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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 AND EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): March 2, 2016

**WESCO International, Inc.**

(Exact name of registrant as specified in its charter)

Commission file number **001-14989**

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**225 West Station Square Drive  
Suite 700**

**Pittsburgh, Pennsylvania**

(Address of principal executive offices)

**25-1723342**

(I.R.S. Employer  
Identification No.)

**(412) 454-2200**

(Registrant's telephone number, including area code)

**N/A**

(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))
-

**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.

On March 2, 2016, members of senior management of WESCO International, Inc. (the "Company") will present to investors at the Company's Investor Day 2016. The presentation will include written communication comprised of slides and will be accessible on the Company's website via webcast. The slides from the presentation are attached hereto as Exhibit 99.1 to this report and are being furnished in accordance with Regulation FD of the Securities and Exchange Commission.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits

The following are furnished as exhibits to this report.

99.1 Slide presentation for investors

**SIGNATURE**

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.

March 2, 2016

(Date)

WESCO INTERNATIONAL, INC.

/s/ Kenneth S. Parks

Kenneth S. Parks

Senior Vice President and Chief Financial Officer



 **WESCO**<sup>®</sup>  
2016 INVESTOR DAY

# **WESCO International 2016 Investor Day**

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## Safe Harbor Statement

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Note: All statements made herein that are not historical facts should be considered as “forward-looking statements” within the meaning of the Private Securities Litigation Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. Such risks, uncertainties and other factors include, but are not limited to: adverse economic conditions; disruptions in operations or information technology systems; product, labor or other cost fluctuations; supply chain disruptions or loss of key suppliers; expansion of business activities; exchange rate fluctuations; tax law changes or challenges to tax matters; increase in competition; risks related to acquisitions, including the integration of acquired businesses; litigation, disputes, contingencies or claims; legal or regulatory matters; debt levels, terms, financial market conditions or interest rate fluctuations; goodwill or intangible asset impairment; common stock dilution; and other factors described in detail in the Form 10-K for WESCO International, Inc. for the year ended December 31, 2015 and any subsequent filings with the Securities & Exchange Commission. Any numerical or other representations in this presentation do not represent guidance by management and should not be construed as such. The following presentation includes a discussion of certain non-GAAP financial measures. Information required by Regulation G with respect to such non-GAAP financial measures can be found in the appendix and obtained via WESCO’s website, [www.wesco.com](http://www.wesco.com).



 **WESCO**<sup>®</sup>  
2016 INVESTOR DAY

# **WESCO International**

John Engel

Chairman, President and Chief Executive Officer

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# 2016 WESCO Investor Day Agenda

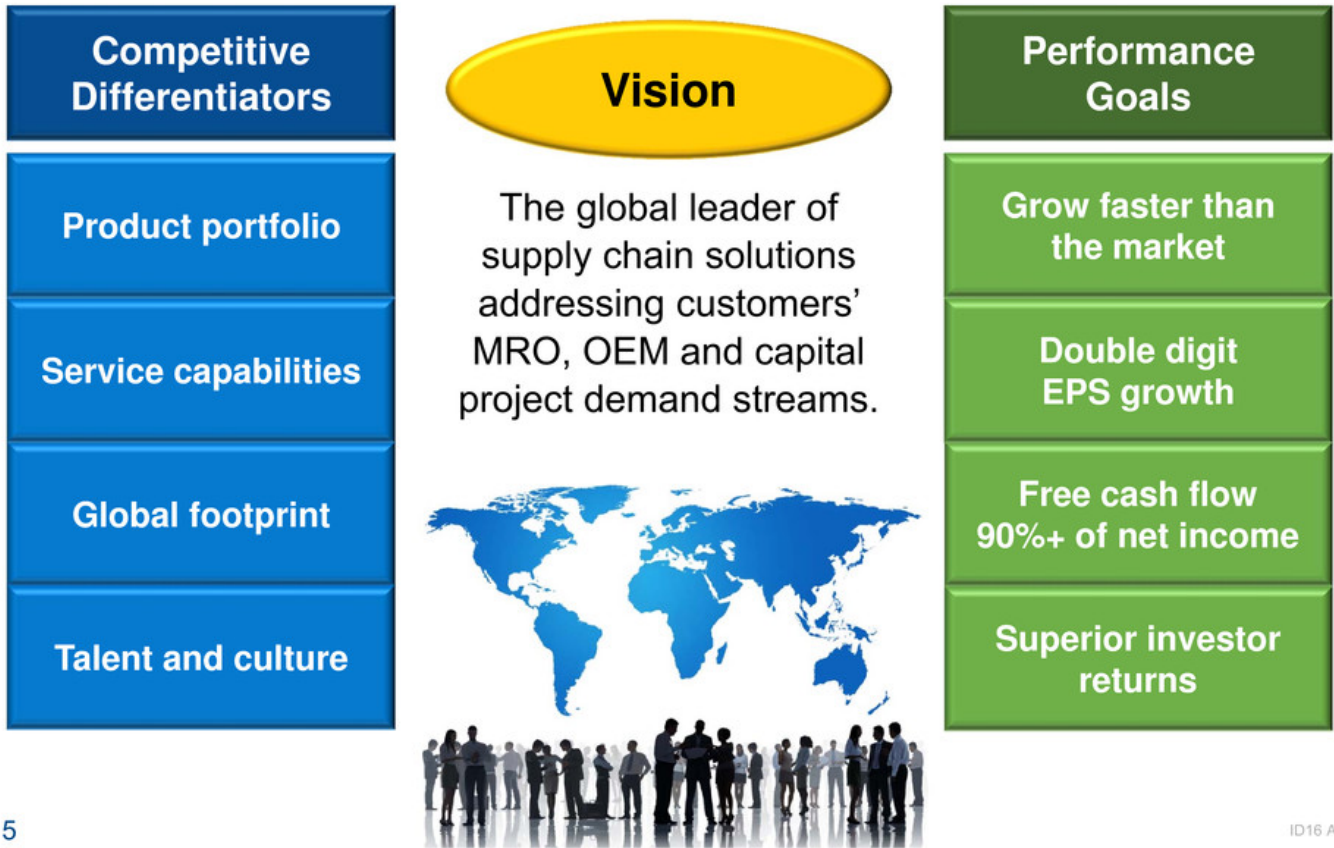
*Investor Day begins at 1:00 p.m.*

<b>Welcome and WESCO Overview</b>	John Engel <i>Chairman, President, and Chief Executive Officer</i>
<b>Sales &amp; Marketing</b>	David Bemoras <i>Vice President, Global Sales and Marketing</i>
<b>Supply Chain and Operations</b>	Hemant Porwal <i>Vice President, Global Supply Chain and Operations</i>
<i>Break</i>	
<b>U.S.</b>	Andy Bergdoll <i>Group Vice President and General Manager, United States</i>
<b>Canada</b>	Nelson Squires <i>Group Vice President and General Manager, Canada</i>
<b>Financial Overview</b>	Ken Parks <i>Senior Vice President and Chief Financial Officer</i>
<b>Q&amp;A and Closing Remarks</b>	John Engel <i>Chairman, President, and Chief Executive Officer</i>

*Cocktail Reception immediately following*



# WESCO Overview

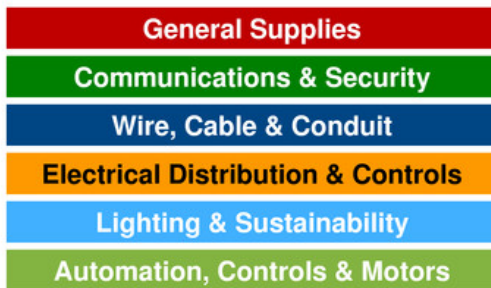
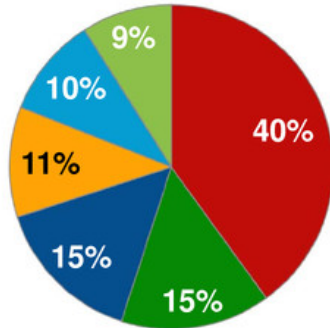




# Competitive Differentiator: Product Portfolio



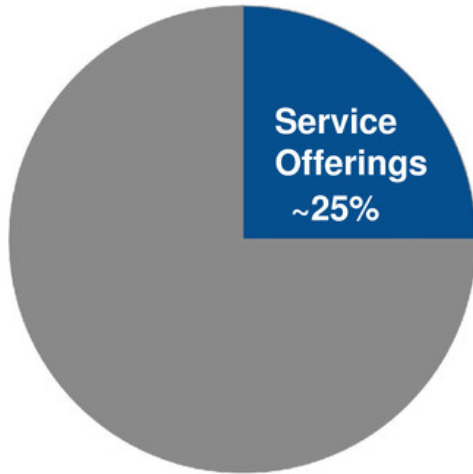
## Product Categories



## Value Drivers

- Fulfill MRO, OEM, capex customer demand streams
- Broaden product portfolio
- Improve margin profile
- Expand global sourcing
- Increase private label
- Supplier-optimized value chain

# Competitive Differentiator: Service Capabilities



**2015  
\$7.5B Sales**

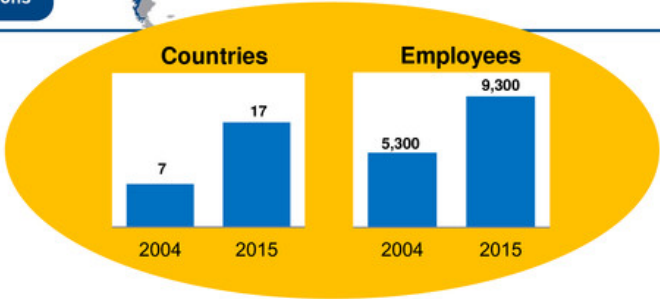
## Value Drivers

### Expand service offerings:

- Storeroom services
- Inventory management
- Logistics
- Warehousing
- Kitting/pre-assembly
- Labor and supply chain outsourcing
- Capital project management
- IT procurement solutions

*...providing a comprehensive service value proposition for customers*

# Competitive Differentiator: Global Footprint



### Value Drivers

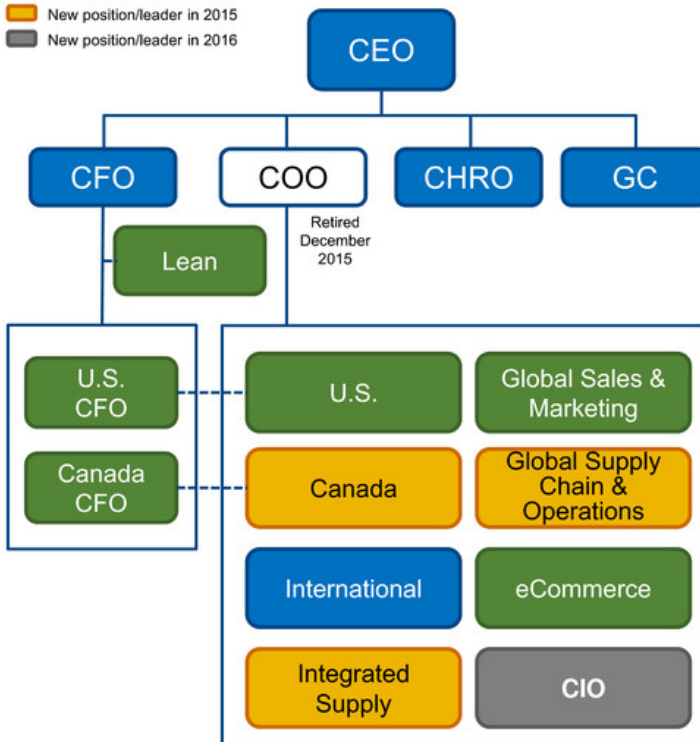
- Accelerate One WESCO growth strategy with blue-chip customers
- Extend service capabilities
- Grow organically through local presence
- Further expand through bolt-on acquisitions

*...expanding globally with blue-chip customers*



# Competitive Differentiator: Talent Management

- New position/leader in 2014
- New position/leader in 2015
- New position/leader in 2016



## Value Drivers

- Streamline the organization
- One U.S. business leader
- New Canada business leader
- New Global Sales and Marketing organization
  - End-market leaders
  - Product category managers
  - eCommerce development
- New Global Supply Chain and Operations organization
- Strengthened finance capabilities within geographic businesses



# Competitive Differentiator: Continuous Improvement Culture



**WESCO  
LEAN INITIATIVE**  
SIMPLICITY.  
EFFICIENCY.  
PROFITABILITY.

Pull system for continuous improvement to drive business results by engaging employees at all levels to be customer focused, process minded, relentless in waste reduction, and empowered to lead positive change.

## WESCO Lean Journey

- Enterprise-wide application and results
  - Focus on sales, operations and transactional processes
  - Industry-leading value creation program for customers
- Lean leadership, culture and certification programs
- Dedicated field resources driving increase in kaizens
- A distinct, competitive differentiator



# WESCO Strategy





## Global Sales and Marketing Priorities



Integrate our portfolio of products, services, and supplier relationships into comprehensive supply chain solutions for our customers' global MRO, OEM, and capital project needs.

### Priorities

- Integrating all our efforts around customers
- Focusing on profitable organic growth opportunities
- Branding, demand creation programs, and marketing leverage
- Sales and specialist training and solution selling
- Refining management incentive and sales force compensation plans

# Global Supply Chain and Operations Priorities



**Customer Service**



**Safety**



**Operations**



**Transportation**



**Network Optimization**



## Strategy

- Simplify and streamline business
  - Lean processes
  - Optimize footprint
- Supply chain management
  - Optimize supply base
  - Leverage purchasing
  - Manage inventory
- Improve pricing
  - Optimize with tools and analytics
  - Measure with KPIs

*...center on Lean applications across the supply chain*





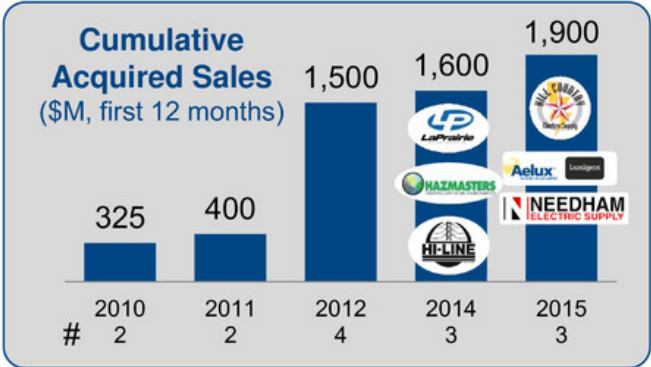
# Acquisitions

## Strategy and Priorities

- 1 Consolidate core electrical products and services category in North America
- 2 Expand into adjacent product and services categories
- 3 Follow customers globally and establish local operations in high priority countries.

