

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 Exchange Act of 1934

Date of Report (Date of earliest event reported): August 1, 2019

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)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of Class	Trading Symbol(s)	Name of Exchange on which registered
Common Stock, par value \$.01 per share	WCC	New York Stock Exchange

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 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 August 1, 2019, WESCO International, Inc. (the "Company") issued a press release announcing its financial results for the second quarter of 2019. 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 second quarter of 2019 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, dated August 1, 2019](#)

[99.2 Slide presentation for investors](#)

SIGNATURES

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)

August 1, 2019

(Date)

By: /s/ David S. Schulz

David S. Schulz

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 Second Quarter 2019 Results

Second quarter highlights:

- Record consolidated net sales of \$2.2 billion, up 2% versus prior year
 - Organic sales growth of 1.9%
- Cost of goods sold as a percentage of net sales of 81.0%
 - Gross margin of 19.0%, flat versus prior year
- Operating profit of \$98 million, up 7% versus prior year
 - Operating margin of 4.6%, up 30 basis points versus prior year
- Net income of \$64 million, up 10% versus prior year
- Earnings per diluted share of \$1.45, up 19%
- Initiated the repurchase of \$150 million of shares

PITTSBURGH, August 1, 2019 /PRNewswire/ -- WESCO International, Inc. (NYSE: WCC), a leading provider of electrical, industrial, and communications maintenance, repair and operating (MRO) and original equipment manufacturer (OEM) products, construction materials, and advanced supply chain management and logistics services, announces its results for the second quarter of 2019.

Mr. John J. Engel, WESCO's Chairman, President and CEO, commented, "As expected, all of our end markets grew on both a year-over-year and sequential basis. We achieved record sales in the second quarter due to the continued strength in Canada, Utility and Datacom offset by slower growth than anticipated in the U.S. After a slow start in April and May in the U.S., our sales growth strengthened in June but was impacted by increasing headwinds in the economy and in our end markets. Operating margin expanded 30 basis points, in-line with expectations, driven by continued effective cost management and strong operating profit pull through. EPS grew 19% versus prior year and we repurchased \$150 million of our common stock, above our share repurchase forecast for the second quarter."

The following are results for the three months ended June 30, 2019 compared to the three months ended June 30, 2018:

- Net sales were \$2.2 billion for the second quarter of 2019, compared to \$2.1 billion for the second quarter of 2018, an increase of 2.2%. Organic sales for the second quarter of 2019 grew by 1.9% as foreign exchange rates negatively impacted net sales by 1.0%, while acquisitions positively impacted net sales by 1.3%. Sequentially, net sales increased 9.6% and organic sales increased 7.2%.
- Cost of goods sold for the second quarter of 2019 and 2018 was \$1.7 billion, and gross profit was \$409.0 million and \$399.9 million, respectively. As a percentage of net sales, gross profit was 19.0% for the second quarter of 2019 and 2018. Gross profit as a percentage of net sales for the second quarter of 2019 reflects the positive impact from the SLS acquisition offset by business mix.
- Selling, general and administrative expenses were \$295.9 million, or 13.8% of net sales, for the second quarter of 2019, compared to \$292.9 million, or 13.9% of net sales, for the second quarter of 2018.
- Operating profit was \$97.9 million for the second quarter of 2019, compared to \$91.2 million for the second quarter of 2018, an increase of 7.3%. Operating profit as a percentage of net sales was 4.6% for the current quarter, compared to 4.3% for the second quarter of the prior year.
- Net interest and other for the second quarter of 2019 was \$17.3 million, compared to \$17.7 million for the second quarter of 2018.

- The effective tax rate for the second quarter of 2019 was 21.6%, compared to 21.5% for the second quarter of 2018.
- Net income attributable to WESCO International, Inc. was \$63.5 million for the second quarter of 2019, compared to \$58.0 million for the second quarter of 2018, an increase of 9.5%.
- Earnings per diluted share for the second quarter of 2019 was \$1.45, based on 43.8 million diluted shares, compared to \$1.22 for the second quarter of 2018, based on 47.6 million diluted shares, an increase of 18.9%.
- Operating cash flow for the second quarter of 2019 was an outflow of \$37.7 million, compared to an inflow of \$33.8 million for the second quarter of 2018. Free cash flow for the second quarter of 2018 was \$25.1 million. The net cash outflow in the second quarter of 2019 was primarily driven by working capital growth as a result of higher sales in the latter part of the quarter. Additionally, the Company repurchased \$150 million of shares in the second quarter of 2019.

