



WESCO®

Q4 & Full Year 2017 Earnings

Webcast Presentation – February 1, 2018



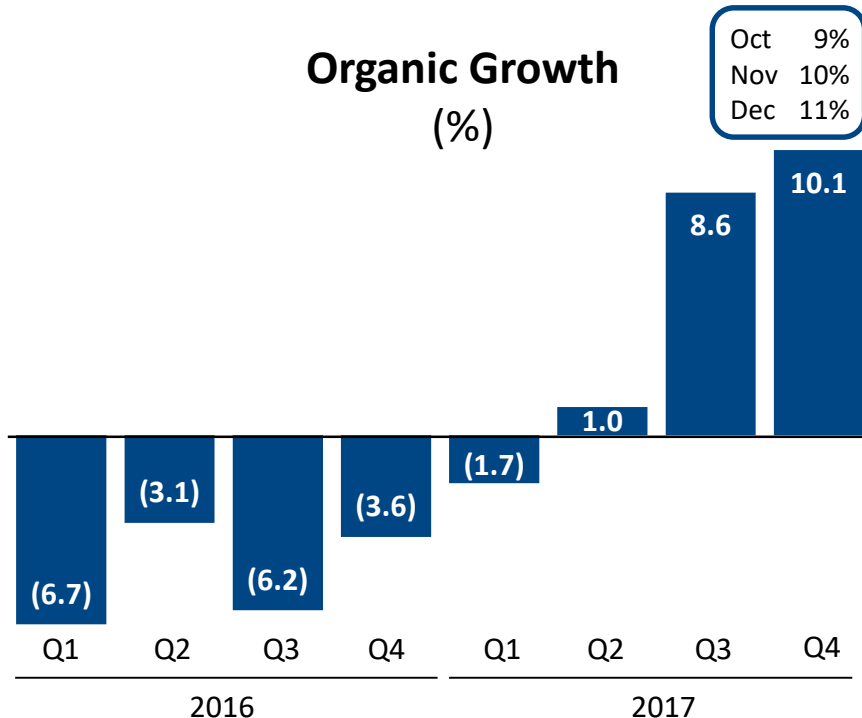
Safe Harbor Statement

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; supply chain disruptions, changes in supplier strategy or loss of key suppliers; product or other cost fluctuations; expansion of business activities; personnel turnover or labor cost increases; tax law changes or challenges to tax matters; increase in competition; risks related to acquisitions, including the integration of acquired businesses; exchange rate fluctuations; legal or regulatory matters; litigation, disputes, contingencies or claims; debt levels, terms, financial market conditions or interest rate fluctuations; goodwill or intangible asset impairment; stock market, economic or political instability; and other factors described in detail in the Form 10-K for WESCO International, Inc. for the year ended December 31, 2016 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.



Q4 2017 Highlights

Organic Growth (%)



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.

