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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): January 28, 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)

**25-1723342**  
(I.R.S. Employer  
Identification No.)

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

**(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))
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**Item 2.02. Results of Operations and Financial Condition.**

The information in this Item 2.02 is being furnished and shall not be deemed "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information in this Item 2.02 shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

On January 28, 2016, WESCO International, Inc. (the "Company") issued a press release announcing its financial results for the fourth quarter of 2015 and for the year ended December 31, 2015. A copy of the press release is attached hereto as Exhibit 99.1.

**Item 7.01. Regulation FD Disclosure**

The information in this Item 7.01 is being furnished and shall not be deemed "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information in this Item 7.01 shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

A slide presentation to be used by senior management of the Company in connection with its discussions with investors regarding the Company's financial results for the fourth quarter of 2015 and for the year ended December 31, 2015 is included in Exhibit 99.2 to this report and is being furnished in accordance with Regulation FD of the Securities and Exchange Commission.

**Item 9.01. Financial Statements and Exhibits**

## (d) Exhibits

The following are furnished as exhibits to this report.

99.1 Press Release issued by WESCO International, Inc., dated January 28, 2016

99.2 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.

January 28, 2016

(Date)

WESCO INTERNATIONAL, INC.

/s/ Kenneth S. Parks

Kenneth S. Parks

Senior Vice President and Chief Financial Officer



# NEWS RELEASE

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

## WESCO International, Inc. Reports Fourth Quarter 2015 Results

### Fourth quarter results:

- Consolidated sales of \$1.9 billion
- Operating profit of \$90 million
- Earnings per share of \$1.03
- Free cash flow of \$102 million, or 209% of net income

### Full year results:

- Consolidated sales of \$7.5 billion
- Operating profit of \$374 million
- Earnings per share of \$4.18
- Free cash flow of \$261 million, or 125% of net income

PITTSBURGH, January 28, 2016 /PRNewswire/ -- WESCO International, Inc. (NYSE: WCC), a leading provider of electrical, industrial, and communications MRO and OEM products, construction materials, and advanced supply chain management and logistics services, today announced its 2015 fourth quarter results.

Mr. John J. Engel, WESCO's Chairman and Chief Executive Officer, stated, "Our fourth quarter sales declined 7%, reflecting weakness in commodity-driven end markets and continued foreign exchange headwinds. Organic sales were down 8% against a strong prior year quarter, with the U.S. and Canada down 5% and 14%, respectively. Although overall sales were down, our data communications and utility sales grew again in the quarter. We continued to tightly manage our costs and streamline our organization, and the benefits of these actions partially mitigated the impact of lower sales and business mix on earnings per share, which declined versus prior year. Free cash flow generation was very strong at more than two times net income. As anticipated, our leverage ratio ended the year slightly above our target range following the acquisition of Needham Electric Supply during the fourth quarter. With continued strong cash generation, we expect to reduce our leverage ratio back within our target range of 2.0 to 3.5 times EBITDA in the near term."

The following are results for the three months ended December 31, 2015 compared to the three months ended December 31, 2014:

- Net sales were \$1,861.5 million for the fourth quarter of 2015, compared to \$1,995.5 million for the fourth quarter of 2014, a decrease of 6.7%. Normalized organic sales decreased 7.6%; foreign exchange rates negatively impacted sales by 3.7% and were partially offset by the positive impacts from acquisitions and number of workdays of 3.0% and 1.6%, respectively.
- Gross profit was \$363.5 million, or 19.5% of sales, for the fourth quarter of 2015, compared to \$402.2 million, or 20.2% of sales, for the fourth quarter of 2014.
- Selling, general & administrative (SG&A) expenses were \$256.9 million, or 13.8% of sales, for the fourth quarter of 2015, compared to \$260.9 million, or 13.1% of sales, for the fourth quarter of 2014.
- Operating profit was \$90.0 million for the current quarter, compared to \$124.2 million for the fourth quarter of 2014. Operating profit as a percentage of sales was 4.8% and 6.2% in 2015 and 2014, respectively.
- Interest expense for the fourth quarter of 2015 was \$9.9 million, compared to \$20.2 million for the fourth quarter of 2014. Non-cash interest expense, which includes convertible debt interest, interest related to uncertain tax

positions, the amortization of deferred financing fees and accrued interest, for the fourth quarter of 2015 and 2014 was income of \$8.1 million and expense of \$0.6 million, respectively. The resolution of transfer pricing matters associated with previously filed tax positions resulted in non-cash interest income of \$9.4 million for the fourth quarter of 2015.

- The effective tax rate for the current quarter was 39.3% compared to 28.8% for the prior year fourth quarter. The resolution of the tax matter described above resulted in incremental income tax expense of \$11.7 million, which combined with the effect of the interest income associated with this matter, increased the effective tax rate in the fourth quarter of 2015 by 11.3 percentage points.
- Net income attributable to WESCO International, Inc. of \$48.4 million for the current quarter was down 35.0% from \$74.5 million for the prior year quarter.
- Earnings per diluted share for the fourth quarter of 2015 were \$1.03 per share, based on 47.2 million diluted shares, compared to earnings per diluted share of \$1.40 in the fourth quarter of 2014, based on 53.0 million diluted shares.
- Free cash flow for the fourth quarter of 2015 was \$101.6 million, or 209% of net income, compared to \$106.9 million for the fourth quarter of 2014.

Mr. Engel continued, "On a full year basis, our results reflect the challenging economic and end market environment. Sales, operating margin and earnings per share declined versus prior year but were in line with the outlook we provided during our third quarter earnings call. We remain clearly focused on executing our One WESCO strategy to deliver above-market sales growth, improve profitability, generate strong cash flow, and increase shareholder value. The free cash flow generation capability of our business supports continued investment in our One WESCO growth initiatives, including acquisitions, while providing a return of capital to shareholders. We reaffirm our expectation of sales in the range of flat to down 5%, EPS of \$3.75 to \$4.20 per diluted share, and free cash flow generation of at least 90% of net income in 2016, as we outlined in our investor outlook call in December."

