

2025 Baird Global Industrial Conference

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wesco



Wesco International

Q4 2025 Marketing Presentation



Forward-Looking Statements and Non-GAAP Measures

All statements made herein that are not historical facts should be considered as "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. These statements include, but are not limited to, statements regarding business strategy, growth strategy, competitive strengths, productivity and profitability enhancement, competition, new product and service introductions, and liquidity and capital resources. Such statements can generally be identified by the use of words such as "anticipate," "plan," "believe," "estimate," "intend," "expect," "project," and similar words, phrases or expressions or future or conditional verbs such as "could," "may," "should," "will," and "would," although not all forward-looking statements contain such words. These forward-looking statements are based on current expectations and beliefs of Wesco's management, as well as assumptions made by, and information currently available to, Wesco's management, current market trends and market conditions and involve risks and uncertainties, many of which are outside of Wesco's and Wesco's management's control, and which may cause actual results to differ materially from those contained in forward-looking statements. Accordingly, you should not place undue reliance on such statements.

Important factors that could cause actual results or events to differ materially from those presented or implied in the forward-looking statements include, among others, the failure to achieve the anticipated benefits of, and other risks associated with, acquisitions, joint ventures, divestitures and other corporate transactions; the inability to successfully integrate acquired businesses; the impact of increased interest rates or borrowing costs; fluctuations in currency exchange rates; evolving impacts from tariffs or other trade tensions between the U.S. and other countries (including implementation of new tariffs and retaliatory measures); failure to adequately protect Wesco's intellectual property or successfully defend against infringement claims; the inability to successfully deploy new technologies, digital products and information systems or to otherwise adapt to emerging technologies in the marketplace, such as those incorporating artificial intelligence; failure to execute on our efforts and programs related to environmental, social and governance (ESG) matters; unanticipated expenditures or other adverse developments related to compliance with new or stricter government policies, laws or regulations, including those relating to data privacy, sustainability and environmental protection; the inability to successfully develop, manage or implement new technology initiatives or business strategies, including with respect to the expansion of e-commerce capabilities and other digital solutions and digitalization initiatives; disruption of information technology systems or operations; natural disasters (including as a result of climate change), health epidemics, pandemics and other outbreaks; supply chain disruptions; geopolitical issues, including the impact of the evolving conflicts in the Middle East and Russia/Ukraine; the impact of sanctions imposed on, or other actions taken by the U.S. or other countries against, Russia or China; the failure to manage the increased risks and impacts of cyber incidents or data breaches; and exacerbation of key materials shortages, inflationary cost pressures, material cost increases, demand volatility, and logistics and capacity constraints, any of which may have a material adverse effect on the Company's business, results of operations and financial condition. All such factors are difficult to predict and are beyond the Company's control. Additional factors that could cause results to differ materially from those described above can be found in Wesco's most recent Annual Report on Form 10-K and other periodic reports filed with the U.S. Securities and Exchange Commission.

Non-GAAP Measures

In addition to the results provided in accordance with U.S. Generally Accepted Accounting Principles ("U.S. GAAP") above, this presentation includes certain non-GAAP financial measures. These financial measures include organic sales growth, gross profit, gross margin, earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted EBITDA, adjusted EBITDA margin, financial leverage, free cash flow, adjusted selling, general and administrative expenses, adjusted income from operations, adjusted operating margin, adjusted other non-operating expense (income), adjusted provision for income taxes, adjusted income before income taxes, adjusted net income, adjusted net income attributable to WESCO International, Inc., adjusted net income attributable to common stockholders, and adjusted earnings per diluted share. The Company believes that these non-GAAP measures are useful to investors as they provide a better understanding of our financial condition and results of operations on a comparable basis. Additionally, certain non-GAAP measures either focus on or exclude items impacting comparability of results such as digital transformation costs, restructuring costs, merger-related and integration costs, cloud computing arrangement amortization, pension settlement cost and excise taxes on excess pension plan assets related to the settlement of the Anixter Inc. Pension Plan, loss on abandonment of assets, the gain recognized on the divestiture of the WIS business, the loss on termination of business arrangement, and the related income tax effects, allowing investors to more easily compare the Company's financial performance from period to period. Management does not use these non-GAAP financial measures for any purpose other than the reasons stated above.



