
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) October 22, 2015

WESCO International, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

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

001-14989
(Commission File Number)

25-1723342
(IRS Employer
Identification No.)

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)

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 October 22, 2015, WESCO International, Inc. (the “Company”) issued a press release announcing its financial results for the third quarter of 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 third quarter of 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 dated October 22, 2015

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)
October 22, 2015	By:	/s/ Kenneth S. Parks
_____		_____
(Date)		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 Third Quarter 2015 Results

Third quarter highlights:

- Consolidated sales of \$1.9 billion
- Operating profit of \$106.3 million
- Earnings per diluted share of \$1.28
- Repurchased 1.4 million shares for a total buyback of 2.5 million shares in 2015

PITTSBURGH, October 22, 2015/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, announces its 2015 third quarter results.

The following are results for the three months ended September 30, 2015 compared to the three months ended September 30, 2014:

- Net sales were \$1,923.9 million for the third quarter of 2015, compared to \$2,078.2 million for the third quarter of 2014, a decrease of 7.4%. Normalized organic sales decreased 5.3%; foreign exchange rates negatively impacted sales by 4.1% and were partially offset by a 2.0% positive impact from acquisitions. Sequentially, net sales and normalized organic sales increased 0.4%.
- Gross profit was \$380.8 million, or 19.8% of sales, for the third quarter of 2015, compared to \$422.4 million, or 20.3% of sales, for the third quarter of 2014.
- Selling, general and administrative ("SG&A") expenses were \$258.2 million, or 13.4% of sales, for the third quarter of 2015, compared to \$271.8 million, or 13.1% of sales, for the third quarter of 2014.
- Operating profit was \$106.3 million for the current quarter, compared to \$133.2 million for the third quarter of 2014. Operating profit as a percentage of sales was 5.5% in 2015, compared to 6.4% in 2014.
- Interest expense for the third quarter of 2015 was \$20.4 million, compared to \$20.8 million for the third quarter of 2014. Non-cash interest expense, which includes convertible debt interest, interest related to uncertain tax positions, amortization of deferred financing fees and accrued interest, for the third quarter of 2015 and 2014 was \$4.6 million and \$4.1 million, respectively.
- The effective tax rate for the current quarter was 27.4%, compared to 28.1% for the prior year third quarter.
- Net income attributable to WESCO International, Inc. of \$63.5 million for the current quarter was down 21.4% from \$80.8 million for the prior year quarter.
- Earnings per diluted share for the third quarter of 2015 was \$1.28 per share, based on 49.7 million diluted shares, compared to \$1.52 per share in the third quarter of 2014, based on 53.2 million diluted shares.
- Free cash flow for the third quarter of 2015 was \$39.7 million compared to \$84.7 million for the third quarter of 2014.

Mr. John J. Engel, WESCO's Chairman and Chief Executive Officer, stated, "Our third quarter sales declined 7% reflecting continued foreign exchange headwinds and weakness in the industrial market and certain non-residential construction sectors. Organic sales momentum decelerated during the quarter in the U.S. and in Canada, down 4% and 10% year over year, respectively. While the top line remains pressured overall, our data communications and utility sales continued to grow. The benefits of ongoing cost reduction actions partially mitigated the impact of business mix and lower sales on earnings per share, which were lower than prior year. Free cash flow remains solid at 100% of net income on a year-to-date basis. We repurchased approximately 1.4 million shares in the third quarter bringing year-to-date repurchases to approximately 2.5 million shares, utilizing half of the \$300 million share repurchase authorization, while maintaining our leverage ratio within our target range of 2.0 to 3.5 times EBITDA. Based on our third quarter results and a challenging market outlook, we now estimate full year earnings per diluted share of \$4.15 to \$4.30 on sales down 4% to 5% from the prior year, compared to our previous estimate of earnings per diluted share of \$4.50 to \$4.90 on sales flat to down 3%. In addition, based upon the strength of our year-to-date free cash flow, we are increasing our estimate of full year free cash flow to approximately equal to net income, above our previous estimate of greater than 80% of net income."

