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): February 9, 2021

WESCO International, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**001-14989**	**25-1723342**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
225 West Station Square Drive Suite 700 Pittsburgh, Pennsylvania		**15219**
(Address of principal executive offices)		(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
Depositary Shares, each representing a 1/1,00th interest in a share of Series A Fixed-Rate Reset Cumulative Perpetual Preferred Stock	WCC PR A	New York Stock Exchange
Preferred Share Purchase Rights	N/A	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 February 9, 2021, WESCO International, Inc. (the "Company") issued a press release announcing its financial results for the fourth quarter and full year 2020. 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 executive management of the Company in connection with its discussions with investors regarding the Company's financial results for the fourth quarter and full year 2020 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.

99.1 Press Release, dated February 9, 2021

99.2 Slide presentation for investors

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

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)

February 9, 2021	By: /s/ David S. Schulz
(Date)	David S. Schulz
	Executive 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 Fourth Quarter and Full Year 2020 Results

Fourth quarter summary:

- *Net sales of $4.1 billion, up 97% due to the Anixter merger*
- *Operating profit of $93 million; operating margin of 2.2%*
  - *Adjusted operating profit of $172 million; adjusted operating margin of 4.2%*
- *Earnings per diluted share of $0.11*
  - *Adjusted earnings per diluted share of $1.22*
- *Operating cash flow of $125 million*
  - *Free cash flow of 161% of adjusted net income*
- *Leverage of 5.3x; net debt reduction of $109 million*

Full year results:

- *Net sales of $12.3 billion, up 48% due to the Anixter merger*
- *Operating profit of $347 million; operating margin of 2.8%*
  - *Adjusted operating profit of $522 million; adjusted operating margin of 4.2%*
- *Earnings per diluted share of $1.51*
  - *Adjusted earnings per diluted share of $4.37*
- *Operating cash flow of $544 million*
  - *Free cash flow of 251% of adjusted net income*
- *Net debt reduction of $389 million; leverage improvement of 0.4x since Anixter merger*

PITTSBURGH, February 9, 2021 /PRNewswire/ -- WESCO International, Inc. (NYSE: WCC), a leading provider of business-to-business distribution, logistics services and supply chain solutions, announces its results for the fourth quarter and full year 2020.

“Fiscal 2020 will be remembered as one of the most important in WESCO’s history. We completed the transformational acquisition of Anixter, doubling our size and changing our trajectory for years to come. We designed and launched a three-year integration plan which in just six months has delivered synergies in excess of our initial targets,” said John Engel, Chairman, President and CEO. “And at the same time, we delivered operating results during a global pandemic which demonstrate the strength of our franchise, the commitment of our extraordinary team of associates, and position us well for future growth as the economy continues its recovery and the secular trends supporting our future growth generate momentum across our business units."

"In the six months since completing the acquisition of Anixter we have already reduced net debt by $389 million. We are confident that we will exceed the synergy targets that we’ve set for our three-year plan. The combination of WESCO and Anixter creates cross-selling opportunities, with initiatives underway that have already delivered early successes. We enter 2021 with a record backlog, a new organizational structure, and the strongest management team we’ve fielded during my time with the Company."

“For 2021, WESCO is exceptionally well positioned to support our customers with an expanded set of products and differentiated services. The efficiencies we capture through our larger scale will combine with growth in electrification, automation, communications and security across our three global business units to drive our performance this year. As such, we expect to outperform in our end markets with sales increasing from 3% to 6% in all three of our business units. We also see our adjusted EBITDA margins expanding to 5.4% to 5.7% and adjusted EPS growing to between $5.50 to $6.00, with free cash flow generation reaching 100% or more of net income.”

The following are results for the three months ended December 31, 2020 compared to the three months ended December 31, 2019:

- Net sales were $4.1 billion for the fourth quarter of 2020 compared to $2.1 billion for the fourth quarter of 2019, an increase of 96.7% due to the merger with Anixter that was completed on June 22, 2020, partially offset by the impact of weakened demand from the COVID-19 pandemic. Net sales for the fourth quarter of 2020 were up 4.4% sequentially compared to the third quarter that had an additional three work days.