The following results are for the year ended December 31, 2015 compared to the year ended December 31, 2014:

- Net sales were \$7,518.5 million for 2015, compared to \$7,889.6 million for 2014, a decrease of 4.7%. Normalized organic sales decreased 3.3%; foreign exchange rates negatively impacted sales by 3.4% and were partially offset by a positive impact from acquisitions of 2.0%.
- Gross profit was \$1,493.7 million, or 19.9% of sales, for 2015 compared to \$1,611.0 million, or 20.4% of sales, for 2014.
- SG&A expenses for 2015 were \$1,055.0 million, or 14.0% of sales, compared to SG&A expenses of \$1,076.8 million, or 13.6% of sales, for 2014.
- Operating profit was \$373.7 million for 2015, compared to \$466.2 million for 2014. Operating profit as a percentage of sales was 5.0% and 5.9% in 2015 and 2014, respectively.
- Interest expense for 2015 was \$69.8 million, compared to \$82.1 million for 2014. Non-cash interest expense, which includes convertible debt interest, interest related to uncertain tax positions, the amortization of deferred financing fees and accrued interest, for 2015 and 2014 was \$3.5 million and \$8.1 million, respectively. The resolution of transfer pricing matters associated with previously filed tax positions resulted in non-cash interest income of \$9.4 million in the fourth quarter of 2015.
- The effective tax rate was 31.4% for 2015 compared to 28.3% for 2014. The resolution of the tax matter described above resulted in incremental income tax expense of \$11.7 million, which combined with the effect of the interest income associated with this matter, increased the effective tax rate in 2015 by 2.9 percentage points.
- Net income attributable to WESCO International, Inc. of \$210.7 million for 2015 was down 23.6% from \$275.9 million for 2014.
- Earnings per diluted share for 2015 were \$4.18 per share, based on 50.4 million diluted shares, compared to earnings per diluted share of \$5.18 per share for 2014, based on 53.3 million diluted shares.
- Free cash flow for 2015 was \$261.4 million, or 125% of net income, compared to \$230.7 million in 2014.

Mr. Engel added, “WESCO provides leading supply chain solutions for customers and suppliers supported by a broad and expanding portfolio of products and services. During this period of economic uncertainty and slow market recovery, customers and suppliers are looking for strong value-creating supply chain partners. Our efforts are centered on providing excellent customer service and delivering value to our customers' operations and supply chains. I am very proud of the extra effort demonstrated by all WESCO associates in serving our customers last year, and I am confident in our team's ability to improve our performance in 2016.”

#### Webcast and Teleconference Access

WESCO will conduct a webcast and teleconference to discuss the fourth quarter earnings as described in this News Release on Thursday, January 28, 2016, at 11:00 a.m. E.S.T. The call will be broadcast live over the Internet and can be accessed from the Company's website at <http://www.wesco.com>. The call replay will be available on the WESCO website through 9:00 A.M., February 4, 2016.

*WESCO International, Inc. (NYSE: WCC), a publicly traded Fortune 500 holding company headquartered in Pittsburgh, Pennsylvania, is a leading provider of electrical, industrial, and communications maintenance, repair and operating (“MRO”) and original equipment manufacturers (“OEM”) product, construction materials, and advanced supply chain management and logistic services. 2015 annual sales were approximately \$7.5 billion. The Company employs approximately 9,300 people, maintains relationships with over 25,000 suppliers, and serves over 80,000 active customers worldwide. Customers include commercial and industrial businesses, contractors, government agencies, institutions, telecommunications providers and utilities. WESCO operates nine fully automated distribution centers and approximately 500 full-service branches in North America and international markets, providing a local presence for customers and a global network to serve multi-location businesses and multi-national corporations.*

*The matters discussed herein may contain forward-looking statements that are subject to certain risks and uncertainties that could cause actual results to differ materially from expectations. Certain of these risks are set forth in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, as well as the Company's other reports filed with the Securities and Exchange Commission.*

#### Contact

Mary Ann Bell, Vice President, Investor Relations  
WESCO International, Inc. (412) 454-4220  
[investorrelations@wesco.com](mailto:investorrelations@wesco.com); <http://www.wesco.com>

## WESCO INTERNATIONAL, INC.

## CONDENSED CONSOLIDATED STATEMENT OF INCOME

*(dollar amounts in millions, except per share amounts)*

(Unaudited)

	Three Months Ended December 31, 2015		Three Months Ended December 31, 2014			
Net sales	\$	1,861.5	\$	1,995.5		
Cost of goods sold (excluding depreciation and amortization below)		1,498.0	80.5%	1,593.3	79.8%	
Selling, general and administrative expenses		256.9	13.8%	260.9	13.1%	
Depreciation and amortization		16.6		17.1		
Income from operations		90.0	4.8%	124.2	6.2%	
Interest expense, net		9.9		20.2		
Income before income taxes		80.1	4.3%	104.0	5.2%	
Provision for income taxes		31.5		29.9		
Net income		48.6	2.6%	74.1	3.7%	
Less: Net income (loss) attributable to noncontrolling interest		0.2		(0.4)		
Net income attributable to WESCO International, Inc.	\$	48.4	2.6%	\$	74.5	3.7%
Earnings per diluted common share	\$	1.03		\$	1.40	
Weighted average common shares outstanding and common share equivalents used in computing earnings per diluted share (in millions)		47.2		53.0		

