
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): June 11, 2018

WESCO International, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-14989
(Commission File Number)

25-1723342
(IRS Employer
Identification No.)

225 West Station Square Drive
Suite 700
Pittsburgh, Pennsylvania
(Address of principal executive offices)

15219
(Zip Code)

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

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Emerging growth company

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

Item 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.

The senior management of WESCO International, Inc. (the “Company”) will present to investors at two conferences the week of June 11, 2018. The presentations will include written communication comprised of slides and will be accessible on the Company’s website. The slides from the presentations 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.

WESCO International, Inc.

(Registrant)

June 11, 2018

(Date)

By: /s/ David S. Schulz

David S. Schulz

Senior Vice President and Chief Financial Officer



WESCO International

Second Quarter 2018 Marketing Presentation



Safe Harbor Statement

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; increase in competition; expansion of business activities; supply chain disruptions, changes in supplier strategy or loss of key suppliers; personnel turnover or labor cost increases; risks related to acquisitions, including the integration of acquired businesses; tax law changes or challenges to tax matters, including uncertainties in the interpretation and application of the Tax Cuts and Jobs Act of 2017; exchange rate fluctuations; debt levels, terms, financial market conditions or interest rate fluctuations; stock market, economic or political instability; legal or regulatory matters; litigation, disputes, contingencies or claims; and other factors described in detail in the Form 10-K for WESCO International, Inc. for the year ended December 31, 2017 and any subsequent filings with the Securities & Exchange Commission. 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.



WESCO: A Leading Global Supply Chain Solutions Provider



Capital Projects

Including new construction and retrofits, renovations, and upgrades



MRO



OEM

Founded
1922 in
Pittsburgh, PA

One of the world's largest distributors
of electrical, industrial, and
communications products and services

\$7.7 Billion in
Revenue

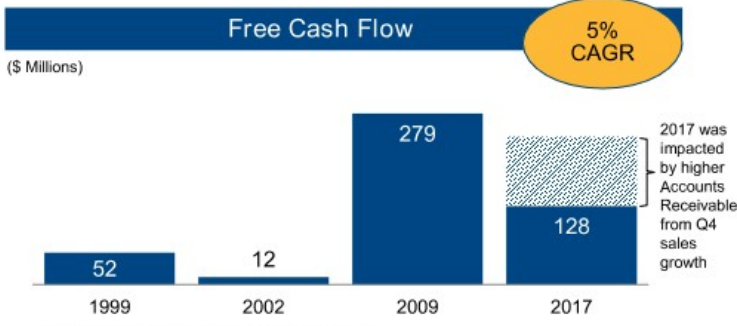
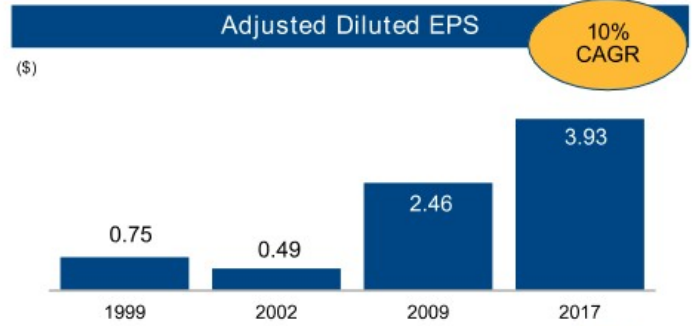
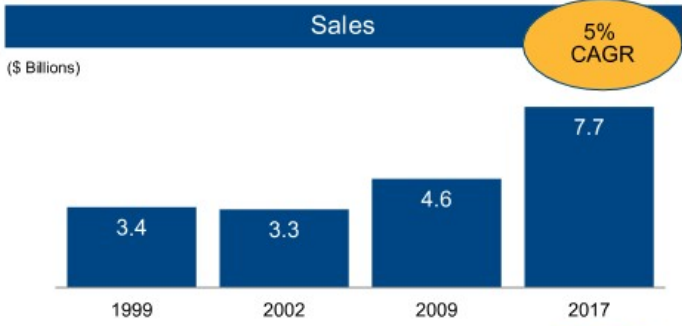
#370 of the
Fortune 500

9,100
employees

...providing world-class brands and industry-leading service capabilities



Financial Performance

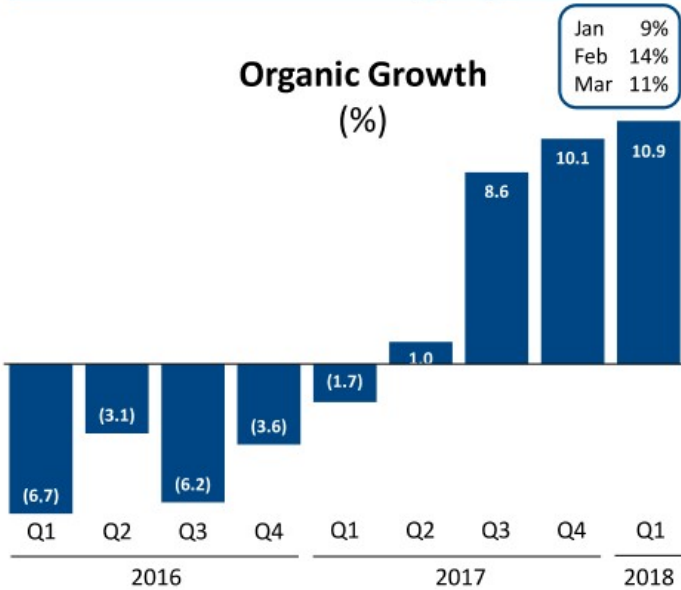


Note: See appendix for non-GAAP reconciliations.
 For free cash flow reconciliations, please see quarterly earnings webcasts as previously furnished to the Securities & Exchange Commission, which can be obtained from the 'Investors' page of WESCO's website at www.wesco.com.

