

WESCO®

Fourth Quarter & Full Year 2019

Webcast Presentation

January 30, 2020



WESCO



Additional Information and Where to Find It

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended. In connection with the potential transaction, WESCO International, Inc. (“WESCO”) expects to file a registration statement on Form S-4 with the U.S. Securities and Exchange Commission (“SEC”) containing a preliminary prospectus of WESCO that also constitutes a preliminary proxy statement of Anixter International Inc. (“Anixter”). After the registration statement is declared effective Anixter will mail a definitive proxy statement/prospectus to stockholders of Anixter. This communication is not a substitute for the proxy statement/prospectus or registration statement or for any other document that WESCO or Anixter may file with the SEC and send to Anixter’s stockholders in connection with the potential transaction. INVESTORS AND SECURITY HOLDERS OF WESCO AND ANIXTER ARE URGED TO READ THE REGISTRATION STATEMENT, PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT WESCO, ANIXTER AND THE PROPOSED TRANSACTION. Investors and security holders will be able to obtain free copies of the registration statement, proxy statement/prospectus and other documents filed with the SEC by WESCO or Anixter through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by WESCO will be available free of charge on WESCO’s website at <http://wesco.investorroom.com/sec-filings> and copies of the documents filed with the SEC by Anixter will be available free of charge on Anixter’s website at <http://investors.anixter.com/financials/sec-filings>.

Participants in the Solicitation

WESCO and Anixter and certain of their respective directors, certain of their respective executive officers and other members of management and employees may be considered participants in the solicitation of proxies from Anixter shareholders with respect to the potential transaction under the rules of the SEC. Information about the directors and executive officers of WESCO is set forth in its Annual Report on Form 10-K for the year ended December 31, 2018, which was filed with the SEC on February 27, 2019, and its proxy statement for its 2019 annual meeting of stockholders, which was filed with the SEC on April 15, 2019. Information about the directors and executive officers of Anixter is set forth in its Annual Report on Form 10-K for the year ended December 28, 2018, which was filed with the SEC on February 21, 2019, and its proxy statement for its 2019 annual meeting of stockholders, which was filed with the SEC on April 18, 2019. These documents can be obtained free of charge from the sources indicated above. Additional information regarding the interests of such participants in the solicitation of proxies in respect of the potential transaction will be included in the registration statement and proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.

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 the expected completion and timing of the proposed transaction, expected benefits and costs of the proposed transaction, and management plans relating to the proposed transaction, and statements that address each company’s expected future business and financial performance and other statements identified by words such as “anticipate”, “plan”, “believe”, “estimate”, “intend”, “expect”, “project”, “will” and similar words, phrases or expressions. These forward-looking statements are based on current expectations and beliefs of the management of WESCO and Anixter (as the case may be), as well as assumptions made by, and information currently available to, such management, current market trends and market conditions and involve risks and uncertainties, many of which are outside of each company’s and each company’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. Those risks, uncertainties and assumptions include the timing, receipt and terms and conditions of any required governmental and regulatory approvals of the proposed transaction that could reduce anticipated benefits or cause the parties to abandon the proposed transaction, the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement, the possibility that stockholders of Anixter may not adopt the merger agreement, the risk that the parties may not be able to satisfy the conditions to the proposed transaction in a timely manner or at all, risks related to disruption of management time from ongoing business operations due to the proposed transaction, the risk that any announcements relating to the proposed transaction could have adverse effects on the market price of WESCO’s common stock or Anixter’s common stock, the risk of any unexpected costs or expenses resulting from the proposed transaction, the risk of any litigation relating to the proposed transaction, the risk that the proposed transaction and its announcement could have an adverse effect on the ability of WESCO or Anixter to retain customers and retain and hire key personnel and maintain relationships with their suppliers, customers and other business relationships and on their operating results and businesses generally, the risk the pending proposed transaction could distract management of both entities and they will incur substantial costs, the risk that problems may arise in successfully integrating the businesses of the companies, which may result in the combined company not operating as effectively and efficiently as expected, the risk that the combined company may be unable to achieve synergies or other anticipated benefits of the proposed transaction or it may take longer than expected to achieve those synergies or benefits and other important factors that could cause actual results to differ materially from those projected. All such factors are difficult to predict and are beyond WESCO’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, as it may be updated from time to time by quarterly reports on Form 10-Q and current reports on Form 8-K all of which are available on WESCO’s website at <http://wesco.investorroom.com/sec-filings> and on the SEC’s website at <http://www.sec.gov>, and in Anixter’s most recent Annual Report on Form 10-K, as it may be updated from time to time by quarterly reports on Form 10-Q and current reports on Form 8-K all of which are available on Anixter’s website at <http://investors.anixter.com/financials/sec-filings> and on the SEC’s website at <http://www.sec.gov>. Forward-looking statements speak only as of the date of this communication. Neither WESCO nor Anixter undertake any intent or obligation to publicly update or revise any of the estimates and other forward-looking statements made in this announcement, whether as a result of new information, future events or otherwise, except as required by law.