## WESCO INTERNATIONAL, INC.

## CONDENSED CONSOLIDATED STATEMENT OF INCOME

*(dollar amounts in millions, except per share amounts)*

(Unaudited)

	Twelve Months Ended December 31, 2015		Twelve Months Ended December 31, 2014			
Net sales	\$	7,518.5	\$	7,889.6		
Cost of goods sold (excluding depreciation and amortization below)		6,024.8	80.1%	6,278.6	79.6%	
Selling, general and administrative expenses		1,055.0	14.0%	1,076.8	13.6%	
Depreciation and amortization		65.0		68.0		
Income from operations		373.7	5.0%	466.2	5.9%	
Interest expense, net		69.8		82.1		
Income before income taxes		303.9	4.0%	384.1	4.9%	
Provision for income taxes		95.5		108.7		
Net income		208.4	2.8%	275.4	3.5%	
Less: Net income (loss) attributable to noncontrolling interest		(2.3)		(0.5)		
Net income attributable to WESCO International, Inc.	\$	210.7	2.8%	\$	275.9	3.5%
Earnings per diluted common share	\$	4.18		\$	5.18	
Weighted average common shares outstanding and common share equivalents used in computing earnings per diluted share (in millions)		50.4		53.3		



## WESCO INTERNATIONAL, INC.

## CONDENSED CONSOLIDATED BALANCE SHEET

(dollar amounts in millions)

(Unaudited)

	December 31, 2015	December 31, 2014
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 160.3	\$ 128.3
Trade accounts receivable, net	1,075.3	1,117.4
Inventories, net	810.1	819.5
Current deferred income taxes	8.5	35.9
Other current assets	203.4	249.2
Total current assets	2,257.6	2,350.3
Other assets	2,329.9	2,404.0
Total assets	\$ 4,587.5	\$ 4,754.3
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 715.5	\$ 765.1
Current debt and short-term borrowings	44.3	49.1
Other current liabilities	188.0	249.6
Total current liabilities	947.8	1,063.8
Long-term debt	1,456.8	1,366.4
Other noncurrent liabilities	409.0	396.0
Total liabilities	2,813.6	2,826.2
<b>Stockholders' Equity</b>		
Total stockholders' equity	1,773.9	1,928.1
Total liabilities and stockholders' equity	\$ 4,587.5	\$ 4,754.3

## WESCO INTERNATIONAL, INC.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

*(dollar amounts in millions)*

(Unaudited)

	Twelve Months Ended December 31, 2015	Twelve Months Ended December 31, 2014
<b>Operating Activities:</b>		
Net income	\$ 208.4	\$ 275.4
Add back (deduct):		
Depreciation and amortization	65.0	68.0
Deferred income taxes	42.9	5.0
Change in trade receivables, net	40.1	(89.0)
Change in inventories, net	2.4	(36.8)
Change in accounts payable	(55.9)	37.6
Other	(19.8)	(9.0)
Net cash provided by operating activities	283.1	251.2
<b>Investing Activities:</b>		
Capital expenditures	(21.7)	(20.5)
Acquisition payments	(151.6)	(138.6)
Other	3.0	15.0
Net cash used in investing activities	(170.3)	(144.1)
<b>Financing Activities:</b>		
Debt repayments, net of proceeds	91.8	(63.7)
Equity activity, net	(154.2)	(0.7)
Other	(5.4)	(31.2)
Net cash used in financing activities	(67.8)	(95.6)
Effect of exchange rate changes on cash and cash equivalents	(13.0)	(6.9)
Net change in cash and cash equivalents	32.0	4.6
Cash and cash equivalents at the beginning of the period	128.3	123.7
Cash and cash equivalents at the end of the period	\$ 160.3	\$ 128.3

**NON-GAAP FINANCIAL MEASURES**

This earnings release includes certain non-GAAP financial measures. These financial measures include normalized organic sales growth, gross profit, financial leverage and free cash flow. The Company believes that these non-GAAP measures are useful to investors in order to provide a better understanding of the Company's organic growth trends, capital structure position 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 INTERNATIONAL, INC.

## RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

*(dollar amounts in millions, except sales growth data)*

(Unaudited)

Normalized Organic Sales Growth - Year-Over-Year:	Three Months Ended	Twelve Months Ended
	December 31, 2015	December 31, 2015
Change in net sales	(6.7)%	(4.7)%
Impact from acquisitions	3.0 %	2.0 %
Impact from foreign exchange rates	(3.7)%	(3.4)%
Impact from number of workdays	1.6 %	— %
Normalized organic sales growth	<u>(7.6)%</u>	<u>(3.3)%</u>

Note: Organic sales growth is provided by the Company as an additional financial measure to provide a better understanding of the Company's sales growth trends. Organic sales growth is calculated by deducting the percentage impact on net sales from acquisitions, foreign exchange rates and number of workdays from the overall percentage change in consolidated net sales.

Gross Profit:	Three Months Ended		Twelve Months Ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Net sales	\$ 1,861.5	\$ 1,995.5	\$ 7,518.5	\$ 7,889.6
Cost of goods sold (excluding depreciation and amortization)	1,498.0	1,593.3	6,024.8	6,278.6
Gross profit	<u>\$ 363.5</u>	<u>\$ 402.2</u>	<u>\$ 1,493.7</u>	<u>\$ 1,611.0</u>
Gross margin	19.5%	20.2%	19.9%	20.4%

Note: Gross profit is provided by the Company as an additional financial measure. Gross profit is calculated by deducting cost of goods sold, excluding depreciation and amortization, from net sales. This amount represents a commonly used financial measure within the distribution industry. Gross margin is calculated by dividing gross profit by net sales.

