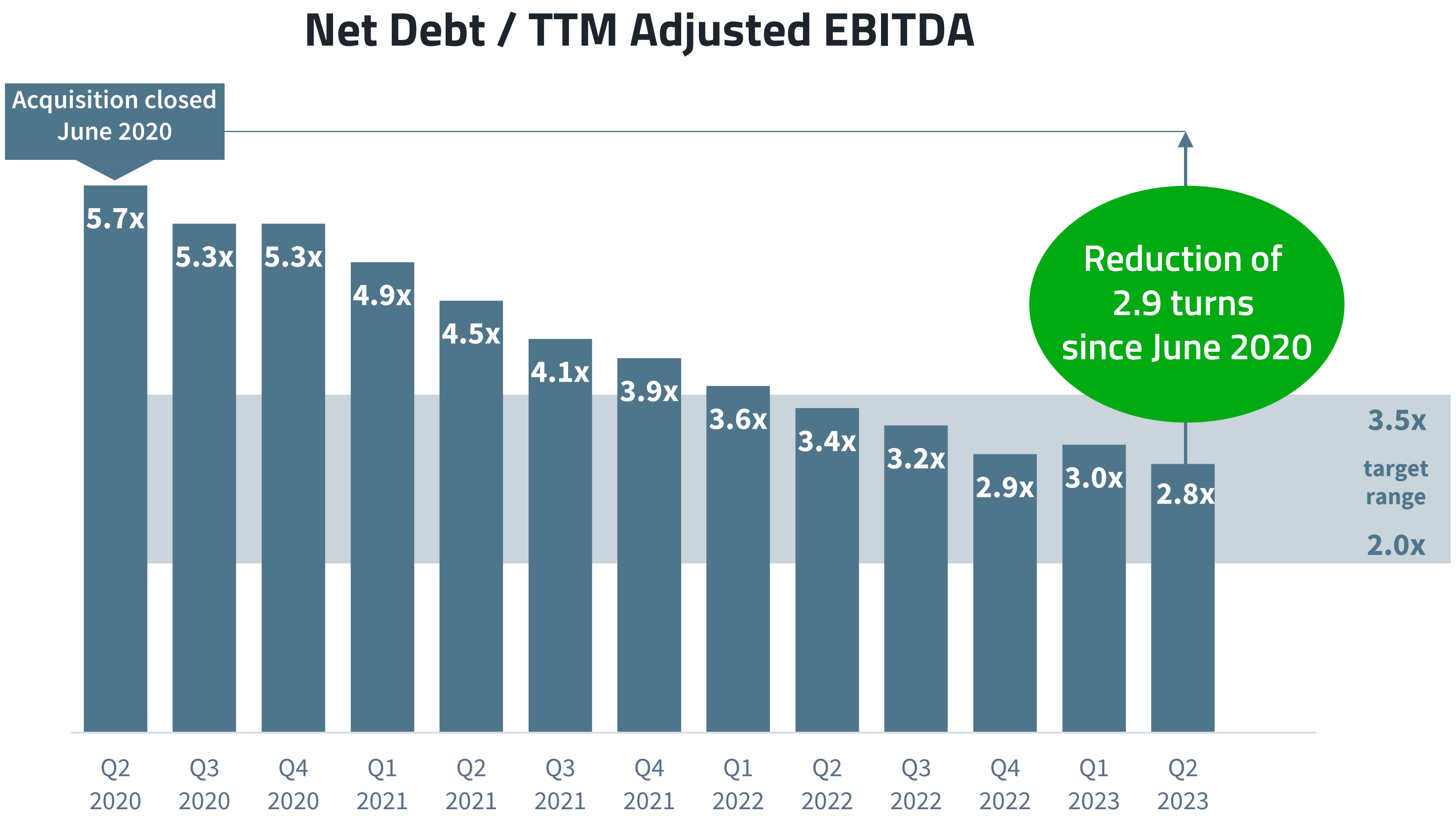
Second Quarter Free Cash Flow



Strong second quarter cash flow consistent with expectations; YTD free cash flow of $27 million

See appendix for non-GAAP definitions and reconciliations.