### Acquisition Criteria

- ✓ Consistent with WESCO strategy
- ✓ Rate of return greater than WESCO risk-adjusted average cost of capital
- ✓ Accretive in first year of operation
- ✓ Margins higher than WESCO



### Acquired Sales by End Market since 2010



*...driving strategic growth and shareholder value*

# Atlanta Electrical Distributors Acquisition

2016 WESCO INVESTOR DAY



- Fast growing, well-established electrical distributor serving the construction and MRO segments
- Founded in 2006
- Annual revenue of ~\$85 million
- 93 employees
- 5 locations in northern Georgia
- Expecting ~\$0.03 full-year EPS accretion
- Closing is expected to occur in March 2016

***...WESCO's expansion into the attractive Southeast end markets***



## Summary

### 2015 Results

- Increased economic and end market headwinds (oil & gas, metals & mining, industrial, foreign exchange)
- One WESCO successes
- Cost reduction and SG&A leverage
- Strong free cash flow
- Completed Hill Country, Lumigent/Aelux, and Needham Electric acquisitions
- Initiated/increased share repurchases
- Strong additions to leadership team

### 2016 Priorities

- Increase market share
  - One WESCO sales growth initiatives
  - Acquisitions
- Sustain margins
  - Organizational streamlining
  - Lean operational excellence initiatives
  - Pricing and sourcing initiatives
  - Supplier and product rationalization
  - Branch network optimization efforts
- Maintain strong cash generation and solid capital structure; manage leverage within the targeted range

*...providing world class brands when and where needed*



# 2016 WESCO Investor Day Agenda

	Key Messages
<b>Sales &amp; Marketing</b>	Developing a high-performance sales organization to drive profitable growth
<b>Supply Chain &amp; Operations</b>	Streamlining the business and leveraging the supply chain to expand profitability
<b>U.S.</b>	Accelerating One WESCO initiatives with strengthened business leadership team
<b>Canada</b>	New business leader and seasoned team managing in tough environment
<b>Financial Overview</b>	2016 update and performance goals for next 5 years



 **WESCO**<sup>®</sup>  
2016 INVESTOR DAY

# **Sales and Marketing**

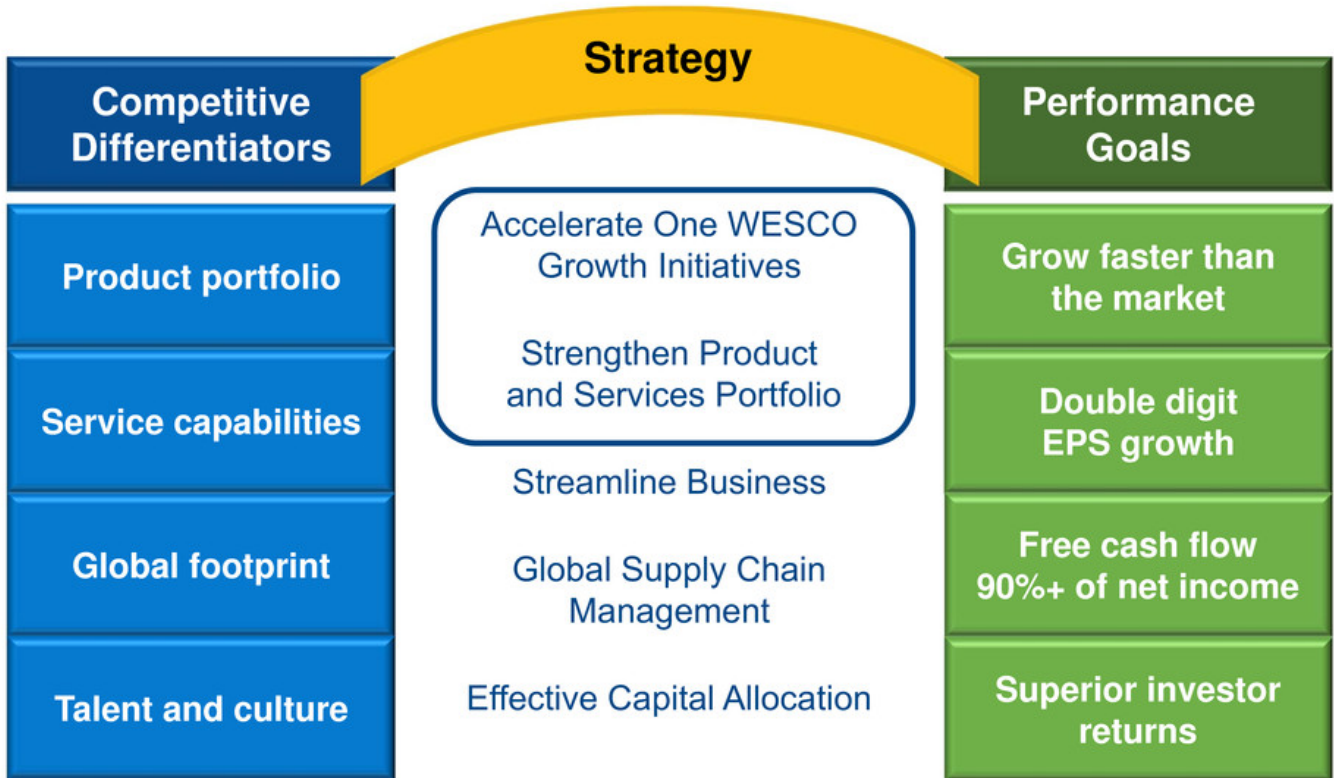
David Bemoras

Vice President, Global Sales and Marketing

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# WESCO Strategy





## Driving Sales Growth

### Sales Leadership Effectiveness

1. Recruit, retain, and develop top sales and marketing talent
2. Fully utilize WESCO customer relationship management (CRM) tool
3. Implement effective sales planning and goal setting
4. Coach, inspire, and recognize goal achievement
5. Sponsor and cultivate key customer executive relationships

### Execute Sales Growth Strategies

1. Operationalize One WESCO sales initiatives
2. Expand customer share
3. Pursue new global account contracts across a diverse set of end markets
4. Utilize supply chain solutions as a key differentiator
5. Capitalize on growth market opportunities

*...empowering our leaders and creating the “WESCO Way”*



## High-Performance Sales Culture

### 2014 and 2015 Key Accomplishments

- ✓ Implemented CRM platform
- ✓ Developed sales planning and performance management process
- ✓ Built category management team
- ✓ Expanded supplier relations
- ✓ Developed enhanced demand creation marketing programs
- ✓ Designed "Precision Selling" tactics
- ✓ Added technical product specialists
- ✓ Built supply chain services organization
- ✓ Formalized One WESCO sales initiatives

### 2016 Priorities

- Improve sales management and execution
- Institute sales leadership training
- Implement supplier planning process
- Expand global accounts and field sales capacity
- Commercialize eCommerce solutions

***...building a foundation to deliver long-term organic sales growth***





# Salesbook CRM Platform



*...web-based application supporting over 2,000 sales associates*

# Sales Planning and Performance Management



## Objectives

- Create a uniform planning process across the organization
- Develop strategic account assignments by sales person
- Establish sales and margin targets
- Establish core supplier targets
- Measure and track performance
- Manage performance against plans

## 2016 Deployment

- 1,200 outside sales reps across the U.S. and Canada
- 16,000 accounts planned
- 4,500 target accounts identified
- 15 core supplier targets established
- Performance management process established

***...sum of individual targets exceeds overall WESCO sales growth plan***

# Product Category and Supplier Management



**Electrical**



**Communications & Security**



**Lighting & Sustainability**



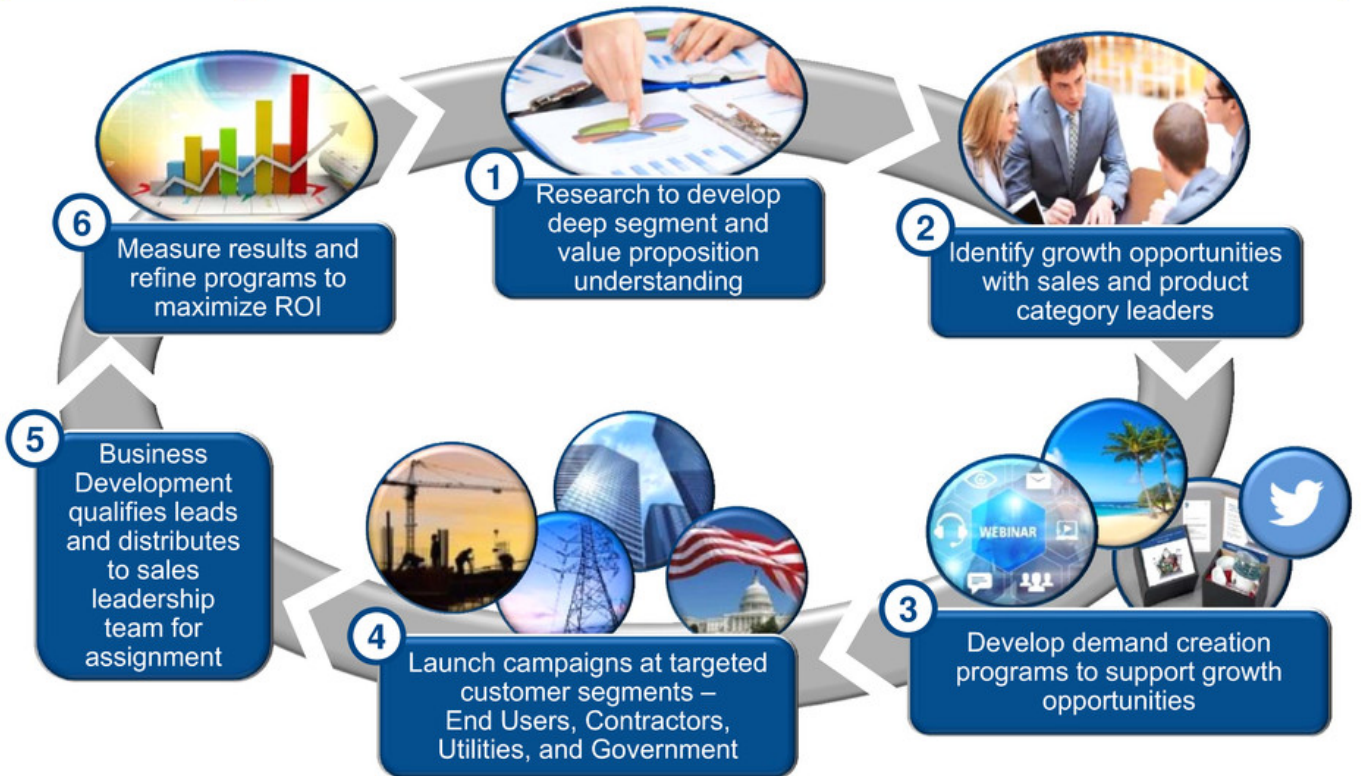
**MRO & General Supplies**



*...enabling higher levels of sales productivity and customer service*



# Marketing and Demand Creation



*...deliver message, qualify leads, track customers through the pipeline*



## One WESCO



*One WESCO is about integrating our multi-company heritage and capabilities into one operating company, where the whole is greater than the sum of our parts.*

- Driving better than market growth
- Expanding customer relationships and differentiating WESCO across a diverse set of end markets
- Leveraging the industry's broadest product offering, expansive services portfolio, and organizational resources
- Delivering measurable business value



# One WESCO Sales Initiatives

Established over ten One WESCO initiatives built on

- Business unit collaboration
- Customer share expansion
- Organizational resource utilization

## *Two Key Initiatives*



Cross Selling

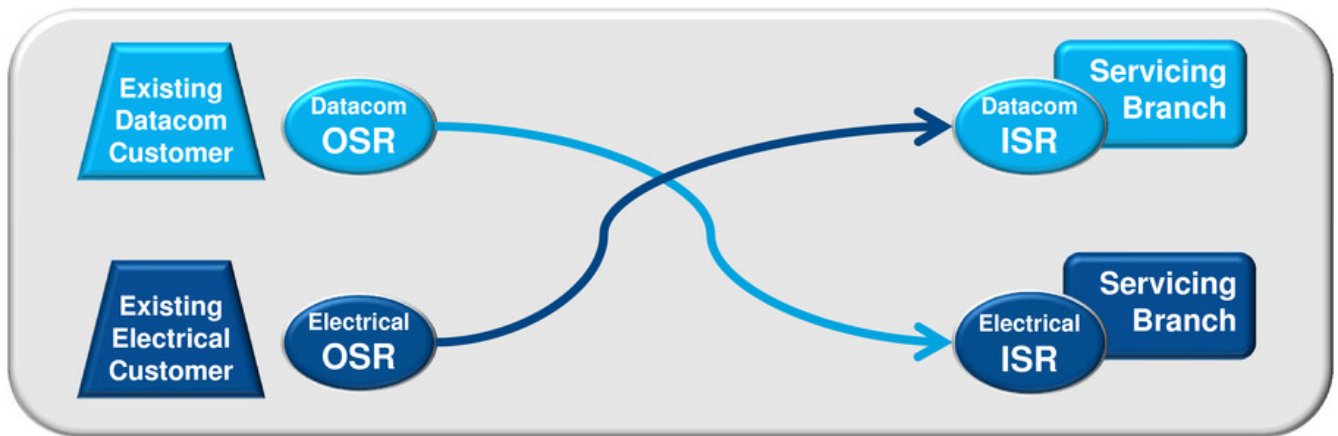


Checkerboard Execution

*...leveraging our portfolio and resources to grow with existing customers*



## Datacom / Electrical Cross Selling



### Specialized support for OSRs and customers across all product categories

- *Enables efficient customer share expansion*
- *Cost-effectively increases sales capacity*
- *Enhances the customer experience*
- *Creates supplier advocacy*

*...generating incremental organic sales growth*



# Checkerboard Strategy

## Oil and Gas Global Account Customer with Trapped Potential




	PRODUCT CATEGORY PENETRATION																																										
	Data Comm & Security	Wire & Cable					Electrical Distribution & Controls										Automation				Safety & Industrial Supplies					OEM	Lighting																
% Sales Penetration	DATA COMMUNICATIONS	WIRE DATA COMMUNICATIONS	CONDUIT-METAL	CONDUIT-NON METALLIC	CONDUIT & CABLE FITTINGS	RACEWAYS, WIREWAYS, STRUT, CABLE TRAY	WIRE, POWER, CORDS & BUILDING	BOXES METALLIC & NON-METALLIC	CIRCUIT BREAKERS	CUTOUT, ARRESTOR, CAPACITORS & H.V. SWITCHES	ENCLOSURES	ENGINEER SERVICES & (W) RENEWAL PARTS	FUSES, FUSE BLOCKS & FUSE HOLDERS	LOADCENTERS/BREAKERS/METER CENTER	METERING/INSTRUMENT TRANSFORMERS	PANELBOARDS/SWITCHEAR/BUSDUCT	T&D UTILITY PRODUCTS	TERMINATIONS,LUGS,CONNECTORS & ACCESSORIES	TRANSFORMERS	TRANSFORMERS-DISTRIBUTION	TRANSFORMERS:POWER	WIRING DEVICES	MOTOR CONTROL CENTERS	MOTORS & DRIVES	SAFETY SWITCHES	CONTROL - OPEN & CLOSED	PROGRAMMABLE CONTROLLERS	ELECTRICAL SUPPLIES	FANS,HEATERS,VENTING EQUIP.	INDUSTRIAL MAINTENANCE	MISC ELECTRICAL	TOOLS	TAPE,INSULATING MATERIAL,HEAT SHRINK	TUBING,SEALANTS & ADHESIVES	FACTORY PRODUCTS	BALLASTS	LAMPS	LIGHTING					
LOCATION 1	Green	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue		
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LOCATION 3	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue
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LOCATION 5	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue

