



# Wesco International

Q2 2024 Marketing Presentation





# 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 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; 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"), 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 ("SG&A") expenses, adjusted income from operations, adjusted operating margin, 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 merger-related and integration costs, and the related income tax effect of such items, 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 Overview

- Leading global provider of business-to-business distribution, logistics services and supply chain solutions
- Leading value proposition with millions of products, an expanding portfolio of services, and complete supply chain solutions
- Serving majority of Fortune 500 companies as well as commercial and industrial businesses, contractors, government agencies, institutions, utilities, and telecommunications providers

**Substantial Scale With  
Leading Industry Position and  
Global Capabilities**

**\$22.4B**

2023 Sales

**50+**

Countries

**~800**

Locations

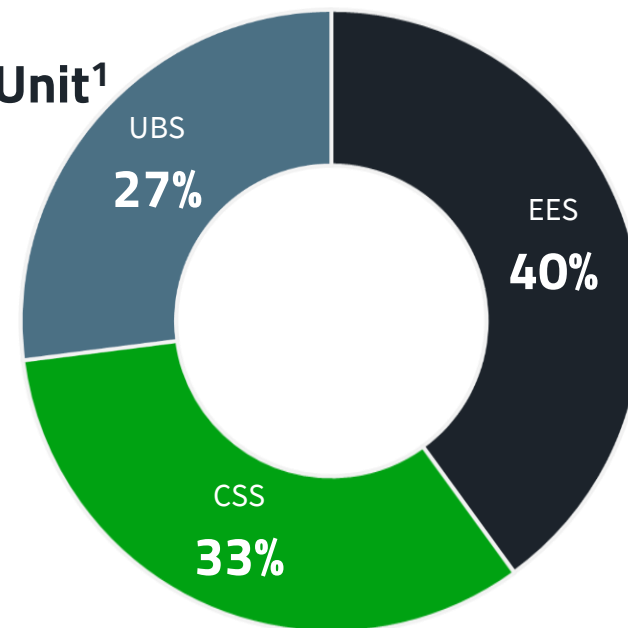
**#1**

In North  
America

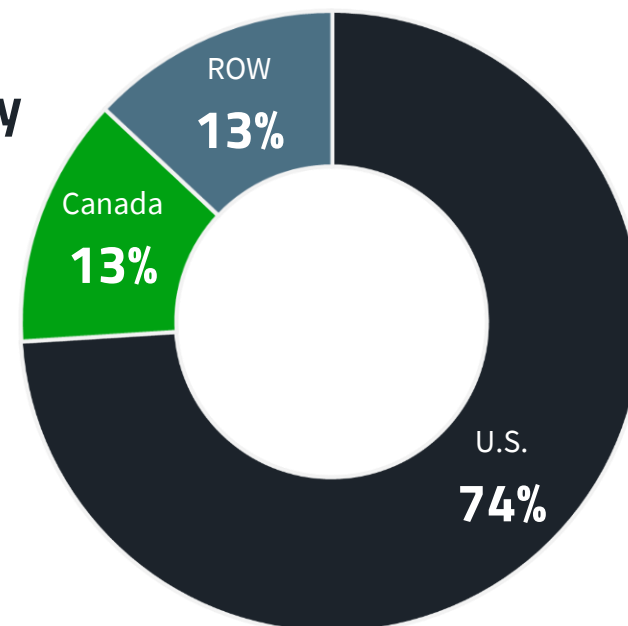


Source: MDM Top Distributors List  
Sales amounts as of 12/31/23

## Sales By Business Unit<sup>1</sup>



## Sales By Geography



<sup>1</sup> Excludes Integrated Supply business which was divested as of April 1, 2024

# Key Messages

## Created Fortune 200 Industry Leader with Global Scale

- Transformational combination of Wesco + Anixter exceeded expectations
- Broadest portfolio in the industry and largest channel partner for our key suppliers
- Step function increase in cash generation and enterprise value creation

## Uniquely Well Positioned for the Next Decade and Beyond

- Leading player in a consolidating industry
- Secular growth trends drive above-market growth
- Global scale and improved business mix into faster growth and higher margin end-markets

## Digital Transformation Enables Even Faster Share Gain and Margin Expansion

- Investing in digital to drive competitive advantage
- Unlocking power of our big data to further drive sales and margin
- Digital investments building new capabilities