## WESCO INTERNATIONAL, INC.

## RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(dollar amounts in millions)

(Unaudited)

	Twelve Months Ended	
	December 31, 2015	December 31, 2014
<b>Financial Leverage:</b>		
Income from operations	\$ 373.7	\$ 466.2
Depreciation and amortization	65.0	68.0
EBITDA	\$ 438.7	\$ 534.2
	December 31, 2015	December 31, 2014
Current debt	\$ 44.3	\$ 49.1
Long-term debt	1,456.8	1,366.4
Debt discount related to convertible debentures and term loan <sup>(1)</sup>	164.3	170.4
Total debt including debt discount	\$ 1,665.4	\$ 1,585.9
Financial leverage ratio	3.8	3.0

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

Note: Financial leverage is provided by the Company as an indicator of capital structure position. Financial leverage is calculated by dividing total debt, including debt discount, by EBITDA. EBITDA is defined as the trailing twelve months earnings before interest, taxes, depreciation and amortization.

	Three Months Ended		Twelve Months Ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
<b>Free Cash Flow:</b>				
Cash flow provided by operations	\$ 107.1	\$ 111.4	\$ 283.1	\$ 251.2
Less: Capital expenditures	(5.5)	(4.5)	(21.7)	(20.5)
Free cash flow	\$ 101.6	\$ 106.9	\$ 261.4	\$ 230.7
Percent of net income	209%	144%	125%	84%

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.



# Q4 & Year End 2015 Earnings

Webcast Presentation  
January 28, 2016



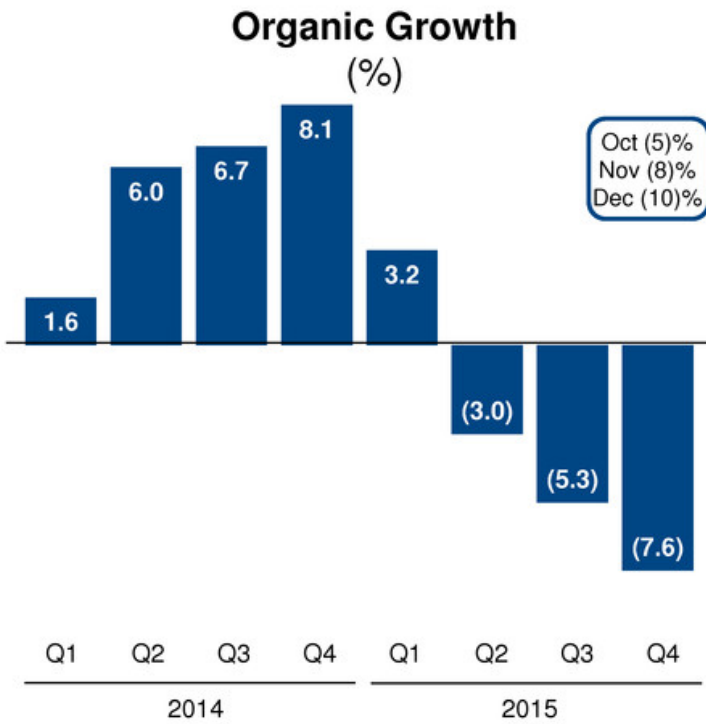
# Safe Harbor Statement

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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; increase in competition; debt levels, terms, financial market conditions or interest rate fluctuations; risks related to acquisitions, including the integration of acquired businesses; disruptions in operations or information technology systems; expansion of business activities; litigation, contingencies or claims; product, labor or other cost fluctuations; exchange rate fluctuations; and other factors described in detail in the Form 10-K for WESCO International, Inc. for the year ended December 31, 2014 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).

# 2015 Highlights



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

## Q4

- Organic sales were down 5% in the US and down 14% in Canada
- Free cash flow of over 200% of net income

## Full Year

- Organic sales were down 2% in the US and down 7% in Canada
- Oil and gas sales down approximately 25%
- Cost controls partially mitigated sales and margin declines
- Completed Hill Country and Needham acquisitions
- Repurchased 2.5 million shares

**...performance in-line with most recent outlook**

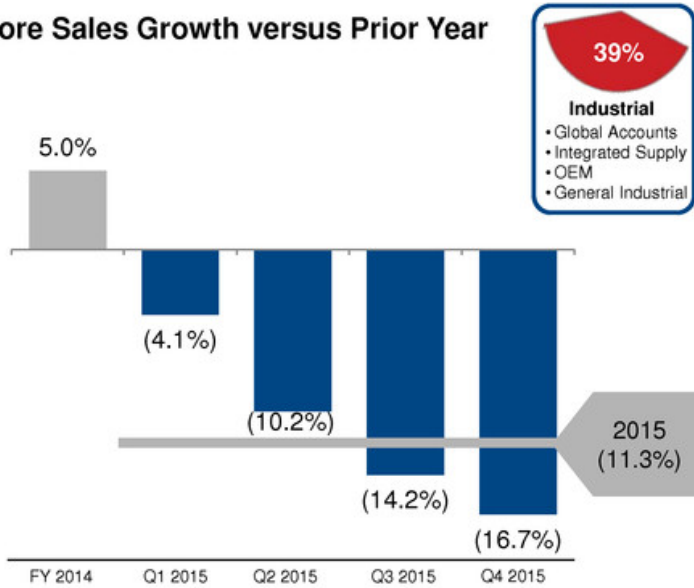
Q4 & FY 2015 Earnings Webcast, 1/28/16



# Industrial End Market



## Core Sales Growth versus Prior Year



Note: Excludes acquisitions during the first year of ownership. Workday adjusted.