Wesco is leveraging its **sustainable value creation** generating attractive returns with significant multiple expansion opportunity

Why Invest in Wesco

Key elements of our investment thesis

Market leader serving attractive end-markets

01

Best positioned to deliver outsized growth due to the secular trends of AI-driven data centers, increased power generation and demand, electrification, IoT/automation and reshoring

Significant cash generation to invest in additional services and acquisitions

02

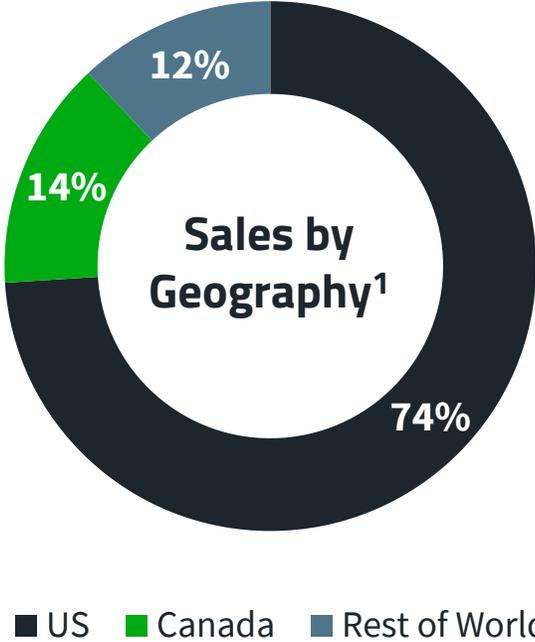
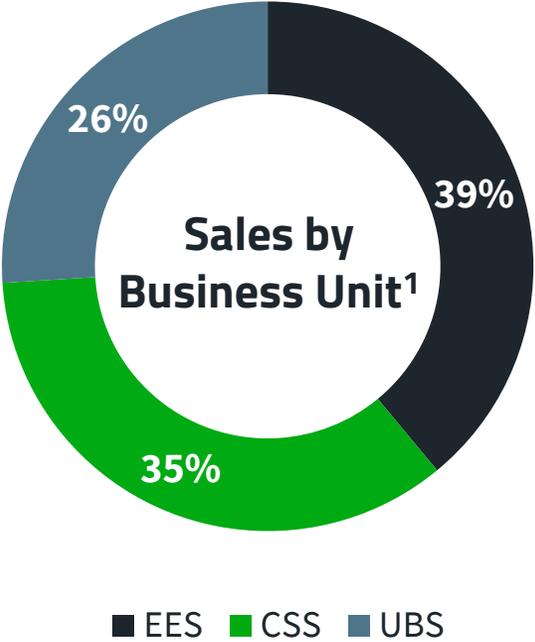
Capital prioritized to invest in M&A, while supporting a consistent stock buyback program and increasing dividends

Business transformation to drive efficiencies and expand margins; enabled by digital ecosystem

03

Will enable Wesco to accelerate our growth through greater cross-sell, expand our margins through pricing and operating leverage, and increase our speed to value for future acquisitions

Wesco is a Leading Supply Chain Solutions Provider with Global Capabilities



\$21.8 billion in sales in 2024



Millions of products



140,000 customers



700+ locations

End-Markets

- Utility
- Construction
- Network Infrastructure & Broadband
- Data Center
- Security
- Industrial
- OEM

Services

- Advisory Services
- Installation Enhancement
- Project Deployment
- Supply Chain Services



¹ Sales mixes by SBU and geography are for the fiscal year ended December 31, 2024, and exclude the Integrated Supply business which was divested as of April 1, 2024.

Attractive Long-Term Growth Drivers

Digitalization

AI-driven data centers
Automation and IoT
24/7 Connectivity and security

Power Generation and Reliability

Base load demand growth
Electrification
Grid hardening and modernization

Supply Chain Resiliency

Diversification and regionalization
Onshoring and reshoring
U.S. industrial renaissance



Cash Generation Provides Capital Allocation Catalyst

Leveraging strong cash generation to drive operational performance, portfolio transformation and returns to shareholders.

Capital Allocation Framework

Organic Investment

Investment in capex and opex to drive organic growth

Free Cash Flow

Acquisitions, return of cash to shareholders and debt paydown

100% Free Cash Flow Conversion through the Cycle

Value Accretive M&A and Optionality

Top priority is M&A, followed by additional share repurchase and debt paydown

~75%

Return Cash

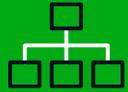
Continue to buy back stock while maintaining a modest dividend

~25%

Reinforcing Our M&A Framework

Revenue and cost synergies to create accretive M&A value for shareholders

Two Strategic Priorities for M&A



Industry Consolidation

- Large M&A within the core business
- Significant revenue and cost synergies
- Operating leverage through scale



Expand Services and Capabilities

- Companies with complementary digital capabilities and/or value-added service offerings
- Increase revenue with new and existing customers
- Accretive margin profile

Increase exposure to secular trends and expand capabilities

A Technology-Enabled Business Transformation

Examples of Wesco's digital transformation impact

Across the value chain, our transformation is a win-win for customers, suppliers and our business



Technology

Flexible tools and open architecture enables faster updates

Enabled

Sales representatives have a complete view of the customer relationship

Business Transformation

Tools and capabilities that separate us from our peers

Driving Toward Mid- and Long-Term EBITDA Margin Expansion

Adjusted EBITDA¹ Margin %

2019	2021	2024	2025 Outlook ²
5.2%	6.5%	6.9%	~6.6%

Mid-Term
2025 – 2027

4-6% Growth	20-30 bps EBITDA margin / year
3-5% Organic ~1% M&A	<ul style="list-style-type: none"> • Operating Leverage • Gross Margin improvement
4-6% Reported	

Long-Term
2028 – 2030+

5-8% Growth	40-50 bps EBITDA margin / year
4-6% Organic 1-2% M&A	<ul style="list-style-type: none"> • Digital Transformation • SG&A Efficiencies • Cross Sell • M&A
5-8% Reported	

Target
10%+

¹ See appendix for non-GAAP definitions and reconciliations.