The following results are for the nine months ended September 30, 2015 compared to the nine months ended September 30, 2014:

- Net sales were \$5,656.9 million for the first nine months of 2015, compared to \$5,894.1 million for the first nine months of 2014, a decrease of 4.0%. Normalized organic sales decreased 1.9%; foreign exchange rates and number of workdays negatively impacted sales by 3.2% and 0.5%, respectively, and were partially offset by a 1.6% positive impact from acquisitions.
- Gross profit of \$1,130.1 million, or 20.0% of sales, for the first nine months of 2015 compared to \$1,208.8 million, or 20.5% of sales, for the first nine months of 2014.
- Selling, general and administrative ("SG&A") expenses were \$798.0 million, or 14.1% of sales, for the first nine months of 2015, compared to \$815.8 million, or 13.8% of sales, for the first nine months of 2014.
- Operating profit was \$283.8 million for the first nine months of 2015 compared to \$342.0 million for the first nine months of 2014. Operating profit as a percentage of sales was 5.0% in 2015 compared to 5.8% in 2014.
- Interest expense for the first nine months of 2015 was \$59.9 million, compared to \$61.8 million for the first nine months of 2014. Non-cash interest expense, which includes convertible debt interest, interest related to uncertain tax positions, amortization of deferred financing fees and accrued interest, for the first nine months of 2015 and 2014 was \$11.6 million and \$7.4 million, respectively.
- The effective tax rate was 28.6% for the nine months ended September 30, 2015, compared to 28.1% for the nine months ended September 30, 2014.
- Net income attributable to WESCO International, Inc. of \$162.3 million for the nine months ended September 30, 2015 was down 19.5% from \$201.5 million for the nine months ended September 30, 2014.
- Earnings per diluted share for the first nine months of 2015 was \$3.16 per share, based on 51.3 million diluted shares, versus \$3.78 per share for the first nine months of 2014, based on 53.4 million diluted shares.
- Free cash flow for the nine months ended September 30, 2015 was \$159.8 million, or 100% of net income, compared to free cash flow of \$123.8 million, or 61% of net income for the nine months ended September 30, 2014.

Mr. Engel continued, "We expect reduced demand in commodity-driven end markets and foreign exchange headwinds to continue into 2016. The completion of cost reduction actions initiated in the second quarter are improving our second half profitability. We are continuing to simplify and streamline the business in the fourth quarter by reducing management structure and expect these changes to further improve our operational effectiveness while reducing costs in 2016. Our capital structure remains in good shape, and we will continue to take a disciplined approach to strengthening our electrical core and expanding our portfolio of products and services through acquisitions. As consolidation and outsourcing accelerate in our industry, customers are looking for a one-stop-shop to manage their global supply chain needs, and WESCO is well positioned to deliver on these expectations."

Webcast and Teleconference Access

WESCO will conduct a webcast and teleconference to discuss the third quarter earnings as described in this News Release on Thursday, October 22, 2015, at 11:00 a.m. E.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 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 manufacturers ("OEM") product, construction materials, and advanced supply chain management and logistic services. 2014 annual sales were approximately \$7.9 billion. The Company employs approximately 9,200 people, maintains relationships with over 25,000 suppliers, and serves over 75,000 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 485 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, Fax: (412) 222-7409
<http://www.wesco.com>

WESCO INTERNATIONAL, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(dollar amounts in millions, except per share amounts)

(Unaudited)

	Three Months Ended			
	September 30, 2015		September 30, 2014	
Net sales	\$ 1,923.9		\$ 2,078.2	
Cost of goods sold (excluding depreciation and amortization below)	1,543.1	80.2%	1,655.8	79.7%
Selling, general and administrative expenses	258.2	13.4%	271.8	13.1%
Depreciation and amortization	16.3		17.4	
Income from operations	106.3	5.5%	133.2	6.4%
Interest expense, net	20.4		20.8	
Income before income taxes	85.9	4.5%	112.4	5.4%
Provision for income taxes	23.5		31.6	
Net income	62.4	3.2%	80.8	3.9%
Net loss attributable to noncontrolling interests	(1.1)		—	
Net income attributable to WESCO International, Inc.	\$ 63.5	3.3%	\$ 80.8	3.9%
Earnings per diluted common share	\$ 1.28		\$ 1.52	
Weighted-average common shares outstanding and common share equivalents used in computing earnings per diluted share (in millions)	49.7		53.2	

WESCO INTERNATIONAL, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(dollar amounts in millions, except per share amounts)

(Unaudited)

	Nine Months Ended			
	September 30, 2015		September 30, 2014	
Net sales	\$ 5,656.9		\$ 5,894.1	
Cost of goods sold (excluding depreciation and amortization below)	4,526.8	80.0%	4,685.3	79.5%
Selling, general and administrative expenses	798.0	14.1%	815.8	13.8%
Depreciation and amortization	48.3		51.0	
Income from operations	283.8	5.0%	342.0	5.8%
Interest expense, net	59.9		61.8	
Income before income taxes	223.9	4.0%	280.2	4.8%
Provision for income taxes	64.1		78.8	
Net income	159.8	2.8%	201.4	3.4%
Net loss attributable to noncontrolling interests	(2.5)		(0.1)	
Net income attributable to WESCO International, Inc.	\$ 162.3	2.9%	\$ 201.5	3.4%
Earnings per diluted common share	\$ 3.16		\$ 3.78	
Weighted-average common shares outstanding and common share equivalents used in computing earnings per diluted share (in millions)	51.3		53.4	