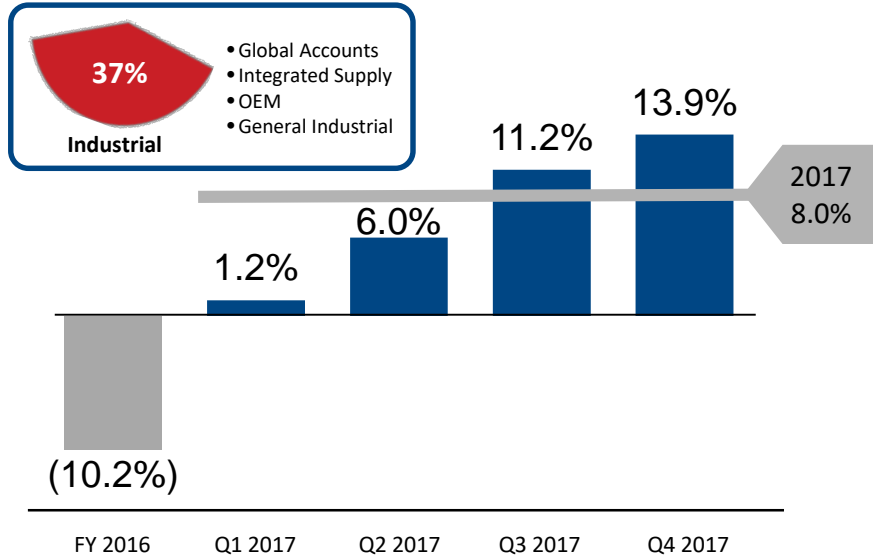
- Fourth quarter results exceeded our expectations
- Positive business momentum and growth across all end markets and geographies
- Reported sales were up 11%, organic sales were up 10%
 - Highest organic growth rate since 2011
 - Organic sales were up 9% in the U.S.
 - Organic sales were up 13% in Canada
 - Organic sales were up 19% in International
- Sequentially, reported sales were flat and organic sales were up 2%, better than normal seasonality
- Estimated pricing impact +2%
- January MTD sales up high single digits
- Q4 backlog grew 5% sequentially versus typical seasonal decline, and expanded to an all-time record level in the quarter
- Tax act provides potential stimulus for increased business and capex spending in 2018

...performance exceeded outlook



Industrial End Market

Organic Sales Growth versus Prior Year



Note: See appendix for non-GAAP reconciliations.

- Q4 2017 Sales
 - Organic sales were up 14% versus prior year (up 12% in the U.S. and up 15% in Canada in local currency)
 - Up 4% 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

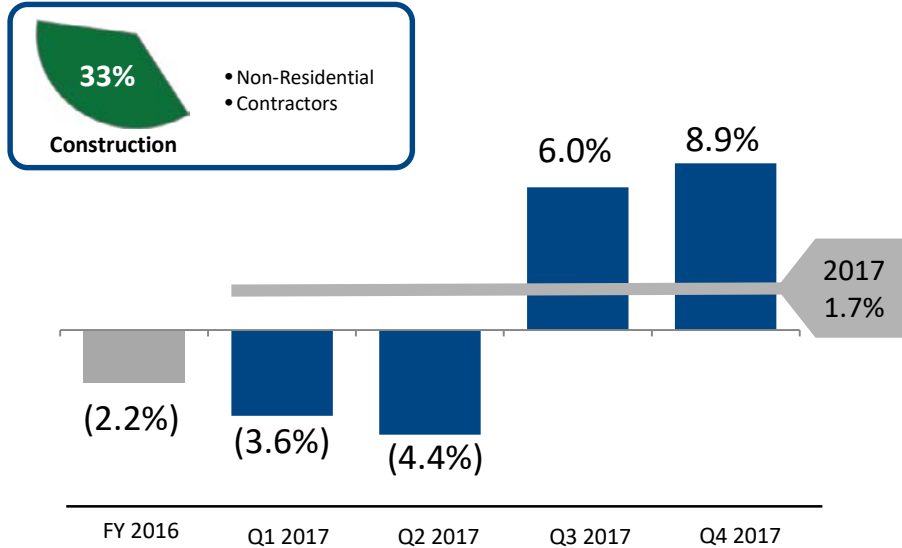


Renewed a multi-year contract to supply electrical MRO materials and support capital projects for the upstream, midstream and downstream operations of a large global oil and gas company.



Construction End Market

Organic Sales Growth versus Prior Year



Note: See appendix for non-GAAP reconciliations.