*...resulted in 40% sales increase with a mature global account*





# Checkerboard Execution

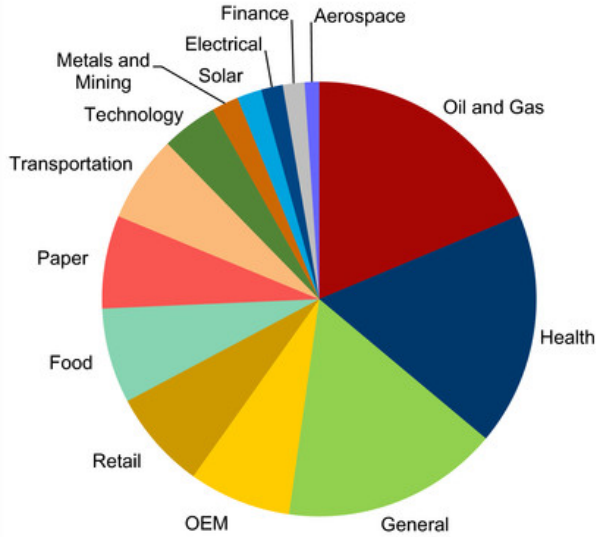
<p><b>Strategy</b></p>	<p><b>Data Analysis</b> Across 27 product segments</p> <p><b>Discovery</b> Validate opportunities</p> <p><b>Execution</b> Execute sales plan</p> 	
<p><b>Scope</b></p>	 <p><b>Phase 1</b> <b>256 Sites</b></p>	<p><b>Supply Chain Solution</b></p> <ul style="list-style-type: none"> <li>• One WESCO</li> <li>• Product expansions</li> <li>• Capital projects</li> <li>• Outsourcing</li> </ul> 
<p><b>Results</b></p>	<p><b>Double digit growth in the following product categories:</b></p> <ul style="list-style-type: none"> <li>• Communications and security</li> <li>• Safety &amp; industrial</li> <li>• Wire &amp; cable</li> <li>• Electrical distribution &amp; controls</li> </ul> <div data-bbox="943 837 1409 1043" style="border: 2px solid green; border-radius: 50%; padding: 10px; text-align: center; background-color: #4CAF50; color: white;"> <p><b>Over \$45M of incremental sales in 2015... ~30% growth</b></p> </div>	

*...targeting key global account sites to unlock untapped sales opportunities*



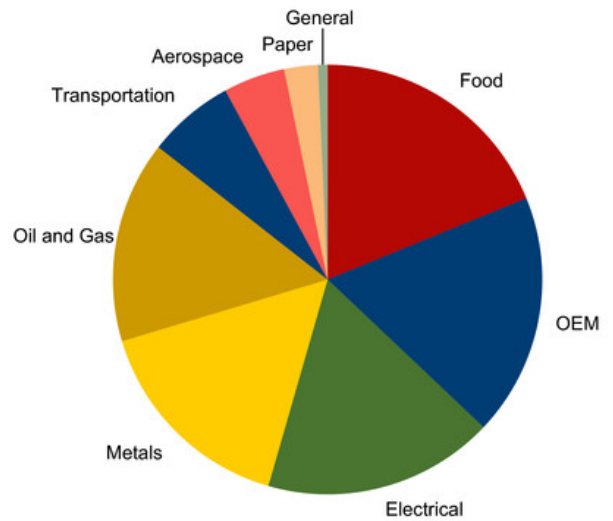
# 2015 Global Accounts

## New Contracts / Agreements



Over \$500M Total Value\*

## Renewals



95% Renewal Rate  
\$875M Total Value\*

\*reflects sales over the total life of the agreement

***...winning diversified new business while retaining current customers***



# WESCO Supply Chain Solutions



**WORLD-CLASS SUPPLY CHAIN SOLUTIONS**  
Collapsing and Managing Complex Customer Supply Chains

**4-Step Value Creation Process**

1. Understand the customer's business
2. Match WESCO's capabilities to customer needs
3. Uncover additional opportunities to create value
4. Deliver measurable business value

*...providing customized and scalable solutions*



## Supply Chain Solution Success Story

### National Solar Provider Supply Chain Services

- WESCO developed a procurement and material management program for this customer, including:
  - A commodity procurement program delivering commodity price stability
  - A customized e-Commerce solution
  - Jobsite material management services, deployed through vendor managed inventory
- Due to WESCO's unique program and value proposition:
  - WESCO's scope of services was expanded to support the customer's commercial solar business.
  - WESCO was designated as a preferred distributor for commercial and residential solar in 2016.





# Capitalize on Growth Markets

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Cloud Computing



Critical Infrastructure Protection



Intelligent Buildings



LED Lighting Retrofit



Alternative Energy



Physical Security



Broadband Communications



Industrial Networking

*...developing core competencies and resources in growth markets*



# Supporting eBusiness Requirements



## eCommerce Objectives

**Primary**  
*Selectively shift **existing** customer orders to digital channels*

- Reduce costs and expand profitability
- Expand share with existing customers
- Strengthen customer retention

**Secondary**  
*Win **incremental** business*

- Provide digital capabilities
- Convert sales force time from order entry to prospecting

***...driving cost reduction and supporting customer retention***



## Summary

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- Organizational alignment driving improved levels of execution
- Sales leadership driving higher performance sales culture
- Operationalizing One WESCO sales initiatives
- Collaborating more effectively with our key suppliers
- Creating solutions to provide value for our customers
- Executing demand creating marketing programs
- Developing core competencies and resources in growth markets
- Building eCommerce capabilities to reduce cost to serve and increase customer retention
- Targeting at least 2% above market growth from sales and marketing initiatives



# Supply Chain and Operations

Hemant Porwal

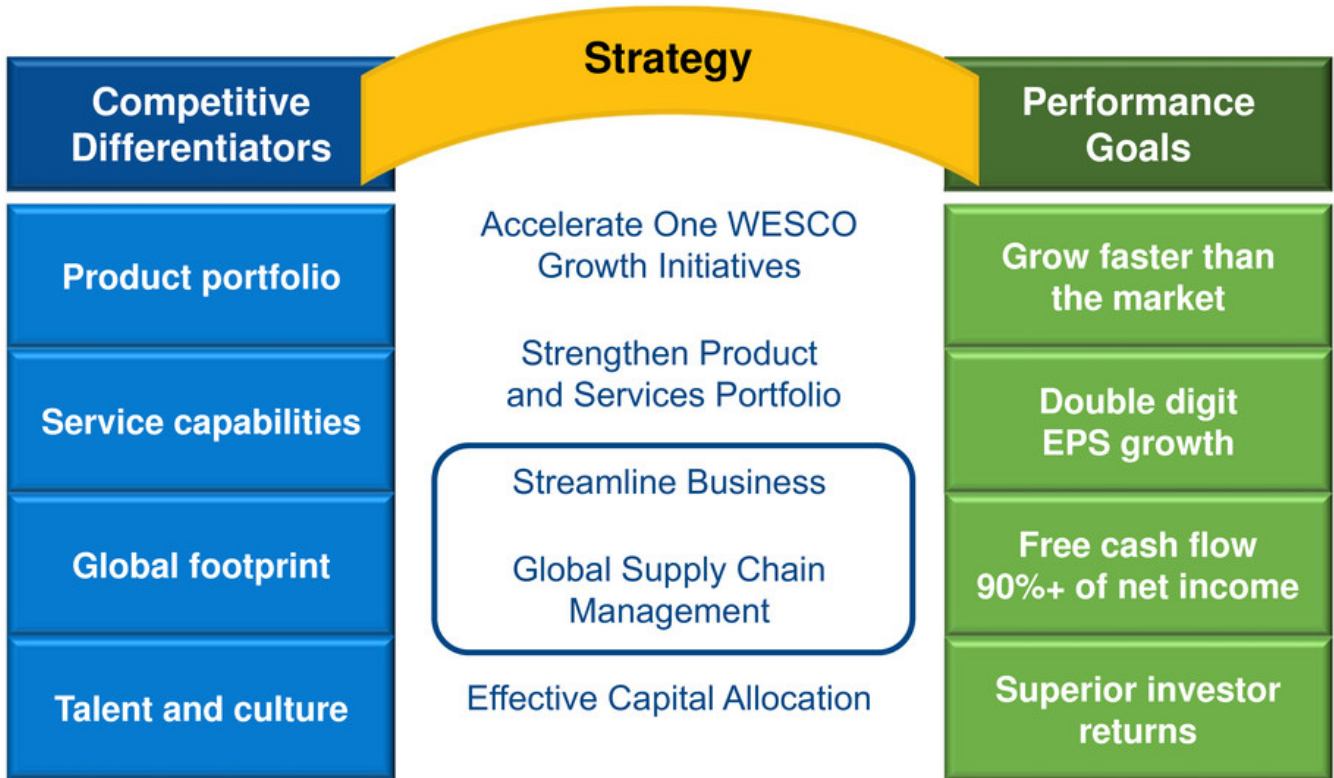
Vice President, Global Supply Chain and Operations

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# WESCO Strategy





# Supply Chain and Operations

## Our Mandate

Deliver **growth and increase profitability** by leveraging the value chain from **sourcing to customer fulfillment** with the right people, process, infrastructure and technology.

## Our Values

- Feel the heat of the businesses
- Supply Chain leadership across value chain
- Win with high level of integrity and respect for our supplier partners
- Operational excellence via Lean



*...the nerve center of One WESCO*



# Supply Chain and Operations



Organization designed for efficiency and effectiveness in sync with marketing demand creation, sales operations, and category management

 <p><b>Sourcing</b></p> <p>\$6B+ spend 12,000+ Special Pricing Agreements</p>	 <p><b>Inventory</b></p> <p>\$800M+ inventory 1M+ products</p>	 <p><b>Pricing</b></p> <p>80,000+ customers</p>	 <p><b>Operations</b></p> <p>9 distribution centers 500+ branches</p>	 <p><b>Transportation</b></p> <p>\$90M+ spend</p>
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*...focused on customer satisfaction and profitability*



# Roadmap to Deliver Step-Change Performance



**Sourcing Optimization**



**Inventory Optimization**



**Pricing Optimization**



**Network Optimization**



**Transportation Optimization**

*...new capabilities and ways of working*



# Sourcing and Inventory Evolution

1

## Assessed Opportunities

- Spend negotiated locally
- Costs negotiated at the customer level
- Limited strategic supplier base

2

## Continuous Improvement

- Deep dives to understand customer specifications and preference
- Consolidate requirements and negotiate regionally/nationally
- Expand global sourcing
- Optimize inventory
- Standardize pay terms

3

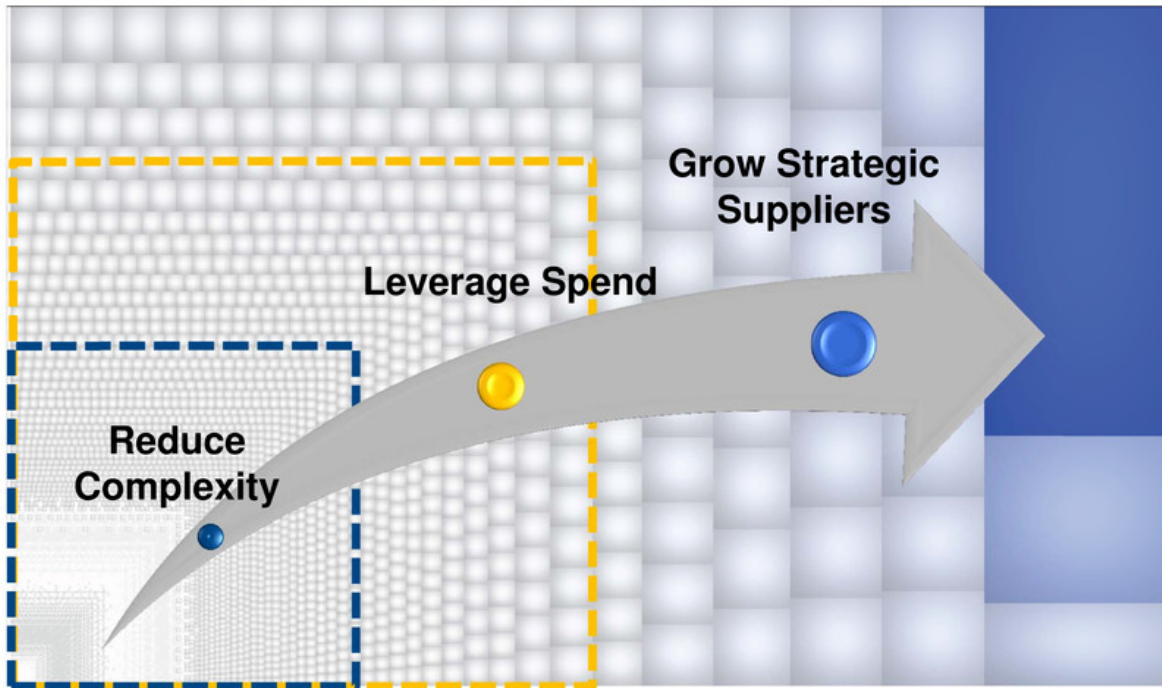
## Best-In-Class

- Strategic and diverse supply base
- Spend managed by Category
- Centralized and automated source to pay transactions
- Higher product turns and improved cash conversion cycle

*...early stages of evolution*



# Supplier Spend Overview



*...reducing complexity while improving cost and volume rebates*

# Reduce Complexity and Leverage Spend



## Corrugate

- Purchased by all branches
- 20+ suppliers to 1
- From 175+ SKUs to <20 SKUs



## Bags, Strapping, Tape, Filler

- Purchased by all branches
- 20+ suppliers to 1
- From 200+ SKUs to <30



**SAVINGS**

25% total savings achieved

*...initial results are encouraging*

# Leverage Spend to Grow Strategic Suppliers



## Steel Conduit



## Yesterday

- 10+ suppliers
- No spend leverage
- Inconsistent pricing
- Every purchase order negotiated

## Today

- Commodity Center of Excellence
- 4 suppliers
- Monthly awards
- Same unit cost on every purchase order



**COST**  
150+ bps



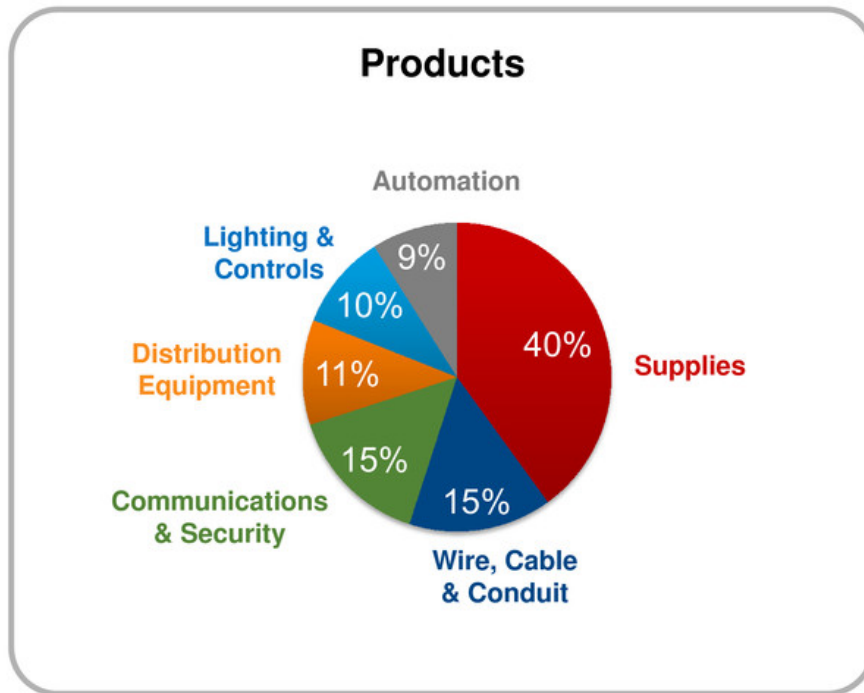
**REBATE**  
10+ %

*...initial results are encouraging*





# Product Categories



*...near term focus is on General Supplies and Wire, Cable & Conduit*



# Pricing Evolution

1

## Assessed Opportunities

- Prices set primarily by branch, initiating shift to category
- Most customer orders are priced at the local (branch / customer) level
- In-house developed pricing analytics