- Q4 2015 Sales
  - Down 17% versus prior year (down 11% in the U.S. and down 22% in Canada in local currency)
  - Down 2% sequentially
  - Sales declines driven by oil and gas, metals and mining and OEM customers
- Reduced demand outlook, weak commodity prices and strong U.S. dollar weighing on manufacturing sector causing deferred maintenance and project spending.
- Global Account and Integrated Supply bidding activity levels increased each quarter throughout 2015.
- Customer trends include higher expectations for supply chain process improvements, cost reductions, and supplier consolidation.

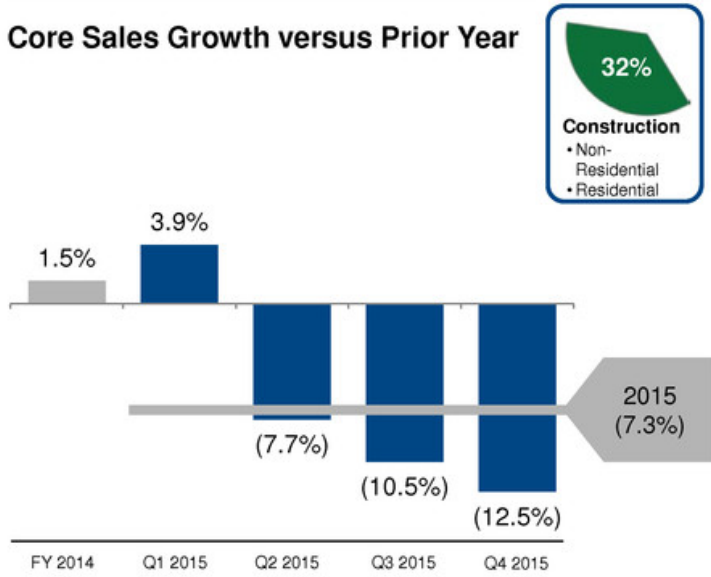


Renewed a multi-year contract with a global manufacturer of environmental water treatment applications to supply OEM electrical material.

# Construction End Market



## Core Sales Growth versus Prior Year



Note: Excludes acquisitions during the first year of ownership. Workday adjusted.

## Q4 2015 Sales

- Down 13% versus prior year (down 7% in U.S. and down 9% in Canada in local currency)
- Down 5% sequentially
- Sales declines driven by weakness with contractors serving industrial market partially offset by growth with commercial construction contractors
- Core backlog declined seasonally in Q4 and is down 6% versus prior year, but is up 7% in Canada in local currency
- Expecting modest uptrend in U.S. non-residential construction outside of oil and gas, metals and mining.
- Non-residential construction market still well below its prior peak in 2008.

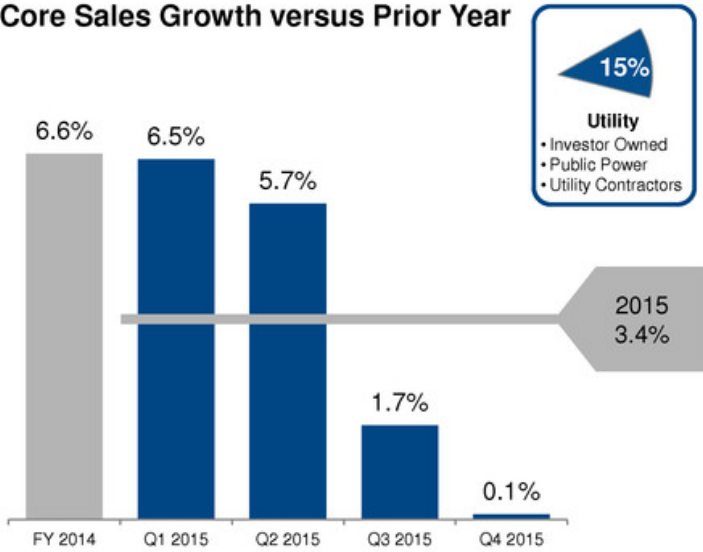


Awarded a contract for a renewable energy upgrade to provide solar modules, lighting and gear for a government medical center.

# Utility End Market



## Core Sales Growth versus Prior Year



Note: Excludes acquisitions during the first year of ownership. Workday adjusted.

- Q4 2015 Sales
  - Flat versus prior year (up 4% in U.S. and down 11% in Canada in local currency)
  - Down 1% sequentially
- Fifth consecutive year of year-over-year sales growth.
- Scope expansion and value creation with IOU, public power, and generation customers providing utility sales growth.
- Continued interest for Integrated Supply solution offerings.
- Secular improvement in housing market, renewables growth, and consolidation trend within Utility sector expected to be positive catalyst for future spending.



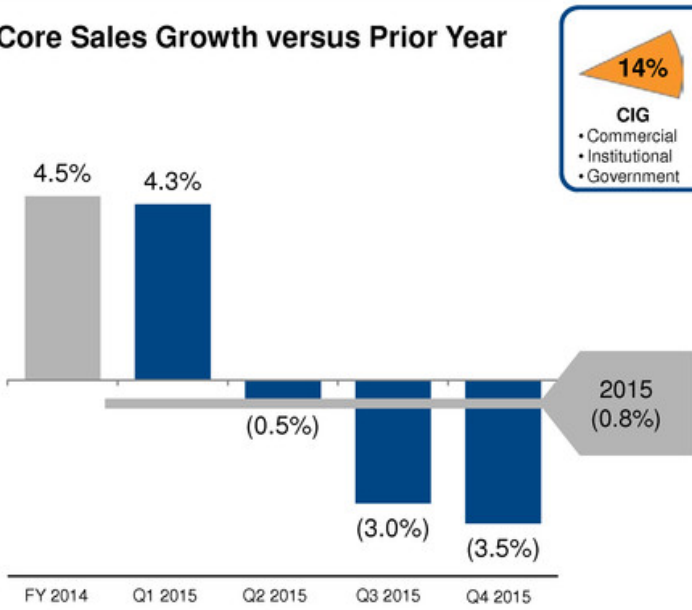
Utility

Awarded contract to provide operating materials for the electrical and water systems of a large public utility.