- Cost of goods sold for the fourth quarter of 2020 was $3.4 billion compared to $1.7 billion for the fourth quarter of 2019, and gross profit was $772.0 million and $389.8 million, respectively. As a percentage of net sales, gross profit was 18.7% and 18.6% for the fourth quarter of 2020 and 2019, respectively. Cost of goods sold for the fourth quarter of 2020 includes merger-related fair value adjustments of $15.7 million, as well as an out-of-period adjustment of $23.3 million related to inventory absorption accounting. Adjusted for these amounts, gross profit as a percentage of net sales for the fourth quarter of 2020 was 19.6%.

- Selling, general and administrative expenses were $637.9 million, or 15.5% of net sales, for the fourth quarter of 2020, compared to $289.9 million, or 13.8% of net sales, for the fourth quarter of 2019. SG&A expenses for the fourth quarter of 2020 include merger-related costs of $40.1 million. Adjusted for this amount, SG&A expenses were $597.8 million, or 14.5% of net sales, for the fourth quarter of 2020. SG&A expenses for the fourth quarter of 2019 include $3.1 million of merger-related costs.

- Operating profit was $92.8 million for the fourth quarter of 2020, compared to $83.8 million for the fourth quarter of 2019. Operating profit as a percentage of net sales was 2.2% for the current quarter, compared to 4.0% for the fourth quarter of the prior year. Operating profit for the fourth quarter of 2020 includes merger-related costs and the out-of-period adjustment described above. Adjusted for these amounts, operating profit was $171.8 million, or 4.2% of net sales. Adjusted for merger-related costs of $3.1 million, operating profit was $86.9 million for the fourth quarter of 2019, or 4.1% of net sales.

- Net interest expense for the fourth quarter of 2020 was $74.3 million, compared to $16.4 million for the fourth quarter of 2019. The increase in interest expense was driven by financing activity related to the Anixter merger.

- The effective tax rate was a benefit of 4.7% for the fourth quarter of 2020 compared to expense of 22.0% for the fourth quarter of 2019. The lower effective tax rate in the current quarter was primarily due to one-time impacts from the merger with Anixter.

- Net income attributable to common stockholders was $5.6 million for the fourth quarter of 2020, compared to $53.1 million for the fourth quarter of 2019. Adjusted for the items mentioned above, net income attributable to common stockholders was $62.4 million for the fourth quarter of 2020.

- Earnings per diluted share for the fourth quarter of 2020 was $0.11, based on 51.1 million diluted shares, compared to $1.26 for the fourth quarter of 2019, based on 42.2 million diluted shares. As adjusted, earnings per diluted share for the fourth quarter of 2020 and 2019 was $1.22 and $1.32, respectively.

- Operating cash flow for the fourth quarter of 2020 was $125.0 million, compared to $107.7 million for the fourth quarter of 2019. Free cash flow for the fourth quarter of 2020 was $124.0 million, or 161% of adjusted net income, compared to $94.0 million, or 170% of adjusted net income, for the fourth quarter of 2019.

The following are results for the year ended December 31, 2020 compared to the year ended December 31, 2019:

- Net sales were $12.3 billion for 2020 compared to $8.4 billion for 2019, an increase of 47.6% due to the merger with Anixter that was completed on June 22, 2020, partially offset by the impact of weakened demand from the COVID-19 pandemic.

- Cost of goods sold for 2020 was $10.0 billion and gross profit was $2.3 billion, compared to $6.8 billion and $1.6 billion, respectively, for 2019. As a percentage of net sales, gross profit was 18.9% for both 2020 and 2019. Cost of goods sold for 2020 includes merger-related fair value adjustments of $43.7 million, as well as an out-of-period adjustment of $18.9 million related to inventory absorption accounting. Adjusted for these amounts, gross profit as a percentage of net sales for 2020 was 19.4%.

- Selling, general and administrative expenses were $1.9 billion, or 15.1% of net sales, for 2020, compared to $1.2 billion, or 14.0% of net sales, for 2019. SG&A expenses for 2020 include merger-related costs of $132.2 million, as well as a gain on the sale of a U.S. operating branch. of $19.8 million. Adjusted for these amounts, SG&A expenses for 2020 were $1.7 billion, or 14.2% of net sales, reflecting lower sales and the merger with Anixter, partially offset by cost reduction actions taken in response to the COVID-19 pandemic. SG&A expenses for 2019 include $3.1 million of merger-related costs.