WESCO INTERNATIONAL, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(dollar amounts in millions)

(Unaudited)

	<u>September 30, 2015</u>	<u>December 31, 2014</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 132.9	\$ 128.3
Trade accounts receivable, net	1,149.7	1,117.4
Inventories, net	845.0	819.5
Current deferred income taxes	33.1	35.9
Other current assets	205.4	249.2
Total current assets	<u>2,366.1</u>	<u>2,350.3</u>
Other assets	2,276.4	2,404.0
Total assets	<u>\$ 4,642.5</u>	<u>\$ 4,754.3</u>
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 787.6	\$ 765.1
Current debt and short-term borrowings	46.6	49.1
Other current liabilities	182.6	249.6
Total current liabilities	<u>1,016.8</u>	<u>1,063.8</u>
Long-term debt	1,454.7	1,366.4
Other noncurrent liabilities	411.2	396.0
Total liabilities	<u>2,882.7</u>	<u>2,826.2</u>
Stockholders' Equity		
Total stockholders' equity	<u>1,759.8</u>	<u>1,928.1</u>
Total liabilities and stockholders' equity	<u>\$ 4,642.5</u>	<u>\$ 4,754.3</u>

WESCO INTERNATIONAL, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(dollar amounts in millions)

(Unaudited)

	Nine Months Ended	
	September 30, 2015	September 30, 2014
Operating Activities:		
Net income	\$ 159.8	\$ 201.5
Add back (deduct):		
Depreciation and amortization	48.3	51.0
Deferred income taxes	26.3	17.8
Change in trade receivables, net	(49.8)	(175.0)
Change in inventories, net	(38.9)	(54.1)
Change in accounts payable	30.4	106.9
Other	(0.1)	(8.3)
Net cash provided by operating activities	176.0	139.8
Investing Activities:		
Capital expenditures	(16.2)	(16.0)
Acquisition payments	(68.5)	(138.8)
Other	1.8	5.4
Net cash used in investing activities	(82.9)	(149.4)
Financing Activities:		
Debt borrowings, net of repayments	92.5	33.3
Equity activity, net	(154.1)	(0.6)
Other	(11.7)	(37.0)
Net cash used in financing activities	(73.3)	(4.3)
Effect of exchange rate changes on cash and cash equivalents	(15.2)	0.6
Net change in cash and cash equivalents	4.6	(13.3)
Cash and cash equivalents at the beginning of the period	128.3	123.7
Cash and cash equivalents at the end of the period	\$ 132.9	\$ 110.4

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	Nine Months Ended
	September 30, 2015	September 30, 2015
Change in net sales	(7.4)%	(4.0)%
Impact from acquisitions	2.0 %	1.6 %
Impact from foreign exchange rates	(4.1)%	(3.2)%
Impact from number of workdays	— %	(0.5)%
Normalized organic sales growth	(5.3)%	(1.9)%

Normalized Organic Sales Growth - Sequential:	Three Months Ended
	September 30, 2015
Change in net sales	0.4 %
Impact from acquisitions	0.7 %
Impact from foreign exchange rates	(0.7)%
Impact from number of workdays	— %
Normalized organic sales growth	0.4 %

Note: Normalized 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. Normalized organic sales growth is calculated by deducting the percentage impact from acquisitions, foreign exchange rates and number of workdays from the overall percentage change in consolidated net sales.

Gross Profit:	Three Months Ended		Nine Months Ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Net Sales	\$ 1,923.9	\$ 2,078.2	\$ 5,656.9	\$ 5,894.1
Cost of goods sold (excluding depreciation and amortization)	1,543.1	1,655.8	4,526.8	4,685.3
Gross profit	\$ 380.8	\$ 422.4	\$ 1,130.1	\$ 1,208.8
Gross margin	19.8%	20.3%	20.0%	20.5%