- Q4 2017 Sales
 - Organic sales were up 9% versus prior year (up 7% in the U.S. and up 13% in Canada in local currency)
 - Up 2% sequentially
- Increasing business momentum with construction/contractor customers
- Sales growth was broad-based across the U.S. and Canada
- Backlog is up 20% versus prior year and is up 5% from Q3, versus a typical seasonal decline
- Expecting moderate growth and uptrend in non-residential construction market to continue

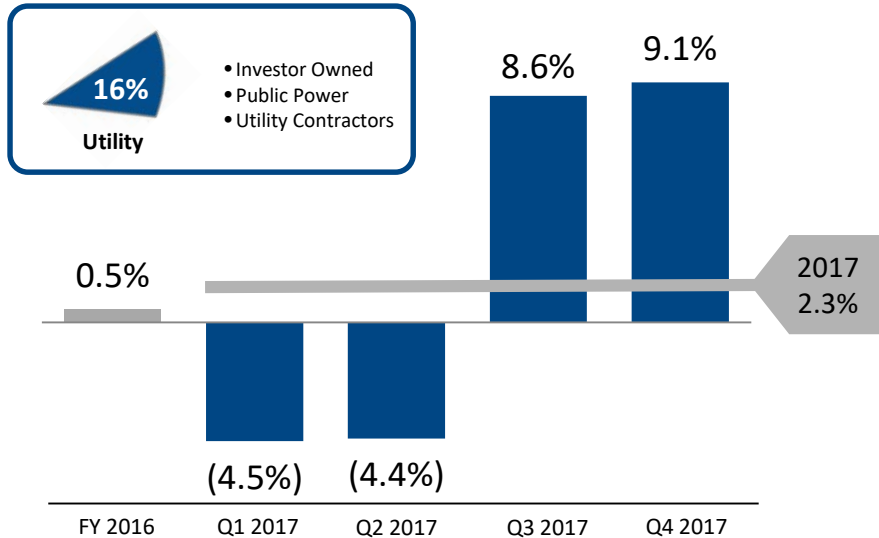


Awarded a contract to provide electrical equipment for the renovation and expansion of a water treatment facility in Canada.



Utility End Market

Organic Sales Growth versus Prior Year



Note: See appendix for non-GAAP reconciliations.

- Q4 2017 Sales
 - Organic sales were up 9% versus prior year (up 10% in the U.S. and up 7% in Canada in local currency)
 - Up 4% sequentially
 - Excluding exited contract, organic sales up 18% versus prior year (up 20% in the U.S.)
- 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

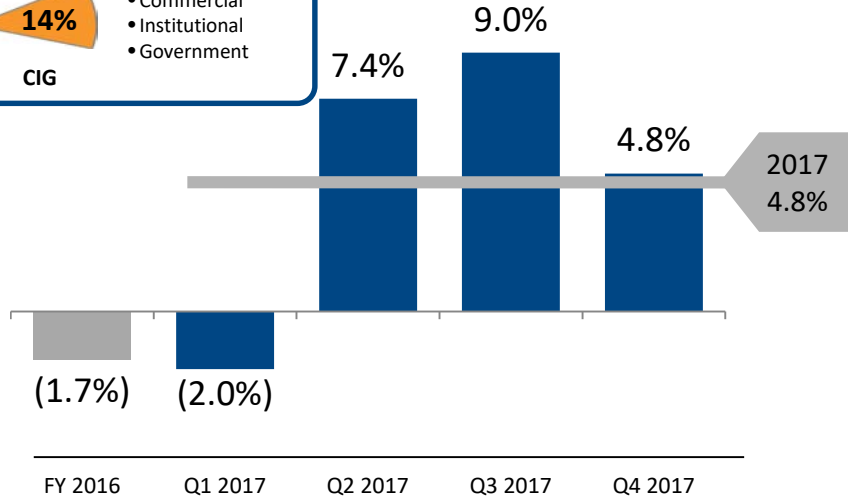
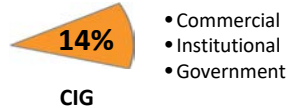


Awarded a contract to provide high voltage materials to a publicly owned utility for a hydropower transmission line.



CIG End Market

Organic Sales Growth versus Prior Year



Note: See appendix for non-GAAP reconciliations.