2

## Continuous Improvement

- Region, Platform and Category pricing structure with KPIs in place
- Expand use of pricing tool kit:
  - Customer segmentation
  - Gap-to-goal
  - Standard cost
  - Floor pricing
  - Margin thresholds

3

## Best-In-Class

- Pricing analytics and optimization tools
- Price intelligence spanning product categories, industry verticals and customer size
- Pricing established as a Center of Excellence

*...early stages of evolution*



# Disciplined Approach to Pricing



# Effective Collaboration – Powered by Pricing Analytics

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## Eastern Pennsylvania

### Approach

1. Align customer segmentation
2. Top SKUs review
3. Best-in-class analysis to build confidence on sell side
4. Rate / volume analysis to drive sales growth

### Measurement



**200+ bps  
margin improvement**



**Increased sales  
by >10%**

*...initial results are notable*



# Operations and Transportation Evolution

1

## Assessed Opportunities

- One WESCO branch consolidations
- Transportation managed by country

2

## Continuous Improvement

- Further develop and expand distribution center and network
- Manage transportation spend to deliver improvements in service and capabilities

3

## Best-In-Class

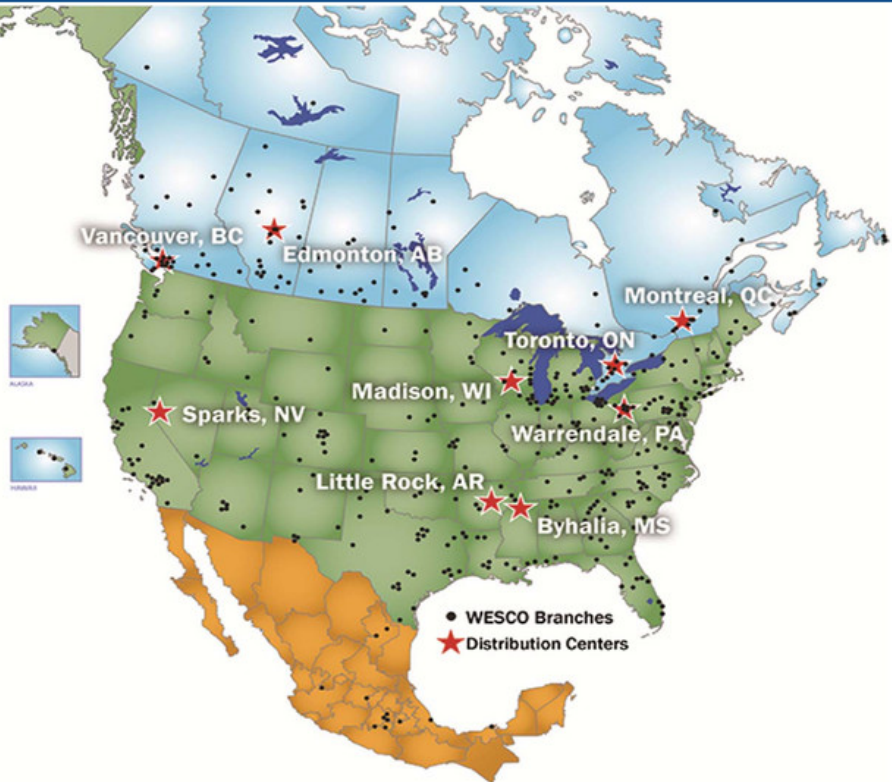
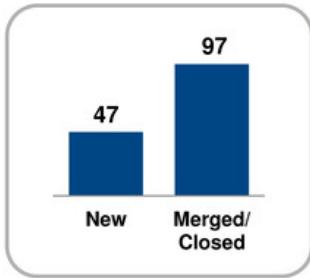
- Strategically located branches, distribution centers and sales offices worldwide
- Transportation is a global function with agile capabilities for the “last mile”
- Infrastructure that enables growth, exceeds customer requirements and delivers economic value

*...early stages of evolution*



# Our Network in North America

**Branch Changes**  
(Since 2010)



*...meeting customer demands and driving operational synergies*



## Supply Chain and Operations Summary

- Laid the groundwork in 2015 to support operating margin expansion
- Early successes have validated our approach
- Engaged with both local and global teams
- Expecting to deliver at least 20 bps of annual margin improvement through Supply Chain and Operations initiatives





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# United States

Andy Bergdoll

Group Vice President & General Manager, United States

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## U.S. Business Profile

WESCO is a leading distributor with a large blue-chip customer and supplier base and a strong local presence across the U.S.

**~\$300B Addressable Market**



### \$5.6B Annual Sales

- Industrial, Construction, Utility, and Commercial, Institutional, and Government (CIG)
- 350 Branches
- 5 Distribution Centers
- 4 Value-Add Assembly operations

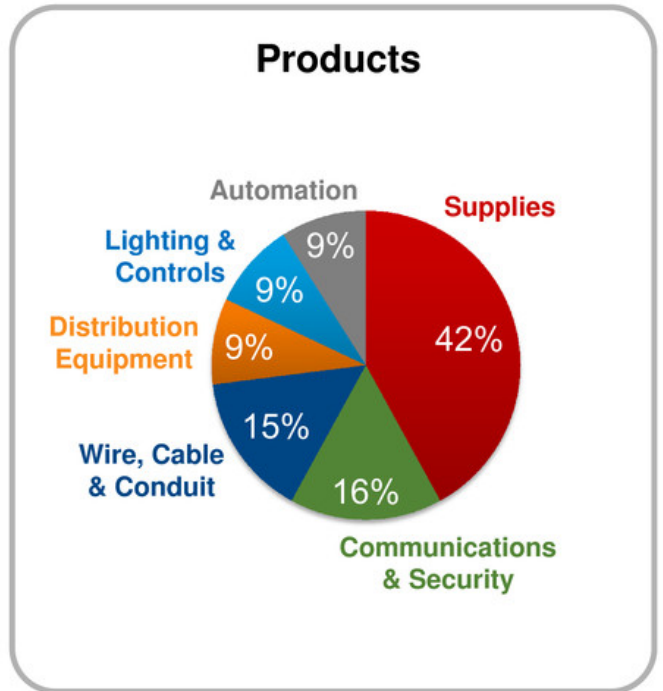
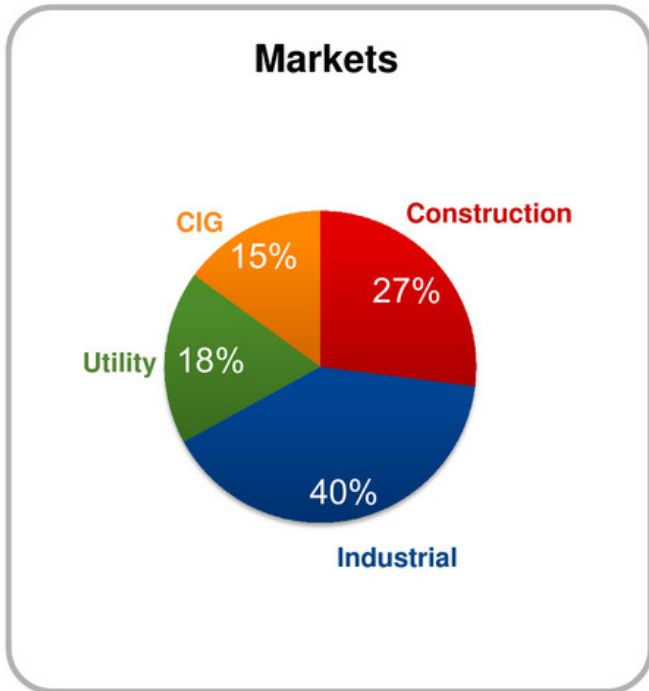
### Strategic Priorities

- Leverage our competitive advantage as a premier supply chain solutions provider
- Cultivate long-term customer and supplier partnerships which generate superior value
- Attract, develop, engage, and retain talent
- Return to organic sales growth and profitability expansion
- Execute business integration initiatives

***...WESCO's largest geographic market***



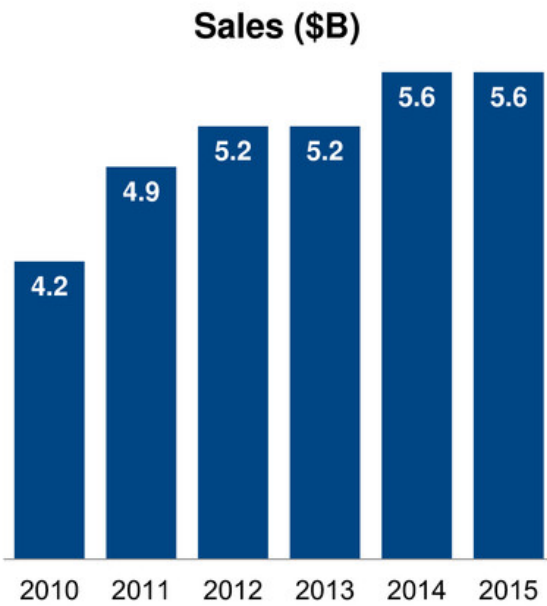
# U.S. Markets and Products



*...diversified customer base and product lines*



# U.S. Growth



See appendix for non-GAAP reconciliations

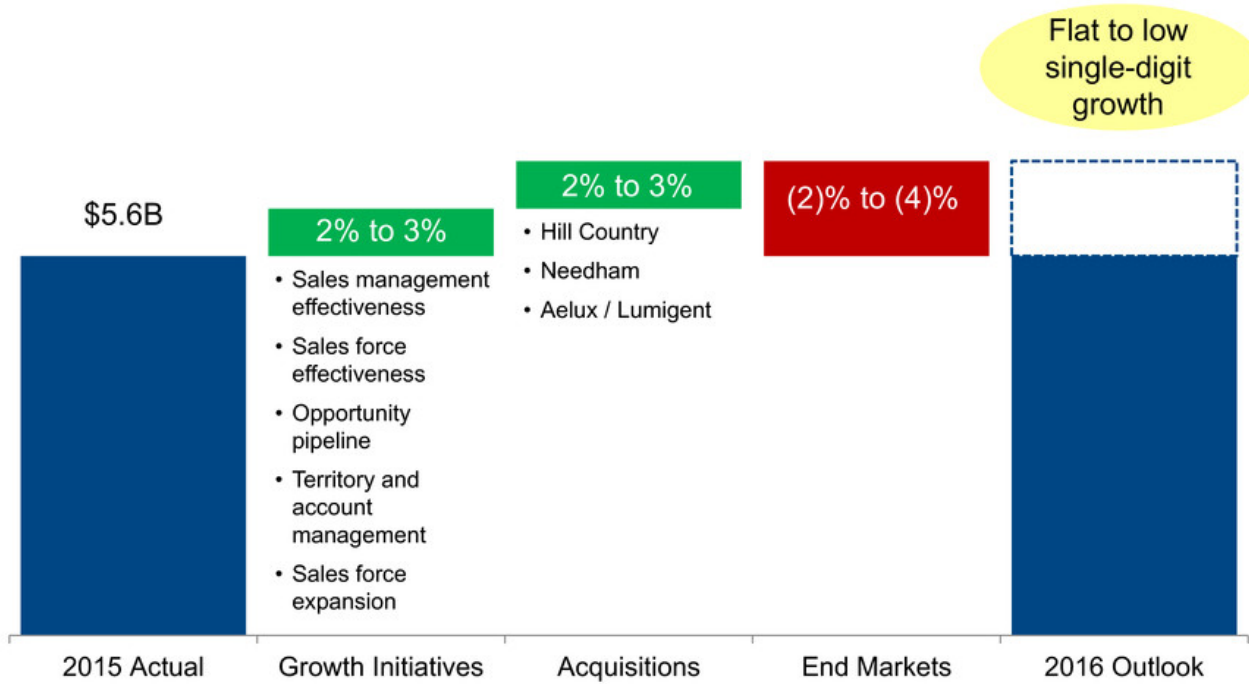
- Organic sales down 2%
- Industrial sales decline partially offset by solid growth in utility and CIG
- Completed three acquisitions

Flat to low single-digit sales growth expected in 2016, including 2015 acquisitions

*...execution and acquisitions mitigated by end market headwinds*






# 2016 U.S. Sales Outlook



*...improved execution and acquisitions partially mitigated by continued end market headwinds in 2016*



# 2016 U.S. End Market Expectations

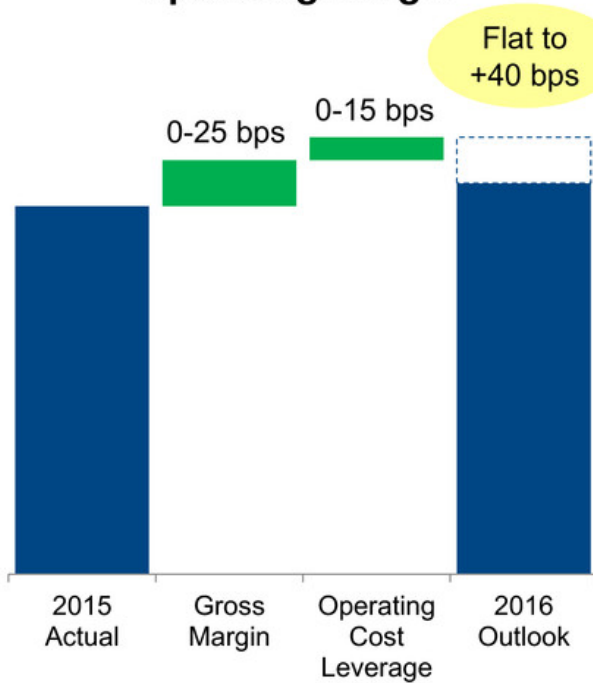
			
<b>Industrial</b>	<ul style="list-style-type: none"> <li>• Upstream Oil &amp; Gas</li> <li>• Metals &amp; Mining</li> </ul>	<ul style="list-style-type: none"> <li>• Manufacturing</li> <li>• Chemical Processing</li> <li>• Food</li> <li>• Pharmaceutical</li> </ul>	<ul style="list-style-type: none"> <li>• Downstream Oil &amp; Gas</li> </ul>
<b>Construction</b>	<ul style="list-style-type: none"> <li>• Industrial</li> </ul>	<ul style="list-style-type: none"> <li>• Infrastructure</li> <li>• Commercial</li> </ul>	<ul style="list-style-type: none"> <li>• Residential</li> </ul>
<b>Utility</b>	<ul style="list-style-type: none"> <li>• Generation</li> </ul>	<ul style="list-style-type: none"> <li>• Distribution</li> <li>• Transmission</li> </ul>	<ul style="list-style-type: none"> <li>• Renewable Energy</li> </ul>
<b>CIG</b>		<ul style="list-style-type: none"> <li>• Federal Government</li> <li>• State and Local Government</li> <li>• Education and Institutions</li> </ul>	<ul style="list-style-type: none"> <li>• Data Centers</li> <li>• Physical Security</li> <li>• Commercial Solar</li> <li>• Lighting Renovation</li> </ul>