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	
	September 30, 2015	December 31, 2014
Financial Leverage:		
Income from operations	\$ 408.0	\$ 466.2
Depreciation and amortization	65.4	68.0
EBITDA	\$ 473.4	\$ 534.2
	September 30, 2015	December 31, 2014
Current debt and short-term borrowings	\$ 46.6	\$ 49.1
Long-term debt	1,454.7	1,366.4
Debt discount related to convertible debentures and term loan ⁽¹⁾	165.7	170.4
Total debt including debt discount	1,667.0	1,585.9
Financial leverage ratio	3.5	3.0

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

Note: Financial leverage is a non-GAAP financial measure provided by the Company to illustrate its capital structure position. Financial leverage ratio 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		Nine Months Ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Free Cash Flow:				
Cash flow provided by operations	\$ 43.3	\$ 89.0	\$ 176.0	\$ 139.8
Less: Capital expenditures	(3.6)	(4.3)	(16.2)	(16.0)
Free cash flow	\$ 39.7	\$ 84.7	\$ 159.8	\$ 123.8
Percent of net income	64%	105%	100%	61%

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.



Q3 2015 Earnings

Webcast Presentation
October 22, 2015



Safe Harbor Statement

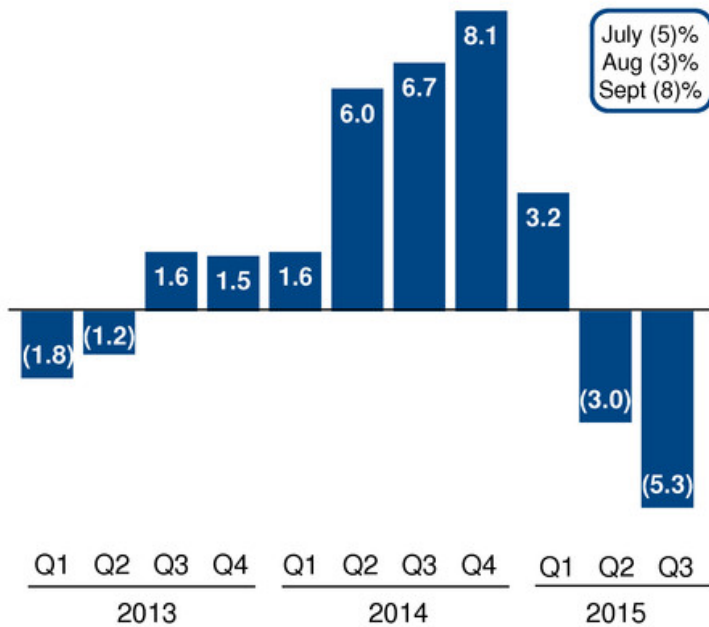


Note: All statements made herein that are not historical facts should be considered as “forward-looking statements” within the meaning of the Private Securities Litigation Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ 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.

Q3 2015 Highlights



Organic Growth (%)



- Organic sales were down 4% in the U.S. and down 10% in Canada
- Oil and gas sales down approximately 30%
- Month-to-date October sales down approximately 6% consolidated and 4% organic
- Cost controls partially mitigated sales and margin declines; additional cost reduction actions underway
- Solid free cash flow and financial leverage within target range
- Approximately 1.4 million shares repurchased; 2.5 million YTD
- Robust acquisition pipeline

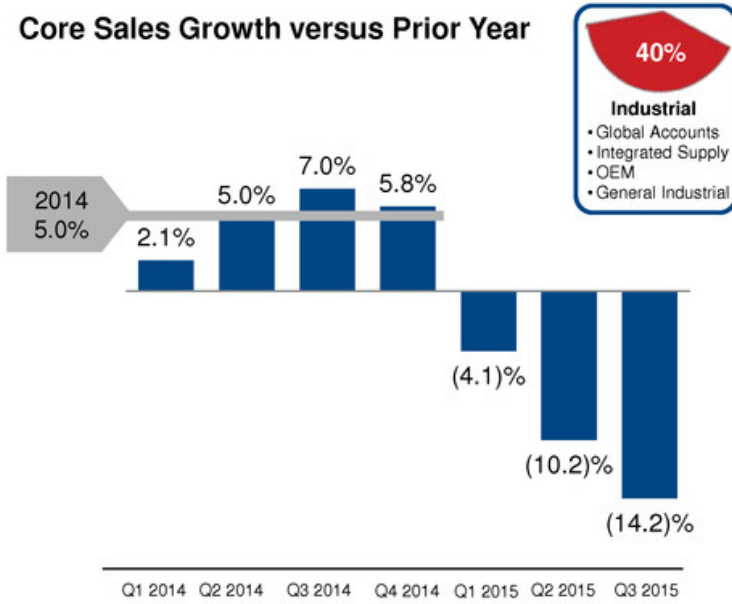
Note: Workday adjusted; see appendix for non-GAAP reconciliations.