...solid long-term performance



Q1 and YTD 2018 Highlights



Note: Organic growth excludes the impact of acquisitions in the first year of ownership, foreign exchange rates and number of workdays. See appendix for non-GAAP reconciliations.

- Double digit sales, operating profit and EPS growth versus prior year
- Continued positive business momentum and growth across all end markets and geographies
- Reported sales were up 12%, organic sales were up 11%:
 - Up 10% in the U.S.
 - Up 10% in Canada
 - Up 24% in International
- Highest organic sales growth rate since 2011
- Estimated pricing impact +2%
- Free cash flow at 105% of net income
- April and May reported sales up low-double digits
- Q1 backlog at an all-time record level, up 4% sequentially and up 14% versus prior year. May backlog set a new all-time record high



WESCO's Value Proposition

Combining our competitive differentiators...

- A broad product portfolio
- Technical expertise and a wide range of service offerings
- Blue-chip customer and supplier base
- A global footprint
- A culture of customer service excellence, cost control, and lean continuous improvement

...into customized supply chain solutions



...that result in:

- Long-term customer relationships and deep familiarity with their operations
 - Extending solutions to new customers within each end market
 - Gaining additional business with existing customers
- Better outcomes for our customers
 - Identifying opportunities
 - Selecting the best solution
 - Reducing their project and operating risks
 - Increasing their productivity and reducing their costs
 - Supporting their global operations
 - Simplifying their supply chains and outsourcing non-core activities

...driving deeper customer relationships than traditional distributors and e-commerce providers