Non-GAAP Measures

This presentation includes certain non-GAAP financial measures. These financial measures include organic sales growth, gross profit, gross margin, financial leverage, earnings before interest, taxes, depreciation and amortization (EBITDA), free cash flow, adjusted income from operations, and adjusted diluted earnings per share. 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.

Anixter Acquisition Update

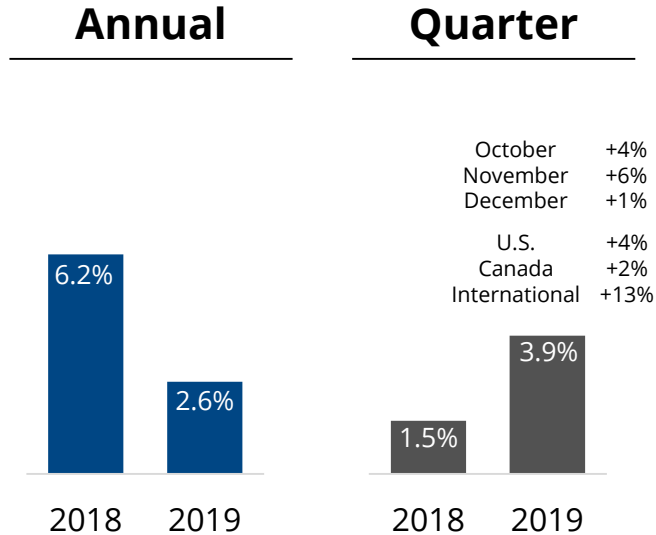


- Announced acquisition of Anixter International in early January
- Integration planning process is underway
- Required filings with the SEC and regulatory approvals are in process
- Expect to close transaction in second or third quarter of 2020



Fourth Quarter and Full Year 2019 Highlights

Organic Sales Growth versus Prior Year



Fourth Quarter

- Record fourth quarter sales of \$2.1 billion; Organic sales up 3.9%
 - Strength in Utility, CIG, and Datacom
 - Down 1% sequentially, in line with seasonality
- Year-over-year growth in all end markets and geographies for the second consecutive quarter
- Free cash flow of \$94 million; 178% of net income
- Adjusted operating margin down 40 basis points versus prior year
- Estimated pricing impact of +1%
- Preliminary January sales up low single digits

FY 2019

- Record sales of \$8.4 billion; Organic sales up 2.6%
- Year-over-year growth in all end markets and geographies for the third consecutive year
- Record adjusted diluted earnings per share of \$5.20; up 8% versus prior year
- Free cash flow of \$180 million; 81% of net income
- Repurchased \$150 million of shares
- Financial leverage of 2.8x at year-end
- Announced acquisition of Anixter International in early January

Record sales and adjusted EPS in 2019

Note: Organic sales 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 reconciliations.