- Operating profit was $347.0 million for 2020, or 2.8% of net sales, compared to $346.2 million for 2019, or 4.1% of net sales. Operating profit for 2020 includes merger-related costs, merger-related fair value adjustments, the out-of-period adjustment described above and gain on the sale of a U.S. operating branch. Adjusted for these amounts, operating profit was $522.0 million, or 4.2% of net sales. Adjusted for merger-related costs of $3.1 million, operating profit was $349.3 million for 2019, or 4.2% of net sales.

- Net interest expense for 2020 was $226.6 million, compared to $65.7 million for 2019. The increase in interest expense was driven by financing activity related to the Anixter merger.

- The effective tax rate for 2020 was 18.6%, compared to 21.2% for 2019. The lower effective tax rate in the current year was primarily due to one-time impacts from the merger with Anixter.

- Net income attributable to common stockholders was $70.4 million for 2020, compared to $223.4 million for 2019. As adjusted for the items mentioned above, net income attributable to common stockholders was $203.6 million for 2020.

- Earnings per diluted share for 2020 was $1.51, based on 46.6 million diluted shares, compared to $5.14 for 2019, based on 43.5 million diluted shares. As adjusted, earnings per diluted share for 2020 and 2019 was $4.37 and $5.20, respectively.

- Operating cash flow for 2020 was $543.9 million, compared to $224.4 million for 2019. Free cash flow for 2020 was $586.1 million, or 251% of adjusted net income, compared to $180.3 million, or 80% of adjusted net income, for 2019.

Segment Results

In the third quarter of 2020, in connection with the acquisition of Anixter, the Company identified new segments, which have been organized around three strategic business units consisting of Electrical & Electronic Solutions ("EES"), Communications & Security Solutions ("CSS") and Utility & Broadband Solutions ("UBS").

Corporate expenses are incurred to obtain and coordinate financing, tax, information technology, legal and other related services. Segment results include depreciation expense or other allocations related to various corporate assets. Interest expense and other non-operating items are not allocated to the segments or reviewed on a segment basis. Corporate expenses are not directly identifiable with our reportable segments and are reported in the tables below to reconcile the reportable segments to the consolidated financial statements.

The following are results by segment for the three months ended December 31, 2020 compared to the three months ended December 31, 2019:

- EES reported net sales of $1.7 billion for the fourth quarter of 2020, compared to $1.2 billion for the fourth quarter of 2019, an increase of 35.2%. Operating profit was $64.2 million for the fourth quarter of 2020, compared to $63.0 million for the fourth quarter of 2019. Adjusted EBITDA was $93.8 million for the fourth quarter of 2020, or 5.6% of net sales, compared to $70.5 million for the fourth quarter of 2019, or 5.7% of net sales.

- CSS reported net sales of $1.4 billion for the fourth quarter of 2020, compared to $228.4 million for the fourth quarter of 2019, an increase of 499.5%. Operating profit was $85.4 million for the fourth quarter of 2020, compared to $11.3 million for the fourth quarter of 2019. Adjusted EBITDA was $111.8 million for the fourth quarter of 2020, or 8.2% of net sales, compared to $13.1 million for the fourth quarter of 2019, or 5.7% of net sales.

- UBS reported net sales of $1.1 billion for the fourth quarter of 2020, compared to $636.9 million for the fourth quarter of 2019, an increase of 71.3%. Operating profit was $64.2 million for the fourth quarter of 2020, compared to $50.5 million for the fourth quarter of 2019. Adjusted EBITDA was $79.2 million for the fourth quarter of 2020, or 7.3% of net sales, compared to $54.0 million for the fourth quarter of 2019, or 8.5% of net sales.

The following are results by segment for the year ended December 31, 2020 compared to the year ended December 31, 2019:

- EES reported net sales of $5.5 billion for 2020, compared to $4.9 billion for 2019, an increase of 12.7%. Operating profit was $260.2 million for 2020, compared to $261.8 million for 2019. Adjusted EBITDA was $294.9 million for 2020, or 5.4% of net sales, compared to $291.5 million for 2019, or 6.0% of net sales.