² 2025 outlook provided on October 30, 2025.



Wesco is leveraging its **clear and sustainable drivers of value creation** generating attractive returns



wesco

Our Roadmap to the Future

- 01 Capturing benefits of our Digital Transformation**
More than halfway complete on our technology and capabilities build; the financial and strategic benefits will enable our long-term targets
- 02 Progressing toward our 10%+ EBITDA margin**
We are focused on our target by 2030+, with multiple drivers for taking margins higher after ~150 bps improvement since 2019
- 03 Generating strong and consistent cash flow**
We target free cash flow conversion of 100% through the cycle, in line with historical performance
- 04 Strategic capital deployment will substantially accelerate growth and margin expansion**
Executing our M&A strategy within an approach that also allocates capital for internal investment and return of cash to shareholders

Appendix

2025 Strategic Business Unit Sales Growth Drivers

Increasing expected organic growth to 8% to 9%; reported growth of 7% to 8%

	% of Wesco 2024 Sales ¹	2025 Outlook	SBU Sales Breakdown ²	2024 Actual	2025 Outlook
Electrical & Electronic Solutions	39%	Reported Sales Growth Up MSD+ (raised from Up MSD)	Construction	→	↑
			Industrial	→	↑
			OEM	→	↑
Communication & Security Solutions	35%	Up Mid-Teens (raised from Up LDD)	Enterprise Network Infrastructure	↓	↓
			Security	→	↑
			Data Center	↑	↑
Utility & Broadband Solutions	26%	Down LSD to Flat (unchanged)	Utility	↓	↓
			Broadband	↓	↑

Data Center
expected to be
up ~50%



¹ Excludes Integrated Supply business which was divested as of April 1, 2024.

² Bar sizes indicate the percentage of SBU sales of full year 2024.

Revised Full-Year 2025 Outlook

Increasing organic sales growth, adjusted EBITDA and adjusted EPS

		2025 Outlook	
		July	October
Sales	Organic sales growth	5% - 7%	8% - 9%
	Estimated Fx impact	~0%	~0%
	M&A and Workday impact	(1)%	(1)%
	Reported sales growth	4% - 6%	7% - 8%
	Reported sales	\$22.7 – \$23.1 billion	\$23.3 – \$23.6 billion
Adjusted EBITDA	Adjusted EBITDA margin	6.6% - 6.8%	~6.6%
Adjusted EPS	Adjusted diluted EPS	\$12.50 – \$14.00	\$13.10 – \$13.60
Cash	Free cash flow	\$600 – \$800 million	\$400 – \$500 million

	FY 2025	
	July	October
Depreciation and Amortization	~\$185-195	~\$195
Cloud Computing Amortization Expense Adjustment	~\$35 ¹	~\$35 ¹
Interest Expense	~\$360-370	~\$375
Other Expense, net	~\$0	~\$(5)
Capital Expenditures	~\$120	~\$100
Share Count	49-49.5	~49.5
Effective Tax Rate	~26%	~25%

2025 Underlying Assumptions	
•	The impact of future pricing, including tariffs, is not incorporated in the outlook consistent with past practice
•	Increased capital spending continues for data centers
•	Utility sales recovery in the second half of the year



¹ Cloud computing amortization recognized as SG&A expense in accordance with GAAP. See appendix for non-GAAP definitions and reconciliations.