Leverage Within Target Range



Leverage at lowest level since Anixter acquisition

- Pace of deleveraging significantly faster than originally expected
- Sequential leverage decrease driven by reduction of net debt
- Leverage near midpoint of target range

Approaching midpoint of target leverage; enables additional capital allocation options

See appendix for non-GAAP definitions and reconciliations.

Attractive Long-Term Growth Drivers

Secular Growth Trends


Electrification


Automation and IoT


Green Energy and Grid Modernization


24/7 Connectivity and Security


Supply Chain Consolidation and Relocation to North America


Digitalization and AI

+

Increasing Public Sector Investment


U.S. Infrastructure Bills


Rural Digital Opportunity Fund (RDOF)


Canada Broadband Investments


Public-Private Partnerships for Smart Cities

+

Wesco's Uniquely Strong Position

- Leading Portfolio of Products, Services, and Solutions
- Leading Positions in All SBUs
- Global Footprint and Capabilities
- Digital Investments Unlocking the Value of Our Big Data
- Accelerating Consolidation Across the Value Chain

Wesco is uniquely positioned for sustainable long-term growth

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Updating 2023 Outlook

		Outlook May 4, 2023	Outlook August 3, 2023
Sales	Market growth (including price)	4% - 6%	3% - 4%
	Plus: share gain/cross-sell	1% - 2%	1% - 2%
	Total organic sales	**5% - 8%**	**4% - 6%**
	Rahi acquisition	~2%	~2%
	Less: differences of foreign exchange rates	~(1)%	~(1)%
	Less: impact of one fewer workday in 2023	(0.5)%	(0.5)%
	Reported sales	**6% - 9%**	**5% - 7%**
Adjusted EBITDA	**Adjusted EBITDA margin**	**8.1% - 8.4%**	**7.8% - 8.0%**
	Implied midpoint of range	*~$1.9 billion*	*~$1.8 billion*
Adjusted EPS	**Adjusted diluted EPS**	**$16.80 - $18.30**	**$15.00 - $16.00**
Cash	**Free cash flow**	**$600 - $800 million**	**$500 - $700 million**

Updated Outlook Notes

- Growth from price reflects carry over pricing from 2022
- After the impact of inter-segment business transfers, acquisitions, workday adjustments and foreign exchange impacts, reported sales growth for EES is expected to be approximately flat, CSS is expected to be up mid-teens, and UBS is expected to be up high-single to low-double digits
- Rahi Systems acquisition closed on 11/1/22

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Transformation continues as we execute our plan to deliver our long-term Investor Day targets

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See appendix for non-GAAP reconciliations.

APPENDIX

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Underlying Assumptions

	FY 2023 May Outlook	FY 2023 August Outlook
Depreciation and Amortization	~$170–180 million	~$175–185 million
Interest Expense	~$350–390 million	~$370–390 million
Other Expense, net	~$30–40 million	~$20–30 million
Capital Expenditures	~$100 million	~$100 million
Share Count	~52-53 million	~52-53 million
Effective Tax Rate	~25-26% (~27% for Q2 – Q4)	~25-26% (~27% for Q3 – Q4)

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2023 Inter-Segment Business Transfers

$ millions	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
EES Sales	(45)	(55)	(46)	(52)	(198)
CSS Sales	37	48	37	45	168
UBS Sales	8	7	9	7	30

Beginning in 2023, Wesco shifted the business associated with certain accounts from EES to CSS and UBS. The 2022 sales amounts by quarter are shown in the table above.

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Glossary

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

Definitions
Executed synergies: Initiatives fully implemented – actions taken to generate savings
Realized synergies: Savings that impact financial results versus pro forma 2019
One-time operating expenses: Operating expenses that are in or will be realized in the P&L (including cash and non-cash)

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Workdays

	Q1	Q2	Q3	Q4	FY
2020	64	64	64	61	253
2021	62	64	64	62	252
2022	63	64	64	62	253
2023	63	64	63	62	252

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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, and net gain on the divestiture of Wesco's legacy utility and data communications businesses in Canada.