The following are results for the six months ended June 30, 2019 compared to the six months ended June 30, 2018:

- Net sales were \$4.1 billion for the first six months of 2019 and 2018. Organic sales for the first six months of 2019 grew by 1.5% as foreign exchange rates and the number of workdays negatively impacted net sales by 1.2% and 0.8%, respectively, while acquisitions positively impacted net sales by 0.8%.
- Cost of goods sold for the first six months of 2019 and 2018 was \$3.3 billion, and gross profit was \$791.5 million and \$779.8 million, respectively. As a percentage of net sales, gross profit was 19.3% and 19.0% for the first six months of 2019 and 2018, respectively.
- Selling, general and administrative expenses were \$592.4 million, or 14.4% of net sales, for the first six months of 2019, compared to \$583.7 million, or 14.2% of net sales, for the first six months of 2018.
- Operating profit was \$168.7 million for the first six months of 2019, compared to \$164.4 million for the first six months of 2018, an increase of 2.6%. Operating profit as a percentage of net sales was 4.1% for the current six month period, compared to 4.0% for the prior six month period.
- Net interest and other for the first six months of 2019 was \$34.4 million, compared to \$37.5 million for the first six months of 2018. For the six months ended June 30, 2018, net interest and other includes a foreign exchange loss of \$3.0 million from the remeasurement of a financial instrument, as well as accelerated amortization of debt discount and debt issuance costs totaling \$0.8 million due to early repayments on our then outstanding term loan facility.
- The effective tax rate for the first six months of 2019 was 21.7%, compared to 20.7% for the first six months of 2018. The higher effective tax rate in the current year is primarily due to the full application of the international provisions of U.S. tax reform.
- Net income attributable to WESCO International, Inc. was \$105.8 million for the first six months of 2019, compared to \$102.3 million for the first six months of 2018, an increase of 3.4%.
- Earnings per diluted share for the first six months of 2019 was \$2.37, based on 44.7 million diluted shares, compared to \$2.15 for the first six months of 2018, based on 47.6 million diluted shares, an increase of 10.2%.
- Operating cash flow for the first six months of 2019 was an outflow of \$8.7 million, compared to an inflow of \$86.8 million for the first six months of 2018. Free cash flow for the first six months of 2018 was \$70.4 million. The net cash outflow in the first six months of 2019 was primarily driven by changes in working capital to support sales growth.

Mr. Engel continued, "As a result of lower market growth rate expectations in our end markets, we are revising our 2019 full year outlook for sales growth of 1% to 4%, operating margin of 4.2% to 4.5%, tax rate of 21% to 23%, and EPS of \$5.00 to \$5.60. We reaffirm our full year free cash flow generation of at least 90% of net income. Our focus remains on executing our 2019 plan priorities of sales growth, margin improvement, investments in our people and processes, and maintaining our cost and cash management discipline. Despite the slowing momentum and increased uncertainties in our end markets, customers continue to seek improvement in their operations and supply chains. Our talented team of associates and our robust portfolio of products and value-added services differentiate WESCO by providing our customers with complete solutions for their MRO, OEM and capital project needs."

Webcast and Teleconference Access

WESCO will conduct a webcast and teleconference to discuss the second quarter of 2019 earnings as described in this News Release on Thursday, August 1, 2019, at 10:00 a.m. E.T. The call will be broadcast live over the internet and can be accessed from the Investor Relations page of the Company's website at www.wesco.investorroom.com. The call will be archived on this internet site for seven days.

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 manufacturer (OEM) products, construction materials, and advanced supply chain management and logistic services. 2018 annual sales were approximately \$8.2 billion. The company employs approximately 9,300 people, maintains relationships with approximately 30,000 suppliers, and serves approximately 70,000 active customers worldwide. Customers include commercial and industrial businesses, contractors, government agencies, institutions, telecommunications providers, and utilities. WESCO operates 10 fully automated distribution centers and approximately 500 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, 2018, as well as the Company's other reports filed with the Securities and Exchange Commission.