Fourth Quarter Outlook

Positive momentum continued in October with preliminary sales per workday up ~9%

Q4 Outlook

YOY

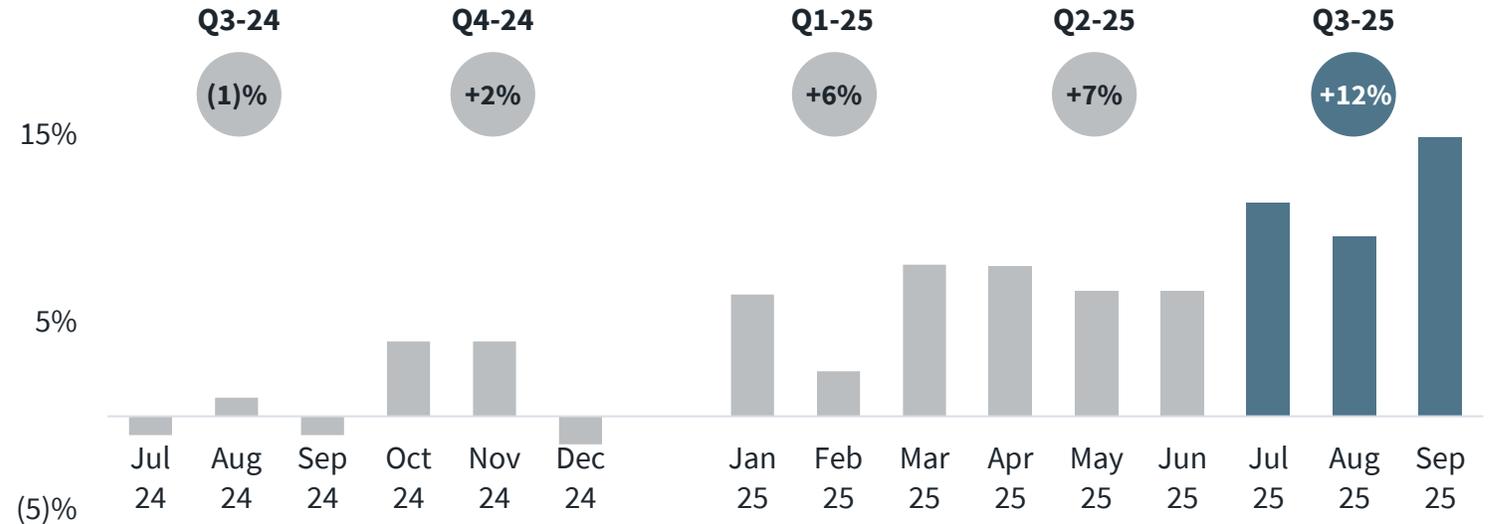
Reported Sales

Up HSD+

Adjusted EBITDA %

Up ~30 bps

YOY Organic Sales Trends



Tariff Impact, Response and Updates

Executing our proven playbook to effectively manage supplier price increases

Areas of Impact

- Significant number of supplier price increases to reflect tariffs
- Potential transitional inventory gains
- Wesco importer of record on less than 4% of Cost of Goods Sold
- Potential changes in demand

Wesco Response

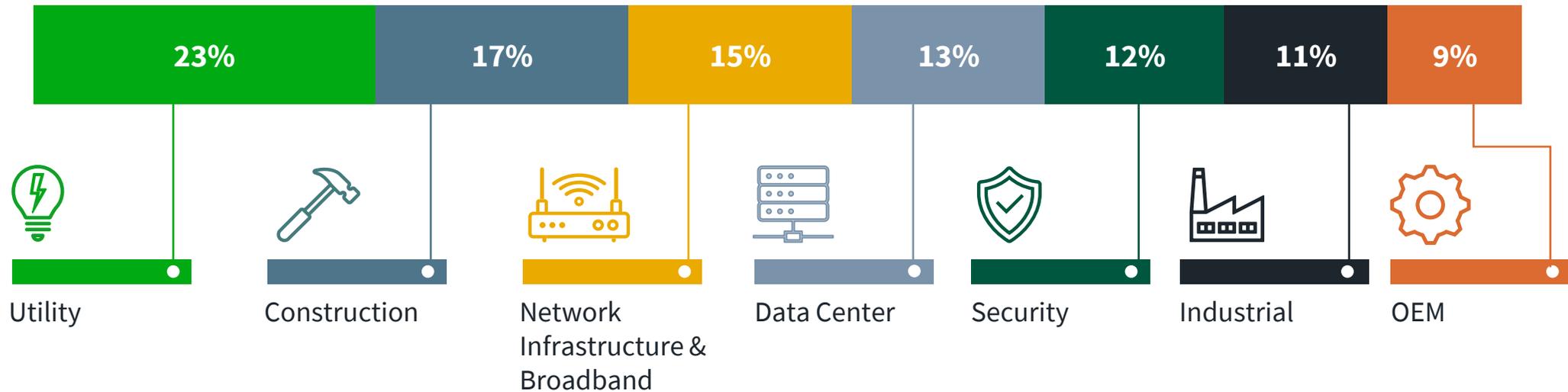
- Pass through price increases
- Timing between price increase announcement and pass through
- Leverage scale to provide locally sourced products
- Reduce imports from high tariff countries
- Optimize supply chain logistics and reengineering global supply chains

Tariff Updates Through Q3

- Limited impact to Q3 results based on timing of notifications and effective dates
- Estimated price benefit of ~3%
- Q3 supplier price increase notifications up over 100% in count
- Supplier price increase notifications thru October are up over 60% in count versus all of Q4 2024; average increase ~MSD%
- Modifications to effective dates based on finalization of tariff rates and timing