Fourth Quarter and Full Year 2019 Results

	Fourth Quarter				Full Year			
	2018	2019	Versus PY	Implied Midpoint	2018	2019	Versus PY	2019 Outlook
\$ Millions, except per share amounts								
Sales	\$2,011	\$2,099	4.4%	~3.5%	\$8,177	\$8,359	2.2%	1% - 3%
Gross Profit	\$390	\$390	flat		\$1,567	\$1,581	0.9%	
<i>% of sales</i>	<i>19.4%</i>	<i>18.6%</i>	<i>(80) bps</i>		<i>19.2%</i>	<i>18.9%</i>	<i>(30) bps</i>	
SG&A	\$284	\$290	2.0%		\$1,152	\$1,173	1.8%	
<i>% of sales</i>	<i>14.1%</i>	<i>13.8%</i>	<i>(30) bps</i>		<i>14.1%</i>	<i>14.0%</i>	<i>(10) bps</i>	
Operating Profit	\$91	\$84	(7.4)%		\$352	\$346	(1.8)%	
<i>% of sales</i>	<i>4.5%</i>	<i>4.0%</i>	<i>(50) bps</i>		<i>4.3%</i>	<i>4.1%</i>	<i>(20) bps</i>	
Adjusted Operating Profit	\$91	\$87	(3.9)%	~4.2%	\$352	\$349	(0.9)%	~4.2%
<i>% of Sales</i>	<i>4.5%</i>	<i>4.1%</i>	<i>(40) bps</i>		<i>4.3%</i>	<i>4.2%</i>	<i>(10) bps</i>	
Effective Tax Rate	21.2%	22.0%	80 bps	~21%	19.8%	21.2%	140 bps	~21%
Diluted EPS	\$1.26	\$1.26	flat		\$4.82	\$5.14	6.6%	
Adjusted Diluted EPS	\$1.26	\$1.32	4.8%		\$4.82	\$5.20	7.9%	\$5.00 - \$5.40

Note: See appendix for non-GAAP reconciliations.



Fourth Quarter Gross Margin Influencers

Q4 2019 vs. Q4 2018

Gross margin down driven by two factors:

1. Price / Cost
 - Supplier price increases
 - Competitive environment
2. Business Mix

Q4 2019 vs. Q3 2019

Gross margin flat with no overall mix impact

		Mix Impact Summary		
		Historical Gross Margin vs. WESCO Average ⁽¹⁾	Q4 2019 vs. Q4 2018	Q4 2019 vs. Q3 2019
END MARKET	Industrial	ABOVE	Headwind	Tailwind
	CIG	AVERAGE		
	Construction	BELOW		
	Utility	BELOW		
GEOGRAPHY	Canada	ABOVE	Headwind	Headwind
	U.S.	AVERAGE		
	International	BELOW		
SHIPMENT	Stock	ABOVE	Neutral	Neutral
	Special Order	AVERAGE		
	Direct	BELOW		

⁽¹⁾ Presented at June, 2019 Investor Day



Fourth Quarter Diluted EPS and Sales Growth Walk

Diluted EPS Walk¹

Reported Q4 2018 Diluted EPS	\$1.26
Core operations	\$0.05
Foreign exchange rates	\$(0.01)
SLS acquisition	\$(0.08)
Tax	\$(0.02)
Lower share count	\$0.12
Adjusted Q4 2019 Diluted EPS	\$1.32
Merger-related transaction costs	\$(0.06)
Reported Q4 2019 Diluted EPS	\$1.26

Sales Growth Walk

Q4 2018 Sales	\$2,011 M
U.S.	290 bps
Canada	30 bps
International	70 bps
Organic Growth	3.9%
Foreign exchange rates	(30) bps
SLS acquisition	80 bps
Q4 2019 Sales	\$2,099M
Reported Growth	4.4%

¹ Calculation differences due to rounding.



Full Year 2019 Diluted EPS and Sales Growth Walk

Diluted EPS Walk¹

Reported FY 2018 Diluted EPS	\$4.82
Core operations	\$0.12
Foreign exchange rates	\$(0.02)
SLS acquisition	\$(0.11)
Tax, net of interest benefit	\$(0.02)
Lower share count	\$0.41
Adjusted FY 2019 Diluted EPS	\$5.20
Merger-related transaction costs	\$(0.06)
Reported FY 2019 Diluted EPS	\$5.14