# Value Creation Engine

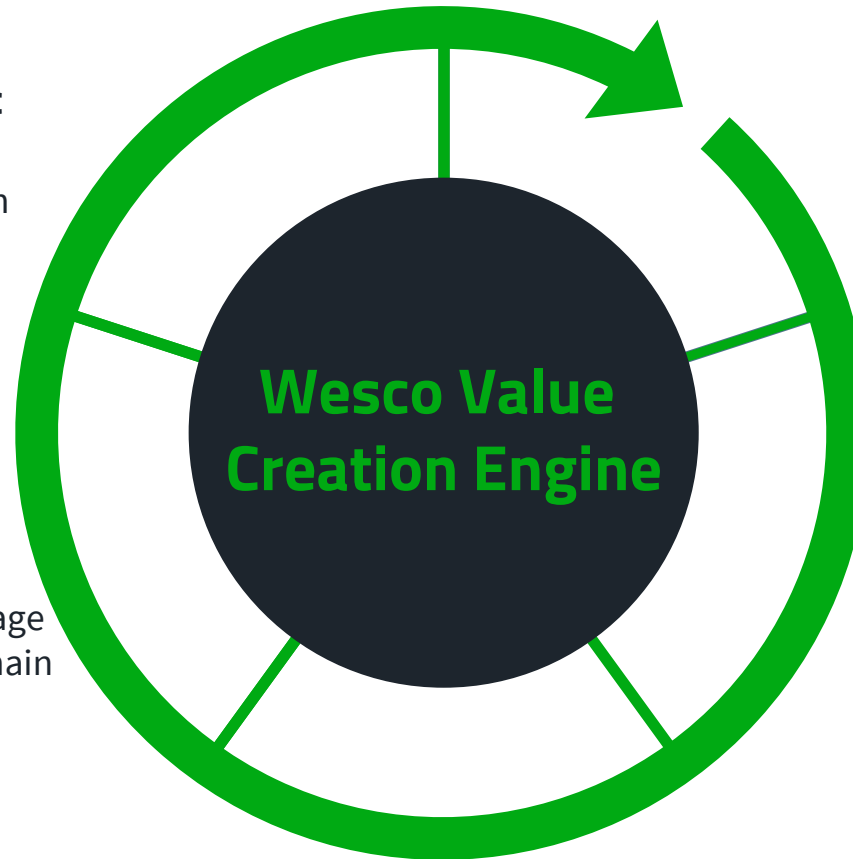
*Five components of our growth compounding enterprise*

## 5 Upsized Cash Flow Supports Strategic Objectives

- Accelerating growth and margin expansion
- Investing for above-market growth
- Increasing shareholder returns

## 4 Margin Expansion

- Value-based pricing
- Benefits of scale and operating cost leverage
- Digitalization of our business and value chain



## 1 Positioned In the Right End-Markets

- Three leading global business units
- Exposure to attractive secular trends
- Increasing infrastructure investments

## 2 Driving Market Outperformance

- Leading player with substantial scale
- Cross-selling driving share capture
- Ongoing industry consolidation

## 3 Operational and Supply Chain Excellence

- Proven integration and synergy-capture capabilities
- Margin improvement and productivity programs
- Continuous improvement culture founded on lean principles

# CSS Overview

- Deliver comprehensive solutions that provide 24/7/365 connectivity
- Approximately 25% of sales from data centers and expected to grow double-digits in support of increasing demands (including AI)
- World-class global accounts program and supply chain services model