- Q4 2017 Sales
 - Organic sales were up 5% versus prior year (up 5% in the U.S. and up 11% in Canada in local currency)
 - Down 9% 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

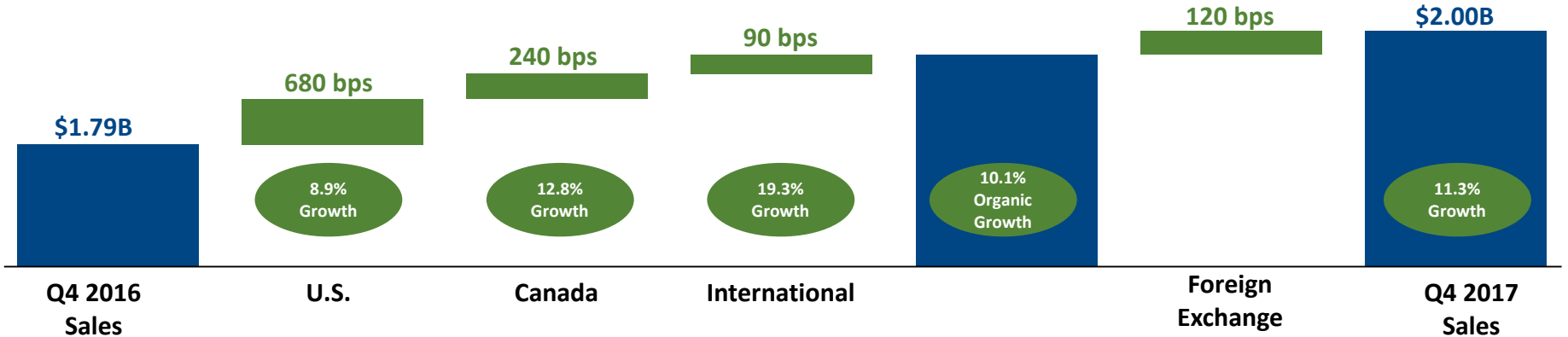


Awarded a contract for a turnkey lighting retrofit program for a government installation.

Q4 2017 Results



| | Outlook | Actual | YOY |
|--------------------|--------------|--------------------|---------------------------|
| Sales | 5% to 8% | \$2.00B | Up 11.3% |
| Gross Margin | | 19.2% | Down 20 bps |
| SG&A | | \$285M, 14.3% | Up 14%, Up 40 bps |
| Operating Profit | | \$81M | Flat |
| Operating Margin | 3.9% to 4.3% | 4.1% | Down 50 bps |
| Effective Tax Rate | ~27% | 23.9%, as adjusted | Down 210 bps, as adjusted |

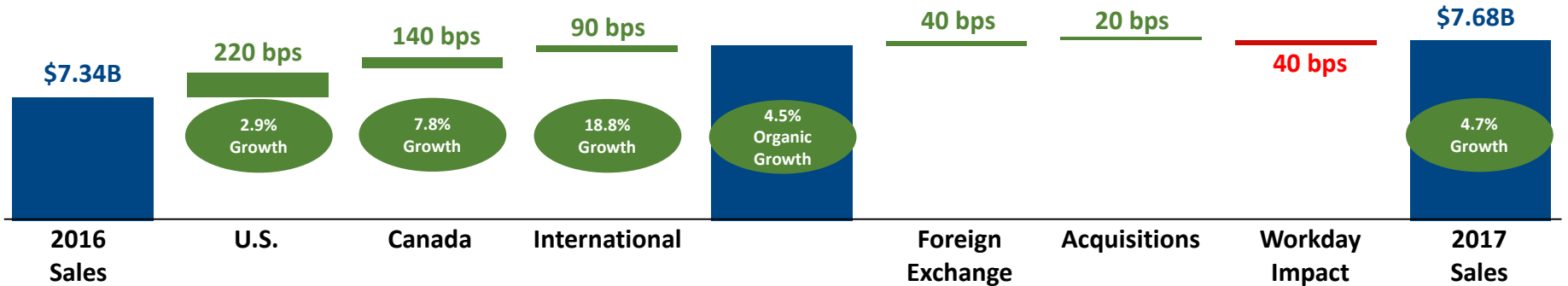


Note: See appendix for non-GAAP reconciliations.