- CSS reported net sales of $3.3 billion for 2020, compared to $909.5 million for 2019, an increase of 265.4%. Operating profit was $217.2 million for 2020, compared to $43.8 million for 2019. Adjusted EBITDA was $289.6 million for 2020, or 8.7% of net sales, compared to $51.1 million for 2019, or 5.6% of net sales.

- UBS reported net sales of $3.5 billion for 2020, compared to $2.6 billion for 2019, an increase of 36.1%. Operating profit was $231.7 million for 2020, compared to $184.9 million for 2019. Adjusted EBITDA was $264.6 million for 2020, or 7.5% of net sales, compared to $198.7 million for 2019, or 7.7% of net sales.

Webcast and Teleconference Access

WESCO will conduct a webcast and teleconference to discuss the fourth quarter and full year 2020 earnings as described in this News Release on Tuesday, February 9, 2021, 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® company headquartered in Pittsburgh, Pennsylvania, is a leading provider of business-to-business distribution, logistics services and supply chain solutions. Pro forma 2020 annual sales were over $16 billion, including Anixter International Inc., which it acquired in June 2020. WESCO offers a best-in-class product and services portfolio of Electrical and Electronic Solutions, Communications and Security Solutions, and Utility and Broadband Solutions. The Company employs over 18,000 people, maintains relationships with approximately 30,000 suppliers, and serves approximately 150,000 customers worldwide. With nearly 1.5 million products, end-to-end supply chain services, and leading digital capabilities, WESCO provides innovative solutions to meet customer needs across commercial and industrial businesses, contractors, government agencies, institutions, telecommunications providers, and utilities. WESCO operates approximately 800 branches, warehouses and sales offices in approximately 50 countries, providing a local presence for customers and a global network to serve multi-location businesses and multi-national corporations.

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 process to divest certain legacy WESCO businesses in Canada, including the expected length of the process, the expected benefits and costs of the transaction between WESCO and Anixter International Inc., including anticipated future financial and operating results, synergies, accretion and growth rates, and the combined company's plans, objectives, expectations and intentions, statements that address the combined 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 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.

Those risks, uncertainties and assumptions include the risk of any unexpected costs or expenses resulting from the transaction, the risk of any litigation or post-closing regulatory action relating to the transaction, the risk that the transaction could have an adverse effect on the ability of the combined company to retain customers and retain and hire key personnel and maintain relationships with its suppliers, customers and other business relationships and on its operating results and business generally, the risk that problems may arise in successfully integrating the businesses of the companies or that the combined company could be required to divest one or more businesses, 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, the risk that the leverage of the company may be higher than anticipated, the impact of natural disasters, health epidemics and other outbreaks, especially the outbreak of COVID-19 since December 2019, which may have a material adverse effect on the combined company's business, results of operations and financial conditions, the risk that the divesture of certain legacy WESCO businesses in Canada may take longer than expected 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 each company's control. Additional factors that could cause results to differ materially from those described above can be found in WESCO's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 and WESCO's other reports filed with the U.S. Securities and Exchange Commission ("SEC").

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

WESCO INTERNATIONAL, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(dollar amounts in thousands, except per share amounts)
(Unaudited)

	Three Months Ended			
	December 31, 2020		December 31, 2019	
Net sales	$ 4,128,841		$ 2,099,452	
Cost of goods sold (excluding depreciation and amortization)	3,356,890	81.3 %	1,709,658	81.4 %
Selling, general and administrative expenses	637,912	15.5 %	289,914	13.8 %
Depreciation and amortization	41,276		16,072	
Income from operations	92,763	2.2 %	83,808	4.0 %
Interest expense, net	74,310		16,415	
Other, net	(931)		(194)	
Income before income taxes	19,384	0.5 %	67,587	3.2 %
Provision for income taxes	(904)		14,893	
Net income	20,288	0.5 %	52,694	2.5 %
Net income (loss) attributable to noncontrolling interests	304		(404)	
Net income attributable to WESCO International, Inc.	19,984	0.5 %	53,098	2.5 %
Preferred stock dividends	14,352		—	
Net income attributable to common stockholders	$ 5,632	0.1 %	$ 53,098	2.5 %
Earnings per share attributable to common stockholders	$ 0.11		$ 1.26	
Weighted-average common shares outstanding and common share equivalents used in computing earnings per diluted common share (in thousands)	51,069		42,210	
Reportable Segments				
Net sales:				
Electrical & Electronic Solutions	$ 1,668,325		$ 1,234,118	
Communications & Security Solutions	1,369,201		228,409	
Utility & Broadband Solutions	1,091,315		636,925	
	$ 4,128,841		$ 2,099,452	
Income from operations:				
Electrical & Electronic Solutions	$ 64,229		$ 63,014	
Communications & Security Solutions	85,448		11,334	
Utility & Broadband Solutions	64,219		50,500	
Corporate	(121,133)		(41,040)	
	$ 92,763		$ 83,808	