# CIG End Market



## Core Sales Growth versus Prior Year



- Q4 2015 Sales
  - Down 4% versus prior year (up 7% in US and down 22% in Canada in local currency)
  - Down 3% sequentially
- Strong growth with government customers and bidding activity levels remain high.
- Customer focus remains on energy efficiency (lighting, automation, metering) and security.
- Opportunities exist to support data center construction and retrofits and cloud technology projects.

Note: Excludes acquisitions during the first year of ownership. Workday adjusted.



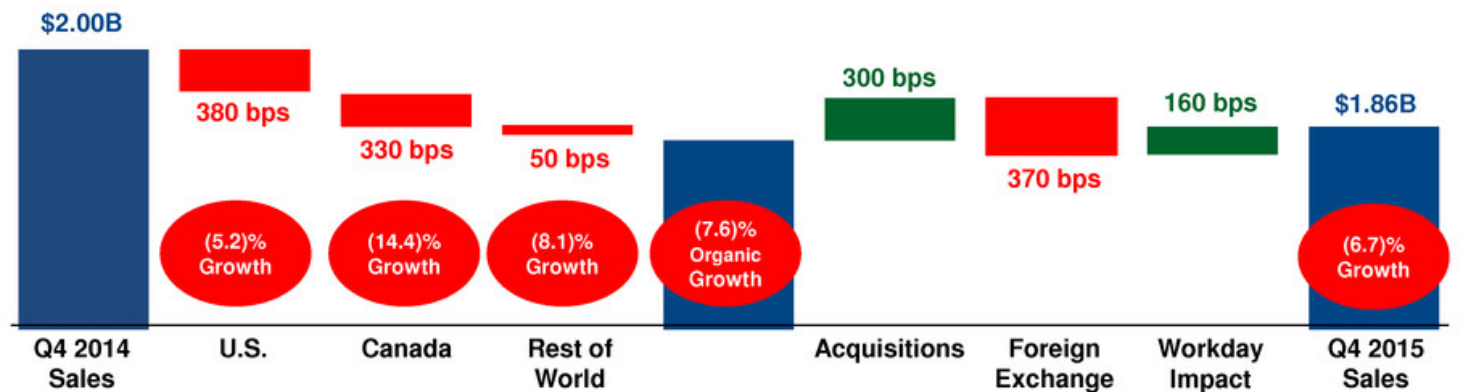
Government

Awarded a contract with an international telecommunications provider to supply data communication equipment products in Chile.

# Q4 2015 Results



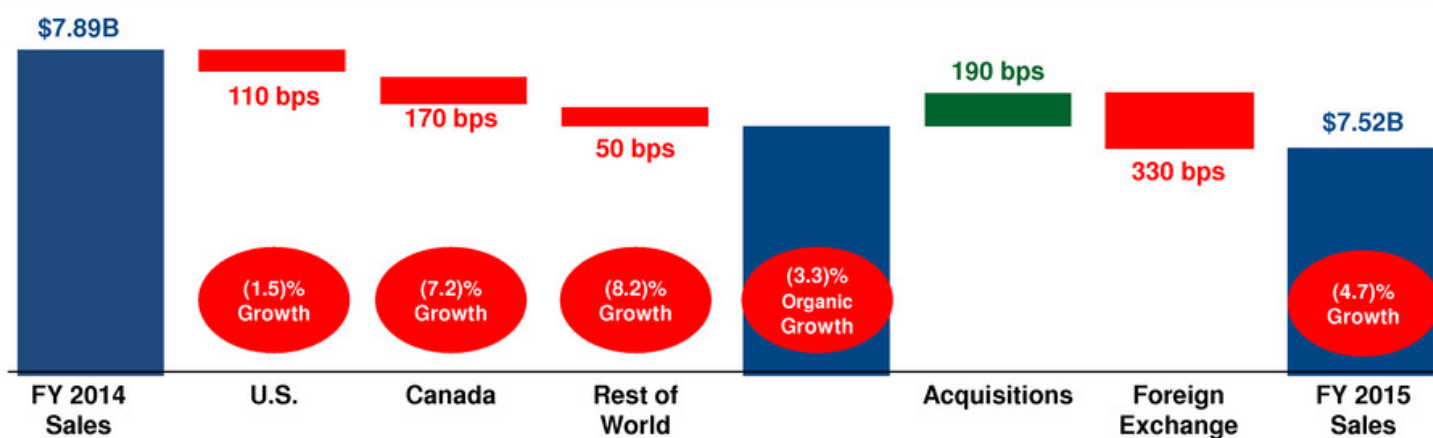
	Outlook	Actual	YOY
Sales	(5)% to (8)%	\$1.86B	(6.7)% growth (7.6)% organic, workday adjusted
Gross Margin		19.5%	Down 70 bps
SG&A		\$257M, 13.8%	Down 2%, Up 70 bps
Operating Profit		\$90M	Down 28%
Operating Margin	5.0% to 5.2%	4.8%	Down 140 bps
Effective Tax Rate	29% to 30%	39.3% Reported 28.0% Adjusted <sup>(1)</sup>	Down 80 bps, adjusted



# Full Year 2015 Results



	Outlook	Actual	YOY
Sales	(4)% to (5)%	\$7.52B	(4.7)% growth (3.3)% organic
Gross Margin		19.9%	Down 50 bps
SG&A		\$1,055M, 14.0%	Down 2%, Up 40 bps
Operating Profit		\$374M	Down 20%
Operating Margin	~ 5.0%	5.0%	Down 90 bps
Effective Tax Rate	~ 29%	31.4% Reported 28.5% Adjusted <sup>(1)</sup>	Up 20 bps, adjusted



<sup>(1)</sup> See appendix for reconciliation of adjusted results.