## Global Scale and Capabilities

**\$7.2B**

2023 Sales

**50+**

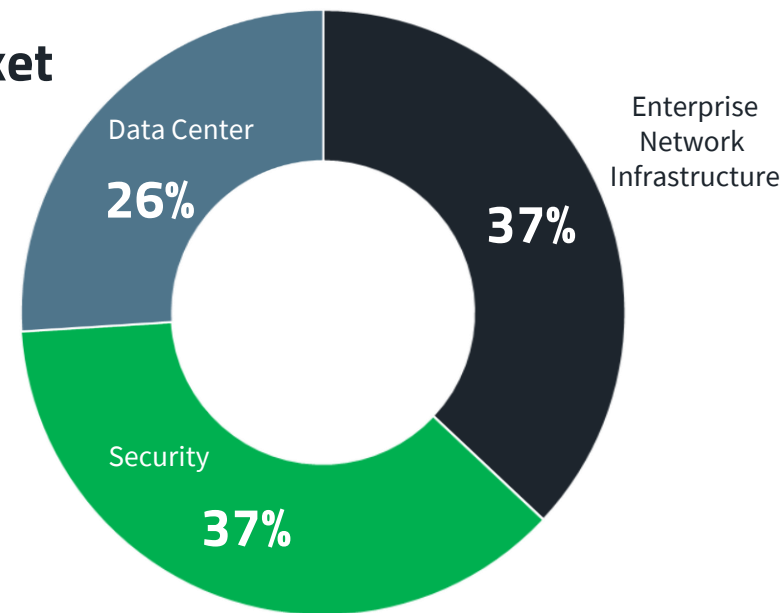
Countries

**Leading**

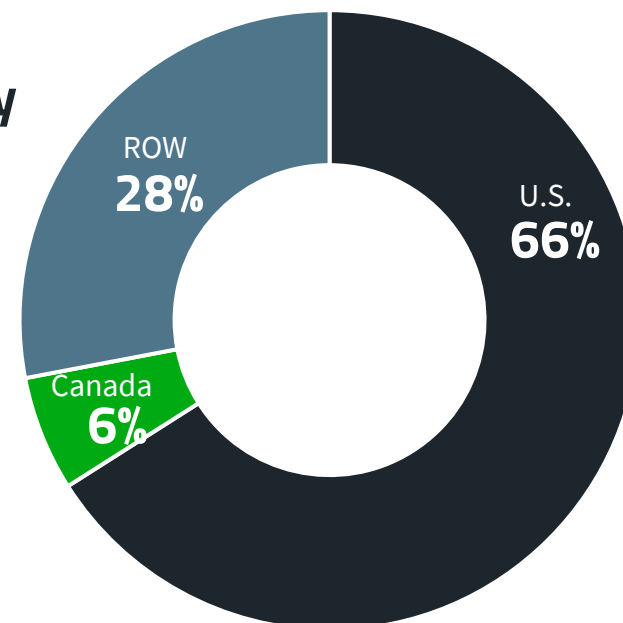
Global Distributor  
of Network  
Infrastructure and  
Security Solutions



## Sales By End-Market



## Sales By Geography



# CSS 2024 Projected Global Market Size



- Secular Trends**
- Automation and IoT**
    - Convergence of IT / OT creating new use cases and business outcomes
    - Organizations developing long-term technology roadmaps
  - Digitalization and AI**
    - Generative AI market CAGR of ~27% through 2023, accelerating adoption
    - 47% of IoT applications are expected to have an AI element by 2027
  - 24/7/365 Connectivity**
    - 5G, AI/ML and connected devices (IoT) driving increased data creation, distribution and consumption
    - Data center market demand will reach 35 gigawatts by 2030, up from 17 gigawatts in 2022

# Secular Trends Driving Data Center Growth and Connectivity

24/7/365  
Connectivity

+

Accelerating Data  
Consumption

+

Increasing Adoption  
of Cloud

=

Demand for Data Storage  
and Management

Automation and Smart  
Anything Everywhere

AI, IoT, Machine Learning

5G and Bandwidth Demand

Cloud Adoption and  
Migration

Virtual Collaboration and  
Remote Working

Connected Devices and  
Smart Devices

Processing, Storing and Managing Large Volumes  
of Data Driving Data Center Growth

Increased  
Data



**21% CAGR**  
Total Data Center Volume  
2021 - 2026



**Greater than  
Historical  
Growth**

Creating  
opportunities for  
sustainable and  
profitable sales  
growth

Sources: Barclays Capital, Markets and Markets, McKinsey, Company estimates

**3x or 26% CAGR**

Internet traffic growth from  
2017 to 2023

**40+ Billion**

Number of IoT connected devices  
in 2023; Up 3x versus 2018

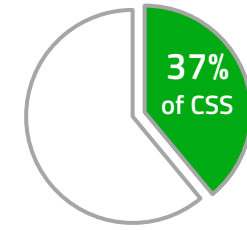
**11% CAGR**

Growth of video conferencing  
market through 2025



# Enterprise Network Infrastructure

*Comprehensive solutions including cables and components that connect data communications equipment and end devices*