WESCO INTERNATIONAL, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(dollar amounts in thousands, except per share amounts)
(Unaudited)

	Twelve Months Ended			
	December 31, 2020		December 31, 2019	
Net sales	$ 12,325,995		8,358,917	
Cost of goods sold (excluding depreciation and amortization)	9,998,329	81.1 %	6,777,456	81.1 %
Selling, general and administrative expenses	1,859,028	15.1 %	1,173,137	14.0 %
Depreciation and amortization	121,600		62,107	
Income from operations	347,038	2.8 %	346,217	4.1 %
Interest expense, net	226,591		65,710	
Other, net	(2,395)		(1,554)	
Income before income taxes	122,842	1.0 %	282,061	3.4 %
Provision for income taxes	22,803		59,863	
Net income	100,039	0.8 %	222,198	2.7 %
Net loss attributable to noncontrolling interests	(521)		(1,228)	
Net income attributable to WESCO International, Inc.	100,560	0.8 %	223,426	2.7 %
Preferred stock dividends	30,139		—	
Net income attributable to common stockholders	$ 70,421	0.6 %	$ 223,426	2.7 %
Earnings per share attributable to common stockholders	$ 1.51		$ 5.14	
Weighted-average common shares outstanding and common share equivalents used in computing earnings per diluted common share (in thousands)	46,625		43,487	
Reportable Segments				
Net sales:				
Electrical & Electronic Solutions	$ 5,479,760		$ 4,860,541	
Communications & Security Solutions	3,323,264		909,496	
Utility & Broadband Solutions	3,522,971		2,588,880	
	$ 12,325,995		$ 8,358,917	
Income from operations:				
Electrical & Electronic Solutions	$ 260,207		$ 261,788	
Communications & Security Solutions	217,163		43,835	
Utility & Broadband Solutions	231,702		184,931	
Corporate	(362,034)		(144,337)	
	$ 347,038		$ 346,217	

WESCO INTERNATIONAL, INC.

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

	December 31, 2020	December 31, 2019
Assets		
Current Assets		
Cash and cash equivalents	$ 449,135	$ 150,902
Trade accounts receivable, net	2,466,903	1,187,359
Inventories	2,163,617	1,011,674
Other current assets	426,971	190,476
Total current assets	5,506,626	2,540,411
Goodwill and intangible assets	5,252,664	2,046,315
Other assets	1,120,924	430,909
Total assets	$ 11,880,214	$ 5,017,635
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 1,707,329	$ 830,478
Short-term borrowings and current portion of long-term debt	528,830	26,685
Other current liabilities	750,298	226,896
Total current liabilities	2,986,457	1,084,059
Long-term debt, net	4,369,953	1,257,067
Other noncurrent liabilities	1,187,415	417,838
Total liabilities	8,543,825	2,758,964
Stockholders' Equity		
Total stockholders' equity	3,336,389	2,258,671
Total liabilities and stockholders' equity	$ 11,880,214	$ 5,017,635

WESCO INTERNATIONAL, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(dollar amounts in thousands)
(Unaudited)