Full Year 2017 Results

| | Outlook | Actual | YOY |
|--------------------|------------------|---------------------|---------------------------|
| Sales | 3% to 4% | \$7.68B | Up 4.7% |
| Gross Margin | | 19.3% | Down 40 bps |
| SG&A | | \$1.10B, 14.3% | Up 5%, Flat in bps |
| Operating Profit | | \$321M | Down 3% |
| Operating Margin | 4.1% to 4.3% | 4.2% | Down 30 bps |
| Effective Tax Rate | ~26% | 24.9%, as adjusted | Down 310 bps, as adjusted |
| EPS | \$3.75 to \$3.95 | \$3.93, as adjusted | Up 3%, as adjusted |



Note: See appendix for non-GAAP reconciliations.

Diluted EPS Walk



| | | Q4 | FY |
|-------------------------------------|---|---------------|---------------|
| 2016 Adjusted ⁽¹⁾ | | \$0.96 | \$3.80 |
| Core operations | (Reflects favorable operating leverage, offset by the planned restoration of variable compensation versus prior year) | (0.01) | (0.11) |
| Foreign exchange | | 0.02 | 0.08 |
| Tax | | 0.03 | 0.16 |
| Share count | | 0.03 | 0.00 |
| 2017 Adjusted ⁽¹⁾ | | \$1.03 | \$3.93 |

⁽¹⁾ Earnings per share for Q4 2016 is as reported. See appendix for non-GAAP reconciliations of adjusted EPS for FY 2016, Q4 2017 and FY 2017.



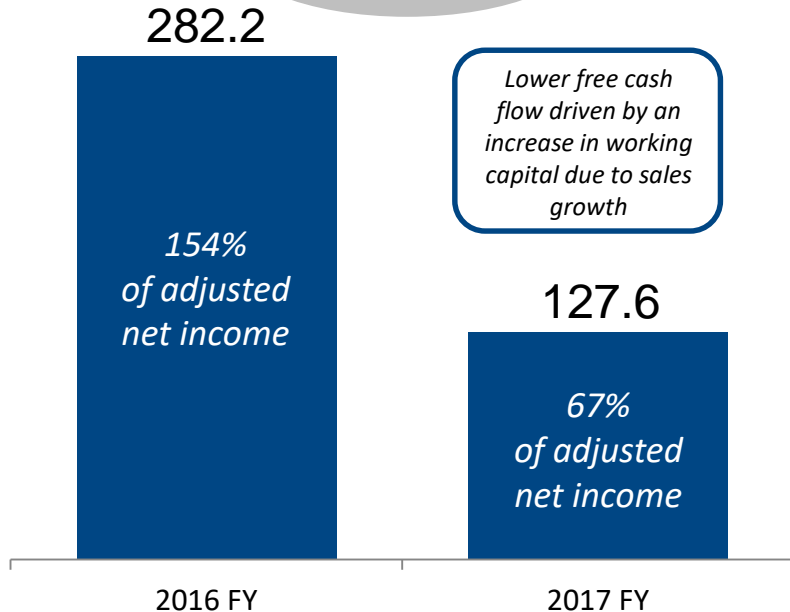
Free Cash Flow & Leverage

Free Cash Flow

(\$ Millions)

~ \$1B of free cash flow over last 4 years

Lower free cash flow driven by an increase in working capital due to sales growth



Leverage

(Total Debt to TTM EBITDA)



Note: See appendix for non-GAAP reconciliations.

2018 Outlook



| | Q1 | FY (Current) | FY (Previous) |
|--------------------|--------------|--------------------|--------------------|
| Sales | 6% to 9% | 3% to 6% | 3% to 6% |
| Operating Margin | 3.5% to 3.8% | 4.2% to 4.6% | 4.2% to 4.6% |
| Effective Tax Rate | ~ 22% | 21% to 23% | ~ 28% |
| Diluted EPS | | \$4.40 to \$4.90 | \$4.05 to \$4.55 |
| Free Cash Flow | | >90% of net income | >90% of net income |

Notes: Excludes unannounced acquisitions.
Assumes a CAD/USD exchange rate of 0.80.
See appendix for non-GAAP reconciliations.