## Service Provider Applications (~30%)

### Internet Service Provider

#### Tier 1 -3

*Global providers of internet access*



## Structured Cabling Applications (~70%)

### On-Premise Cabling and Network Connectivity

#### Fiber Optic Cabling

*Wide-area and local-area networks across a building, campus, or geographic area*



#### Copper Cabling

*Supporting Ethernet, wireless, professional A/V, and building controls*



#### Wireless

*Wireless connectivity that enables IoT, safety, productivity, security, and mobility*



#### Racks and Enclosures

*Protecting critical network components from damage while optimizing space*



#### Cable Management and Pathways

*Intelligent cable routing, raceway and conveyance systems*



## Key Service Offerings

- Advisory services and network design
- Technology selection
- Kitting, staging and multi-site deployment
- Global logistics and project coordination
- Wire & cable customization
  - Cut to length
  - Patch cord labeling and bundling
- Ready-to-install racks, cabinets and network devices
- Global network of certified installation partners



## Key Supplier Partners

Life Is On | Schneider Electric

APC

BELDEN

CISCO

COMMSCOPE

CORNING

CP  
CHATSWORTH  
PRODUCTS

legrand

LEVITON

nvent

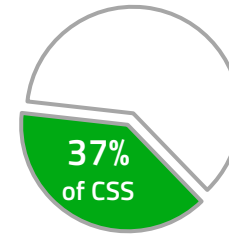
PANDUIT

Prysmian  
Group

VERTIV

# Security

Technology-driven solutions that protect people, property and assets



## Applications

### Access Control

Mechanical, electronic, and logical access systems

~35%



### Video Surveillance

IP-based surveillance systems

~30%



### Fire and Safety

Complex solutions that meet all regulatory requirements



### Intrusion Detection

Sensor-based and automated detection systems

~35%



### Other

Pro AV and Network Infrastructure



## Key Service Offerings

- Advisory services and network design
- Technology selection
- Kitting, staging and multi-site deployment
- Global logistics and project coordination
- Ready-to-install devices with IP addressing (cameras, speakers, switches and more)
- Global network of certified installation partners

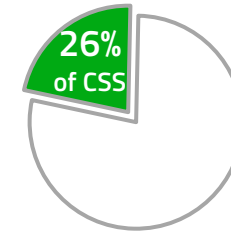


## Key Supplier Partners



# Data Center

*Lifecycle management solutions that enable our customers to design, build, power and protect their data centers on a global scale*



## Applications

### Hyperscale

*Massive data centers that are designed for large scale workloads*



~90%

### MTDC / Colocation

*Purpose built data centers designed for lease or rent*



### Enterprise / Edge and Micro

*Data centers owned and operated by a single organization*



~10%

## Key Service Offerings

- Advisory services
- Engineering and design
- Technology selection
- Kitting, staging and multi-site deployment
- Global logistics and project coordination
- Rack & roll
- Managed services
- Migration services
- Smart hands
- Energy audits
- Global network of certified installation partners



## Key Supplier Partners

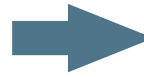
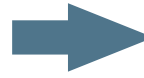


# Hyperscale Data Center Evolution

## 5-10 Years Ago

- Hyperscalers building their own data centers
- US based supercomputing with data center providers catering to network closet or colo style business
- Cities and governments inviting data center companies to their localities
- High-availability of build sites
- Low interest rate environment