Organic Sales Growth by Segment

$ millions

Organic Sales Growth by Segment - YOY:

	Three Months Ended		Growth/(Decline)				
	June 30, 2023	June 30, 2022	Reported	Acquisition Impact	Foreign Exchange Impact	Workday Impact	Organic Growth
EES	$ 2,200.3	$ 2,330.1	(5.6)%	— %	(0.9)%	— %	(4.7)%
CSS	1,850.9	1,602.0	15.5%	9.4%	(0.8)%	— %	6.9%
UBS	1,694.3	1,551.4	9.2%	— %	(0.4)%	— %	9.6%
Total net sales	**$ 5,745.5**	**$ 5,483.5**	**4.8%**	**2.7%**	**(0.7)%**	**— %**	**2.8%**

Organic Sales Growth by Segment - Sequential:

	Three Months Ended		Growth/(Decline)				
	June 30, 2023	March 31, 2023	Reported	Acquisition Impact	Foreign Exchange Impact	Workday Impact	Organic Growth
EES	$ 2,200.3	$ 2,135.1	3.1%	— %	0.4%	1.6%	1.1%
CSS	1,850.9	1,732.0	6.9%	— %	0.2%	1.6%	5.1%
UBS	1,694.3	1,654.8	2.4%	— %	0.2%	1.6%	0.6%
Total net sales	**$ 5,745.5**	**$ 5,521.9**	**4.0%**	— %	**0.2%**	**1.6%**	**2.2%**

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Gross Profit and Free Cash Flow

$ millions

Gross Profit:	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Net sales	$ 5,745.5	$ 5,483.5	$ 11,267.4	$ 10,415.7
Cost of goods sold (excluding depreciation and amortization)	4,503.1	4,294.1	8,816.5	8,177.2
Gross profit	$ 1,242.4	$ 1,189.4	$ 2,450.9	$ 2,238.5
Gross margin	21.6%	21.7%	21.8%	21.5%

Free Cash Flow:	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Cash flow provided by (used in) operations	$ 317.6	$ (132.6)	$ 62.2	$ (304.5)
Less: Capital expenditures	(30.4)	(16.4)	(44.3)	(31.6)
Add: Merger-related, integration and restructuring cash costs	6.0	20.5	9.4	43.3
Free cash flow	$ 293.2	$ (128.5)	$ 27.3	$ (292.8)
Percentage of adjusted net income	141%	(55)%	7%	(67)%

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Adjusted EBITDA

$ 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[1]	—	—	—	71.8	71.8
Interest expense, net[1]	—	—	—	98.8	98.8
Depreciation and amortization	11.5	17.9	6.4	11.1	46.9
EBITDA	**$ 177.8**	**$ 150.2**	**$ 189.5**	**$ (107.6)**	**$ 409.9**
Other expense (income), net	9.8	27.7	(1.7)	(35.0)	0.8
Stock-based compensation expense[2]	1.4	1.6	0.8	7.1	10.9
Merger-related and integration costs[3]	—	—	—	10.9	10.9
Restructuring costs[4]	—	—	—	9.8	9.8
Adjusted EBITDA	**$ 189.0**	**$ 179.5**	**$ 188.6**	**$ (114.8)**	**$ 442.3**
Adjusted EBITDA margin %	**8.6%**	**9.7%**	**11.1%**		**7.7%**

EBITDA and Adjusted EBITDA by Segment:	Three Months Ended June 30, 2022				
	EES	CSS	UBS	Corporate	Total
Net income attributable to common stockholders	$ 222.8	$ 130.6	$ 161.8	$ (308.9)	$ 206.3
Net income attributable to noncontrolling interests	0.1	—	—	0.3	0.4
Preferred stock dividends	—	—	—	14.4	14.4
Provision for income taxes[1]	—	—	—	79.9	79.9
Interest expense, net[1]	—	—	—	68.5	68.5
Depreciation and amortization	11.2	17.9	5.7	11.0	45.8
EBITDA	**$ 234.1**	**$ 148.5**	**$ 167.5**	**$ (134.8)**	**$ 415.3**
Other (income) expense, net	(1.4)	0.1	0.6	1.9	1.2
Stock-based compensation expense[2]	2.7	1.4	0.9	9.5	14.5
Merger-related and integration costs[3]	—	—	—	13.4	13.4
Adjusted EBITDA	**$ 235.4**	**$ 150.0**	**$ 169.0**	**$ (110.0)**	**$ 444.4**
Adjusted EBITDA margin %	**10.1%**	**9.4%**	**10.9%**		**8.1%**