...challenging quarter, driven by industrial, Canada & foreign exchange

Industrial End Market



Core Sales Growth versus Prior Year



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

Q3 2015 Sales

- Down 14% versus prior year
- Down 4% 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 Accounts and Integrated Supply bidding activity levels remain strong.
- Customer trends include higher expectations for supply chain process improvements, cost reductions, and supplier consolidation.



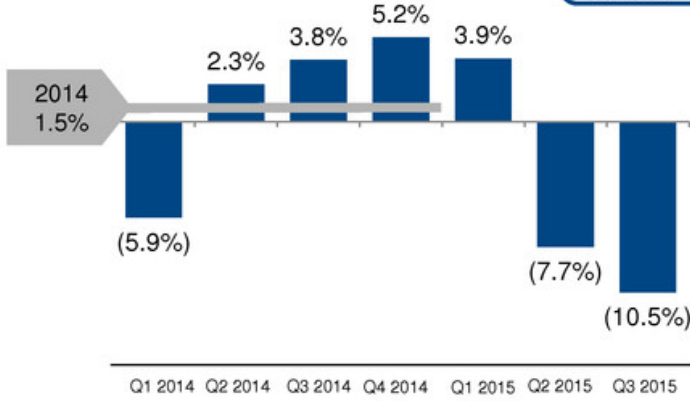
Industrial

Awarded a multi-year contract to supply electrical and safety MRO products across multiple plants for a global food ingredient manufacturer.

Construction End Market



Core Sales Growth versus Prior Year



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

- Q3 2015 Sales
 - Down 10% versus prior year (down 5% in both U.S. and Canada in local currency)
 - Up 4% sequentially
 - Sales declines driven by weakness with contractors serving industrial market partially offset by growth with commercial construction contractors
- Backlog grew sequentially in Q3 and is up 3% versus year end and down 1% from prior year.
- 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.

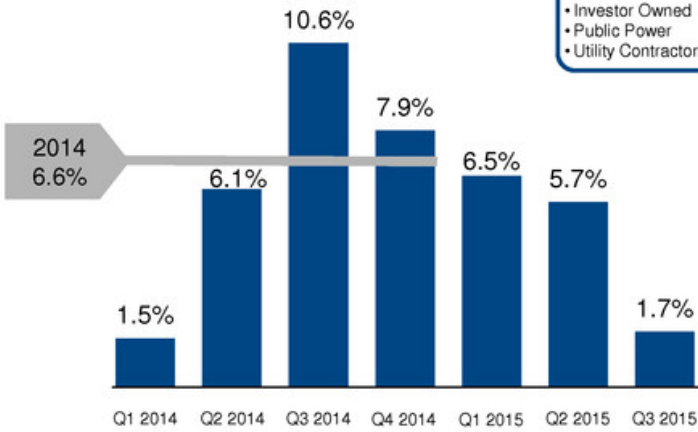
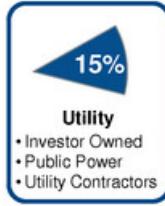


Awarded a contract to provide upgraded electrical equipment for four hydropower plants in the U.S.

Utility End Market



Core Sales Growth versus Prior Year



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

- Q3 2015 Sales
 - Up 2% versus prior year (up 6% in U.S. and down 12% in Canada in local currency)
 - Flat sequentially
- Eighteenth consecutive quarter of year-over-year sales growth.
- Scope expansion and value creation with IOU, public power, and generation customers providing utility sales growth.
- Secular improvement in housing market expected to be positive catalyst for future spending.
- Increased capital spending is underway and planned for certain investor owned utilities.
- Continued interest for Integrated Supply solution offerings.