**Distributors disintermediated**



## Today

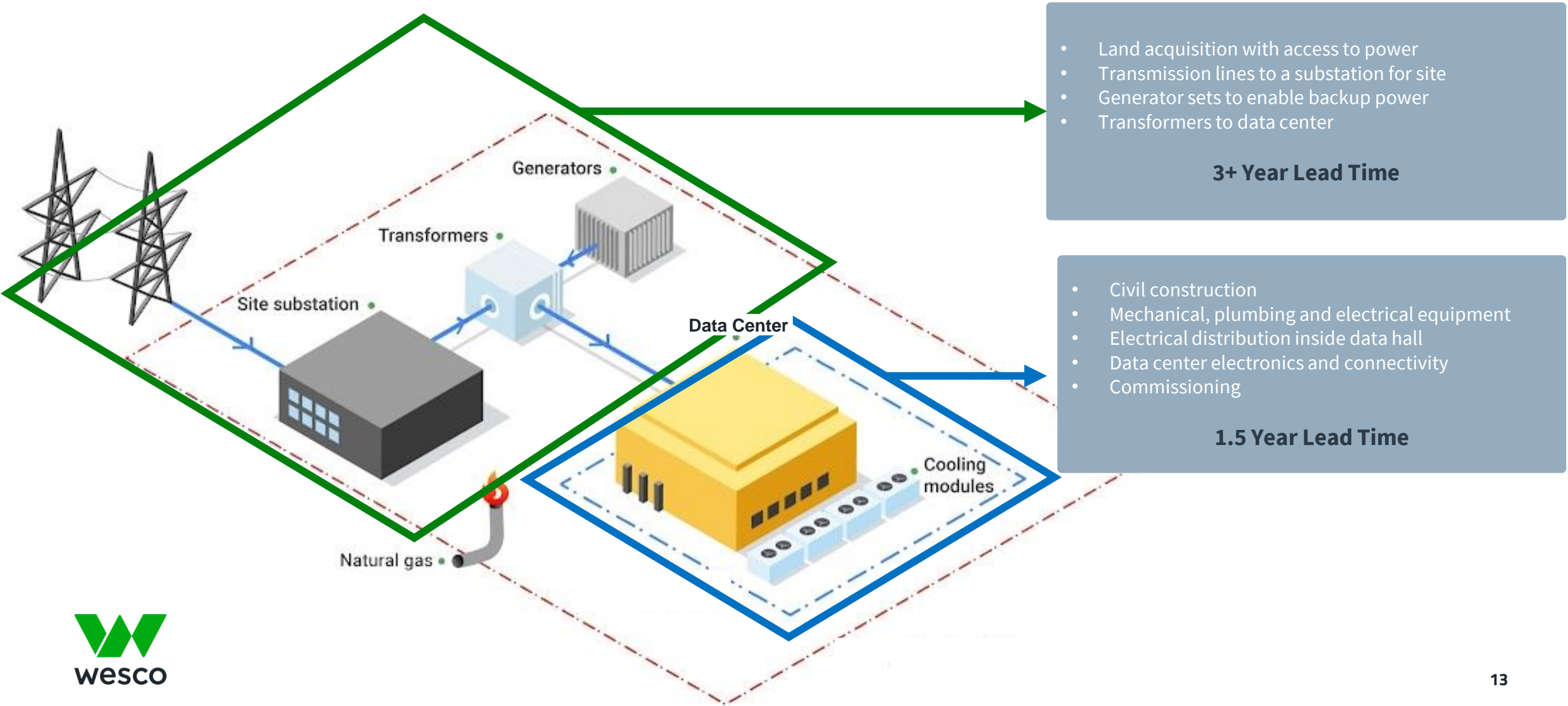
- Hyperscalers are leasing more data centers
- Global supercomputing with increased edge applications
- Data center real estate inflation
- Elevated interest rate environment impacting ROIA
- Real estate portfolio companies are becoming data center providers
- Significant requirements for sustainability by 2030