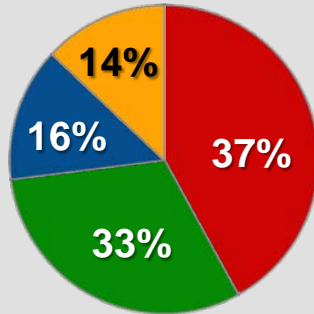
Appendix

NON-GAAP FINANCIAL MEASURES

This presentation includes certain non-GAAP financial measures. These financial measures include organic sales growth, gross margin, financial leverage, earnings before interest, taxes, depreciation and amortization (EBITDA), free cash flow, adjusted net income, adjusted earnings per diluted share and adjusted effective tax rate. Management believes that these non-GAAP measures are useful to investors as they provide a better understanding of sales performance, the use of debt and liquidity on a comparable basis. Additionally, certain of the aforementioned non-GAAP measures either focus on or exclude transactions impacting comparability of our results, allowing investors to more easily compare the Company's financial results from period to period. Management does not use these non-GAAP financial measures for any purpose other than the reasons stated above.



Markets & Customers



Industrial

Global Accounts | Integrated Supply
OEM | General Industrial

Construction

Non-Residential | Contractors

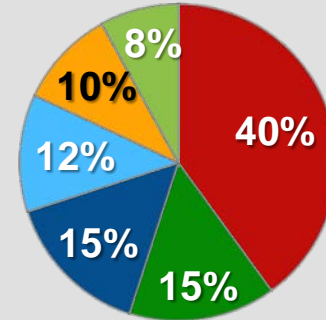
Utility

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

Sales Growth



(%)

| | 2015 | | | | | 2016 | | | | | 2017 | | | | |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|-------------|------------|
| | <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> | <u>Q2</u> | <u>Q3</u> | <u>Q4</u> | <u>FY</u> |
| Change in Net Sales | 0.3 | (4.4) | (7.4) | (6.7) | (4.7) | (2.2) | (0.3) | (3.6) | (3.7) | (2.4) | (0.2) | (0.1) | 7.8 | 11.3 | 4.7 |
| Acquisition Impact | 1.2 | 1.6 | 2.0 | 3.0 | 2.0 | 3.9 | 3.7 | 2.9 | 1.8 | 3.1 | 0.9 | | | | 0.2 |
| Core | (0.9) | (6.0) | (9.4) | (9.7) | (6.7) | (6.1) | (4.0) | (6.5) | (5.5) | (5.5) | (1.1) | (0.1) | 7.8 | 11.3 | 4.5 |
| FX Impact | (2.5) | (3.0) | (4.1) | (3.7) | (3.4) | (2.6) | (0.9) | (0.3) | (0.3) | (1.0) | 0.6 | (1.1) | 0.8 | 1.2 | 0.4 |
| Workday Impact | (1.6) | | | 1.6 | | 3.2 | | | (1.6) | 0.4 | | | (1.6) | | (0.4) |
| Organic | 3.2 | (3.0) | (5.3) | (7.6) | (3.3) | (6.7) | (3.1) | (6.2) | (3.6) | (4.9) | (1.7) | 1.0 | 8.6 | 10.1 | 4.5 |

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



Q4 2017 Organic Sales Growth by Geography

(%)

| | U.S. | Canada | International | WESCO |
|------------------------------------|------|--------|---------------|-------|
| Change in net sales (USD) | 8.9 | 17.9 | 24.2 | 11.3 |
| Impact from acquisitions | - | - | - | - |
| Impact from foreign exchange rates | - | 5.1 | 4.9 | 1.2 |
| Impact from number of workdays | - | - | - | - |
| Organic sales growth | 8.9 | 12.8 | 19.3 | 10.1 |