Sales Growth Walk

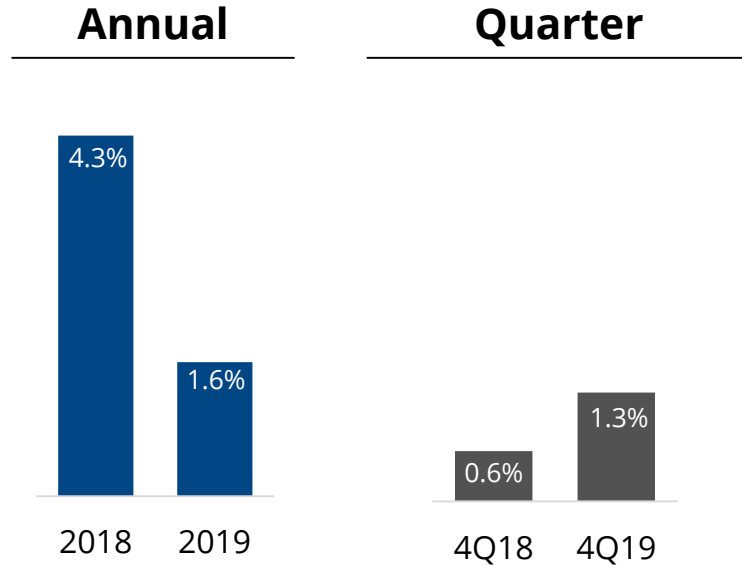
FY 2018 Sales	\$8,177 M
U.S.	170 bps
Canada	60 bps
International	30 bps
Organic Growth	2.6%
Foreign exchange rates	(80) bps
SLS acquisition	80 bps
Number of workdays	(40) bps
FY 2019 Sales	\$8,359 M
Reported Growth	2.2%

¹ Calculation differences due to rounding.



Industrial End Market

Organic Sales Growth versus Prior Year



- Q4 2019 organic sales
 - Up 1% versus prior year
 - U.S. down 2%; Canada up 6% in local currency
 - Up 1% sequentially
 - 3rd consecutive quarter of organic growth
- FY 2019 organic sales
 - Up 2% versus prior year
 - Up 1% in U.S.; Canada up 5% in local currency
- Manufacturing demand remains in soft patch
- Continued growth with global accounts for technology and petrochemical customers
- Bidding activity levels remain high in Global Accounts and Integrated Supply platforms

Global Accounts | Integrated Supply | OEM | General Industrial

36% of WESCO Sales

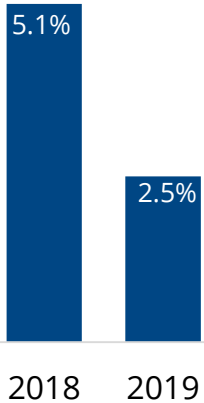
Awarded multiple contracts with a total value of \$18 million with a petroleum refiner to provide electrical equipment for a plant expansion in the U.S. Gulf Coast region.



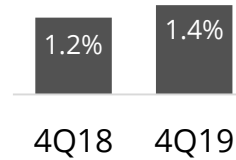
Construction End Market

Organic Sales Growth versus Prior Year

Annual



Quarter



- Q4 2019 organic sales
 - Up 1% versus prior year
 - Up 2% in the U.S. and flat in Canada in local currency
 - Down 1% sequentially
 - 10th consecutive quarter of organic growth
- FY 2019 organic sales
 - Up 2% versus prior year
 - Up 1% in the U.S.; Canada up 4% in local currency
- Backlog remains at historically strong level; down sequentially in line with normal seasonality
- Contractors continue to be challenged by tariff-related budget pressures and an exceptionally tight skilled-labor market
- Continue to see some customer project delays partly due to slowing business output and uncertainty around trade