Contact Information:
Will Ruthrauff, Director, Investor Relations
(412) 454-4220
<http://www.wesco.com>

WESCO INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(dollar amounts in millions, except per share amounts)
(Unaudited)

	Three Months Ended				
	June 30, 2019		June 30, 2018		
Net sales	\$	2,150.1		\$	2,104.0
Cost of goods sold (excluding depreciation and amortization)		1,741.1	81.0%		1,704.1 81.0%
Selling, general and administrative expenses		295.9	13.8%		292.9 13.9%
Depreciation and amortization		15.2			15.8
Income from operations		97.9	4.6%		91.2 4.3%
Net interest and other		17.3			17.7
Income before income taxes		80.6	3.7%		73.5 3.5%
Provision for income taxes		17.4			15.8
Net income		63.2	2.9%		57.7 2.7%
Net loss attributable to noncontrolling interests		(0.3)			(0.3)
Net income attributable to WESCO International, Inc.	\$	63.5	3.0%	\$	58.0 2.8%
Earnings per diluted common share	\$	1.45		\$	1.22
Weighted-average common shares outstanding and common share equivalents used in computing earnings per diluted common share (in millions)		43.8			47.6

WESCO INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(dollar amounts in millions, except per share amounts)
(Unaudited)

	Six Months Ended				
	June 30, 2019		June 30, 2018		
Net sales	\$	4,111.4		\$	4,097.9
Cost of goods sold (excluding depreciation and amortization)		3,319.9	80.7%		3,318.1 81.0%
Selling, general and administrative expenses		592.4	14.4%		583.7 14.2%
Depreciation and amortization		30.4			31.7
Income from operations		168.7	4.1%		164.4 4.0%
Net interest and other		34.4			37.5
Income before income taxes		134.3	3.3%		126.9 3.1%
Provision for income taxes		29.1			26.3
Net income		105.2	2.6%		100.6 2.5%
Net loss attributable to noncontrolling interests		(0.6)			(1.7)
Net income attributable to WESCO International, Inc.	\$	105.8	2.6%	\$	102.3 2.5%
Earnings per diluted common share	\$	2.37		\$	2.15
Weighted-average common shares outstanding and common share equivalents used in computing earnings per diluted common share (in millions)		44.7			47.6

WESCO INTERNATIONAL, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(dollar amounts in millions)
(Unaudited)

Assets	June 30, 2019	December 31, 2018
Current Assets		
Cash and cash equivalents	\$ 87.2	\$ 96.3
Trade accounts receivable, net	1,355.5	1,166.6
Inventories	1,004.1	948.7
Other current assets	138.0	174.0
Total current assets	2,584.8	2,385.6
Other assets ⁽¹⁾	2,483.1	2,219.4
Total assets	\$ 5,067.9	\$ 4,605.0
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 868.6	\$ 794.3
Short-term borrowings and current debt	27.6	56.2
Other current liabilities ⁽¹⁾	228.6	211.4
Total current liabilities	1,124.8	1,061.9
Long-term debt, net	1,399.5	1,167.3
Other noncurrent liabilities ⁽¹⁾	408.8	246.1
Total liabilities	2,933.1	2,475.3
Stockholders' Equity		
Total stockholders' equity	2,134.8	2,129.7
Total liabilities and stockholders' equity	\$ 5,067.9	\$ 4,605.0

⁽¹⁾ Effective January 1, 2019, the Company adopted Accounting Standards Update 2016-02, *Leases*, and all the related amendments ("Topic 842") using the effective date method. The adoption of Topic 842 resulted in the recognition of right-of-use assets and lease liabilities in the balance sheet. As of June 30, 2019, other assets includes \$233.4 million of operating lease assets, and other current liabilities and other noncurrent liabilities include \$60.3 million and \$177.9 million, respectively, of operating lease liabilities.