Competitive Differentiator: Service Capabilities

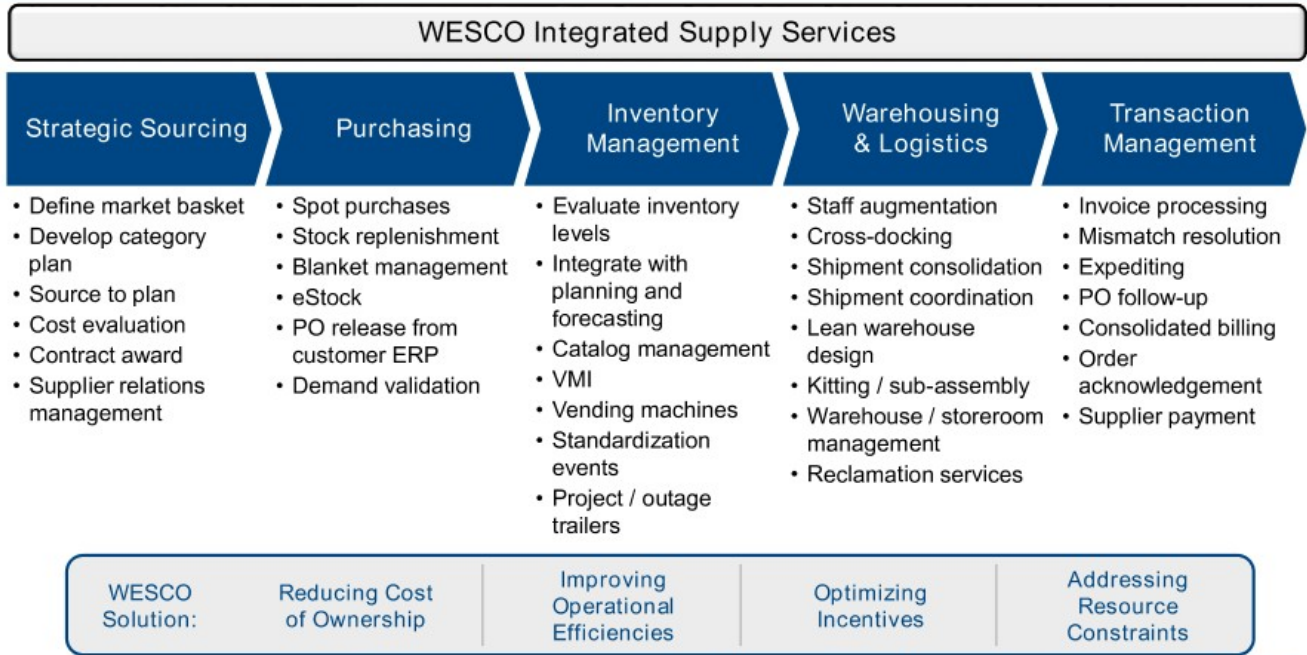
2017 Sales: \$7.7B



...value-added services drive customer loyalty and long-term relationships



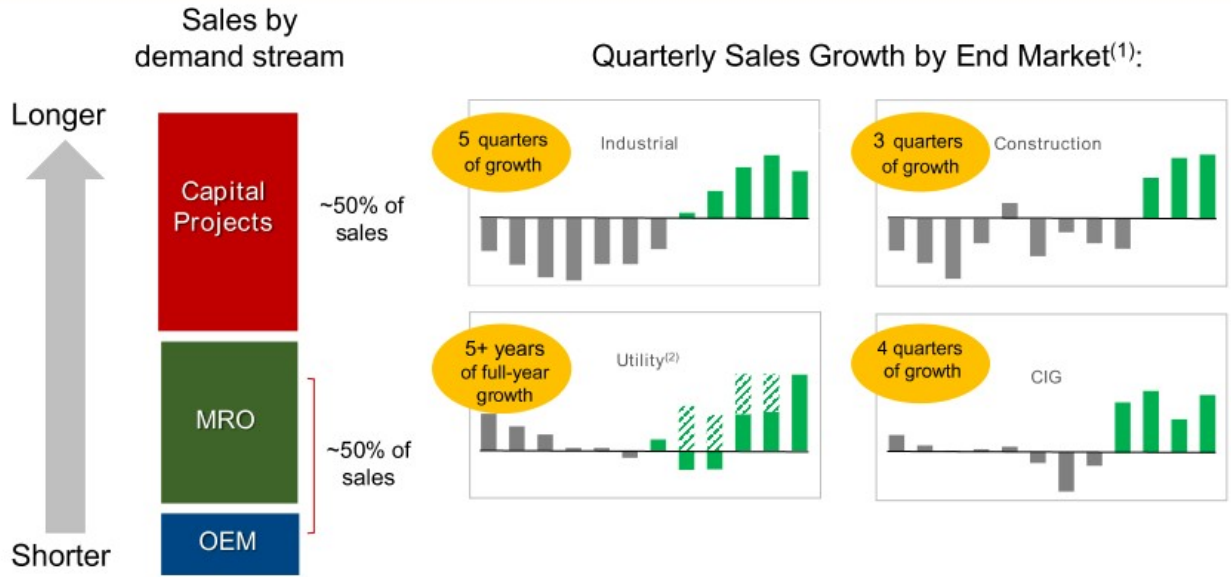
Example of Services Provided to a Key Utility Customer



...using Lean processes to deliver value throughout the supply chain



Three Demand Streams, Four End Markets



...outperforming our competitors

⁽¹⁾ Workday-adjusted organic sales growth for the last 12 quarters.

⁽²⁾ Dashed bars reflect the impact of a contract that WESCO elected not to renew at the end of 2016.

North America – Large (~\$600B) and Growing Market for Capital Projects

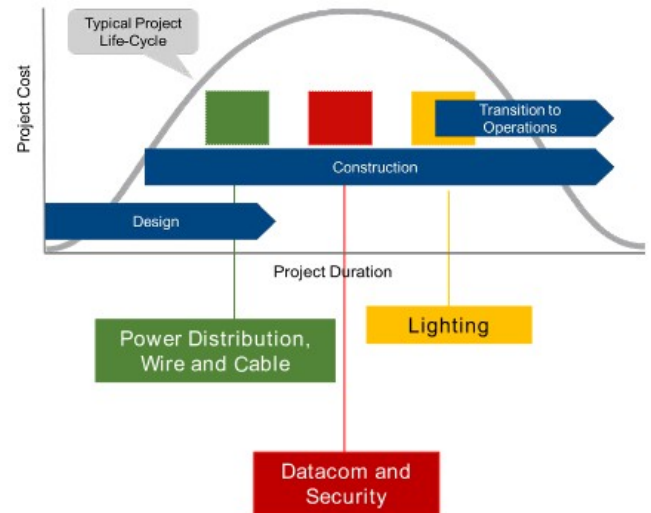


Favorable Conditions for Growth:

- Industrial recovery is only five quarters old, with multiple sources of support:
 - U.S. tax reform
 - Continued economic growth and potential re-shoring of manufacturing activities
 - Public/private infrastructure investment
- Productivity and reliability
 - Aging manufacturing and utility infrastructure
 - Skilled labor shortages
 - Canadian capacity utilization >85%
- Energy efficiency and other 'green' initiatives

WESCO Advantages:

- Our portfolio spans all phases of construction and transitions to operations
- Specified solutions provide us the opportunity to leverage supplier and customer relationships



10 ...conditions are favorable for increased capital projects revenue and operating margin expansion



2018 Priorities



Outperform the end markets

- Execute One WESCO sales growth initiatives
- Maintain focus on sales execution and effectiveness
- Differentiate via value-added services
- Capitalize on growth markets
- Make accretive acquisitions



Sustain and expand operating margin to drive double-digit EPS growth

- Execute pricing and sourcing initiatives
- Increase focus and awareness on the value of our services
- Deliver productivity through operational excellence initiatives
- Continue to carefully manage operating expenses