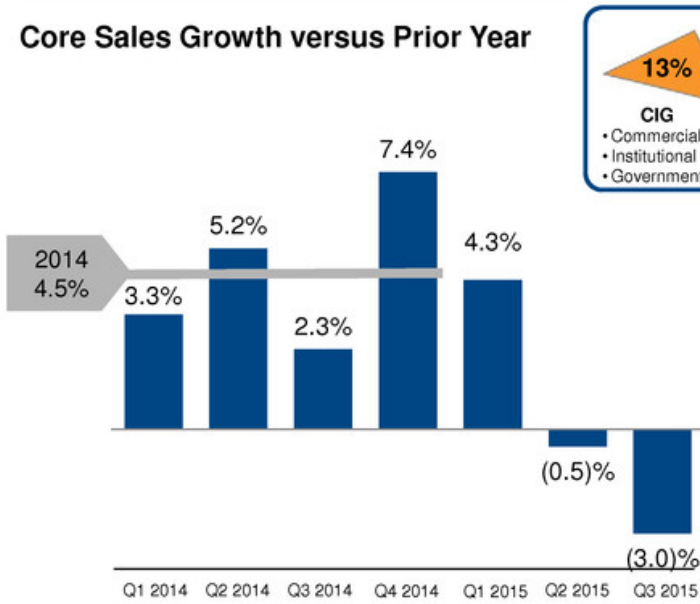
Utility

Awarded contract for substation materials and supply management for a new utility scale wind farm project.

CIG End Market



Core Sales Growth versus Prior Year



- Q3 2015 Sales
 - Down 3% versus prior year
 - Down 1% sequentially
- Solid 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.



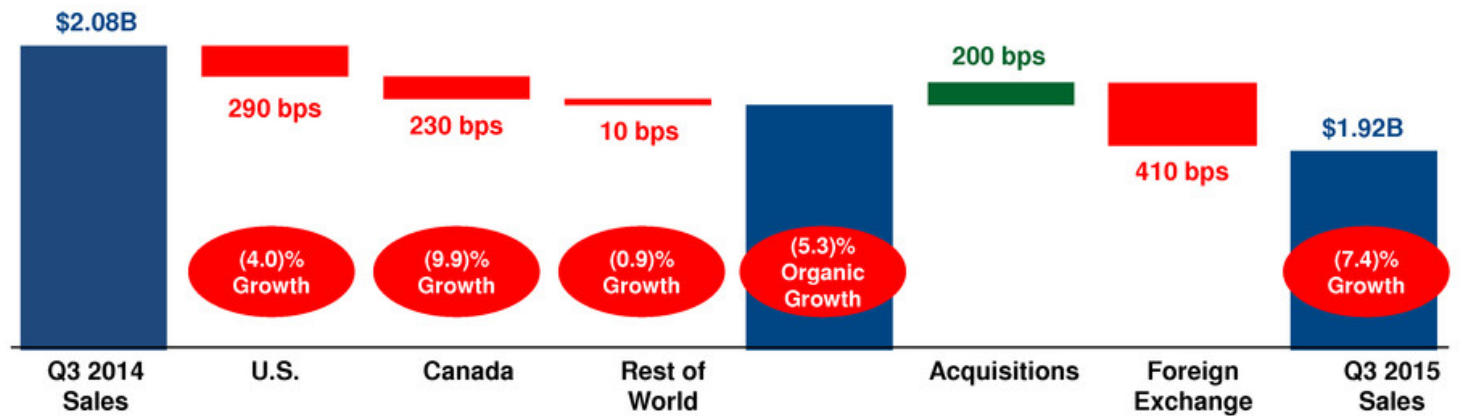
Government

Renewed a large multi-year contract to supply electrical and safety MRO products to government agencies for one of the states in U.S.

Q3 2015 Results



	Outlook	Actual	YOY
Sales	(3)% growth to flat	\$1.92B	(7.4)% growth (5.3)% organic
Gross Margin		19.8%	Down 50 bps
SG&A		\$258M, 13.4%	Down 5%, Up 30 bps
Operating Profit		\$106M	Down 20%
Operating Margin	5.7% to 5.9%	5.5%	Down 90 bps
Effective Tax Rate	29% to 30%	27.4%	Down 70 bps





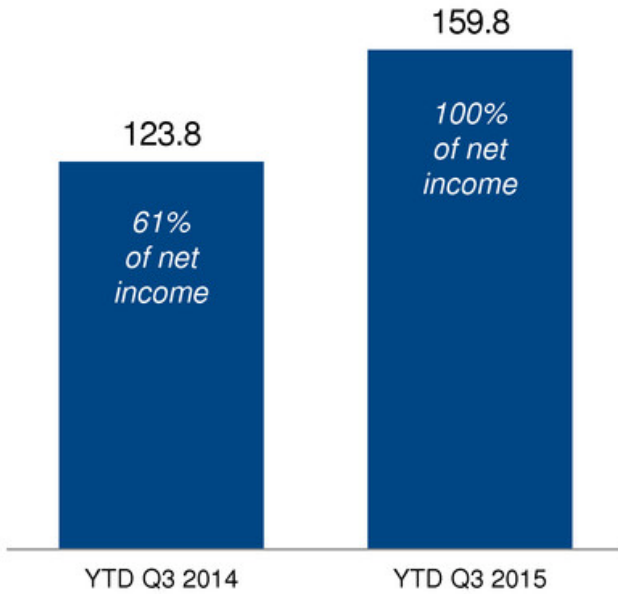
Q3 2014	\$1.52
Core Operations	~(0.26)
Acquisitions	0.02
Foreign Exchange Impact	(0.09)
Tax Rate	0.01
Share Count	0.08
Q3 2015	\$1.28