Sales Growth-End Markets

(\$ Millions)

| | Q4 2017 vs. Q4 2016 | | | Q4 2017 vs. Q3 2017 | | | FY 2017 vs FY 2016 | | |
|-------------------------------------|---------------------|------------|-------------|---------------------|------------|-------------|--------------------|------------|-------------|
| | Q4 2017 | Q4 2016 | % Growth | Q4 2017 | Q3 2017 | % Growth | FY 2017 | FY 2016 | % Growth |
| Industrial Core | 744 | 647 | 15.0% | 744 | 726 | 2.5% | 2,865 | 2,655 | 7.9% |
| Construction Core | 679 | 613 | 10.7% | 679 | 678 | 0.1% | 2,558 | 2,493 | 2.6% |
| Utility Core | 322 | 293 | 9.7% | 322 | 314 | 2.6% | 1,187 | 1,163 | 2.1% |
| CIG Core | 261 | 247 | 5.8% | 261 | 292 | (10.6)% | 1,104 | 1,054 | 4.7% |
| Total Core Gross Sales | 2,006 | 1,800 | 11.4% | 2,006 | 2,009 | (0.2)% | 7,713 | 7,364 | 4.7% |
| Total Gross Sales from Acquisitions | - | - | - | - | - | - | - | - | - |
| Total Gross Sales | 2,006 | 1,800 | 11.4% | 2,006 | 2,009 | (0.2)% | 7,713 | 7,364 | 4.7% |
| Gross Sales Reductions/Discounts | (9) | (7) | - | (9) | (9) | - | (34) | (28) | - |
| Total Net Sales | 1,997 | 1,793 | 11.3% | 1,997 | 2,000 | (0.2)% | 7,679 | 7,336 | 4.7% |

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



Q4 2017 Organic Sales by End Market

(%)

| | Industrial | Construction | Utility | CIG | WESCO |
|--------------------------|------------|--------------|---------|-----|-------|
| Core Sales Growth | 15.0 | 10.7 | 9.7 | 5.8 | 11.3 |
| FX Impact | 1.1 | 1.8 | 0.6 | 1.0 | 1.2 |
| Workday Impact | - | - | - | - | - |
| Organic Growth | 13.9 | 8.9 | 9.1 | 4.8 | 10.1 |

Gross Margin



(\$ Millions)

| | Three Months Ended | | Twelve Months Ended | |
|--|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2017 | December 31, 2016 | December 31, 2017 | December 31, 2016 |
| Net sales | \$1,997 | \$1,793 | \$7,679 | \$7,336 |
| Cost of goods sold (excluding depreciation and amortization) | 1,613 | 1,445 | 6,194 | 5,888 |
| Gross profit | \$383 | \$349 | \$1,485 | \$1,448 |
| Gross margin | 19.2% | 19.4% | 19.3% | 19.7% |

Adjusted Diluted EPS



(\$ millions, except for EPS)