Diversification Across High-Growth End-Markets

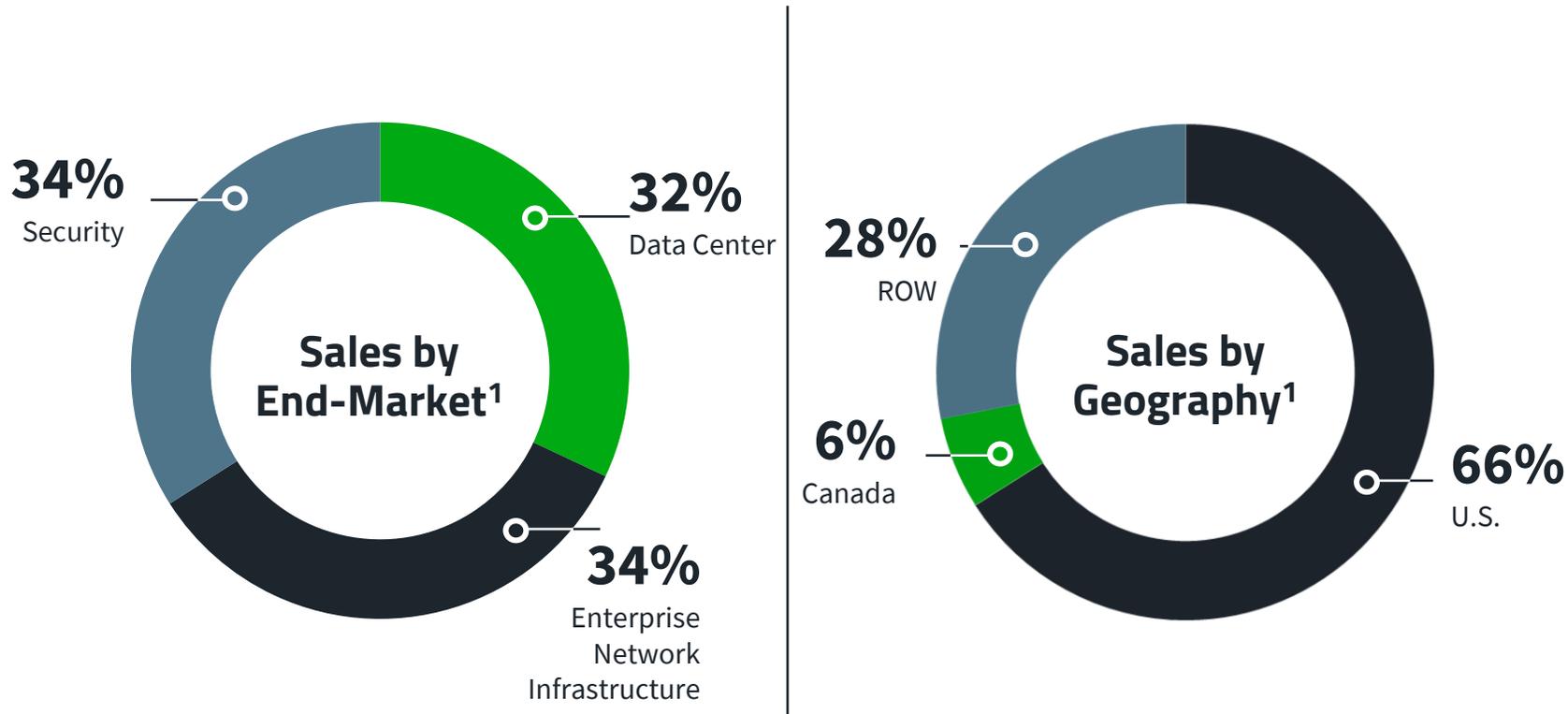
Broad capabilities set the path for our next chapter



Note: Sales percentages are on a trailing twelve-month (TTM) basis through Dec 31, 2024.

Communications & Security Solutions (CSS)

Well positioned in global AI-driven data center space



Segment Overview

- Provider of connectivity, power, security, safety, energy management and wireless solutions
- Supporting diverse industries including technology, finance, telecommunications, transportation, education, government, healthcare and retail
- Well positioned within the data center, with capabilities in both white space and grey space