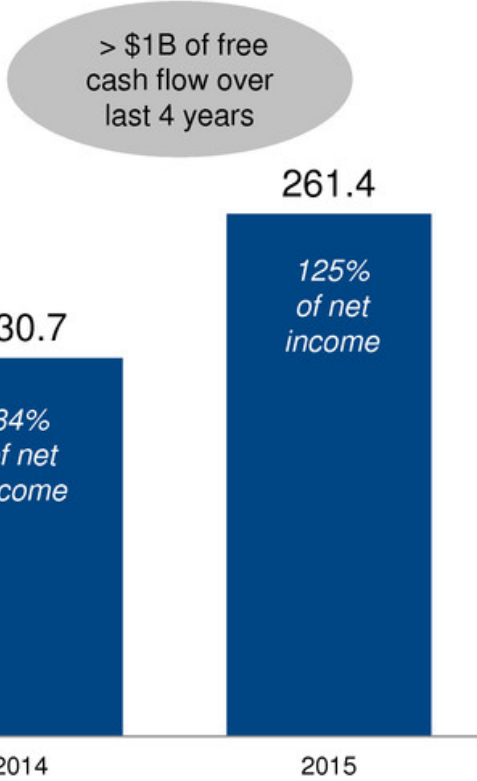


	Q4	FY
<b>2014</b>	<b>\$1.40</b>	<b>\$5.18</b>
Core Operations	(0.41)	(0.95)
Acquisitions	0.05	0.10
Foreign Exchange Impact	(0.08)	(0.31)
Tax	(0.04)	(0.06)
Share Count	0.11	0.22
<b>2015</b>	<b>\$1.03</b>	<b>\$4.18</b>

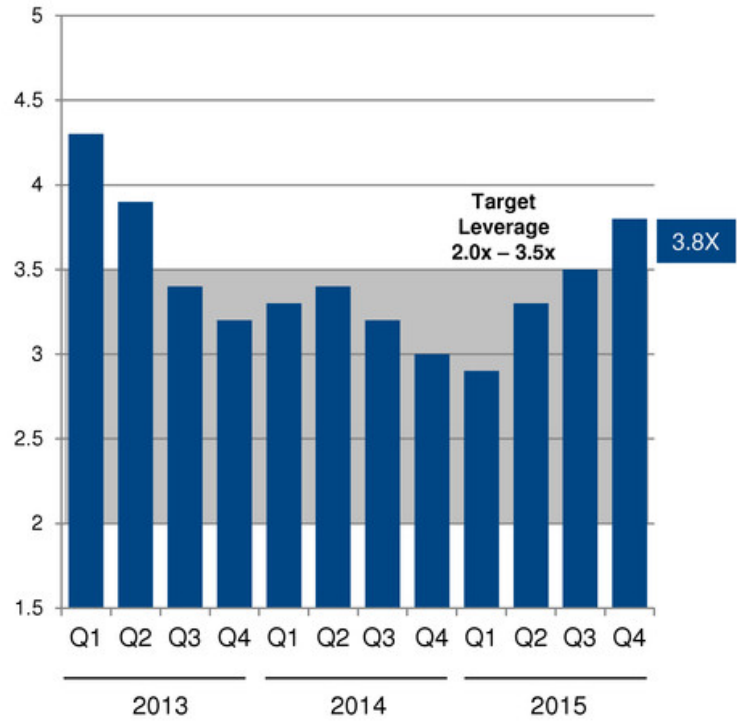
# Cash Generation



## Free Cash Flow (\$ Millions)



## Leverage (Total Par Debt to TTM EBITDA)



See appendix for non-GAAP reconciliations.



# 2016 Outlook



	Q1	FY
Sales	(4)% to (1)%	Flat to (5)%
Operating Margin	3.8% to 4.1%	4.8% to 5.0%
Effective Tax Rate	~30%	~ 30%
EPS		\$3.75 to \$4.20
Free Cash Flow		>90% of net income

Notes: Excludes unannounced acquisitions.  
Assumes a CAD/USD exchange rate of 0.70 in Q1.

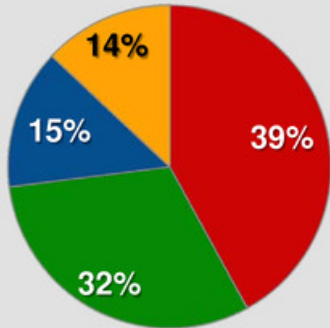


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# Appendix



## Markets & Customers



### Industrial

Global Accounts | Integrated Supply  
OEM | General Industrial

### Construction

Non-Residential | Contractors

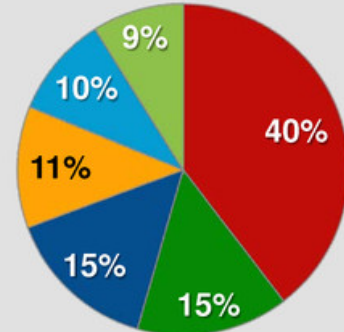
### Utility

Investor Owned | Public Power  
Utility Contractors

### CIG

Commercial | Institutional | Government

## Products & Services



### General Supplies

### Data & Broadband Communications

### Wire, Cable & Conduit

### Distribution Equipment

### Lighting & Controls

### Controls & Motors

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

# 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

## Q4 2015 Sales Growth – Geography



(%)