Non-Residential | Contractors

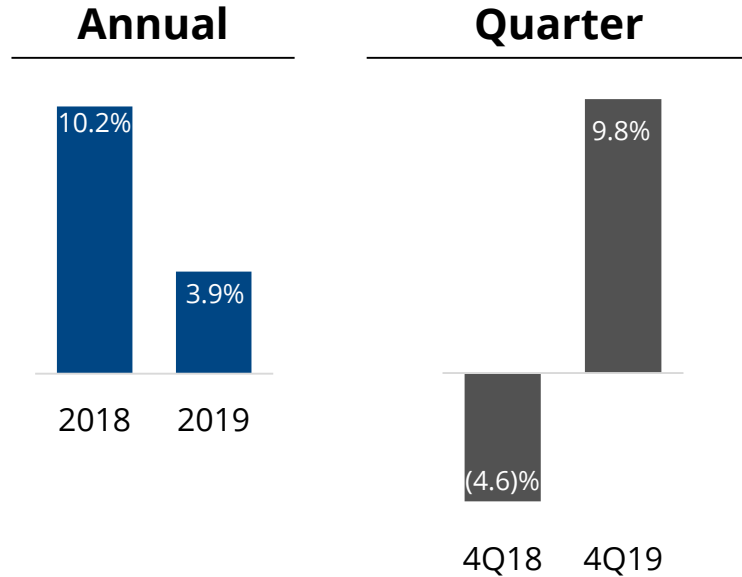
33% of WESCO Sales

Awarded a multimillion dollar contract to provide electrical switchgear, lighting, and other materials for the expansion of a food retailer's distribution facility in Canada.



Utility End Market

Organic Sales Growth versus Prior Year



- Q4 2019 organic sales
 - Up 10% versus prior year
 - Up 11% in the U.S.; down 7% in Canada in local currency
 - Down 5% sequentially
- FY 2019 organic sales
 - Up 4% versus prior year
 - 9th consecutive year of organic growth
- Growth driven by product and service scope expansion with customers; increased our inventory and initiated deliveries on new contract wins
- Integrated Supply solutions continue to drive value for customers
- Expect grid reliability and modernization projects as well as growth in renewable energy to drive future demand

Investor Owned | Public Power | Utility Contractors

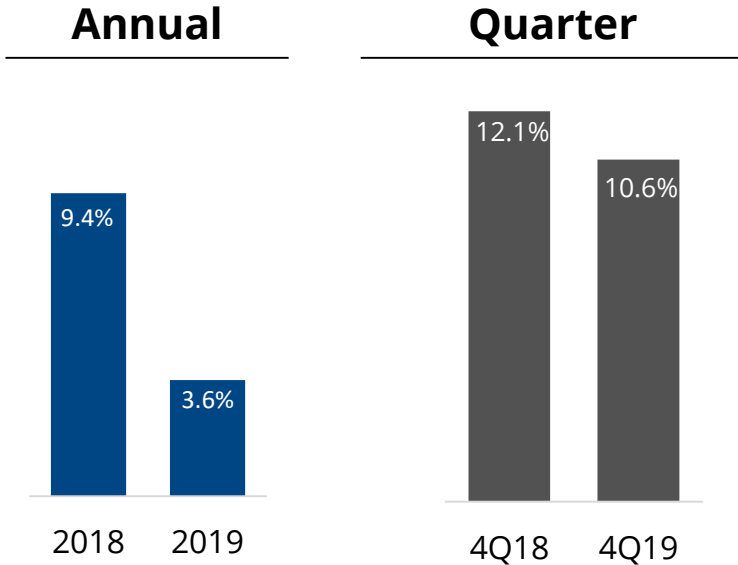
16% of WESCO Sales

Awarded a multi-year contract valued at \$25 million to provide lighting products and material management to a public utility, expanding our scope of supply and services.



CIG End Market

Organic Sales Growth versus Prior Year



- Q4 2019 organic sales
 - Up 11% versus prior year
 - Up 15% in the U.S.; up 5% in Canada in local currency
 - Up 4% sequentially
 - 11th consecutive quarter of organic growth
- FY 2019 organic sales
 - Up 4% versus prior year
 - Up 3% in the U.S.; up 10% in Canada in local currency
- Supply chain solutions driving results in datacenter, security, and cloud technology projects
- Continue to be well positioned to serve data center construction, LED lighting renovation and retrofits, FTTx deployments and broadband build outs

Commercial | Institutional | Government

15% of WESCO Sales

Awarded a multimillion dollar contract to provide turnkey LED lighting retrofit materials and services to upgrade a convention center facility in the U.S.