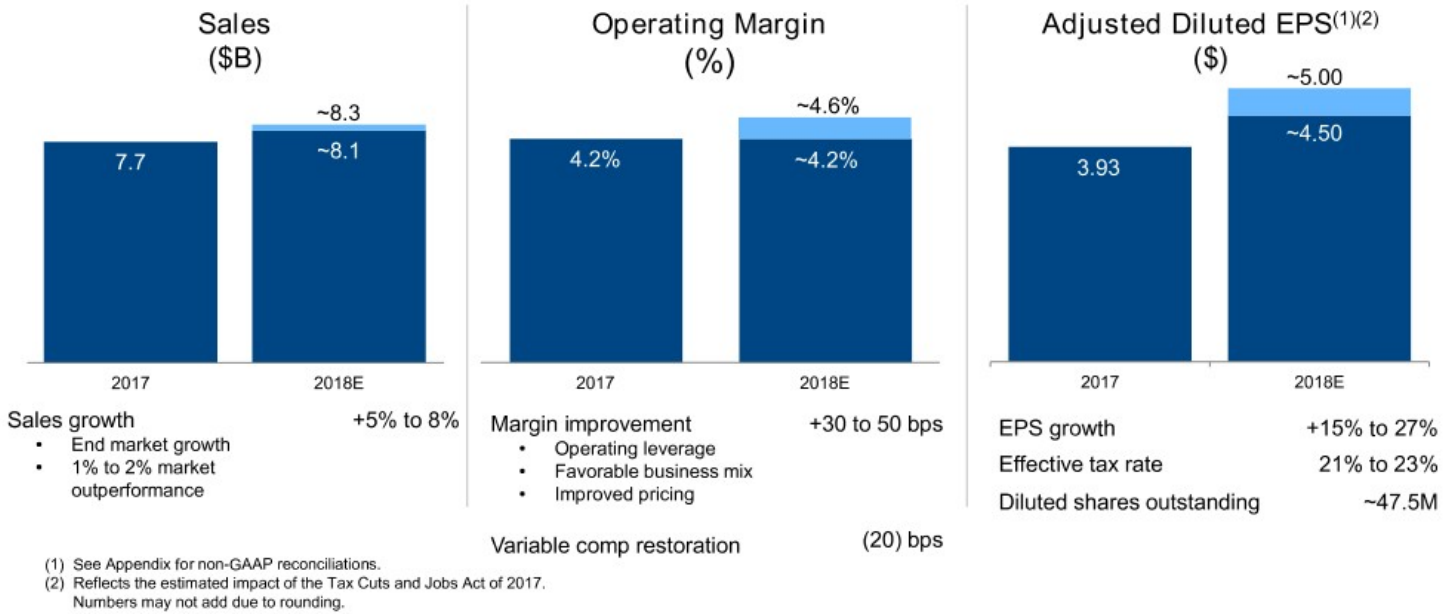
Maintain strong free cash flow generation and flexible capital structure

- Execute against capital deployment priorities

...drive growth and operating leverage while maintaining cost and cash management discipline



2018 Financial Outlook



...sales and margin improvement are expected to drive double-digit EPS growth



Long-Term Growth Algorithm

Annual Expectations over the Long-Term

Sales

- Market growth
- 1% to 2% from market outperformance
- 1% to 3% from acquisitions

EPS

- ~50% operating profit pull-through on organic growth
 - gross margin improvement
 - operating cost leverage
- Double-digit growth

Free Cash Flow

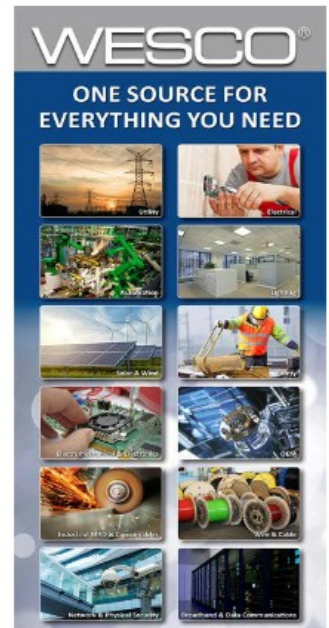
- Greater than 90% of net income

...managing the business for strong EPS growth and cash generation



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 principles
- Operating margin expansion results and future potential
- Strong free cash flow generation through economic cycle



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



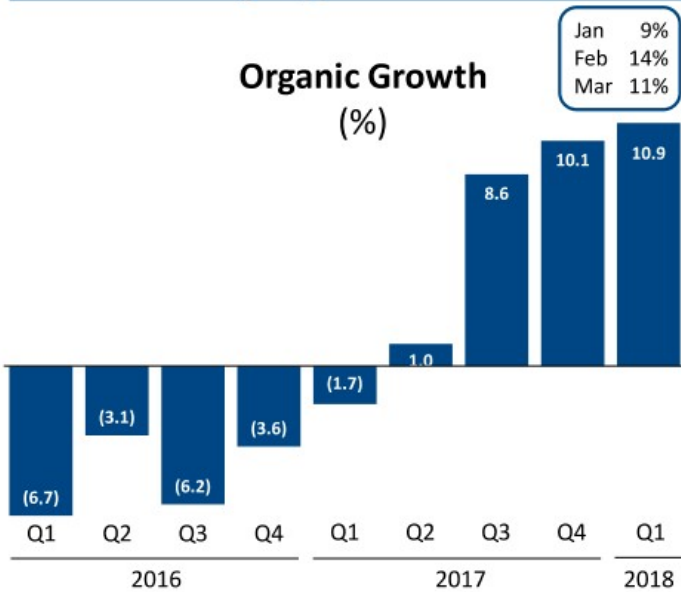
WESCO®

Q1 2018 Earnings

Webcast Presentation – April 26, 2018



Q1 2018 Highlights



Note: Organic growth excludes the impact of acquisitions in the first year of ownership, foreign exchange rates and number of workdays. See appendix for non-GAAP reconciliations.