**Distributors critical to supply chain**

Data centers new builds are going to be high density and between 100MW to 1GW

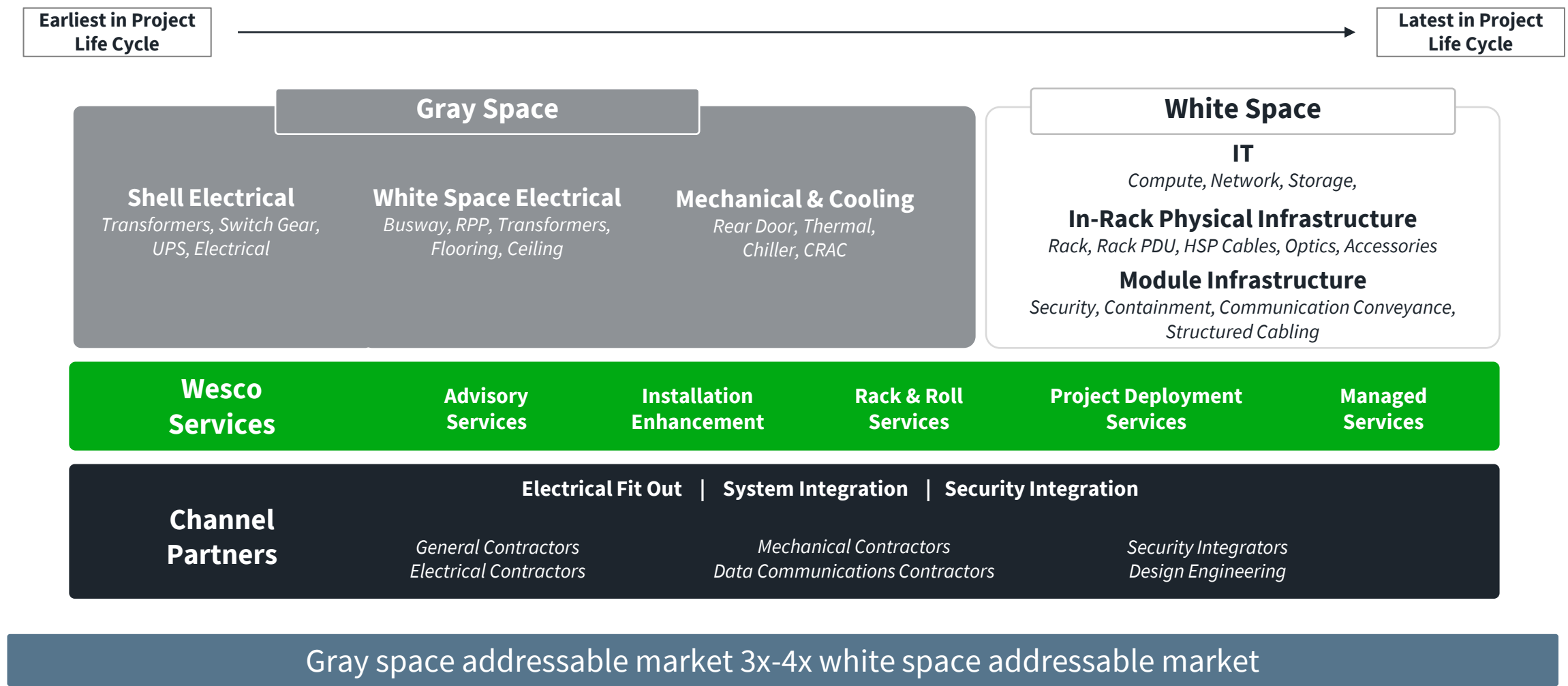


# Time Phasing of Data Center Construction



# Data Center Capabilities

*Broad data center product portfolio for the white space and gray space with specialized services*