*...sectors of market opportunity*



# 2016 U.S. Profitability Outlook

## Operating Margin



- Stable billing margins
- Supplier volume rebate management
- Carry-over benefit from 2015 structural cost reduction actions
- Continued Lean productivity initiatives
- Continued organizational streamlining and network rationalization

*...leveraging our Supply Chain and Operations initiatives*



# U.S. Investments

## Organic



**Dallas**  
One WESCO Facility  
*Opened 2012*



**Los Angeles**  
One WESCO Facility  
*Opened 2013*



**Seattle**  
One WESCO Facility  
*Opened 2015*



**Inside Sales Support  
Solar Resources  
Construction Resources**  
*2015 Investment*

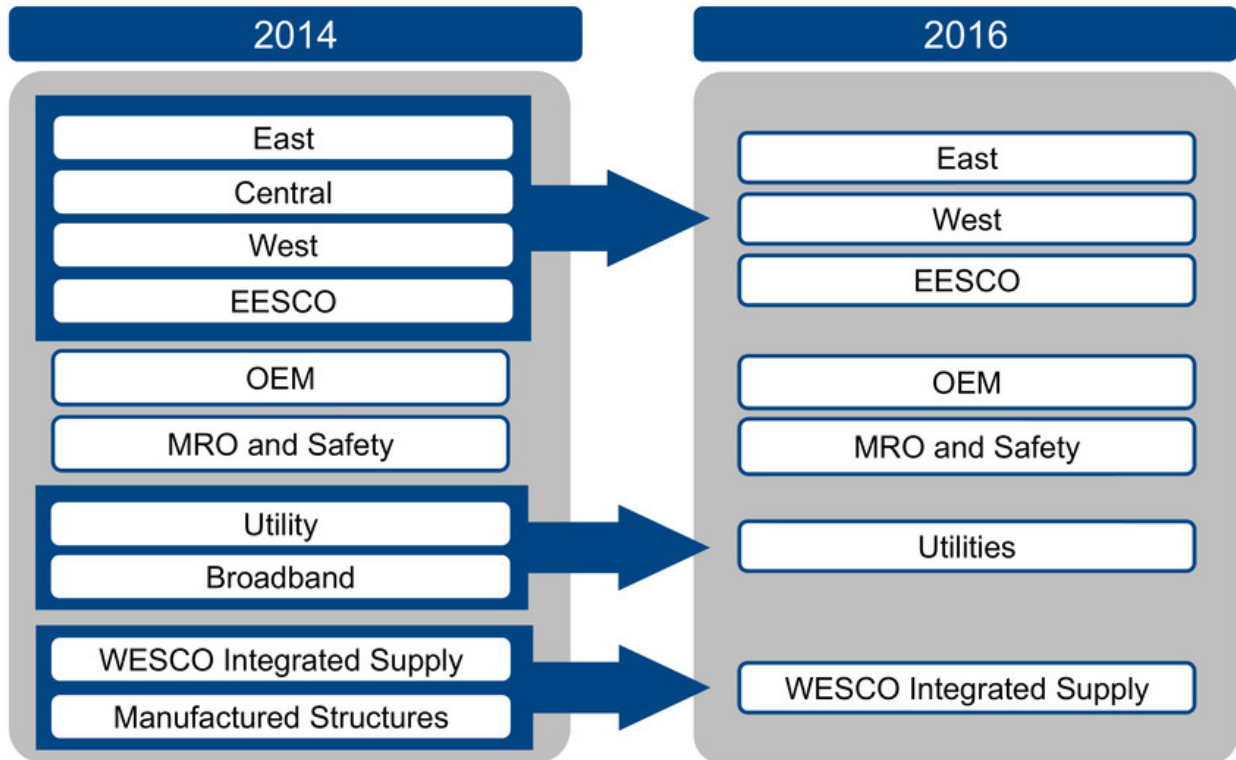
## Acquisitions since 2010



*...strengthening our leadership position*



# U.S. Business Structure



*...streamlining and simplifying*





# U.S. Success Stories

## Public Utility Integrated Supply



- Largest and one of the fastest-growing electrical co-ops in the U.S.
- Won a pilot project to manage and supply one of eight service centers, with opportunity to expand to additional centers
- First application of the Integrated Supply model in the public power market

## Internet Service Provider Value Creation Services



- Existing customer with numerous data center projects
- WESCO positioned as a trusted advisor providing technical assistance, design cost analysis, customer inventory management, training and education
- Scope of supply expanding to include security, lighting, wire and customer product sourcing

***...growing customer share by expanding locations, products, and services***



## U.S. Summary

---

- U.S. market provides attractive growth prospects and continued opportunities for industry consolidation
- WESCO has strong capabilities, extensive infrastructure, and a broad product and services portfolio across the U.S.
- Strengthening our competitive advantage with One WESCO
- 2016 focus on returning to organic sales growth and profitability expansion
- Improved execution is the key to success in 2016





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# Canada

Nelson Squires

Group Vice President and General Manager, Canada

---



## Canada Business Profile

WESCO is the largest distributor with a strong presence across Canada.

**~\$7B+ Addressable Market**



**\$1.5B USD Annual Sales**

- Construction, Industrial, Utility, and CIG
- 127 Branches
- 4 Distribution Centers

### Strategic Priorities

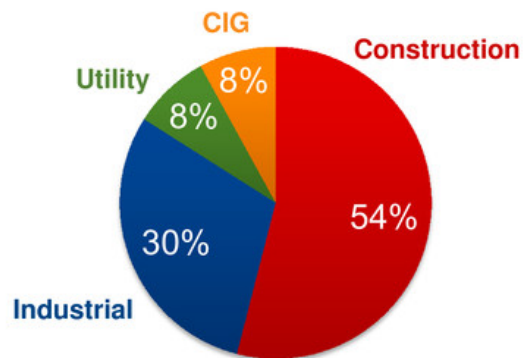
1. Fully operationalize One WESCO strategy
2. Effectively operate WESCO and EECOL dual channel strategy
3. Diversify customer base
4. Maximize best-in-class supplier relationships
5. Accelerate Lean for continuous improvement and customer value creation

*...leadership position through organic growth and acquisitions*

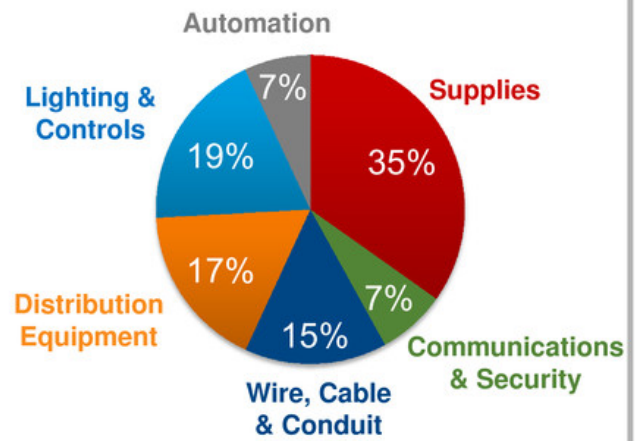


# Canada Markets and Products

**Markets**



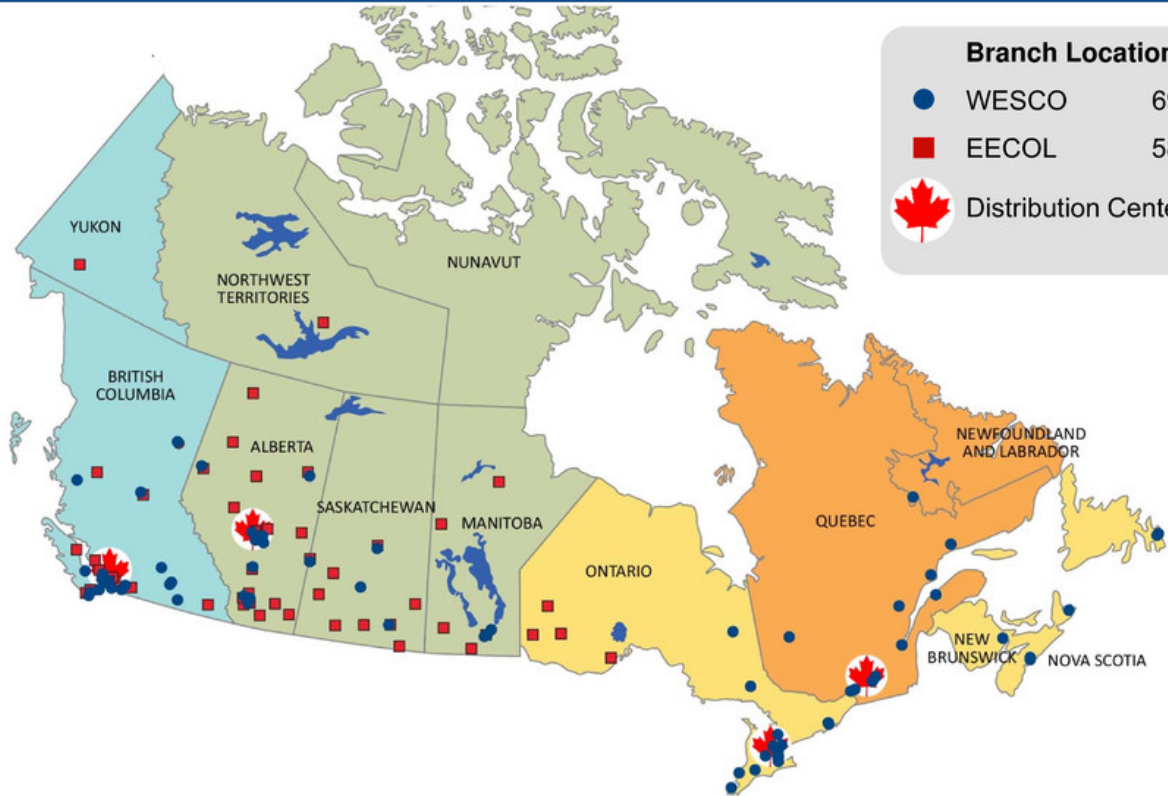
**Products**



*...diversified customer base and product lines*



# Canada



**Branch Locations**

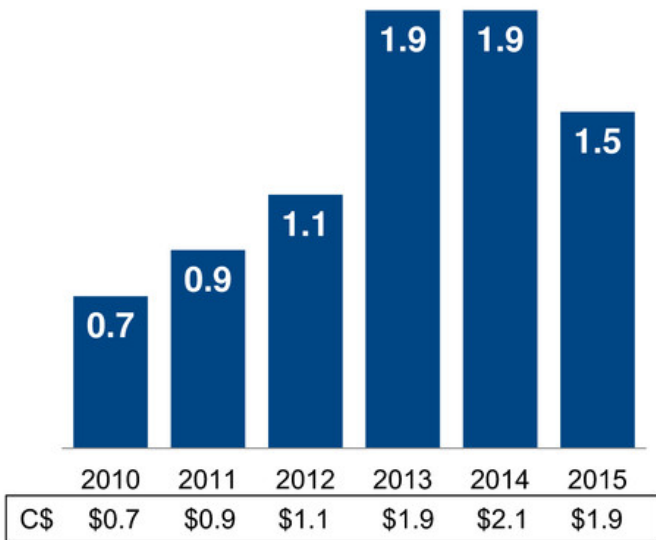
- WESCO 69
- EECOL 58
- 🍁 Distribution Centers

*...strong national presence*



# Canada Growth

Sales (U.S. \$B)



See appendix for non-GAAP reconciliations

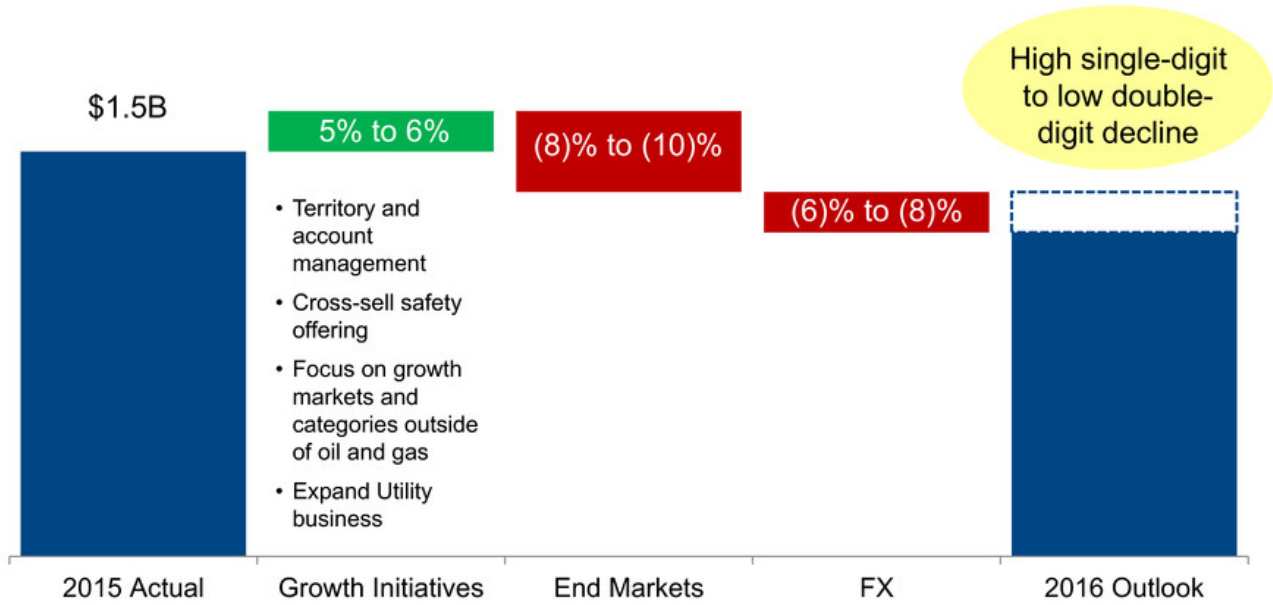
- Sales decreased 19% in 2015
  - Down 7% organically
  - Down 12% due to foreign exchange
- Sales decline in the Prairies was partially offset by growth in Ontario and British Columbia

High single-digit to low double-digit decline expected in 2016, including foreign currency translation

*...challenging 2015, impacted by foreign exchange and commodity deflation*



# 2016 Canada Sales Outlook






*...improved execution overshadowed by continued end market headwinds and currency impact in 2016*