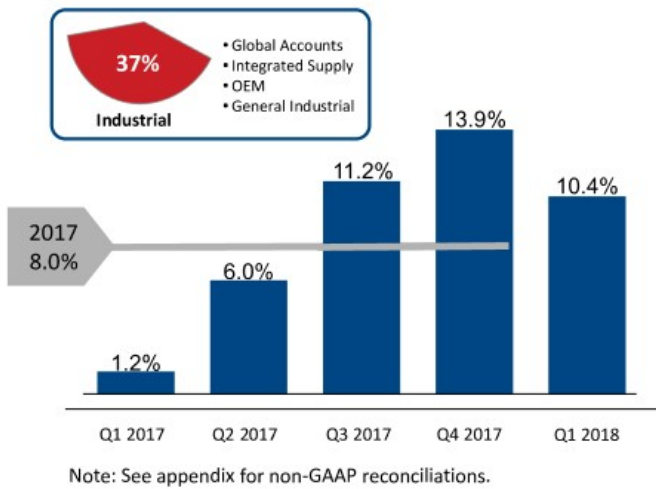
- Strong first quarter results
 - Double digit sales, operating profit and EPS growth versus prior year
- Continued positive business momentum and growth across all end markets and geographies
- Reported sales were up 12%, organic sales were up 11%:
 - Up 10% in the U.S.
 - Up 10% in Canada
 - Up 24% in International
- Highest organic sales growth rate since 2011
- Estimated pricing impact +2%
- April MTD sales up low double digits
- Q1 backlog at an all-time record level, up 4% sequentially and up 14% versus prior year
- Free cash flow at 105% of net income

...performance exceeded outlook



Industrial End Market

Organic Sales Growth versus Prior Year



- Q1 2018 Sales
 - Organic sales were up 10% versus prior year (up 9% in the U.S. and up 17% in Canada in local currency)
 - Down 1% sequentially
- Increasing business momentum with industrial customers
- Sales growth was broad-based across the U.S. and Canada
- Global Account and Integrated Supply opportunity pipeline and bidding activity levels remain strong
- Customer trends include continued high expectations for supply chain process improvements, cost reductions, and supplier consolidation

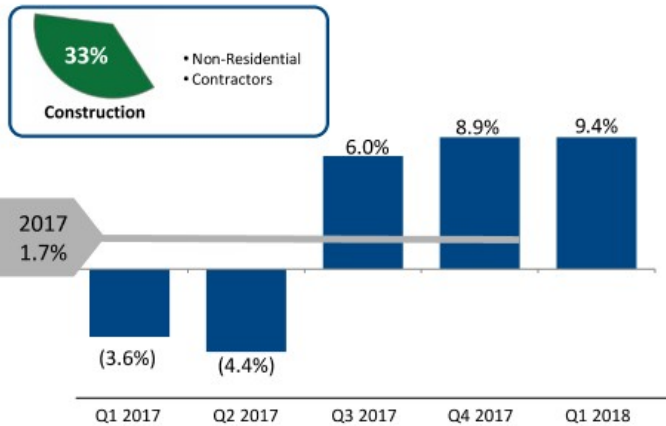


Awarded a multi-year contract to supply electrical MRO materials and support capital projects for a large chemical manufacturer in the U.S. and Canada.



Construction End Market

Organic Sales Growth versus Prior Year



Note: See appendix for non-GAAP reconciliations.

- Q1 2018 Sales
 - Organic sales were up 9% versus prior year (up 10% in both the U.S. and in Canada in local currency)
 - Down 9% sequentially
- Increasing business momentum with construction/contractor customers
- Sales growth was broad-based across the U.S. and Canada
- Backlog is up 14% versus prior year and is up 4% from Q4
- Expecting moderate growth and uptrend in non-residential construction market to continue

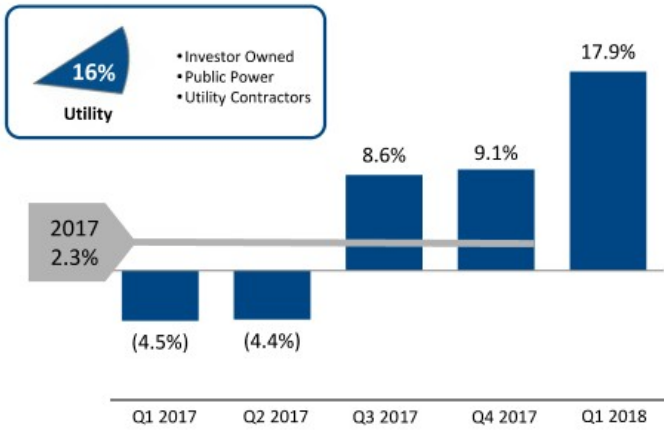


Awarded a contract to provide electrical materials and services to a contractor to upgrade a nuclear plant in Canada.