Industry Leading Scale and Scope



\$7.5B FY 2024 Sales



50+ Countries



Global leader in data center, network infrastructure and security

Accelerating Data Center Sales of \$1.2B in Q3 and \$4.0B on TTM basis

Total data center sales now 17% of TTM sales and 19% of Q3 Wesco company sales

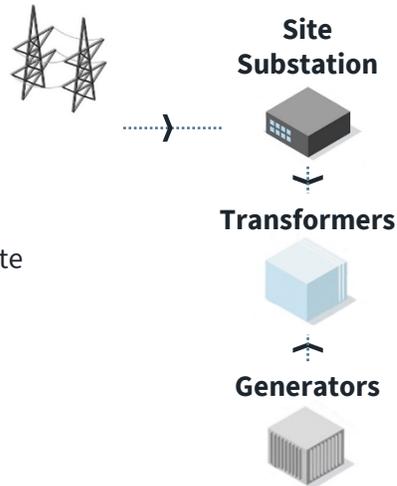
3-5 Years Time to Power

Land acquisition with access to power

Transmission lines to a substation for site

Generator sets to enable backup power

Transformers to data center



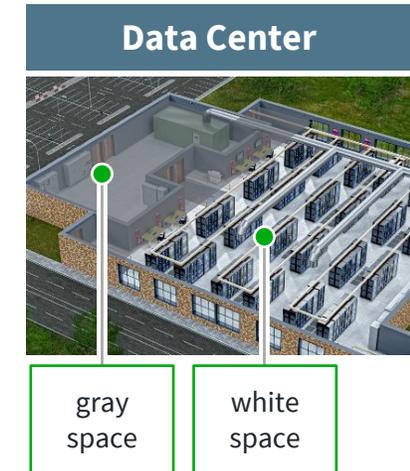
1-2 Year Construction Period

Civil construction

Mechanical, plumbing and electrical equipment

Electrical distribution inside data hall

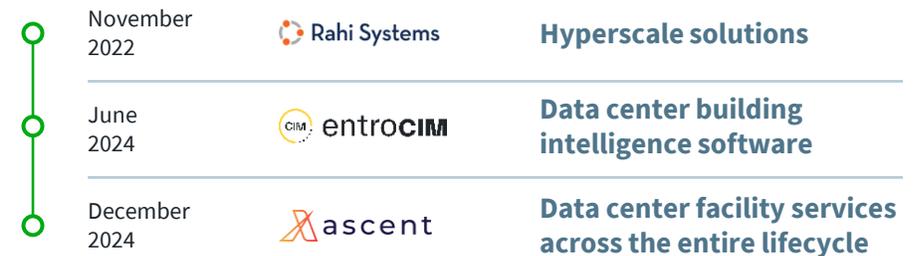
Commissioning



Total Data Center (all SBUs) Sales and YOY Growth



Growth and Expansion of Capabilities Through M&A



Data Center Product, Services and Solutions Offering

Providing holistic services and solutions for every phase of the data center lifecycle

Gray Space

End-to-end electrical, automation and MRO capabilities



Electrical Infrastructure

Building wire, cable trays, medium-voltage cable, switch gear, UPS systems



Mechanical and Cooling

Automated switches and sensors, chillers, Computer Room Air Conditioning (CRAC), thermal



MRO, Safety and Other

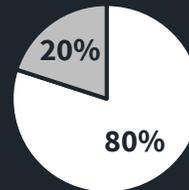
Communication devices, janitorial, lighting, tools and equipment

Data Center



Gray Space

White Space



Wesco data center sales mix

White Space

Extensive next-generation infrastructure and services for always-on connectivity



Physical Security, IoT, Pro A/V

Access control, sensors and monitoring, video surveillance



Communications Infrastructure

Copper and fiber cabling systems, racks and enclosures, high-speed interconnects



IT Infrastructure

Compute, network, storage, wireless technologies

Services and Solutions for Every Phase of the Data Center Lifecycle

Pre-construction

Advisory Services

Grid Services

Installation Enhancement

Rack and Roll Services

Project Deployment Services

Managed Services

Operations

Global Ecosystem

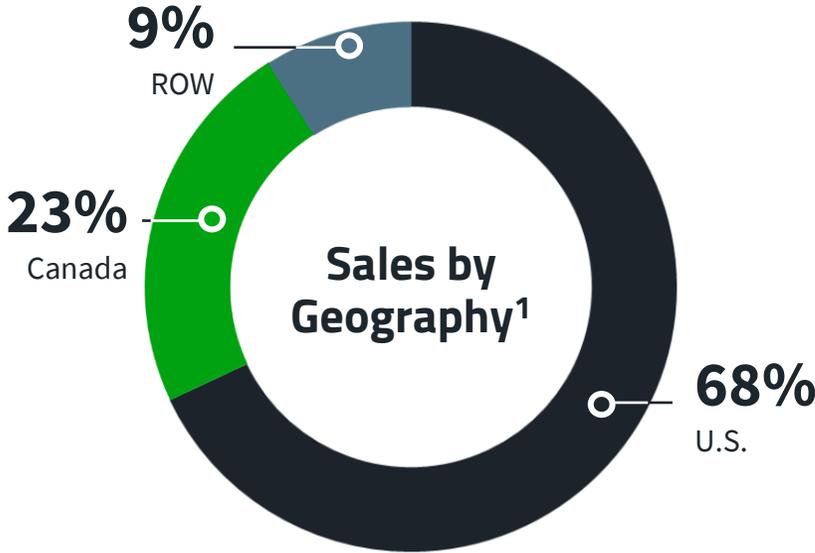
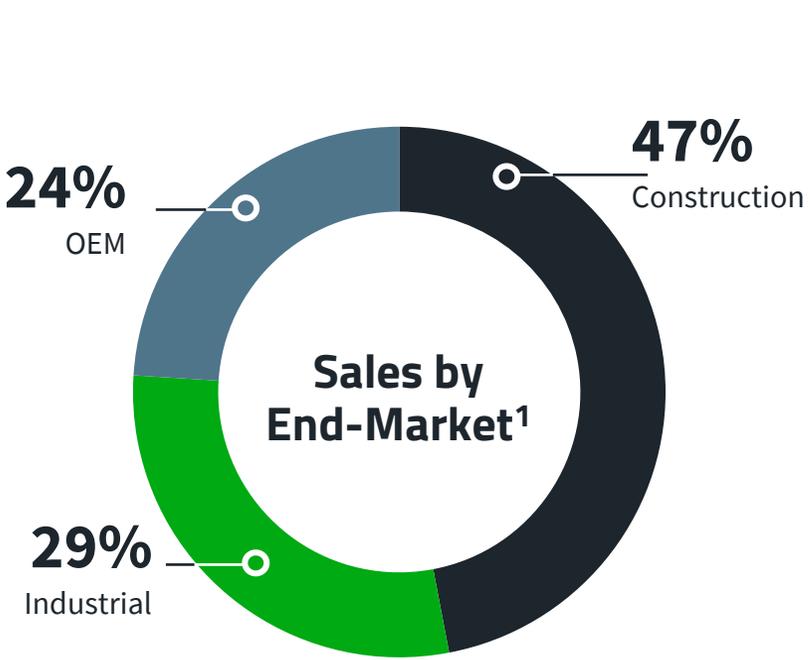
Expansive Portfolio