(1) The reportable segments do not incur income taxes and interest expense as these costs are centrally controlled through the Corporate tax and treasury functions.
(2) Stock-based compensation expense in the calculation of adjusted EBITDA for the three months ended June 30, 2023 and June 30, 2022 excludes $1.3 million and $1.4 million, respectively, that is included in merger-related and integration costs.
(3) Merger-related and integration costs include integration and professional fees associated with the integration of Wesco and Anixter, including digital transformation costs, as well as advisory, legal, and separation costs associated with the merger between the two companies.
(4) Restructuring costs include severance costs incurred pursuant to an ongoing restructuring plan.

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Adjusted EPS

$ millions, except per share amounts

	Three Months Ended	
	June 30, 2023	June 30, 2022
Adjusted Income from Operations:		
Income from operations	$ 363.8	$ 370.7
Merger-related and integration costs [1]	10.9	13.4
Restructuring costs[2]	9.8	—
Accelerated trademark amortization[3]	0.8	3.7
Adjusted income from operations	$ 385.3	$ 387.8
Adjusted income from operations margin %	6.7%	7.1%
Adjusted Provision for Income Taxes:		
Provision for income taxes	$ 71.8	$ 79.9
Income tax effect of adjustments to income from operations[4]	5.9	4.5
Adjusted provision for income taxes	$ 77.7	$ 84.4
Adjusted Earnings per Diluted Share:		
Adjusted income from operations	$ 385.3	$ 387.8
Interest expense, net	98.8	68.5
Other expense, net	0.8	1.2
Adjusted income before income taxes	285.7	318.1
Adjusted provision for income taxes	77.7	84.4
Adjusted net income	208.0	233.7
Net (loss) income attributable to noncontrolling interests	(0.7)	0.4
Adjusted net income attributable to WESCO International, Inc.	208.7	233.3
Preferred stock dividends	14.4	14.4
Adjusted net income attributable to common stockholders	$ 194.3	$ 218.9
Diluted shares	52.4	52.2
Adjusted earnings per diluted share	$ 3.71	$ 4.19

[1] Merger-related and integration costs include integration and professional fees associated with the integration of Wesco and Anixter, including digital transformation costs, as well as advisory, legal, and separation costs associated with the merger between the two companies.
[2] Restructuring costs include severance costs incurred pursuant to an ongoing restructuring plan.
[3] Accelerated trademark amortization represents additional amortization expense resulting from changes in the estimated useful lives of certain legacy trademarks that are migrating to our master brand architecture.
[4] The adjustments to income from operations have been tax effected at rates of approximately 27% and 26% for the three months ended June 30, 2023 and 2022, respectively.

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Capital Structure and Leverage

$ millions

Financial Leverage:

	Twelve Months Ended	
	June 30, 2023	**December 31, 2022**
Net income attributable to common stockholders	$ 791.3	$ 803.1
Net income attributable to noncontrolling interests	0.2	1.7
Preferred stock dividends	57.4	57.4
Provision for income taxes	272.9	274.5
Interest expense, net	356.1	294.4
Depreciation and amortization	177.5	179.0
EBITDA	**$ 1,655.4**	**$ 1,610.1**
Other expense, net	15.6	7.0
Stock-based compensation expense	40.3	41.0
Merger-related and integration costs	59.0	67.5
Restructuring costs	9.8	—
Adjusted EBITDA	**$ 1,780.1**	**$ 1,725.6**

	As of	
	June 30, 2023	**December 31, 2022**
Short-term debt and current portion of long-term debt, net	$ 9.2	$ 70.5
Long-term debt, net	5,523.1	5,346.0
Debt discount and debt issuance costs[1]	50.5	57.9
Fair value adjustments to Anixter Senior Notes due 2023 and 2025[1]	(0.1)	(0.3)
Total debt	$ 5,582.7	$ 5,474.1
Less: Cash and cash equivalents	529.0	527.3
Total debt, net of cash	$ 5,053.7	$ 4,946.8
Financial leverage ratio	**2.8x**	**2.9x**

[1] 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.

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