Cash Generation

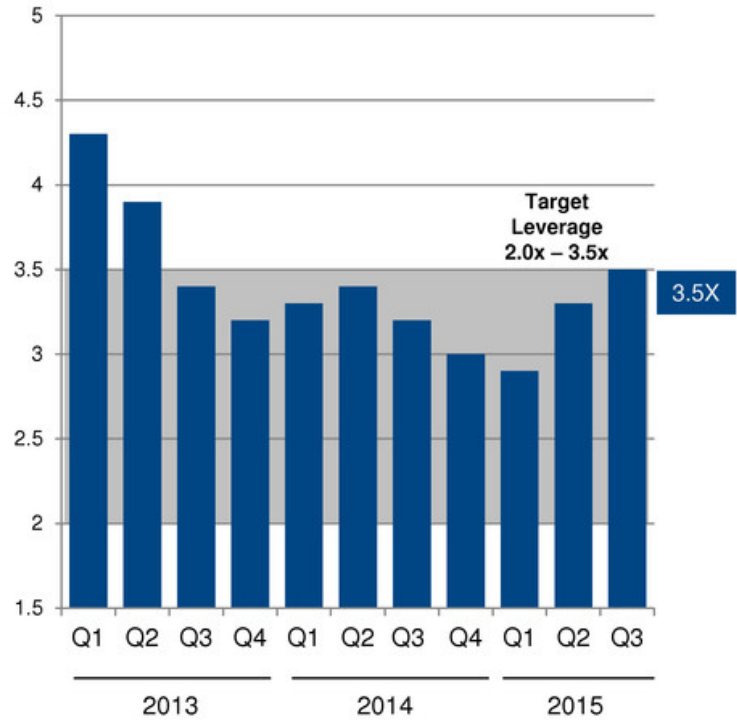


Free Cash Flow (\$ Millions)

~ \$1B of free cash flow over last 5 years



Leverage (Total Par Debt to TTM EBITDA)



See appendix for non-GAAP reconciliations.

2015 Outlook



	Q4	FY
Sales	(5)% to (8)%	(4)% to (5)%
Operating Margin	5.0% to 5.2%	~ 5.0%
Effective Tax Rate	29% to 30%	~ 29%
EPS		\$4.15 to \$4.30
Free Cash Flow		~100% of net income

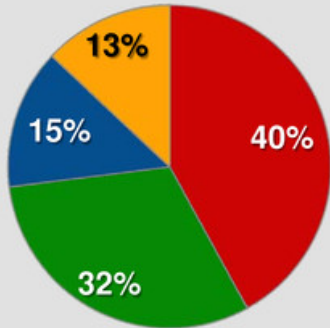
Notes: Excludes unannounced acquisitions.
Assumes a CAD/USD exchange rate of 0.75 in Q4.



Appendix



Markets & Customers



Industrial

Global Accounts | Integrated Supply
OEM | General Industrial

Construction

Non-Residential | Contractors

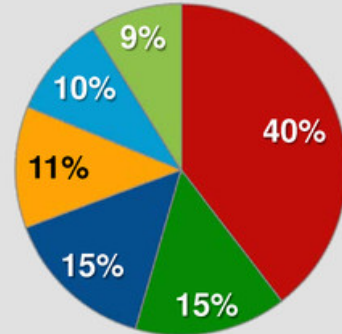
Utility

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
Consolidated	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)
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
Core	(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)
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)
Organic	(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)
WD Impact	(1.6)		1.6						(1.6)	(0.4)	(1.6)		
Normalized Organic	(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)
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

Q3 2015 Sales Growth – Geography



(%)

	U.S.	Canada	International	Total
Change in net sales	(1.2)	(24.4)	(9.7)	(7.4)
Impact from acquisitions	2.8	-	-	2.0
Impact from foreign exchange rates	-	(14.5)	(8.8)	(4.1)
Impact from number of workdays	-	-	-	-
Normalized organic sales growth	(4.0)	(9.9)	(0.9)	(5.3)

Sales Growth – End Markets



(\$ Millions)