WESCO INTERNATIONAL, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollar amounts in millions)
(Unaudited)

	Six Months Ended	
	June 30, 2019	June 30, 2018
Operating Activities:		
Net income	\$ 105.2	\$ 100.6
Add back (deduct):		
Depreciation and amortization	30.4	31.7
Deferred income taxes	2.0	6.1
Change in trade receivables, net	(157.4)	(102.6)
Change in inventories	(39.7)	11.4
Change in accounts payable	62.5	26.1
Other	(11.8)	13.5
Net cash (used in) provided by operating activities	(8.8)	86.8
Investing Activities:		
Capital expenditures	(21.4)	(16.4)
Other	(28.9)	(8.7)
Net cash used in investing activities	(50.3)	(25.1)
Financing Activities:		
Debt borrowings (repayments), net	199.5	(52.5)
Equity activity, net	(152.7)	(1.9)
Other	3.3	(9.4)
Net cash provided by (used in) financing activities	50.1	(63.8)
Effect of exchange rate changes on cash and cash equivalents	(0.1)	(5.0)
Net change in cash and cash equivalents	(9.1)	(7.1)
Cash and cash equivalents at the beginning of the period	96.3	118.0
Cash and cash equivalents at the end of the period	\$ 87.2	\$ 110.9

NON-GAAP FINANCIAL MEASURES

This earnings release 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. The Company 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 INTERNATIONAL, INC.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(dollar amounts in millions, except organic sales data)
(Unaudited)

Organic Sales Growth:	Three Months Ended	Six Months Ended
	June 30, 2019	June 30, 2019
Change in net sales	2.2 %	0.3 %
Impact from acquisitions	1.3 %	0.8 %
Impact from foreign exchange rates	(1.0)%	(1.2)%
Impact from number of workdays	— %	(0.8)%
Organic sales growth	1.9 %	1.5 %

Organic Sales Growth - Sequential:	Three Months Ended June 30, 2019
Change in net sales	9.6 %
Impact from acquisitions	1.0 %
Impact from foreign exchange rates	(0.2)%
Impact from number of workdays	1.6 %
Organic sales growth	7.2 %

Note: Organic sales growth is a measure of sales performance. Organic sales growth is calculated by deducting the percentage impact from acquisitions in the first year of ownership, foreign exchange rates and number of workdays from the overall percentage change in consolidated net sales.

Gross Profit:	Three Months Ended		Six Months Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Net sales	\$ 2,150.1	\$ 2,104.0	\$ 4,111.4	\$ 4,097.9
Cost of goods sold (excluding depreciation and amortization)	1,741.1	1,704.1	3,319.9	3,318.1
Gross profit	\$ 409.0	\$ 399.9	\$ 791.5	\$ 779.8
Gross margin	19.0%	19.0%	19.3%	19.0%

Note: Gross profit is a financial measure commonly used within 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.

WESCO INTERNATIONAL, INC.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(dollar amounts in millions)
(Unaudited)

Financial Leverage:	Twelve Months Ended	
	June 30, 2019	December 31, 2018
Income from operations	\$ 356.7	\$ 352.5
Depreciation and amortization	61.7	63.0
EBITDA	\$ 418.4	\$ 415.5
	June 30, 2019	December 31, 2018
Short-term borrowings and current debt	\$ 27.6	\$ 56.2
Long-term debt	1,399.5	1,167.3
Debt discount and debt issuance costs ⁽¹⁾	7.8	9.6
Total debt	1,434.9	1,233.1
Less: cash and cash equivalents	87.2	96.3
Total debt, net of cash	\$ 1,347.7	\$ 1,136.8
Financial leverage ratio	3.4	3.0
Financial leverage ratio, net of cash	3.2	2.7

⁽¹⁾ Long-term debt is presented in the condensed consolidated balance sheets net of debt discount and debt issuance costs.

Note: Financial leverage measures the use of debt. Financial leverage ratio is calculated by dividing total debt, including debt discount and debt issuance costs, by EBITDA. Financial leverage ratio, net of cash is calculated by dividing total debt, including debt discount and debt issuance costs, net of cash, by EBITDA. EBITDA is defined as the trailing twelve months earnings before interest, taxes, depreciation and amortization.