# 2016 Canada Market Expectations

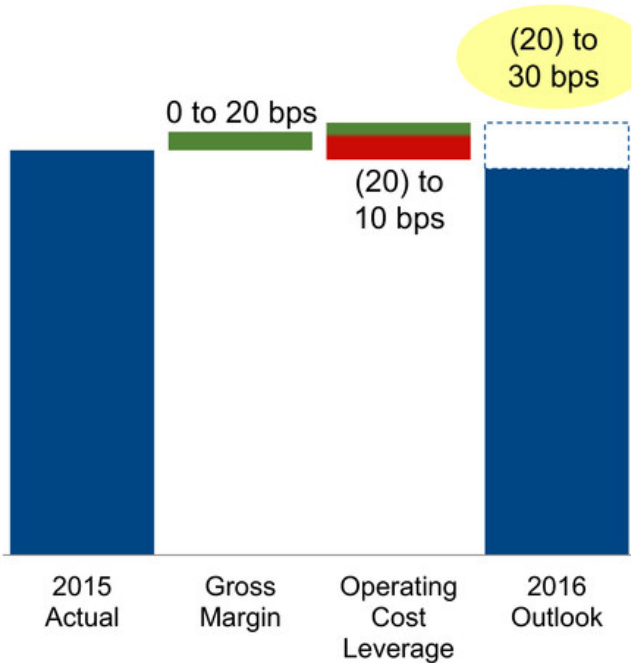
			
<b>Alberta</b>	<ul style="list-style-type: none"> <li>• Oil and Gas</li> <li>• Residential (multi-family)</li> </ul>	<ul style="list-style-type: none"> <li>• Commercial Construction</li> <li>• Government (P3)</li> </ul>	<ul style="list-style-type: none"> <li>• Utility</li> </ul>
<b>Saskatchewan / Manitoba</b>	<ul style="list-style-type: none"> <li>• Oil and Gas</li> </ul>	<ul style="list-style-type: none"> <li>• Commercial Construction</li> </ul>	<ul style="list-style-type: none"> <li>• Utility</li> <li>• Mining</li> <li>• Government Spending</li> <li>• Residential</li> </ul>
<b>Ontario</b>	<ul style="list-style-type: none"> <li>• Commercial Construction</li> <li>• Solar and Wind</li> <li>• Mining</li> </ul>	<ul style="list-style-type: none"> <li>• Manufacturing</li> <li>• Transportation</li> <li>• Forestry</li> </ul>	<ul style="list-style-type: none"> <li>• Government (P3)</li> <li>• Multifamily Residential</li> <li>• Utility</li> </ul>
<b>British Columbia</b>	<ul style="list-style-type: none"> <li>• Mining</li> <li>• Oil &amp; Gas</li> </ul>	<ul style="list-style-type: none"> <li>• Forestry</li> <li>• Public, Private Partnerships</li> <li>• Residential (multi+single)</li> <li>• Commercial Construction</li> <li>• OEM</li> </ul>	<ul style="list-style-type: none"> <li>• Utility</li> <li>• Government Spending</li> </ul>
<b>Quebec</b>	<ul style="list-style-type: none"> <li>• Residential</li> <li>• Mining</li> <li>• Solar and Wind</li> </ul>	<ul style="list-style-type: none"> <li>• Government spending</li> <li>• Industrial projects</li> </ul>	<ul style="list-style-type: none"> <li>• Commercial Construction</li> </ul>

*...sectors of market opportunity*



# 2016 Canada Profitability Outlook

## Operating Margin



- Stable billing margins
- Improvement in under-performing branches
- Carry-over benefit from 2015 structural cost reduction actions
- Continued Lean productivity initiatives
- Additional 2016 cost actions, as required

*...leveraging our Supply Chain and Operations initiatives*



# Canada Investments

## Organic



**Edmonton Distribution Center**  
 Opened 2009;  
 expanded 2012



**Toronto Distribution Center**  
 Opened 2012



**Montreal Distribution Center**  
 Opened 2013

5 new branches opened since 2012

Significant Lean engagement across all branches

## Acquisitions since 2010



...strengthening our leadership position



## EECOL Electric



- *EECOL Electric is headquartered in Calgary, Alberta, Canada*
- *EECOL has been operating in Canada since 1919*

### EECOL Electric Business Profile

- Approximately \$0.7B in annual sales in Canada
- More than 20,000 customers
  - Commercial and Residential Construction
  - Industrial
  - Oil & Gas
  - Mining
  - Utility
- Long-standing supplier relationships enable dual-channel strategy
- Focusing on attractive growth opportunities outside of the industrial end markets:
  - British Columbia construction
  - Utility
  - Renewable energy

***...transformative acquisition expanded national leadership position***



## Canada Success Stories

### Commercial Site Management



- Five-year Global Account award – National Lighting Upgrade Initiative and MRO Supply
- Utilization of advanced WESCO Lighting and Energy Management capabilities
- Complete material supply program using third party service partners and installers
- Over 10M sq. ft. under scope of work

### Industrial Project and Warehouse



- Multi-year, single source agreement on Electrical MRO and Capital Bulks
- 11 customer site locations being served
- Situated throughout the Provinces of Alberta and Saskatchewan
- Incorporated all third party contractor spend
- 24/7 customer service and support

***...growing customer share by expanding locations, products and services***



## Canada Summary

---

- WESCO is a market leader in Canada
  - Strong resources and capabilities, the broadest infrastructure and a diverse customer base
  - Attractive growth opportunities are available across the business
  - One WESCO provides a strategic advantage to further leverage Canadian acquisitions and deliver profitable growth
- Oil & Gas markets will remain a headwind in 2016
- Continued focus on cost controls, margin improvement, and capturing profitable growth while providing exceptional service to our customers
- Improved execution of our strategy and priorities is the key focus in 2016





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# Financials

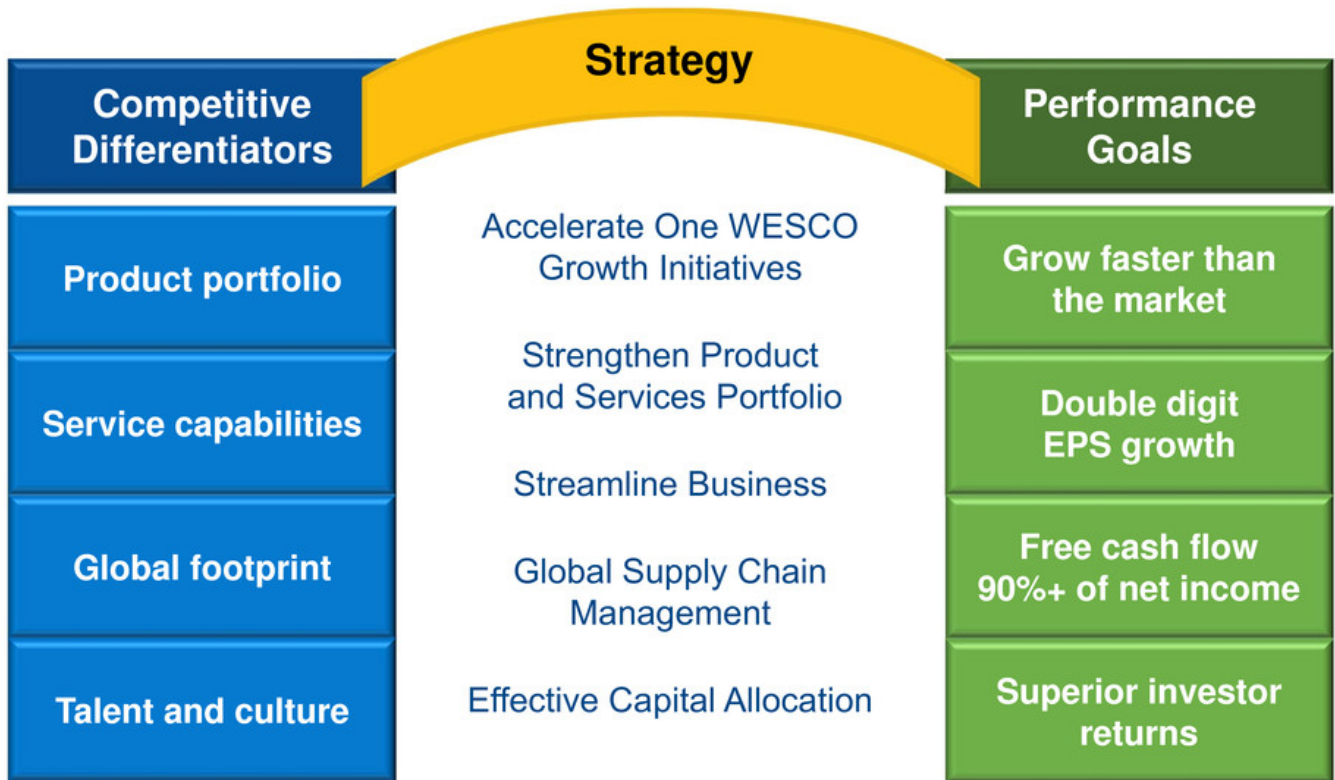
Ken Parks

Senior Vice President and Chief Financial Officer

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# WESCO Strategy



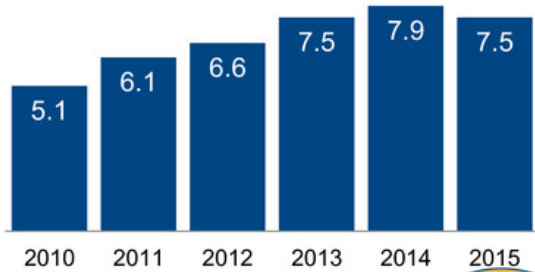




# Financial Performance

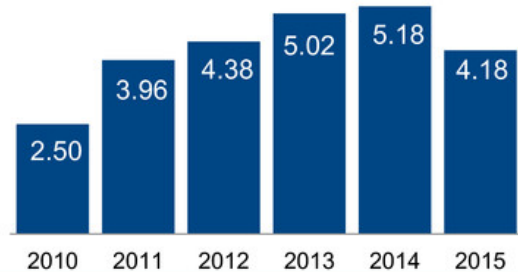
## Sales 8% CAGR

(\$ Billions)



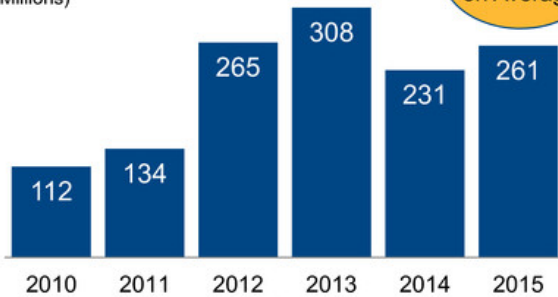
## EPS 11% CAGR

(\$)



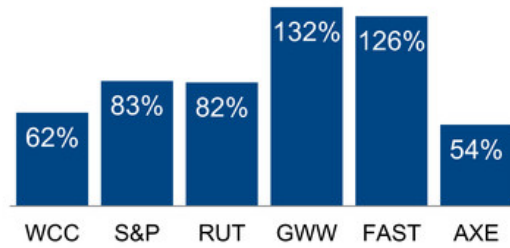
## Free Cash Flow 97% of Net Income on Average

(\$ Millions)



## Total Shareholder Return

(January 1, 2010 through December 31, 2015)

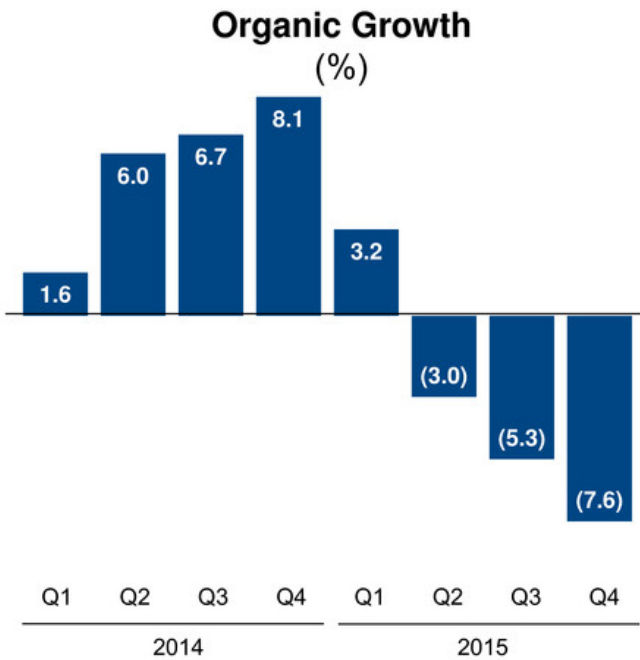


Note: See appendix for non-GAAP reconciliations.

*...solid long-term performance, including a challenging 2015*



# 2015 Highlights



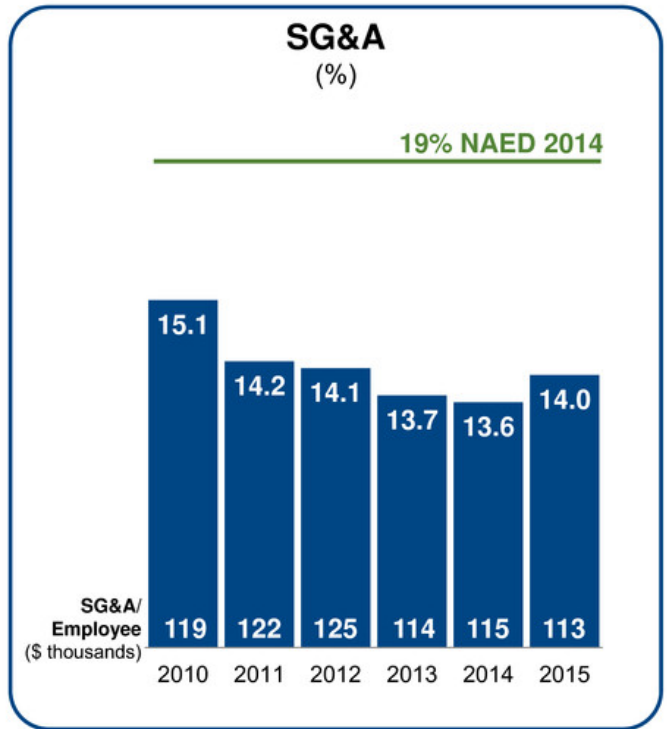
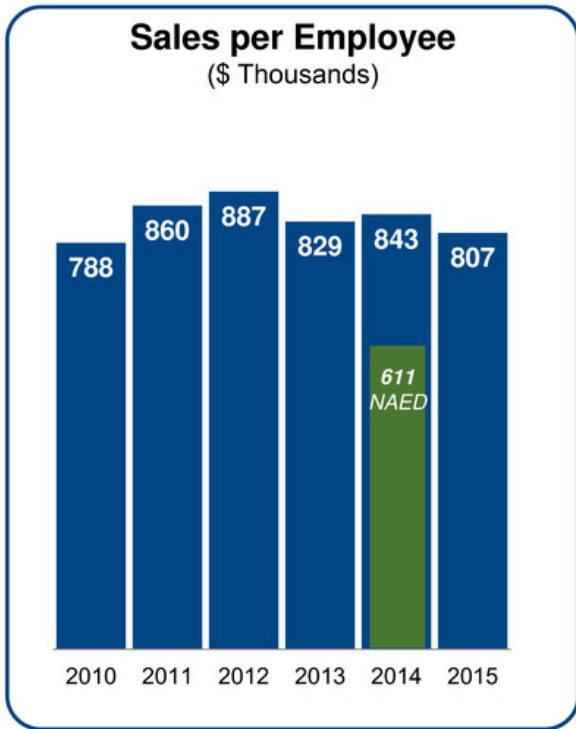
Note: Workday adjusted; see appendix for non-GAAP reconciliations.