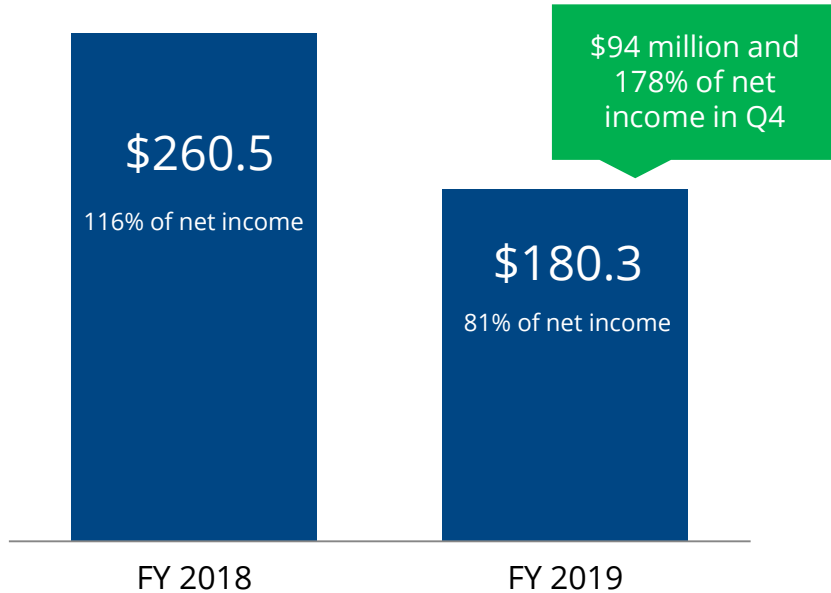


Free Cash Flow & Leverage

Free Cash Flow

(\$ Millions)

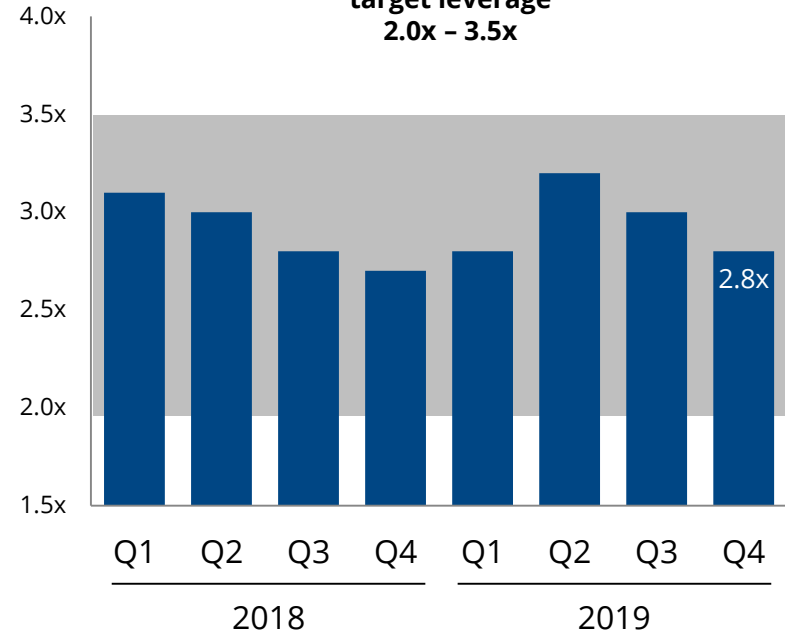
~ \$1.1B of free cash flow over the last 5 years



Leverage

(Debt, Net of Cash, to TTM EBITDA)

target leverage
2.0x – 3.5x



2020 Outlook



Full Year Sales Outlook (unchanged from outlook provided on 10/31/19)

End Market	Range
Industrial	(LSD) to LSD
Construction	(LSD) to LSD
Utility	LSD
CIG	Flat to LSD
End Market Sales Growth	(1%) to 3%
Market Outperformance	1% to 2%
Foreign Currency/M&A ¹	Neutral
Consolidated WESCO	0% to 4%

Notes

Excludes the impact of the announced Anixter merger expected to close in Q2 or Q3 of 2020.

Assumes a CAD/USD exchange rate of 0.75 in FY20.

Q1 and full year 2020 have one additional workday than 2019

See appendix for non-GAAP reconciliations.