Free Cash Flow:	Three Months Ended		Six Months Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Cash flow (used in) provided by operations	\$ (37.7)	\$ 33.8	\$ (8.8)	\$ 86.8
Less: capital expenditures	(10.6)	(8.7)	(21.4)	(16.4)
Free cash flow	\$ (48.3)	\$ 25.1	\$ (30.2)	\$ 70.4
Percentage of net income	(76)%	44%	(29)%	70%

Note: Free cash flow is a 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.

WESCO®

Q2 2019 Earnings

Webcast Presentation

August 1, 2019



Forward Looking Statements

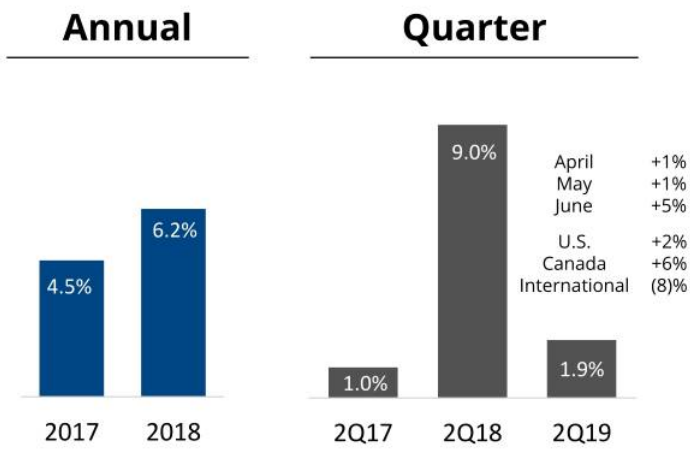
All statements made herein that are not historical facts should be considered as “forward-looking statements” within the meaning of the Private Securities Litigation Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. Such risks, uncertainties and other factors include, but are not limited to: adverse economic conditions; increase in competition; expansion of business activities; disruptions in operations or information technology systems; 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; changes in tax laws, regulations, guidance, and uncertainties regarding their application, and challenges by tax authorities to the company’s tax positions; 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 10-K for WESCO International, Inc. for the year ended December 31, 2018 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.

Non-GAAP 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. The Company 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. Management does not use these non-GAAP financial measures for any purpose other than the reasons stated above.

Q2 2019 Highlights

Organic Sales Growth versus Prior Year



Second Quarter

- Reported sales up 2.2%
 - Record sales in Q2 with strength in Canada, Utility, and Datacom
- Organic sales up 1.9%
 - Up 10.9% on a two year stack basis
 - Up 7.2% sequentially
 - YOY and sequential growth in all end markets
- Operating margin up 30 basis points versus prior year on strong operating profit pull through
- Estimated pricing impact +2%
- Diluted EPS up 19% over prior year
- Initiated \$150 million share repurchase transaction
- Preliminary July sales up mid single digits

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

Q2 2019 Results

Millions, except per share amounts	Q2 2018	Q2 2019	Versus prior year	Q2 Outlook
Sales	\$2,104	\$2,150	2.2%	3% – 6%
Gross Profit	\$400	\$409	2.3%	
<i>% of Sales</i>	19.0%	19.0%	flat	
SG&A	\$293	\$296	1%	
<i>% of Sales</i>	13.9%	13.8%	(10) bps	
Operating Profit	\$91	\$98	7%	
<i>% of Sales</i>	4.3%	4.6%	30 bps	4.5% – 4.8%
Effective Tax Rate	21.5%	21.6%	10 bps	~23%
Diluted EPS	\$1.22	\$1.45	19%	

Note: See appendix for non-GAAP reconciliations.