- Organic sales down 3%
  - Down 2% in the U.S.
  - Down 7% in Canada
- Oil and gas sales down approximately 25%
- Cost controls partially mitigated sales and gross margin declines
- Completed Hill Country, Lumigent/Aelux and Needham acquisitions
- Repurchased 2.5 million shares

**...challenging year, driven by industrial, Canada & foreign exchange**



# Cost Leverage



NAED: National Association of Electrical Distributors  
 Note: See appendix for non-GAAP reconciliations

*...compares favorably to industry benchmarks*

ID16 ALL



## Cost Actions

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### 2015

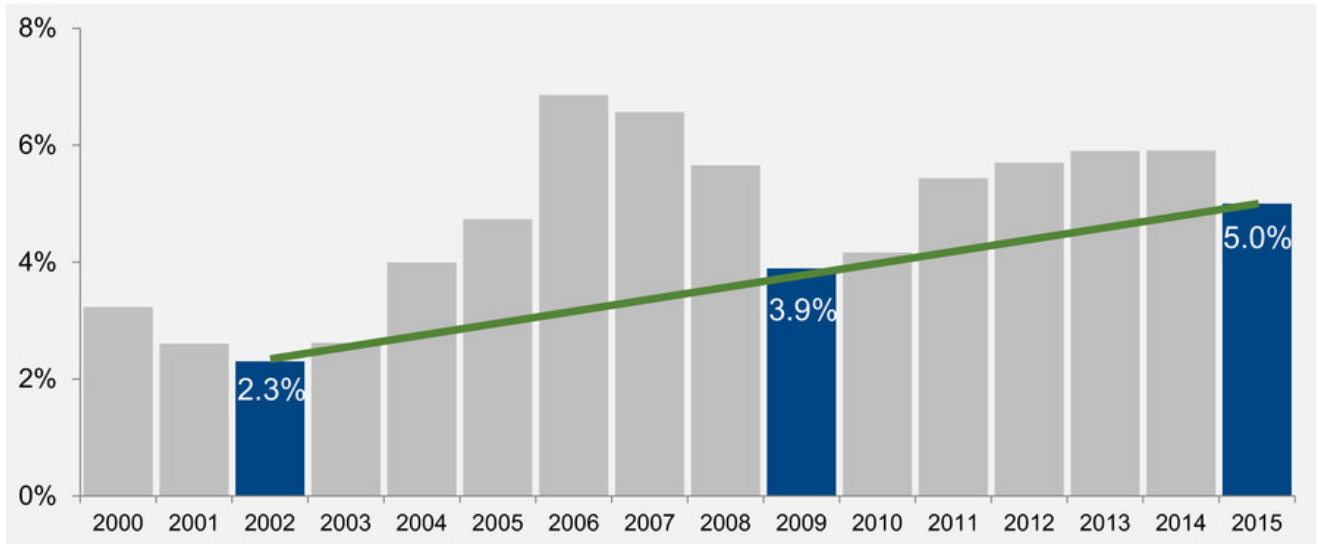
- Eliminated approximately 460 positions
- Eliminated or consolidated 21 branches, including our businesses in Australia and Brazil.
- Annual run-rate benefit of ~\$50M or ~\$0.70 per share
- 2016 impact of ~\$25M or ~\$0.35 per share

### 2016

- Continued discretionary cost control
- Further cost reduction actions to be implemented as we continue to streamline the business and to respond to a softer economic environment



# Operating Margin



Note: See appendix for non-GAAP reconciliations.

*...sequentially raising the trough through scale and cost management*



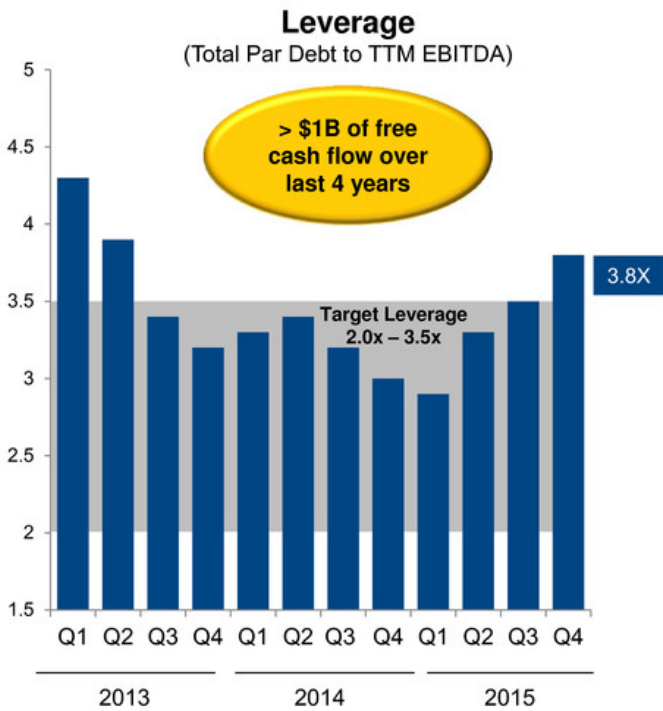
## EPS Walk

	FY
<b>2014</b>	<b>\$5.18</b>
Core operations	(0.95)
Foreign exchange impact	(0.31)
Acquisitions	0.10
Tax	(0.06)
Share count	0.22
<b>2015</b>	<b>\$4.18</b>

*...sales, gross margin, and FX headwinds outweighed cost control and share repurchase activity*



# Effective Capital Allocation



**Cash Deployment**

- Support organic growth ✓
- Fund accretive acquisitions ✓
- Reduce financial leverage ✓
- Share repurchases ✓
- Dividends



## 2016 Anticipated Business Environment



- Upstream oil and gas spending and impact, particularly on Canadian economy
- Foreign currency translation
- Metals & Mining
- China growth slowing



- Non-residential construction
- U.S. electrical equipment orders
- U.S. utility spending
- Industrial production
- U.S. Government spending
- Global growth
- Raw material prices
- Unemployment
- Election impact



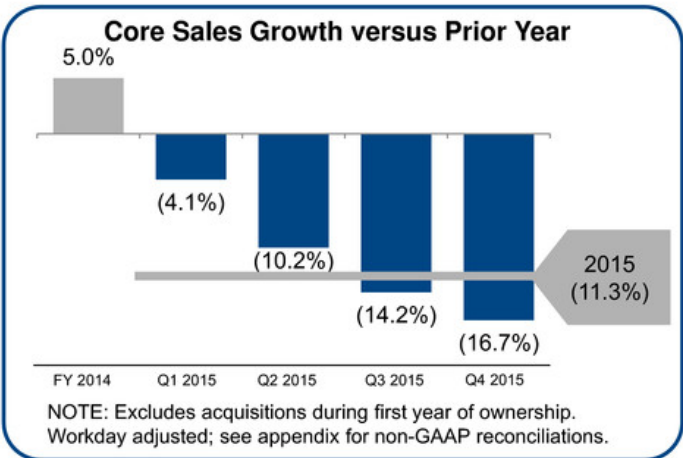
- Residential construction
- Downstream oil and gas
- Consumer spending
- Canada government spending
- Energy prices
- Canada utility spending
- Renewable energy
- Credit availability and low interest rates
- Share shift to larger players

*...continuation of the protracted economic recovery*





# Industrial End Market



## Key Market Indicators

U.S. industrial production	●
ISM Purchasing Managers' Index	●
Capacity utilization	●
Canadian industrial production	●

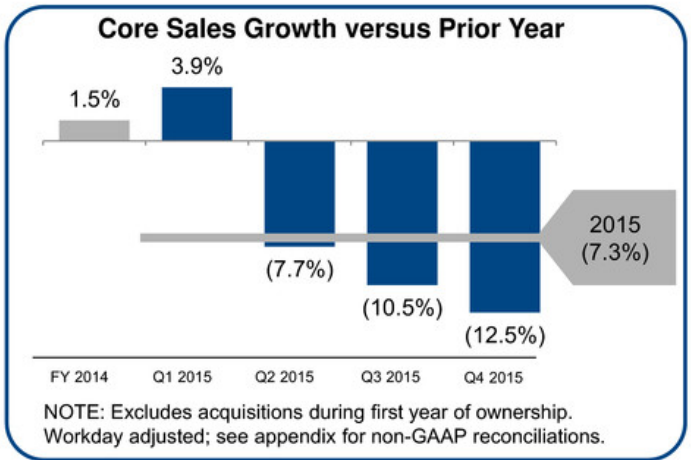
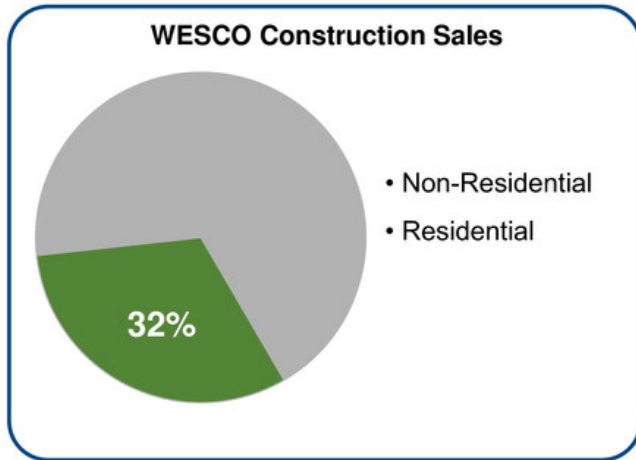
● Improving ● Flat ● Declining

*...expecting HSD to MSD sales decrease in 2016*

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# Construction End Market



## Key Market Indicators

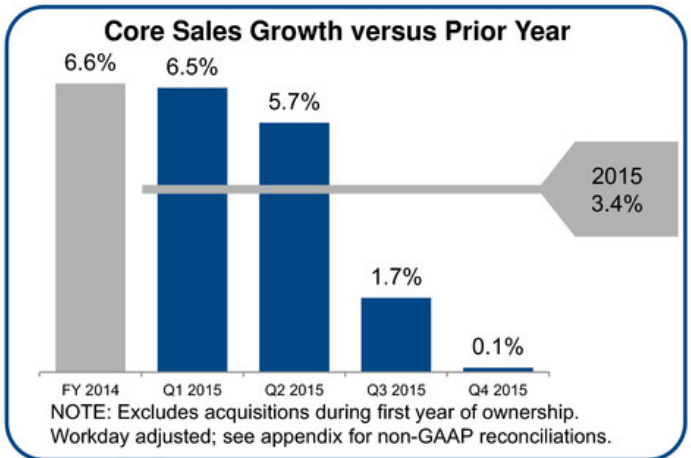
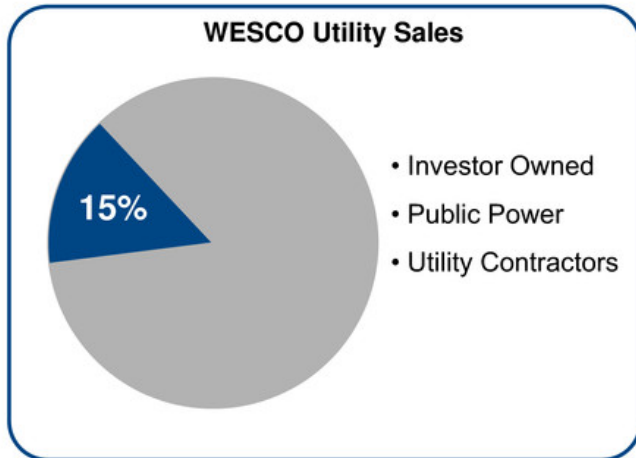
Architectural Billings Index	●
NEMA electroindustry business confidence index	●
Construction starts and put in place	●
Canadian non-residential construction	●

● Improving ● Flat ● Declining

**... expecting LSD sales decline to LSD sales growth in 2016**



# Utility End Market



## Key Market Indicators

Distribution grid maintenance and upgrades	●
Generation MRO, upgrades, expansions	●
Transmission line infrastructure build-out	●
Non-residential and residential construction starts	●

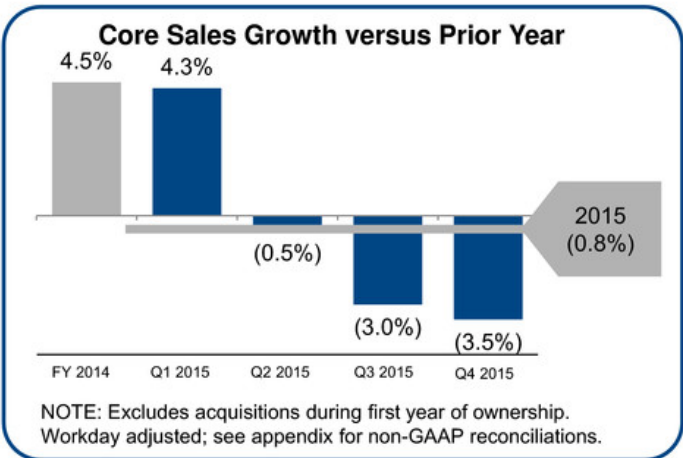
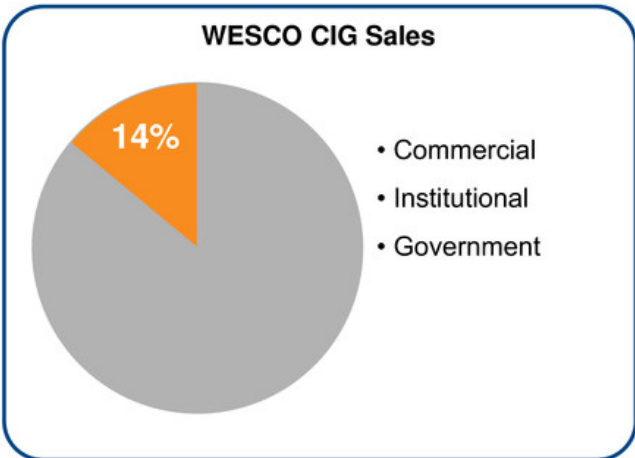
● Improving ● Flat ● Declining

*... expecting flat to LSD sales growth in 2016*

ID16 ALL



# CIG End Market



## Key Market Indicators

Government spending	●
Communications and security upgrades	●
Education, healthcare, and financial	●

● Improving ● Flat ● Declining

*...expecting flat to LSD sales growth in 2016*

ID16 ALL



# 2016 Sales Outlook

## Sales Outlook

End Market:	Range
Industrial	(HSD) to (MSD)
Construction	(LSD) to LSD
Utility	Flat to LSD
CIG	Flat to LSD

<b>End Market Sales Growth</b>	<b>(4)% to (1)%</b>
--------------------------------	---------------------

Market outperformance	~2%
Foreign currency translation	(3)% to (2)%
Carryover impact of 2015 acquisitions	2%
Contingency	(2)% to (1)%

<b>WESCO</b>	<b>(5)% to Flat</b>
--------------	---------------------

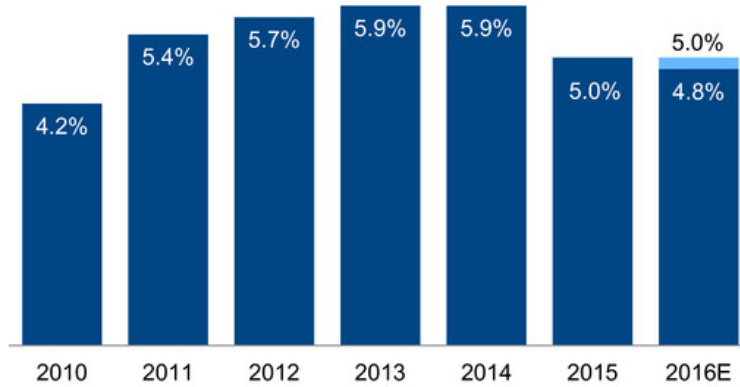
Note: Excludes unannounced acquisitions.

*...expecting modest improvement in the second half of 2016*



# 2016 Margin Outlook

## Operating Margin



Headwinds	Strategies to Mitigate
<ul style="list-style-type: none"> <li>- Continued pressure on pricing and mix</li> <li>- Restoring commissions and incentives</li> <li>- Wage and benefit inflation</li> </ul>	<ul style="list-style-type: none"> <li>+ Restructuring cost savings</li> <li>+ Cost saving contingency planning</li> <li>+ Pricing analytics, tools and tactics</li> <li>+ Procurement strategies and systems</li> </ul>

Note: See appendix for non-GAAP reconciliations.