	Q3 2015 vs. Q3 2014			Q3 2015 vs. Q2 2015		
	Q3 2015	Q3 2014	% Growth	Q3 2015	Q2 2015	% Growth
Industrial Core	726	846	(14.2)%	726	755	(3.8)%
Construction Core	608	680	(10.5)%	608	583	4.3%
Utility Core	297	292	1.7%	297	298	(0.3)%
CIG Core	259	267	(3.0)%	259	261	(0.9)%
Total Core Gross Sales	1,890	2,085	(9.3)%	1,890	1,897	(0.4)%
Total Gross Sales from Acquisitions	41	-	-	41	27	51.9%
Total Gross Sales	1,931	2,085	(7.4)%	1,931	1,924	0.4%
Gross Sales Reductions/Discounts	(7)	(7)	-	(7)	(7)	-
Total Net Sales	1,924	2,078	(7.4)%	1,924	1,917	0.4%

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

Capital Structure



(\$ Millions)

	Outstanding at December 31, 2014	Outstanding at September 30, 2015	Debt Maturity Schedule
AR Revolver ^(V)	430	530	2018
Inventory Revolver ^(V)	8	56	2020
Senior Notes ^(F)	500	500	2021
2019 Term Loans ^(V)	252	189	2019
2029 Convertible Bonds ^(F)	345	345	2029 ⁽¹⁾
Other ^(V)	51	47	N/A
Total Par Debt	1,586	1,667	

Key Financial Metrics			
	Q3 2014	YE 2014	Q3 2015
Cash	110	128	133
Capital Expenditures (YTD)	16	21	16
Free Cash Flow (YTD)	124	231	160
Liquidity ⁽²⁾	539	638	520

V = Variable Rate Debt

1 = No put; first callable date September 2016.

F = Fixed Rate Debt

2 = Asset-backed credit facilities total availability plus invested cash.

Financial Leverage



(\$ Millions)

	Twelve Months Ended September 30, 2015	
Financial leverage ratio:		
Income from operations	\$	408
Depreciation and amortization		65
<u>EBITDA</u>	\$	<u>473</u>
		<u>September 30, 2015</u>
Current debt and short-term borrowings	\$	46
Long-term debt		1,455
<u>Debt discount related to convertible debentures and term loan ⁽¹⁾</u>		<u>166</u>
<u>Total debt including debt discount</u>	\$	<u>1,667</u>
Financial leverage ratio		3.5X

⁽¹⁾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 September 30, 2015

(\$ Millions)

<u>Maturity</u>	<u>Par Value of Debt</u>	<u>Debt Discount</u>	<u>Debt per Balance Sheet</u>
2029	344.9	(164.4)	180.5

Non-Cash Interest Expense

(\$ Millions)

	<u>2013</u>	<u>2014</u>	<u>YTD Q3 2015</u>
Convertible Debt	4.3	4.1	4.4
Amortization of Deferred Financing Fees	4.9	4.4	4.9
FIN 48	0.6	1.0	0.6
Accrued Interest in Excess of Paid	0.4	0.0	1.7
Total	10.2	9.5	11.6



Weighted Average Quarterly Share Count

Stock Price	Incremental Shares from 2029 Convertible Debt (in millions) ³	Incremental Shares from Equity Awards (in millions)	Total Diluted Share Count (in millions) ⁴
\$30.00	0.45	0.19	43.84
\$40.00	3.33	0.34	46.85
\$50.00	5.05	0.47	48.71
Q3 2015 Average \$57.87	5.99	0.54	49.72
\$60.00	6.20	0.55	49.95
\$70.00	7.02	0.75	50.96
\$80.00	7.64	0.87	51.69

2029 Convertible Debt Details	
Conversion Price	\$28.8656
Conversion Rate	34.6433 ¹
Underlying Shares	11,947,602 ²

Footnotes: 2029 Convertible Debenture

- ¹ 1000/28.8656
- ² \$344.9 million/1,000 x 34.6433
- ³ $\frac{(\text{Underlying Shares} \times \text{Avg. Quarterly Stock Price}) \text{ minus } \$344.9 \text{ million}}{\text{Avg. Quarterly Stock Price}}$
- ⁴ Basic Share Count of 43.2 million shares

Free Cash Flow Reconciliation



(\$ Millions)

	Q3 2014	Q3 2015	YTD Q3 2014	YTD Q3 2015
Cash flow provided by operations	89.0	43.3	139.8	176.0
Less: Capital expenditures	(4.3)	(3.6)	(16.0)	(16.2)
Free Cash Flow	84.7	39.7	123.8	159.8

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