Diluted EPS and Sales Growth Walk

Diluted EPS Walk

Q2 2018 Diluted EPS	\$1.22
Core operations	\$0.13
SLS acquisition	\$0.01
Foreign exchange rates	\$(0.02)
Tax	\$0.00
Lower share count	\$0.11
Q2 2019 Diluted EPS	\$1.45
Reported Growth	19%

Sales Growth Walk

Q2 2018 Sales	\$2,104 M
U.S.	130 bps
Canada	110 bps
International	(50) bps
Organic Growth	1.9%
Foreign exchange rates	(100) bps
SLS acquisition	130 bps
Q2 2019 Sales	\$2,150 M
Reported Growth	2.2%

Industrial End Market

Organic Sales Growth versus Prior Year



- Q2 2019 organic sales
 - Up 1% versus prior year
 - U.S. up 2%; Canada up 6% in local currency
 - Up 2% sequentially
- Industrial growth continues but at a slower pace
- Year-over-year and sequential strength in metals mining, petrochemical, and food & beverage markets
- Production and capacity utilization remain strong; labor constraints persist
- Global Account and Integrated Supply opportunities pipeline is strong; bidding activity levels remain high

Global Accounts	Integrated Supply	OEM	General Industrial
36% of WESCO Sales			

Awarded a new three year contract with a medical device manufacturer to provide integrated supply program for MRO and OEM materials with estimated total revenue of more than \$30 million.

Note: See appendix for non-GAAP reconciliations.

Construction End Market

Organic Sales Growth versus Prior Year



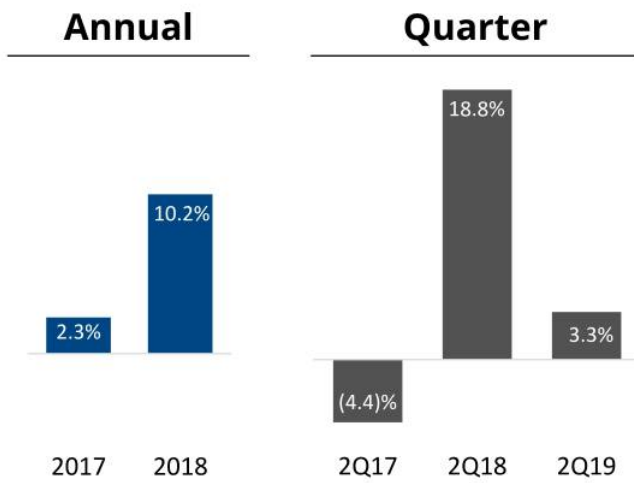
- Q2 2019 organic sales
 - Up 3% versus prior year
 - Down 1% in the U.S.; up 9% in Canada in local currency
 - Up 9% sequentially
- Backlog at historically strong level but ~7% lower than prior year record level
- Contractors are bullish on project activity but challenged by tariff-related budget pressures
- Construction market remains exceptionally tight for skilled trade labor

Non-Residential | Contractors
33% of WESCO Sales

Awarded a multi-million dollar contract to provide electrical equipment and lighting for the construction of a new facility for a healthcare manufacturer.

Utility End Market

Organic Sales Growth versus Prior Year



- Q2 2019 organic sales
 - Up 3% versus prior year; on top of toughest quarter comparison
 - Up 6% in the U.S. and down 28% in Canada in local due to non-renewal of Canadian contract in Q418
 - Up 11% sequentially
- Continue to drive product and service scope expansion investor owned utility, public power, and generative customers
- Interest in Integrated Supply solution offering remains high
- Positioned well to benefit from industry consolidation, favorable economic conditions, improvement in construction market, and growth in renewable energy

Investor Owned | Public Power | Utility Contractors
16% of WESCO Sales

Renewed our contract with a U.S. investor-owned utility to provide electrical and materials for its generation, transmission, and distribution operations for three years with estimated total revenues of over \$400 million.

CIG End Market

Organic Sales Growth versus Prior Year



- Q2 2019 organic sales
 - Up 1% versus prior year
 - Up 1% in the U.S. and 10% in Canada in local currency
 - Up 14% sequentially
- Supply chain solutions driving results in datacenter and cloud technology projects
- LED lighting renovation and retrofits, FTTX deployments and broadband build outs continue