Utility End Market

Organic Sales Growth versus Prior Year



Note: See appendix for non-GAAP reconciliations.

- Q1 2018 Sales
 - Organic sales were up 18% versus prior year (up 21% in the U.S. and down 6% in Canada in local currency)
 - Down 5% sequentially
- Continued scope expansion and value creation with investor-owned utility, public power, and generation customers
- Continued interest in Integrated Supply solution offerings
- Favorable economic conditions, continued improvement in construction market, renewables growth, and consolidation trend within Utility industry remain positive catalysts for future spending

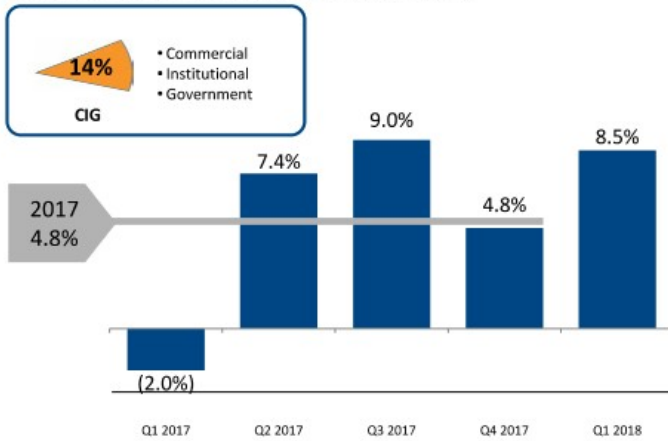


Awarded a contract to provide electrical materials for wind farm substation project in the US.



CIG End Market

Organic Sales Growth versus Prior Year



Note: See appendix for non-GAAP reconciliations.

- Q1 2018 Sales
 - Organic sales were up 9% versus prior year (up 3% in the U.S. and up 5% in Canada in local currency; balance of growth in International)
 - Up 5% sequentially
- Technical expertise and supply chain solutions driving positive momentum in datacenter, broadband, and cloud technology projects
- Increasing momentum seen in LED lighting retrofits, FTTX deployments, broadband build outs, and cyber and physical security for critical infrastructure protection

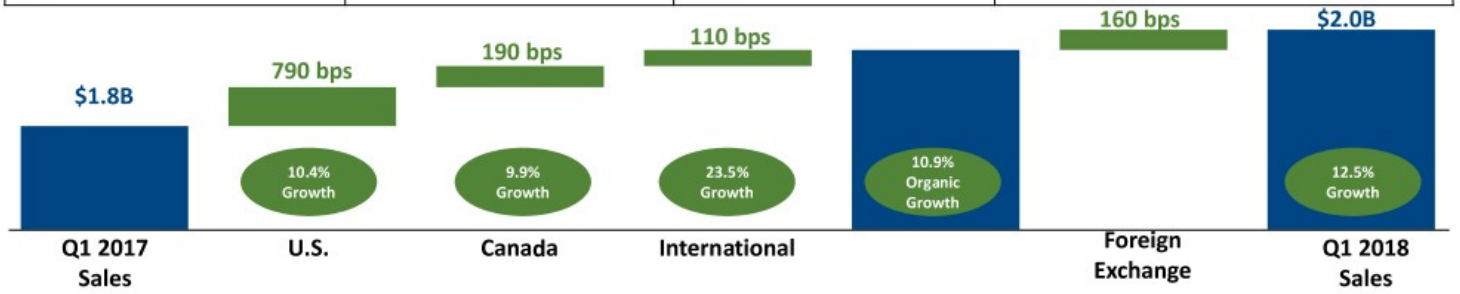


Awarded a contract to provide electrical materials for a public water treatment facility upgrade in the U.S.



Q1 2018 Results

	Outlook	Actual	YOY
Sales	6% to 9%	\$2.0B	Up 12.5%
Gross Margin		19.1%	Down 60 bps, down 10 bps sequentially ⁽¹⁾
SG&A		\$291M, 14.6%	Up 9%, improved 50 bps
Operating Profit		\$73M	Up 10%
Operating Margin	3.5% to 3.8%	3.7%	Down 10 bps
Effective Tax Rate	~22%	19.6%	Down 540 bps
EPS		\$0.93	Up 22%



Note: See appendix for non-GAAP reconciliations.

⁽¹⁾ Reflects the impact of a 15 bps reclassification of certain labor costs from selling, general and administrative expenses.