# Rack & Roll Services Deployed Globally

**Integration of  
network and server  
cabinets**

**Burn-in and  
testing**

**Global shipping  
services**

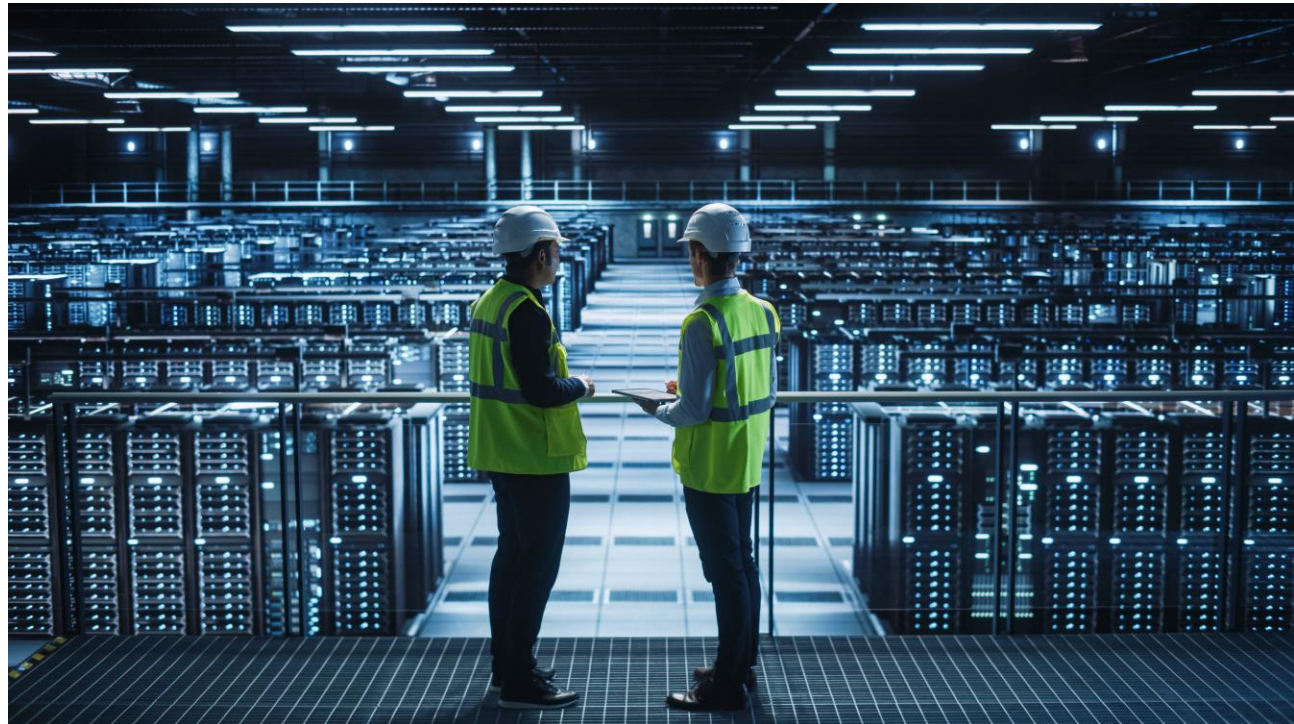
**On-site  
installation**

**Accelerated time to market**

**Streamlined process to meet  
demand and scale**

**Logistical and supply chain  
management**

**Full end-to-end solution**





# A Connected Future

- Secular trends of 24/7/365 connectivity, reshoring, automation, digitalization and AI driving a higher growth outlook
- Wesco has the most comprehensive portfolio of solutions; power, electrical, and communications capabilities
- Hyperscale data center markets are evolving with distribution as an integral partner in the supply chain