Commercial | Institutional | Government
15% of WESCO Sales

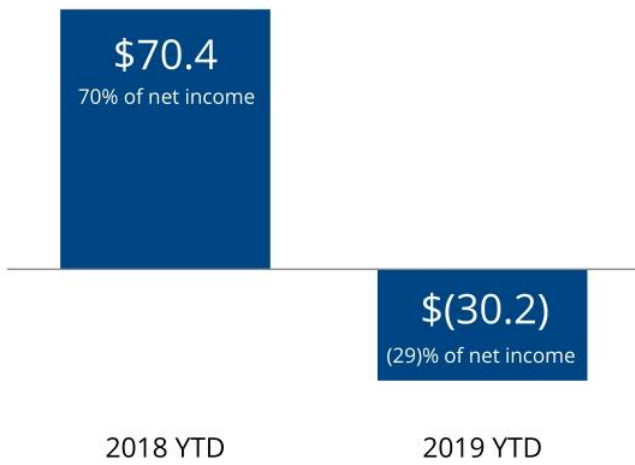
Awarded a multi-million dollar order for data communications material in support of new datacenter for a large U.S. public university.

Free Cash Flow & Leverage

Free Cash Flow

(\$ Millions)

~ \$1.1B of free cash flow over last 5 years

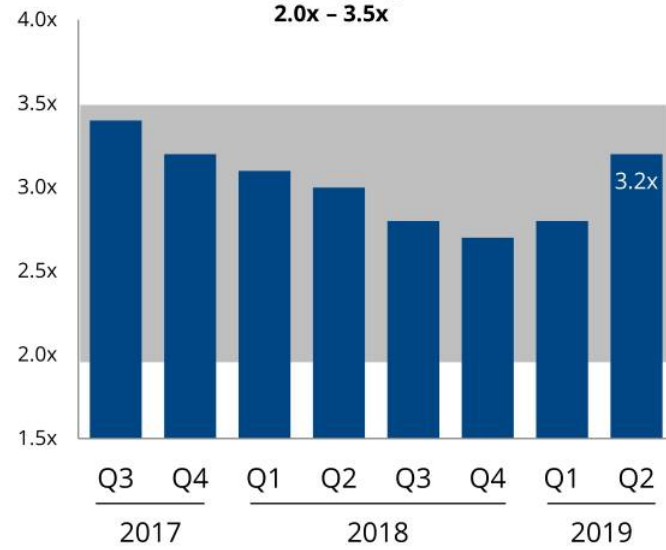


Lower free cash flow versus prior year driven by increase in accounts receivables due to strong sales in June

Leverage

(Debt, Net of Cash to TTM EBITDA)

target leverage
2.0x - 3.5x



2019 Outlook

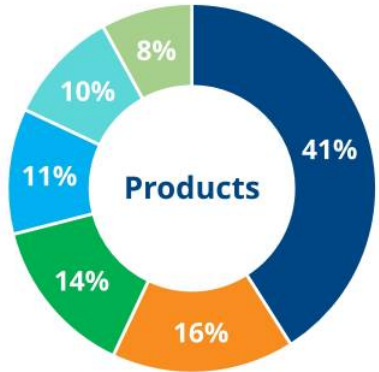
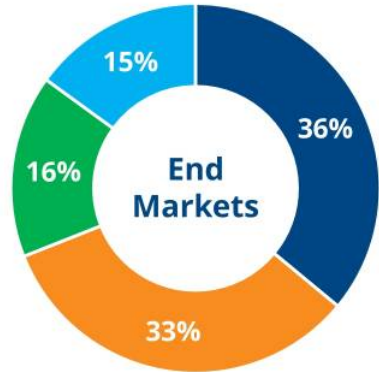
	Q3	Full Year (current)	Full Year (prior)
Sales	3% to 5%	1% to 4%	3% to 6%
Operating Margin	4.3% to 4.7%	4.2% to 4.5%	4.3% to 4.7%
Effective Tax Rate	~22%	21% to 23%	22% to 24%
Diluted EPS		\$5.00 to \$5.60	\$5.10 to \$5.70
Free Cash Flow		~ 90% of net income	~ 90% of net income

Notes

Excludes unannounced acquisitions.
Assumes a CAD/USD exchange rate of 0.76 in Q3.
FY 2019 has one fewer workday than FY 2018.
See appendix for non-GAAP reconciliations.