¹Foreign currency exchange rates expected to be a slight headwind offset by the carryover impact of the SLS acquisition in March, 2019

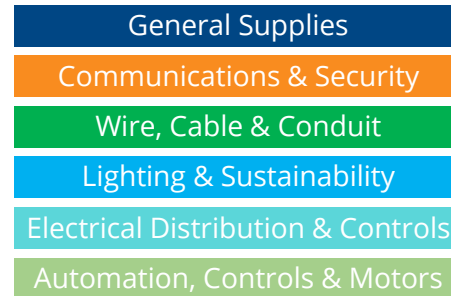
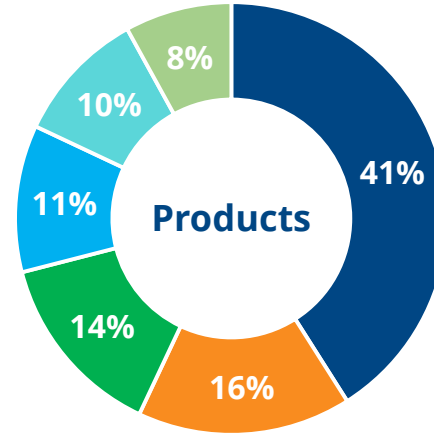
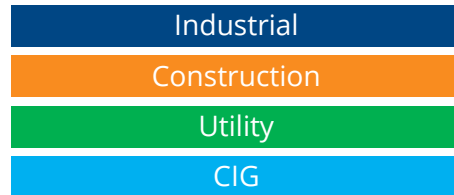
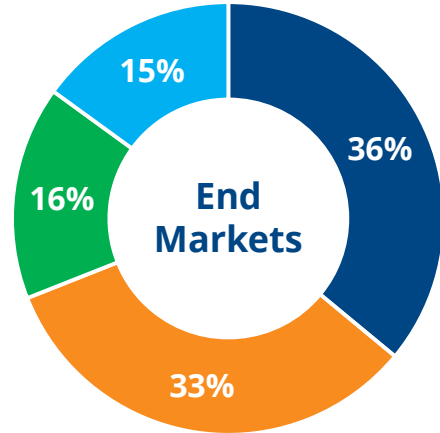
First Quarter and Full Year Outlook

	First Quarter	Full Year
Sales	2% to 5%	0% to 4%
Operating Margin	3.4% to 3.6%	4.1% to 4.4%
Effective Tax Rate	~22%	~22%
Diluted EPS		\$5.10 to \$5.70
Free Cash Flow		~90% of net income

APPENDIX



Trailing Twelve Month Sales Mix



Adjusted Results



	Q4 2019			YTD 2019		
	Reported Results	Adjustments ⁽¹⁾	Adjusted Results	Reported Results	Adjustments ⁽¹⁾	Adjusted Results
<i>(in millions, except for EPS)</i>						
Income from operations	\$ 83.8	\$ 3.1	\$ 86.9	\$ 346.2	\$ 3.1	\$ 349.4
Net interest and other	16.2	-	16.2	64.2	-	64.2
Income before income taxes	\$ 67.6	3.1	\$ 70.7	\$ 282.1	3.1	\$ 285.2
Income tax	14.9	0.7	15.6	59.9	0.7	60.5
<i>Effective tax rate</i>	<i>22.0%</i>		<i>22.0%</i>	<i>21.2%</i>		<i>21.2%</i>
Net income	52.7	2.5	55.2	222.2	2.5	224.7
<i>Less: Non-controlling interests</i>	<i>(0.4)</i>	<i>-</i>	<i>(0.4)</i>	<i>(1.2)</i>	<i>-</i>	<i>(1.2)</i>
Net income attributable to WESCO	\$ 53.1	2.5	\$ 55.6	\$ 223.4	2.5	\$ 225.9
Diluted Shares	42.2		42.2	43.5		43.5
EPS	\$ 1.26		\$ 1.32	\$ 5.14		\$ 5.20

⁽¹⁾ Merger-related transaction costs included in SG&A expenses and related income tax effect.