# Appendix

# EES 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 enables the technologies of tomorrow

## Industry Leading Scale and Scope

**\$8.6B**

2023 Sales

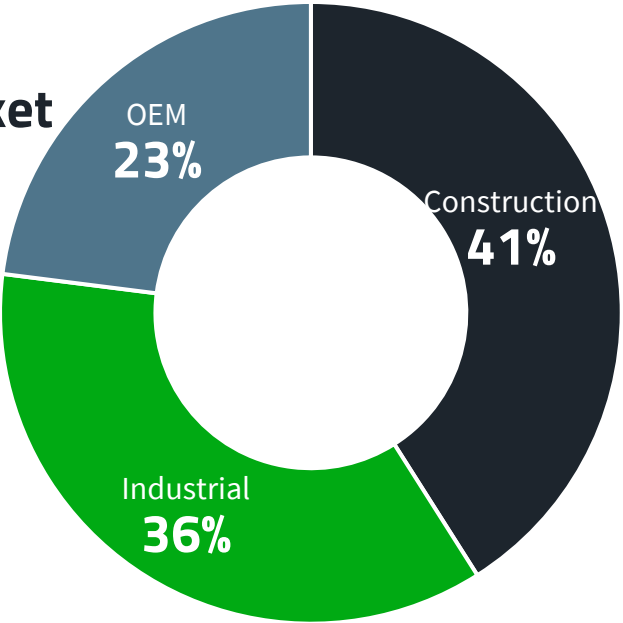
**50+**

Countries

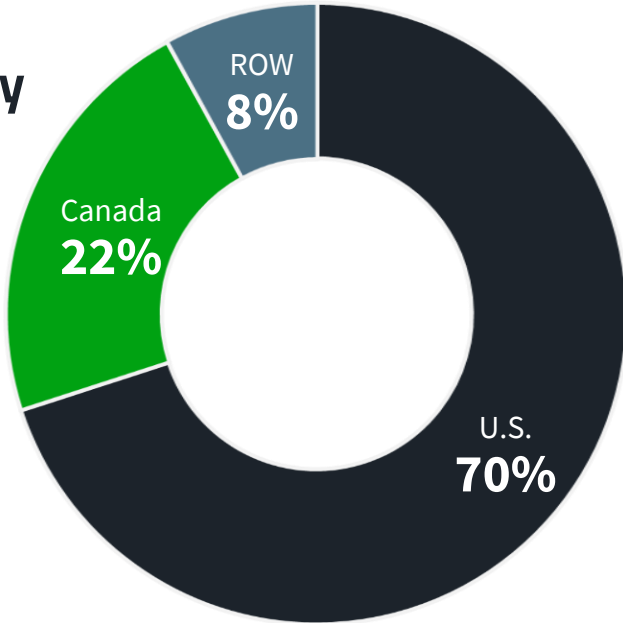
**#1**

Electrical Distributor  
in North America

Sales  
By End-Market



Sales  
By Geography



# UBS Overview

- › Supply chain management, services and solutions for investor-owned utilities, public power companies, and municipalities, as well as global service providers, wireless providers, broadband operators and the contractors that service these customers
- › Provide grid and network modernization, hardening, renewable deployments, smart technologies
- › Complete solutions for global service providers, broadband and wireless customers

## Industry Leading Position and Value Proposition

\$6.6B

2023 Sales

15

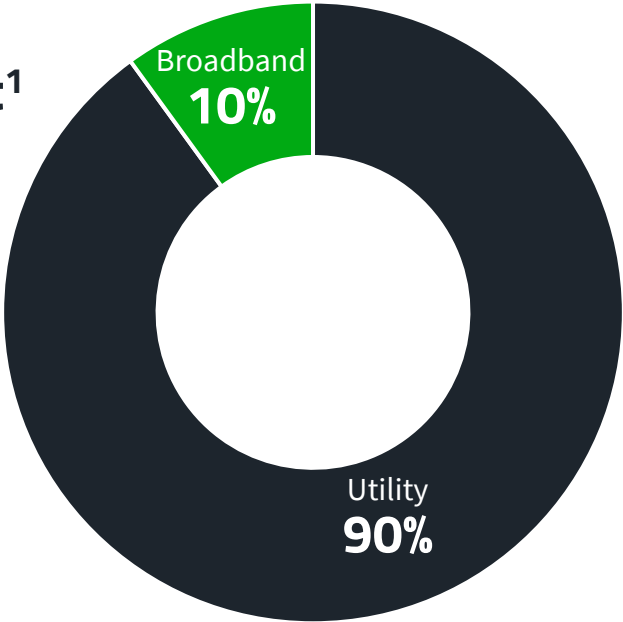
Countries

Leading

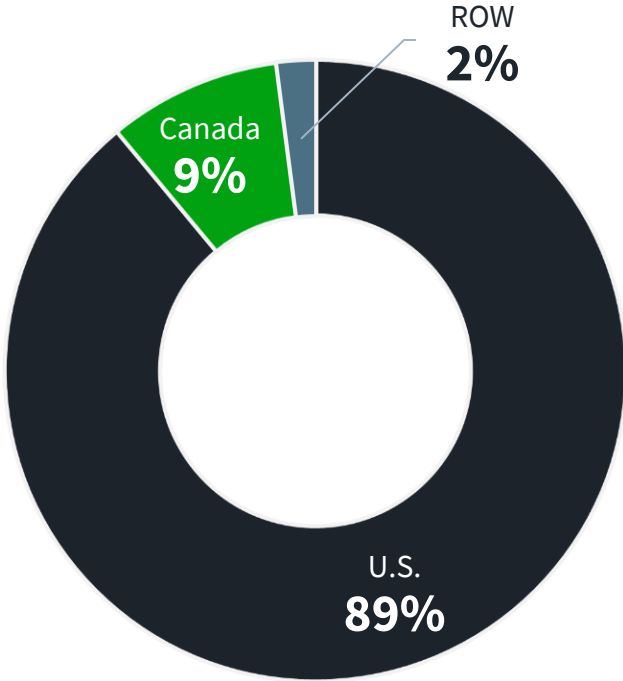
Utility and Broadband  
Distributor in NA



Sales  
By End-Market<sup>1</sup>



Sales  
By Geography



<sup>1</sup> Excludes Integrated Supply business which was divested as of April 1, 2024