	Twelve Months Ended	
	December 31, 2020	December 31, 2019
Operating Activities:		
Net income	$ 100,039	$ 222,198
Add back (deduct):		
Depreciation	55,086	26,579
Amortization of intangible assets	66,514	35,528
Deferred income taxes	(33,538)	13,205
Change in trade receivables, net	47,879	11,453
Change in inventories	203,827	(47,297)
Change in accounts payable	(54,127)	23,505
Other, net	158,251	(60,804)
Net cash provided by operating activities	543,931	224,367
Investing Activities:		
Capital expenditures	(56,671)	(44,067)
Other[1]	(3,678,478)	(16,733)
Net cash used in investing activities	(3,735,149)	(60,800)
Financing Activities:		
Debt borrowings, net[2]	3,589,904	58,207
Equity activity, net	(3,434)	(153,049)
Other[3]	(105,729)	(14,924)
Net cash provided by (used in) financing activities	3,480,741	(109,766)
Effect of exchange rate changes on cash and cash equivalents	8,710	758
Net change in cash and cash equivalents	298,233	54,559
Cash and cash equivalents at the beginning of the period	150,902	96,343
Cash and cash equivalents at the end of the period	$ 449,135	$ 150,902

(1) Includes payments to acquire Anixter of $3,707.6 million, net of cash acquired of $103.4 million.

(2) Primarily includes the net proceeds from the issuance of senior unsecured notes of $2,815.0 million, as well as borrowings under the Company's asset-based revolving credit facility and accounts receivable securitization facility. These cash inflows were used to fund the merger with Anixter.

(3) Includes approximately $80.2 million of costs associated with the debt financing used to fund a portion of the merger with Anixter, and $30.1 million of dividends paid to holders of Series A preferred stock.

NON-GAAP FINANCIAL MEASURES

In addition to the results provided in accordance with U.S. Generally Accepted Accounting Principles ("U.S. GAAP") above, this earnings release includes certain non-GAAP financial measures. These financial measures include pro forma sales, gross profit, adjusted gross profit gross margin, adjusted gross margin, earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted EBITDA, adjusted EBITDA margin, pro forma adjusted EBITDA, financial leverage, pro forma financial leverage, free cash flow, adjusted income from operations, adjusted operating margin, adjusted provision for 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 sales performance, and the use of debt and liquidity on a comparable basis. Additionally, certain non-GAAP measures either focus on or exclude items impacting comparability of results such as merger-related costs and fair value adjustments, an out-of-period adjustment related to inventory absorption accounting, gain on sale of a U.S. operating branch, 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.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(dollar amounts in thousands, except per share data)
(Unaudited)

Gross Profit:	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019	Twelve Months Ended December 31, 2020	Twelve Months Ended December 31, 2019
Net sales	$ 4,128,841	$ 2,099,452	$ 12,325,995	$ 8,358,917
Cost of goods sold (excluding depreciation and amortization)	3,356,890	1,709,658	9,998,329	6,777,456
Gross profit	$ 771,951	$ 389,794	$ 2,327,666	$ 1,581,461
Adjusted gross profit[1]	$ 810,909	$ 389,794	$ 2,390,213	$ 1,581,461
Gross margin	18.7 %	18.6 %	18.9 %	18.9 %
Adjusted gross margin[1]	19.6 %	18.6 %	19.4 %	18.9 %

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.

(1) Adjusted gross profit and adjusted gross margin exclude the effect of merger-related fair value adjustments to inventory, and an out-of-period adjustment related to inventory absorption accounting totaling $39.0 million and $62.5 million for the three and twelve months ended December 31, 2020, respectively.

Adjusted Income from Operations:	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019	Twelve Months Ended December 31, 2020	Twelve Months Ended December 31, 2019
Income from operations	$ 92,763	$ 83,808	$ 347,038	$ 346,217
Merger-related costs	40,107	3,130	132,236	3,130
Merger-related fair value adjustments	15,674	—	43,693	—
Out-of-period adjustment	23,283	—	18,852	—
Gain on sale of asset	—	—	(19,816)	—
Adjusted income from operations	$ 171,827	$ 86,938	$ 522,003	$ 349,347
Adjusted income from operations margin %	4.2 %	4.1 %	4.2 %	4.2 %

Adjusted Provision for Income Taxes:	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019	Twelve Months Ended December 31, 2020	Twelve Months Ended December 31, 2019
Provision for income taxes	$ (904)	$ 14,893	$ 22,803	$ 59,863
Income tax effect of adjustments to income from operations[1]	22,264	664	41,817	664
Adjusted provision for income taxes	$ 21,360	$ 15,557	$ 64,620	$ 60,527

(1) The adjustments to income from operations have been tax effected at rates of 28.2% and 23.9% for the three and twelve months ended December 31, 2020, respectively, and 21.2% for the three and twelve months ended December 31, 2019.