...margins stabilizing, positive operating profit pull through



Diluted EPS Walk

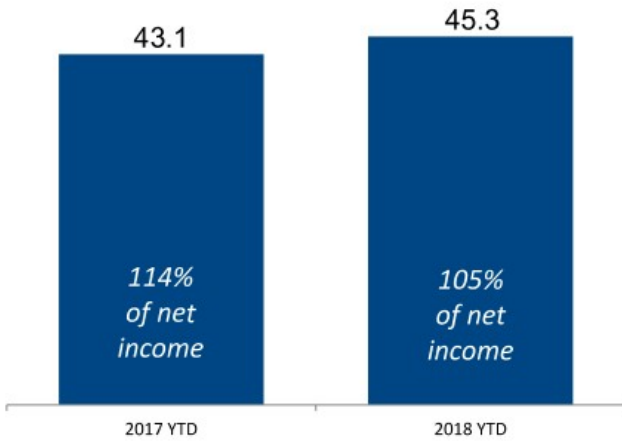
	Q1
2017	\$0.76
Core operations (Includes the planned restoration of variable compensation versus prior year)	0.07
Foreign exchange	0.01
Tax	0.06
Share count	0.03
2018	\$0.93



Free Cash Flow & Leverage

Free Cash Flow (\$ Millions)

~ \$1.2B of free cash flow over last 5 years



Leverage (Total Debt to TTM EBITDA)



23 Note: See appendix for non-GAAP reconciliations.



2018 Outlook

	Q2	FY (Current)	FY (Previous)
Sales	7% to 10%	5% to 8%	3% to 6%
Operating Margin	4.2% to 4.5%	4.2% to 4.6%	4.2% to 4.6%
Effective Tax Rate	~ 21%	21% to 23%	21% to 23%
Diluted EPS		\$4.50 to \$5.00	\$4.40 to \$4.90
Free Cash Flow		>90% of net income	>90% of net income

Notes: Excludes unannounced acquisitions.
Assumes a CAD/USD exchange rate of 0.78.
See appendix for non-GAAP reconciliations.



Appendix

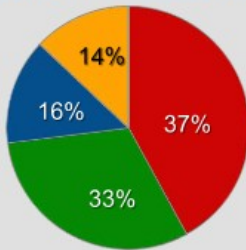
NON-GAAP FINANCIAL MEASURES

This presentation includes certain non-GAAP financial measures. These financial measures include organic sales growth, gross profit, financial leverage, earnings before interest, taxes, depreciation and amortization (EBITDA), and free cash flow. Management believes that these non-GAAP measures are useful to investors as they provide a better understanding of sales performance, and the use of debt and liquidity on a comparable basis. Management does not use these non-GAAP financial measures for any purpose other than the reasons stated above.



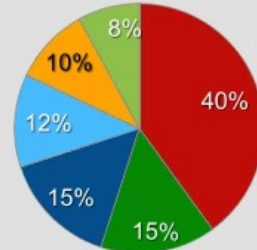
WESCO Profile 2018

Markets & Customers



- Industrial**
Global Accounts | Integrated Supply
OEM | General Industrial
- Construction**
Non-Residential | Contractors
- Utility**
Investor Owned | Public Power
Utility Contractors
- CIG**
Commercial | Institutional | Government

Products & Services



- General Supplies**
- Communications & Security**
- Wire, Cable & Conduit**
- Lighting & Sustainability**
- Electrical Distribution & Controls**
- Automation, Controls & Motors**

26 Note: Markets & Customers and Products & Services percentages reported on a TTM consolidated basis.



Sales Growth

(%)

	2016					2017					2018
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY</u>	<u>Q1</u>
Change in Net Sales	(2.2)	(0.3)	(3.6)	(3.7)	(2.4)	(0.2)	(0.1)	7.8	11.3	4.7	12.5
Acquisition Impact	3.9	3.7	2.9	1.8	3.1	0.9				0.2	
Core	(6.1)	(4.0)	(6.5)	(5.5)	(5.5)	(1.1)	(0.1)	7.8	11.3	4.5	12.5
FX Impact	(2.6)	(0.9)	(0.3)	(0.3)	(1.0)	0.6	(1.1)	0.8	1.2	0.4	1.6
Workday Impact	3.2			(1.6)	0.4			(1.6)		(0.4)	
Organic	(6.7)	(3.1)	(6.2)	(3.6)	(4.9)	(1.7)	1.0	8.6	10.1	4.5	10.9

27 Note: Core sales growth excludes acquisitions during the first year of ownership.



Q1 2018 Organic Sales Growth by Geography

(%)

	U.S.	Canada	International	WESCO
Change in net sales (USD)	10.4	15.6	32.7	12.5
Impact from acquisitions	-	-	-	-
Impact from foreign exchange rates	-	5.7	9.2	1.6
Impact from number of workdays	-	-	-	-
Organic sales growth	10.4	9.9	23.5	10.9



Sales Growth-End Markets

(\$ Millions)

	Q1 2018 vs. Q1 2017			Q1 2018 vs. Q4 2017		
	Q1	Q1	%	Q1	Q4	%
	2018	2017	Growth	2018	2017	Growth
Industrial Core	762	681	11.9%	762	744	2.4%
Construction Core	640	574	11.5%	640	679	(5.7)%
Utility Core	317	267	18.5%	317	322	(1.6)%
CIG Core	283	258	9.8%	283	261	8.4%
Total Core Gross Sales	2,002	1,780	12.5%	2,002	2,006	(0.2)%
Total Gross Sales from Acquisitions	-	-		-	-	
Total Gross Sales	2,002	1,780	12.5%	2,002	2,006	(0.2)%
Gross Sales Reductions/Discounts	(8)	(8)		(8)	(9)	
Total Net Sales	1,994	1,773	12.5%	1,994	1,997	(0.1)%