	U.S.	Canada	International	Total
<b>Change in net sales</b>	0.8	(26.0)	(15.3)	(6.7)
Impact from acquisitions	4.4	-	-	3.0
Impact from foreign exchange rates	-	(13.2)	(8.8)	(3.7)
Impact from number of workdays	1.6	1.6	1.6	1.6
<b>Normalized organic sales growth</b>	(5.2)	(14.4)	(8.1)	(7.6)

# Sales Growth-End Markets



(\$ Millions)

	Full Year 2015 vs. 2014			Q4 2015 vs. Q4 2014			Q4 2015 vs. Q3 2015		
	2015	2014	% Growth	Q4 2015	Q4 2014	% Growth	Q4 2015	Q3 2015	% Growth
Industrial Core	2,940	3,315	(11.3)%	701	825	(15)%	701	726	(3.6)%
Construction Core	2,300	2,480	(7.3)%	570	639	(10.8)%	570	608	(6.1)%
Utility Core	1,143	1,105	3.4%	291	286	1.7%	291	297	(2.0)%
CIG Core	1,009	1,017	(0.7)%	247	252	(2.0)%	247	259	(4.6)%
Total Core Gross Sales	7,392	7,917	(6.6)%	1,809	2,002	(9.6)%	1,809	1,890	(4.3)%
Total Gross Sales from Acquisitions	154	-	-	60	-	-	60	41	-
Total Gross Sales	7,546	7,917	(4.7)%	1,869	2,002	(6.7)%	1,869	1,931	(3.2)%
Gross Sales Reductions/Discounts	(27)	(27)	-	(7)	(6)	-	(7)	(7)	-
Total Net Sales	7,519	7,890	(4.7)%	1,862	1,996	(6.7)%	1,862	1,924	(3.2)%

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

# Adjusted Tax Rate



(\$ Millions)

	Q4 2015			FY 2015		
	Reported Results	Adjustments <sup>(1)</sup>	Adjusted Results	Reported Results	Adjustments <sup>(1)</sup>	Adjusted Results
Income before income taxes	80.1	(9.4)	70.7	303.9	(9.4)	294.5
Provision for income taxes	31.5	(11.7)	19.8	95.5	(11.7)	83.8
Effective tax rate	39.3%		28.0%	31.4%		28.5%

(1) Relates to the resolution of transfer pricing matters.

# Capital Structure



(\$ Millions)

	Outstanding at December 31, 2014	Outstanding at December 31, 2015	Debt Maturity Schedule
AR Revolver <sup>(V)</sup>	430	525	2018
Inventory Revolver <sup>(V)</sup>	8	75	2020
Senior Notes <sup>(F)</sup>	500	500	2021
2019 Term Loans <sup>(V)</sup>	252	175	2019
2029 Convertible Bonds <sup>(F)</sup>	345	345	2029 <sup>(1)</sup>
Other <sup>(V)</sup>	51	45	N/A
<b>Total Par Debt</b>	<b>1,586</b>	<b>1,665</b>	

Key Financial Metrics		
	YE 2014	YE 2015
Cash	128	160
Capital Expenditures	21	22
Free Cash Flow	231	261
Liquidity <sup>(2)</sup>	638	546

V = Variable Rate Debt

1 = No put; first callable date September 2016.

F = Fixed Rate Debt

2 = Total availability under asset-backed credit facilities plus invested cash.



# Financial Leverage



(\$ Millions)

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

# Convertible Debt and Non-Cash Interest



## Convertible Debt At December 31, 2015

(\$ Millions)

<u>Maturity</u>	<u>Par Value of Debt</u>	<u>Debt Discount</u>	<u>Debt per Balance Sheet</u>
2029	344.9	(163.3)	181.6

## Non-Cash Interest Expense

(\$ Millions)

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Convertible Debt	4.3	4.1	6.1
Amortization of Deferred Financing Fees	4.9	4.4	6.1
FIN 48	0.6	1.0	(8.7)
Accrued Interest	0.4	(1.4)	-
<b>Total</b>	<b>10.2</b>	<b>8.1</b>	<b>3.5</b>



## Weighted Average Quarterly Share Count

Stock Price	Incremental Shares from 2029 Convertible Debt (in millions) <sup>3</sup>	Incremental Shares from Equity Awards (in millions)	Total Diluted Share Count (in millions) <sup>4</sup>
\$20.00	-	0.11	42.27
\$30.00	0.45	0.20	42.82
\$40.00	3.33	0.34	45.83
<b>Q4 2015 Average \$46.61</b>	<b>4.55</b>	<b>0.45</b>	<b>47.16</b>
\$50.00	5.05	0.48	47.70
\$60.00	6.20	0.56	48.93
\$70.00	7.02	0.75	49.93

2029 Convertible Debt Details	
Conversion Price	\$28.8656
Conversion Rate	34.6433 <sup>1</sup>
Underlying Shares	11,947,533 <sup>2</sup>

### Footnotes: 2029 Convertible Debenture

- <sup>1</sup> 1000/28.8656
- <sup>2</sup> \$344.9 million/1,000 x 34.6433
- <sup>3</sup>  $\frac{(\text{Underlying Shares} \times \text{Avg. Quarterly Stock Price}) \text{ minus } \$344.9 \text{ million}}{\text{Avg. Quarterly Stock Price}}$
- <sup>4</sup> Basic Share Count of 42.2 million shares

# Free Cash Flow Reconciliation



(\$ Millions)

	Q4 2014	Q4 2015	2014	2015
Cash flow provided by operations	111.4	107.1	251.2	283.1
Less: Capital expenditures	(4.5)	(5.5)	(20.5)	(21.7)
Free Cash Flow	106.9	101.6	230.7	261.4

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.

# Work Days



	Q1	Q2	Q3	Q4	FY
2014	63	64	64	62	253
2015	62	64	64	63	253
2016	64	64	64	62	254