Fourth Quarter Organic Sales Growth

(\$ Millions)

Year-over-Year

	Three Months Ended,		Core Growth	Less: FX Impact	Less: Workday	Organic Growth
	December 31, 2018	December 31, 2019				
Industrial core sales	739	746	0.9%	(0.4)%	0.0%	1.3%
Construction core sales	677	684	1.0%	(0.4)%	0.0%	1.4%
Utility core sales	305	335	9.6%	(0.2)%	0.0%	9.8%
CIG core sales	290	319	10.1%	(0.5)%	0.0%	10.6%
Total core sales	\$ 2,011	\$ 2,084	3.6%	(0.3)%	0.0%	3.9%
U.S. core sales	1,482	1,540	4.0%	0.0%	0.0%	4.0%
Canada core sales	413	415	0.5%	(1.0)%	0.0%	1.5%
International core sales	116	128	10.5%	(2.2)%	0.0%	12.7%
Total core sales	\$ 2,011	\$ 2,084	3.6%	(0.3)%	0.0%	3.9%
Plus: SLS sales	-	16				
Total net sales	\$ 2,011	\$ 2,099				

Sequential

	Three Months Ended,		Reported Growth	Less: FX Impact	Less: Workday	Organic Growth
	September 30, 2019	December 31, 2019				
Industrial sales	755	746	(1.2)%	(0.2)%	(1.6)%	0.6%
Construction sales	715	692	(3.2)%	(0.1)%	(1.6)%	(1.5)%
Utility sales	358	335	(6.4)%	0.0%	(1.6)%	(4.8)%
CIG sales	321	327	1.8%	(0.1)%	(1.6)%	3.5%
Total net sales	2,148	2,099	(2.3)%	(0.1)%	(1.6)%	(0.6)%

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



Full Year Organic Sales Growth

(\$ Millions)

Year-over-Year

	Twelve Months Ended,		Core Growth	Less: FX Impact	Less: Workday	Organic Growth
	December 31, 2018	December 31, 2019				
Industrial core sales	2,983	2,999	0.5%	(0.7)%	(0.4)%	1.6%
Construction core sales	2,685	2,712	1.0%	(1.2)%	(0.4)%	2.5%
Utility core sales	1,304	1,347	3.4%	(0.3)%	(0.4)%	3.9%
CIG core sales	1,205	1,234	2.4%	(0.8)%	(0.4)%	3.6%
Total core sales	\$ 8,177	\$ 8,292	1.4%	(0.8)%	(0.4)%	2.6%
U.S. core sales	6,053	6,172	2.0%	0.0%	(0.4)%	2.4%
Canada core sales	1,648	1,643	(0.3)%	(2.9)%	(0.4)%	3.0%
International core sales	475	478	0.5%	(3.3)%	(0.4)%	4.2%
Total core sales	\$ 8,177	\$ 8,292	1.4%	(0.8)%	(0.4)%	2.6%
Plus: SLS sales	-	67				
Total net sales	\$ 8,177	\$ 8,359				

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	December 31, 2019
Income from operations	352	346
Depreciation and amortization	63	62
EBITDA	415	408

Debt	As of,		Maturity
	December 31, 2018	December 31, 2019	
AR Revolver (variable)	275	415	2022
Inventory Revolver (variable)	52	-	2024
Term Loans (variable)	25	-	2019
2021 Senior Notes (fixed)	500	500	2021
2024 Senior Notes (fixed)	350	350	2024
Other	31	28	Various
Total debt¹	1,233	1,293	
Less: cash and cash equivalents	96	151	
Total debt, net of cash	1,137	1,142	
Leverage	2.7x	2.8x	

Liquidity²	December 31, 2018	December 31, 2019
Liquidity	824	823

⁽¹⁾ Debt is presented in the condensed consolidated balance sheets net of debt discount and debt 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 Profit and Free Cash Flow

(\$ Millions)

Gross Profit	Three Months Ended,	
	December 31, 2018	December 31, 2019
Net sales	2,011	2,099
Cost of goods sold ¹	1,621	1,710
Gross profit²	390	390
<i>Gross margin²</i>	<i>19.4%</i>	<i>18.6%</i>

Free Cash Flow	Twelve Months Ended,	
	December 31, 2018	December 31, 2019
Net cash provided by operating activities	297	224
Less: capital expenditures	(36)	(44)
Free cash flow³	261	180
Net income	225	222
<i>% of net income</i>	<i>116%</i>	<i>81%</i>

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 profit 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
2020	64	64	64	61	253