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



Q1 2018 Organic Sales by End Market

(%)

	Industrial	Construction	Utility	CIG	WESCO
Core Sales Growth	11.9	11.5	18.5	9.8	12.5
FX Impact	1.5	2.1	0.6	1.3	1.6
Workday Impact	-	-	-	-	-
Organic Growth	10.4	9.4	17.9	8.5	10.9



Gross Margin

(\$ Millions)

	Three Months Ended	
	March 31, 2018	March 31, 2017
Net sales	\$1,994	\$1,773
Cost of goods sold (excluding depreciation and amortization)	1,614	1,423
Gross profit	\$380	\$350
Gross margin	19.1%	19.7%



Adjusted Diluted EPS

(\$ millions, except for EPS)

	FY 2016			FY 2017		
	Reported Results	Adjustments	Adjusted Results	Reported Results	Adjustments	Adjusted Results
Income from operations	\$ 332.0	-	\$ 332.0	\$ 321.0	-	\$ 321.0
Interest, net	76.6	-	76.6	68.5	-	68.5
Loss on debt redemption ⁽¹⁾	123.9	(123.9)	-	-	-	-
Income before income taxes	131.5	123.9	255.4	252.5	-	252.5
Income taxes ^{(1) (2)}	30.4	41.2	71.6	89.3	(26.4)	62.9
<i>Effective tax rate</i>	<i>23.1%</i>		<i>28.0%</i>	<i>35.4%</i>		<i>24.9%</i>
Net income	101.1	82.7	183.8	163.2	26.4	189.6
Less: Non-controlling interests	(0.5)	-	(0.5)	(0.3)	-	(0.3)
Net income attributable to WESCO	\$ 101.6	82.7	\$ 184.3	\$ 163.5	26.4	\$ 189.9
Adjusted Earnings per Diluted Share:						
Earnings per diluted share (as reported)		\$2.10			\$3.38	
Impact of Tax Cuts and Jobs Act of 2017 (TCJA) ⁽²⁾		-			0.55	
Loss on debt redemption ⁽³⁾		2.54			-	
Tax effect of loss on debt redemption ⁽³⁾		(0.84)			-	
Adjusted diluted earnings per common share		\$3.80			\$3.93	

¹ Represents the third quarter of 2016 income tax benefit related to the loss on debt redemption.

² The application of the TCJA resulted in a provisional discrete income tax expense of \$26.4 million, which is comprised of \$82.8 million of expense associated with the deemed repatriation of undistributed earnings of foreign subsidiaries partially offset by a \$56.4 million benefit from the re-measurement of net deferred income tax liabilities.

³ The loss on debt redemption and related income tax benefit are based on third quarter diluted shares of 48.7 million.



Capital Structure

(\$ Millions)

	Outstanding at December 31, 2017	Outstanding at March 31, 2018	Debt Maturity Schedule
AR Revolver ^(V)	380	390	2020
Inventory Revolver ^(V)	12	0	2020
2019 Term Loans ^(V)	85	65	2019
2021 Senior Notes ^(F)	500	500	2021
2024 Senior Notes ^(F)	350	350	2024
Other ^(V)	36	43	N/A
Total Debt	1,363	1,348	

Key Financial Metrics		
	YE 2017	Q1 2018
Cash	118	124
Capital Expenditures	22	8
Free Cash Flow ⁽¹⁾	128	45
Liquidity ⁽²⁾	794	813

^(V) Variable Rate Debt

^(F) Fixed Rate Debt

⁽¹⁾ Cash flow provided by operations less capital expenditures.

⁽²⁾ Total availability under asset-backed credit facilities plus cash in investment accounts.



Financial Leverage

(\$ Millions)

Twelve Months Ended
March 31, 2018

Income from operations ⁽¹⁾	\$	326
Depreciation and amortization		64
EBITDA	\$	390

March 31, 2018

Short-term borrowings and current debt	\$	43
Long-term debt		1,292
Debt discount and debt issuance costs ⁽²⁾		13
Total debt	\$	1,348
Less: cash and cash equivalents	\$	124
Total debt, net of cash	\$	1,224

Financial leverage ratio		3.5X
Financial leverage ratio, net of cash		3.1X

(1) Due to the adoption of ASU 2017-07 on a retrospective basis in the first quarter of 2018, the Company classified the non-service cost components of net periodic benefit cost as part of net interest and other for the twelve months ended March 31, 2018. These components aggregate to a benefit of \$1.9 million.

(2) Long-term debt is presented in the condensed consolidated balance sheet as of March 31, 2018 net of debt discount and debt issuance costs.

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



Free Cash Flow Reconciliation

(\$ Millions)

	Full Year 2017	Q1 2017	Q1 2018
Cash flow provided by operations	149.1	47.6	53.0
Less: Capital expenditures	(21.5)	(4.5)	(7.7)
Free cash flow	127.6	43.1	45.3
Net income	189.6	37.8	42.9
Percentage of net income	67%	114%	105%

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 investing and financing activities.



Work Days

	Q1	Q2	Q3	Q4	FY
2016	64	64	64	62	254
2017	64	64	63	62	253
2018	64	64	63	62	253