Holistic Solutions



Electrical & Electronic Solutions (EES)

Electrification, automation and reshoring drive growth



Segment Overview

- Provider of electrical, MRO, safety and automation solutions
- Broad range of products and solutions primarily to the construction, industrial and OEM markets
- Uniquely positioned to provide the critical infrastructure expertise and solutions that enable the technologies of tomorrow

Industry Leading Scale and Scope

 **\$8.5B** FY 2024 Sales

 **50+** Countries

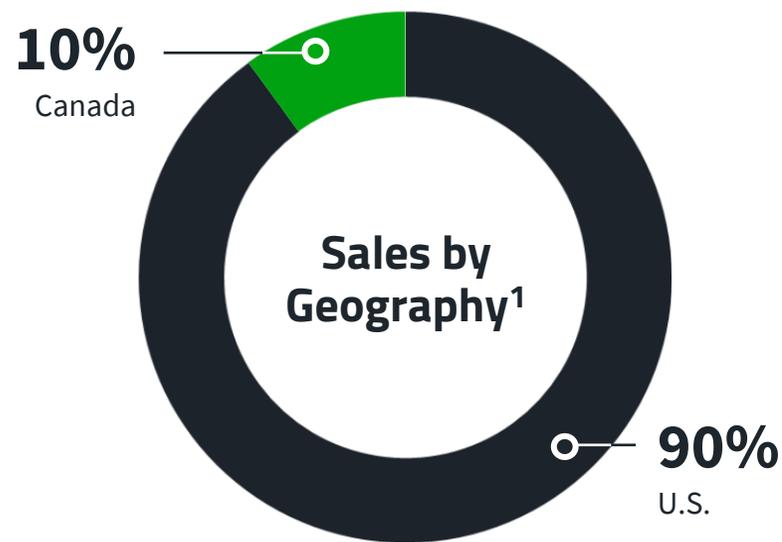
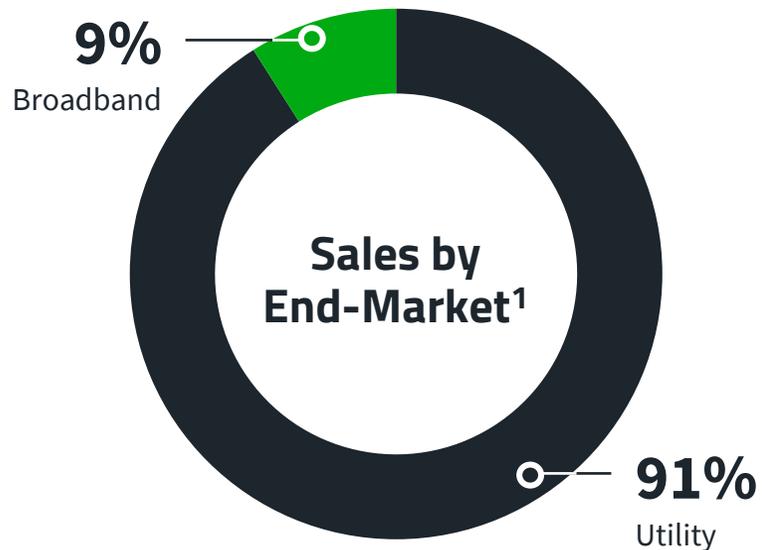
 **#1** Electrical Distributor in North America



¹ Sales percentages are for the fiscal year ended December 31, 2024.

Utility & Broadband Solutions (UBS)

Long-term capex budgets and large-scale data center projects drive growth



Segment Overview

- Services and solutions for investor-owned utilities, public power companies and municipalities, as well as contractors that service these customers
- Complete solutions for service providers, broadband and wireless customers
- Leading provider of grid and network modernization, hardening, renewable deployments, smart technologies

Industry Leading Position and Value Proposition



\$5.7B FY 2024 Sales



#1 Utility and Broadband Distributor in North America

Non-GAAP Measures

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Organic sales growth is a non-GAAP financial measure of sales performance. Organic sales growth is calculated by deducting the percentage impact from acquisitions and divestitures for one year following the respective transaction, foreign exchange rates, and number of workdays from the reported percentage change in consolidated net sales.