| | FY 2016 | | | Q4 2017 | | | FY 2017 | | |
|---|------------------|---------------|------------------|------------------|---------------|------------------|------------------|---------------|------------------|
| | Reported Results | Adjustments | Adjusted Results | Reported Results | Adjustments | Adjusted Results | Reported Results | Adjustments | Adjusted Results |
| Income from operations | \$ 332.0 | - | \$ 332.0 | \$ 81.4 | - | \$ 81.4 | \$ 321.0 | - | \$ 321.0 |
| Interest, net | 76.6 | - | 76.6 | 17.6 | - | 17.6 | 68.5 | - | 68.5 |
| Loss on debt redemption ⁽¹⁾ | 123.9 | (123.9) | - | - | - | - | - | - | - |
| Income before income taxes | 131.5 | 123.9 | 255.4 | 63.8 | - | 63.8 | 252.5 | - | 252.5 |
| Income taxes ^{(1) (2)} | 30.4 | 41.2 | 71.6 | 41.6 | (26.4) | 15.2 | 89.3 | (26.4) | 62.9 |
| <i>Effective tax rate</i> | <i>23.1%</i> | | <i>28.0%</i> | <i>65.2%</i> | | <i>23.8%</i> | <i>35.4%</i> | | <i>24.9%</i> |
| Net income | 101.1 | 82.7 | 183.8 | 22.2 | 26.4 | 48.6 | 163.2 | 26.4 | 189.6 |
| Less: Non-controlling interests | (0.5) | - | (0.5) | (0.3) | - | (0.3) | (0.3) | - | (0.3) |
| Net income attributable to WESCO | \$ 101.6 | 82.7 | \$ 184.3 | \$ 22.5 | 26.4 | \$ 48.9 | \$ 163.5 | 26.4 | \$ 189.9 |
| Adjusted Earnings per Diluted Share: | | | | | | | | | |
| Earnings per diluted share (as reported) | | \$2.10 | | | \$0.47 | | | \$3.38 | |
| Impact of Tax Cuts and Jobs Act of 2017 (TCJA) ⁽²⁾ | | - | | | 0.56 | | | 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 | | | \$1.03 | | | \$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 remeasurement 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, 2016 | Outstanding at December 31, 2017 | Debt Maturity Schedule |
|-----------------------------------|-------------------------------------|-------------------------------------|---------------------------|
| AR Revolver ^(V) | 380 | 380 | 2020 |
| Inventory Revolver ^(V) | 4 | 12 | 2020 |
| 2019 Term Loans ^(V) | 145 | 85 | 2019 |
| 2021 Senior Notes ^(F) | 500 | 500 | 2021 |
| 2024 Senior Notes ^(F) | 350 | 350 | 2024 |
| Other ^(V) | 24 | 36 | N/A |
| Total Debt | 1,403 | 1,363 | |

| Key Financial Metrics | | |
|-------------------------------|---------|---------|
| | YE 2016 | YE 2017 |
| Cash | 110 | 118 |
| Capital Expenditures | 18 | 22 |
| Free Cash Flow ⁽¹⁾ | 282 | 128 |
| Liquidity ⁽²⁾ | 705 | 794 |

(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 December 31, 2017 | |
|--|--|--------------------------|
| Financial leverage ratio: | | |
| Income from operations | \$ | 321 |
| Depreciation and amortization | | 64 |
| EBITDA | \$ | 385 |
| | | December 31, 2017 |
| Short-term borrowings and current debt | \$ | 35 |
| Long-term debt | | 1,314 |
| Debt discount and debt issuance costs ⁽¹⁾ | | 14 |
| Total debt | \$ | 1,363 |
| Less: cash and cash equivalents | \$ | 118 |
| Total debt, net of cash | \$ | 1,245 |
| Financial leverage ratio | | 3.5X |
| Financial leverage ratio, net of cash | | 3.2X |

⁽¹⁾ Long-term debt is presented in the condensed consolidated balance sheet as of December 31, 2017 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.



Non-Cash Interest Expense

(\$ Millions)

| | 2015 | 2016 | 2017 |
|--|-------|------|------|
| Amortization of Debt Discount ⁽¹⁾ | 6.1 | 3.0 | 0.3 |
| Amortization of Debt Issuance Costs | 6.1 | 3.6 | 3.7 |
| Uncertain Tax Positions | (8.7) | 1.2 | 0.1 |
| Total | 3.5 | 7.8 | 4.1 |

⁽¹⁾ Includes convertible debt and term loan; the convertible debt was redeemed in Q3 2016.



Free Cash Flow Reconciliation

(\$ Millions)

| | FY 2016 | FY 2017 |
|-----------------------------------|------------|------------|
| Cash flow provided by operations | 300.2 | 149.1 |
| Less: Capital expenditures | (18.0) | (21.5) |
| Free cash flow | 282.2 | 127.6 |
| Adjusted net income | 183.8 | 189.6 |
| Percentage of adjusted net income | 154% | 67% |

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 other 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 |