APPENDIX

Trailing Twelve Month Sales Mix



Organic Sales Growth

(\$ Millions)

YEAR OVER YEAR		Three Months Ended,		Core Growth	Less: Fx Impact	Less: Workday Impact	Organic Growth
END MARKET		June 30, 2018	June 30, 2019				
Industrial core sales		764	764	0.0%	(1.0)%	0.0%	1.0%
Construction core sales		686	694	1.1%	(1.5)%	0.0%	2.6%
Utility core sales		338	348	3.0%	(0.3)%	0.0%	3.3%
CIG core sales		324	325	0.3%	(1.1)%	0.0%	1.4%
Total core sales		\$ 2,112	\$ 2,131	0.9%	(1.0)%	0.0%	1.9%
GEOGRAPHY							
U.S. core sales		1,569	1,597	1.8%	0.0%	0.0%	1.8%
Canada core sales		408	415	1.8%	(4.1)%	0.0%	5.9%
International core sales		135	119	(11.7)%	(4.0)%	0.0%	(7.7)%
Total core sales		\$ 2,112	\$ 2,131	0.9%	(1.0)%	0.0%	1.9%
Plus: SLS sales		-	28				
Total gross sales		\$ 2,112	\$ 2,159				
Less: sales reductions / discounts		(8)	(9)				
Total net sales		\$ 2,104	\$ 2,150				
SEQUENTIAL							
END MARKET		Three Months Ended,		Core Growth	Less: Fx Impact	Less: Workday Impact	Organic Growth
		March 31, 2019	June 30, 2019				
Industrial core sales		740	764	3.3%	(0.2)%	1.6%	1.9%
Construction core sales		633	694	9.7%	(0.4)%	1.6%	8.5%
Utility core sales		309	348	12.6%	(0.1)%	1.6%	11.1%
CIG core sales		281	325	15.7%	(0.3)%	1.6%	14.4%
Total core sales		\$ 1,963	\$ 2,131	8.6%	(0.2)%	1.6%	7.2%
Plus: SLS sales		6	28				
Total gross sales		\$ 1,969	\$ 2,159				
Less: sales reductions / discounts		(8)	(9)				
Total net sales		\$ 1,961	\$ 2,150				

Note: Prior period end market amounts may contain reclassifications to conform to current period presentation.

Capital Structure and Leverage

(\$ Millions)

EBITDA	Twelve Months Ended,		
	December 31, 2018	June 30, 2019	
Income from operations	353	357	
Depreciation and amortization	63	62	
EBITDA	416	419	
DEBT	Outstanding as of,		Maturity
	December 31, 2018	June 30, 2019	
AR Revolver (variable)	275	495	2020
Inventory Revolver (variable)	52	61	2020
2019 Term Loans (variable)	25	-	2019
2021 Senior Notes (fixed)	500	500	2021
2024 Senior Notes (fixed)	350	350	2024
Foreign Lines of Credit (variable)	31	29	NA
Total Debt¹	1,233	1,435	
Less: cash and cash equivalents	96	87	
Total debt, net of cash	1,137	1,348	
Leverage	3.0x	3.4x	
Leverage, net of cash	2.7x	3.2x	
LIQUIDITY			
Liquidity ²	824	587	

⁽¹⁾ Long-term debt is presented in the consolidated balance sheet as of June 30, 2019 net of debt discount issuance costs.

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

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.

Gross Margin and Free Cash Flow

(\$ Millions)

GROSS MARGIN	Three Months Ended,	
	June 30, 2018	June 30, 2019
Net sales	2,104	2,150
Cost of goods sold ¹	1,704	1,741
Gross profit²	400	409
<i>Gross margin²</i>	19.0%	19.0%

FREE CASH FLOW	Six Months Ended,	
	June 30, 2018	June 30, 2019
Net cash provided (used) by operating activities	87	(9)
Less: capital expenditures	(16)	(21)
Free cash flow³	70	(30)
Net income	101	105
<i>% of net income</i>	70.0%	(28.6)%

¹ Excluding depreciation and amortization.

² 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.

³ 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.

Note: For gross margin 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.

Work Days

	Q1	Q2	Q3	Q4	FY
2017	64	64	63	62	253
2018	64	64	63	62	253
2019	63	64	63	62	252