***...expecting to sustain current margin levels***

ID16 ALL



## 2016 Sales and Operating Profit Outlook

	Sales Change (%)	Operating Profit Change (\$M)
U.S. [a]	Flat to LSD	0 to 30
Canada [b]	(LDD) to (HSD)	(20) to (5)
International [b]	(MSD)	(1) to 0
Cost management		6 to 0
Contingency	(2)% to (1)%	~(20)
<b>WESCO</b>	<b>(5)% to Flat</b>	<b>(30) to 0</b>

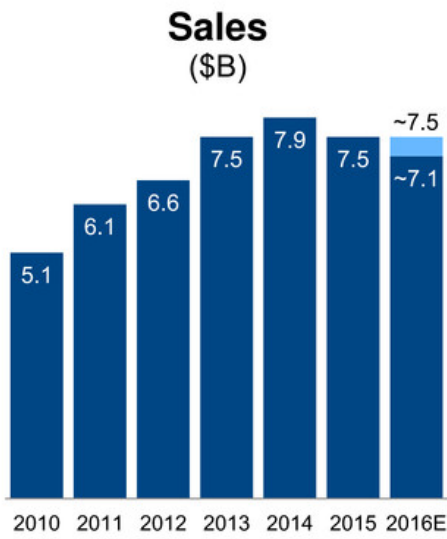
[a] Includes the impact of 2015 acquisitions

[b] Includes the impact of foreign currency translation

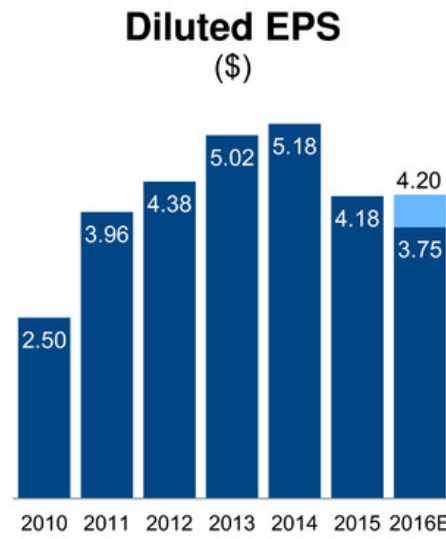
*...built on robust business plans*



# 2016 Financial Outlook



Sales Flat to (5)%



Effective tax rate ~30%  
 Operating margin 4.8% to 5.0%  
 Diluted shares outstanding ~47M

### Free Cash Flow

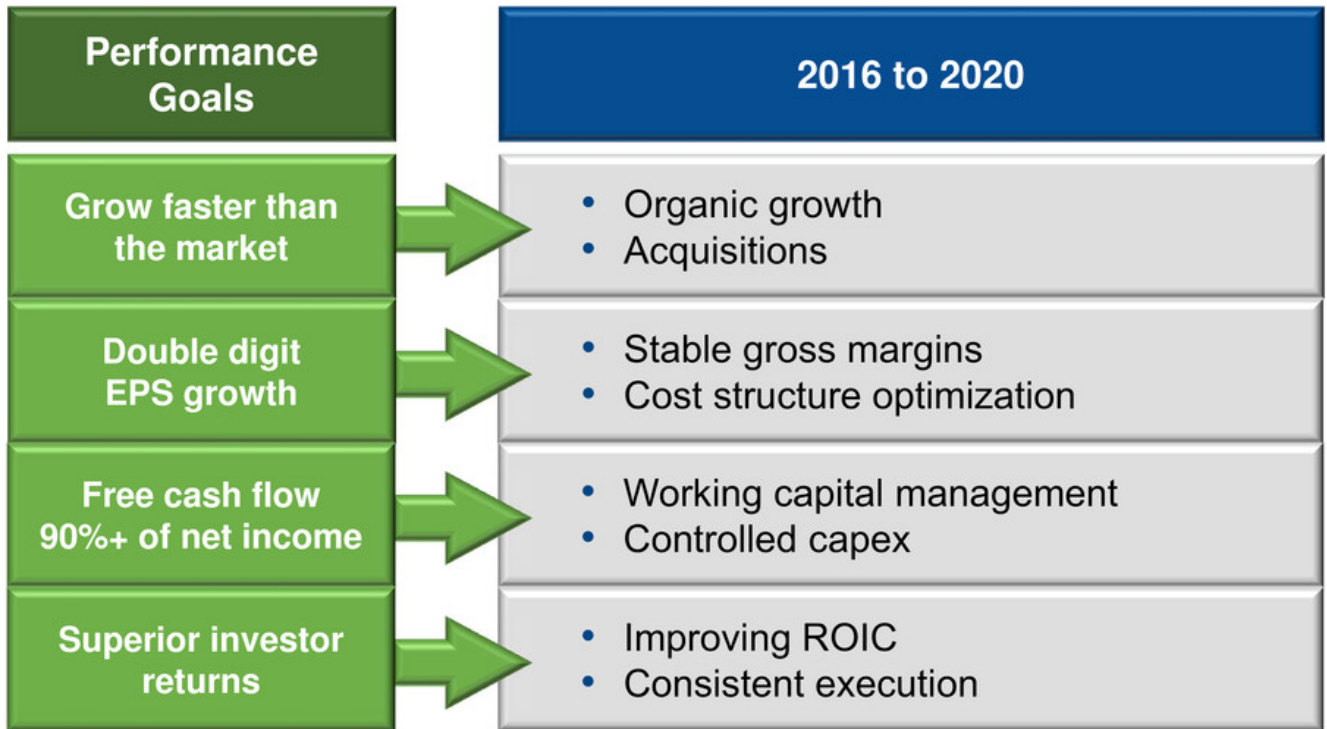
At least 90% of net income

Note: See appendix for non-GAAP reconciliations.



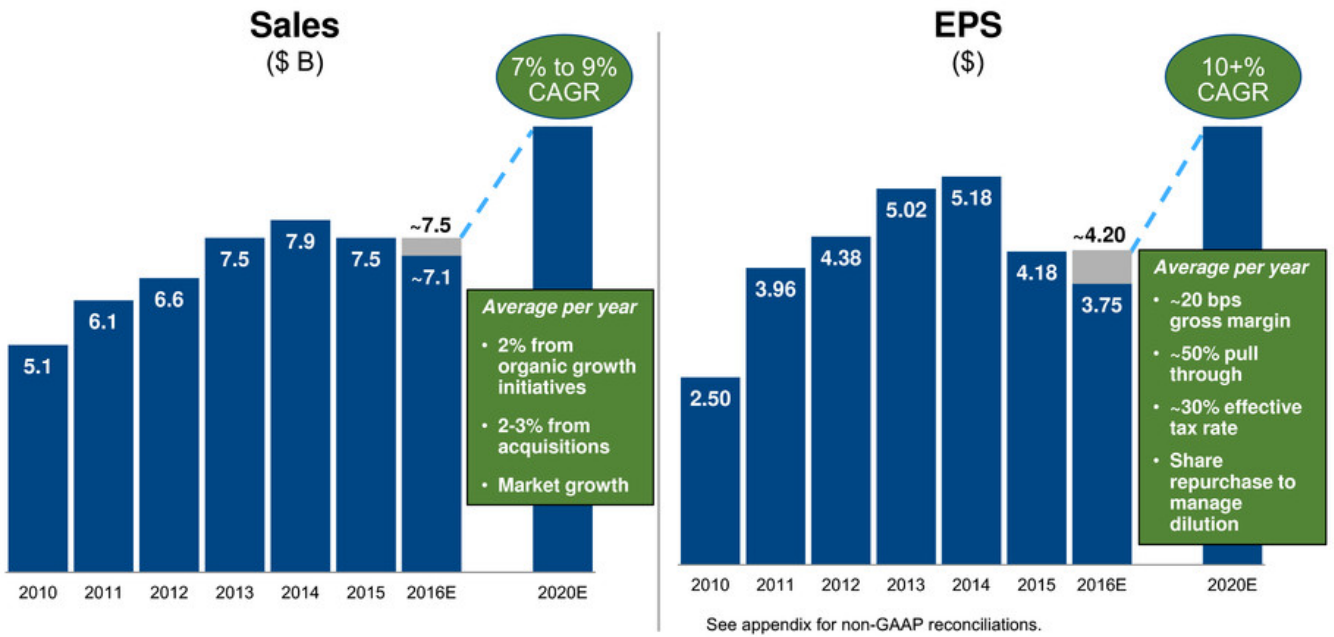


# Five Year Outlook





# 2016-2020 Outlook



- Free cash flow equal to at least 90% of Net Income
- ROIC above WACC, including acquisitions

*...managing the business for double-digit EPS growth*



 **WESCO**<sup>®</sup>  
2016 INVESTOR DAY

# **WESCO International**

John Engel

Chairman, President and Chief Executive Officer

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## Invest in WESCO

- Industry leader with deep domain expertise in electrical, industrial, construction, and utility
- Proven business model and well positioned in large, fragmented markets
- Blue chip customer and supplier base
- Proven acquirer and integrator in a consolidating industry
- Extensive global supply chain capability
- Operational excellence culture founded on Lean
- Operating margin expansion results and future potential
- Strong free cash flow generation through economic cycle



***...strong company with proven and effective supply chain solutions***



**WESCO**  
INTERNATIONAL

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# Appendix

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## Sales Growth

(%)

	2013					2014					2015				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
<b>Consolidated</b>	12.6	13.2	16.6	14.3	14.2	0.2	5.9	7.6	6.1	5.0	0.3	(4.4)	(7.4)	(6.7)	(4.7)
Acquisition Impact	16.0	14.6	14.1	13.8	14.6	0.5	1.6	1.8	1.6	1.4	1.2	1.6	2.0	3.0	2.0
<b>Core</b>	(3.4)	(1.4)	2.5	0.5	(0.4)	(0.3)	4.3	5.8	4.5	3.6	(0.9)	(6.0)	(9.4)	(9.7)	(6.7)
FX Impact	0.0	(0.2)	(0.7)	(1.0)	(0.4)	(1.9)	(1.7)	(0.9)	(2.0)	(1.6)	(2.5)	(3.0)	(4.1)	(3.7)	(3.4)
<b>Organic</b>	(3.4)	(1.2)	3.2	1.5	0.0	1.6	6.0	6.7	6.5	5.2	1.6	(3.0)	(5.3)	(6.0)	(3.3)
WD Impact	(1.6)		1.6					(1.6)	(0.4)		(1.6)		1.6		
<b>Normalized Organic</b>	(1.8)	(1.2)	1.6	1.5	0.0	1.6	6.0	6.7	8.1	5.6	3.2	(3.0)	(5.3)	(7.6)	(3.3)
Estimated Price Impact	1.0	0.0	0.0	0.0	0.2	0.5	0.5	0.5	0.5	0.5	0.0	0.0	0.0	0.0	0.0



## 2015 Sales Growth – Geography

(%)

	U.S.	Canada	International	Total
<b>Change in net sales</b>	1.1	(19.0)	(15.6)	(4.7)
Impact from acquisitions	2.6	0.6	-	1.9
Impact from foreign exchange rates	-	(12.4)	(7.4)	(3.3)
Impact from number of workdays	-	-	-	-
<b>Normalized organic sales growth</b>	(1.5)	(7.2)	(8.2)	(3.3)





## Sales Growth-End Markets

(\$ Millions)

	<u>Full Year 2015 vs. 2014</u>		
	<u>2015</u>	<u>2014</u>	<u>% Growth</u>
Industrial Core	2,940	3,315	(11.3)%
Construction Core	2,300	2,480	(7.3)%
Utility Core	1,143	1,105	3.4%
CIG Core	1,009	1,017	(0.7)%
Total Core Gross Sales	7,392	7,917	(6.6)%
Total Gross Sales from Acquisitions	154	-	-
Total Gross Sales	7,546	7,917	(4.7)%
Gross Sales Reductions/Discounts	(27)	(27)	-
Total Net Sales	7,519	7,890	(4.7)%

Note: The prior period end market amounts noted above may contain reclassifications to conform to current period presentation.



## Other Non-GAAP Reconciliations

(Dollars in millions, except for EPS)

	2012	2013
<b>Adjusted Income from Operations (Adjusted EBIT):</b>		
Income from operations (EBIT)	333	481
ArcelorMittal litigation charge (recovery) included in SG&A	<u>36</u>	<u>(36)</u>
Adjusted income from operations (Adjusted EBIT)	<u>369</u>	<u>445</u>
Percent of adjusted sales	5.7%	5.9%
<b>Adjusted Selling, General and Administrative Expenses:</b>		
Selling, general and administrative expenses	925	997
ArcelorMittal litigation recovery included in SG&A	<u>-</u>	<u>36</u>
Adjusted selling, general and administrative expenses	<u>925</u>	<u>1,033</u>
Percent of sales	14.1%	13.7%
<b>Adjusted Net Income Attributable to WESCO International, Inc.:</b>		
Income before income taxes	318	380
ArcelorMittal litigation recovery included in SG&A	-	(36)
Loss on sale of Argentina business	-	2
Loss on debt extinguishment	<u>-</u>	<u>13</u>
Adjusted income before income taxes	318	359
Adjusted provision for income taxes	<u>94</u>	<u>95</u>
Adjusted net income	224	264
Less: Net income / (loss) attributable to noncontrolling interest	<u>-</u>	<u>-</u>
Adjusted net income attributable to WESCO International, Inc.	<u>224</u>	<u>264</u>
<b>Adjusted Diluted EPS:</b>		
Diluted share count	51.1	52.7
Adjusted Diluted EPS	\$4.38	\$5.02



# Financial Leverage

(\$ Millions)

	<b>Twelve Months Ended December 31, 2015</b>	
<b>Financial leverage ratio:</b>		
Income from operations	\$	374
Depreciation and amortization		65
EBITDA	\$	439
		<b>December 31, 2015</b>
Current debt and short-term borrowings	\$	44
Long-term debt		1,457
Debt discount related to convertible debentures and term loan <sup>(1)</sup>		164
Total debt including debt discount	\$	1,665
Financial leverage ratio		3.8X

<sup>(1)</sup>The convertible debentures and term loan are presented in the condensed consolidated balance sheets in long-term debt net of the unamortized discount.



## Free Cash Flow Reconciliation

(\$ Millions)

	2010	2011	2012	2013	2014	2015
Cash flow provided by operations	127.3	167.5	288.2	315.1	251.2	283.1
Less: Capital expenditures	(15.1)	(33.3)	(23.1)	(27.8)	(20.5)	(21.7)
Add: Non-recurring EECOL pension contribution	-	-	-	21.1	-	-
Free cash flow	112.2	134.2	265.1	308.4	230.7	261.4
Free cash flow as a % of adjusted net income	97%	68%	118%	117%	84%	125%

Note: Free cash flow is provided by the Company as an additional liquidity measure. Capital expenditures are deducted from operating cash flow to determine free cash flow. Free cash flow is available to fund the Company's financing needs. During the quarter ended September 30, 2013, a non-recurring contribution was made to fund the Canadian EECOL pension plan. This contribution was required pursuant to the terms of the share purchase agreement by which the Company acquired EECOL in 2012. EECOL sellers fully funded this contribution by way of a direct reduction in the purchase price at the date of acquisition. U.S. GAAP requires the contribution to be shown as a reduction of operating cash flow, however, it is added back to accurately reflect free cash flow.