Gross profit is a financial measure commonly used in the distribution industry. Gross profit is calculated by deducting cost of goods sold, excluding depreciation and amortization, from net sales. Gross margin is calculated by dividing gross profit by net sales.

EBITDA, Adjusted EBITDA and Adjusted EBITDA margin % are non-GAAP financial measures that provide indicators of the Company's performance and its ability to meet debt service requirements. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA before other non-operating expenses (income), non-cash stock-based compensation expense, loss on abandonment of assets, digital transformation costs, merger-related and integration costs, restructuring costs, cloud computing arrangement amortization, gains on the sale of assets and divestitures, excise taxes on certain excess pension plan assets, merger-related fair value adjustments, and litigation recovery. Adjusted EBITDA margin % is calculated by dividing Adjusted EBITDA by net sales.

Free cash flow is a non-GAAP financial measure of liquidity. Capital expenditures are deducted from operating cash flow to determine free cash flow. Free cash flow is available to fund investing and financing activities.

Financial leverage ratio is a non-GAAP measure of the use of debt. Financial leverage ratio is calculated by dividing total debt, excluding debt discount, debt issuance costs and fair value adjustments, net of cash, by adjusted EBITDA.

Non-GAAP Reconciliations

Adjusted EBITDA and leverage

(\$ millions) ⁽¹⁾	Twelve Months Ended December 31,					
	Pro Forma					
	2019	2020	2021	2022	2023	2024
Net Sales	8,359	16,017	18,218	21,420	22,385	21,819
Net income attributable to common stockholders	223.4	115.6	408.0	803.1	708.1	660.2
Net (loss) income attributable to noncontrolling interests	(1.2)	(0.5)	1.0	1.7	0.6	1.8
Preferred stock dividends	-	30.1	57.4	57.4	57.4	57.4
Provision for income taxes	59.9	55.7	115.5	274.5	225.9	231.6
Interest expense, net	65.7	255.8	268.1	294.4	389.3	364.9
Depreciation and amortization	62.1	153.5	198.6	179.0	181.3	183.2
EBITDA	409.9	610.2	1,048.5	1,610.1	1,562.6	1,499.1
Other expense (income), net	(1.6)	4.6	(48.1)	7.0	25.1	(92.7)
Stock-based compensation expense	19.1	34.7	25.7	41.0	45.5	28.9
Loss (gain) on divestitures and sale of assets	-	(19.8)	(8.9)	-	-	-
Merger-related and integration costs and fair value adjustments	3.1	206.7	158.5	67.4	55.4	-
Restructuring costs	-	-	-	-	16.7	12.1
Digital transformation costs	-	-	-	-	-	24.9
Loss on abandonment of assets	-	-	-	-	-	17.8
Cloud computing arrangement amortization	-	-	-	-	-	14.1
Excise taxes on excess pension plan assets	-	-	-	-	-	4.9
Adjusted EBITDA	430.5	855.3	1,175.7	1,725.6	1,705.3	1,509.1
Adjusted EBITDA margin %	5.2%	5.3%	6.5%	8.1%	7.6%	6.9%
Short-term debt and current portion of long-term debt, net	26.7	528.8	9.5	70.5	8.6	19.5
Long-term debt, net	1,257.1	4,370.0	4,701.5	5,346.0	5,313.1	5,045.5
Debt discount and debt issuance costs	8.8	88.2	70.6	57.9	43.0	47.2
Fair value adjustments to Anixter Senior Notes due 2023 and 2025	-	(1.7)	(0.9)	(0.3)	(0.1)	(0.1)
Total debt	1,292.6	4,985.3	4,780.7	5,474.1	5,364.6	5,112.1
Less: Cash and cash equivalents	150.9	449.1	212.6	527.3	524.1	702.6
Total debt, net of cash	1,141.7	4,536.2	4,568.1	4,946.8	4,840.5	4,409.5
Financial leverage ratio	2.7x	5.3x	3.9x	2.9x	2.8x	2.9x

Free cash flow

(\$ millions)	Twelve Months Ended December 31,									
	2012	2013	2014	2015	2016	2017	2018	2019	2024	
Cash flow provided by operations	288.2	315.1	251.2	283.1	300.2	149.1	296.7	224.4	1,101.2	
Less: Capital expenditures	(23.1)	(27.8)	(20.5)	(21.7)	(18.0)	(21.5)	(36.2)	(44.1)	(94.7)	
Add: Non-recurring pension contribution	-	21.1	-	-	-	-	-	-	-	
Add: Other Adjustments	-	-	-	-	-	-	-	-	38.7	
Free cash flow	265.1	308.4	230.7	261.4	282.2	127.6	260.5	180.3	1,045.2	



(1) Certain amounts may not foot or recalculate due to rounding from thousands to millions for presentation of this table.