WESCO INTERNATIONAL, INC.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(dollar amounts in thousands, except per share data)
(Unaudited)

Adjusted Earnings per Diluted Share:	Three Months Ended December 31, 2020	Three Months Ended December 31, 2019	Twelve Months Ended December 31, 2020	Twelve Months Ended December 31, 2019
Adjusted income from operations	$ 171,827	$ 86,938	$ 522,003	$ 349,347
Interest expense, net	74,310	16,415	226,591	65,710
Other, net	(931)	(194)	(2,395)	(1,554)
Adjusted income before income taxes	98,448	70,717	297,807	285,191
Adjusted provision for income taxes	21,360	15,557	64,620	60,527
Adjusted net income	77,088	55,160	233,187	224,664
Net income (loss) attributable to noncontrolling interests	304	(404)	(521)	(1,228)
Adjusted net income attributable to WESCO International, Inc.	76,784	55,564	233,708	225,892
Preferred stock dividends	14,352	—	30,139	—
Adjusted net income attributable to common stockholders	$ 62,432	$ 55,564	$ 203,569	$ 225,892
Diluted shares	51,069	42,210	46,625	43,487
Adjusted earnings per diluted share	$ 1.22	$ 1.32	$ 4.37	$ 5.20

Note: Income from operations, the provision for income taxes and earnings per diluted share for the three and twelve months ended December 31, 2020 have been adjusted to exclude merger-related costs and fair value adjustments, an out-of-period adjustment related to inventory absorption accounting, gain on sale of a U.S. operating branch, and the related income tax effects. For the three and twelve months ended December 31, 2019, income from operations, the provision for income taxes and earnings per diluted share have been adjusted to exclude merger-related costs and the related income tax effects. These non-GAAP financial measures provide a better understanding of the Company's financial results on a comparable basis.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(dollar amounts in thousands, except per share data)
(Unaudited)

EBITDA and Adjusted EBITDA by Segment:	Three Months Ended December 31, 2020				
	EES	CSS	UBS	Corporate	Total
Net income attributable to common stockholders	$ 66,164	$ 88,916	$ 64,195	$ (213,643)	$ 5,632
Net income attributable to noncontrolling interests	(178)	—	—	482	304
Preferred stock dividends	—	—	—	14,352	14,352
Provision for income taxes	—	—	—	(904)	(904)
Interest expense, net	—	—	—	74,310	74,310
Depreciation and amortization	11,173	13,372	7,227	9,504	41,276
EBITDA	**$ 77,159**	**$ 102,288**	**$ 71,422**	**$ (115,899)**	**$ 134,970**
Other, net	(1,757)	(3,468)	24	4,270	(931)
Stock-based compensation expense	141	6	77	2,495	2,719
Merger-related costs	—	—	—	40,107	40,107
Merger-related fair value adjustments	3,716	9,656	2,302	—	15,674
Out-of-period adjustment	14,589	3,273	5,421	—	23,283
Adjusted EBITDA	**$ 93,848**	**$ 111,755**	**$ 79,246**	**$ (69,027)**	**$ 215,822**
Adjusted EBITDA margin %	**5.6 %**	**8.2 %**	**7.3 %**		**5.2 %**

EBITDA and Adjusted EBITDA by Segment:	Three Months Ended December 31, 2019				
	EES	CSS	UBS	Corporate	Total
Net income attributable to common stockholders	$ 63,612	$ 11,334	$ 50,500	$ (72,348)	$ 53,098
Net loss attributable to noncontrolling interests	(404)	—	—	—	(404)
Provision for income taxes	—	—	—	14,893	14,893
Interest expense, net	—	—	—	16,415	16,415
Depreciation and amortization	7,226	1,703	3,465	3,678	16,072
EBITDA	**$ 70,434**	**$ 13,037**	**$ 53,965**	**$ (37,362)**	**$ 100,074**
Other, net	(194)	—	—	—	(194)
Stock-based compensation expense	279	19	58	4,465	4,821
Merger-related costs	—	—	—	3,130	3,130
Adjusted EBITDA	**$ 70,519**	**$ 13,056**	**$ 54,023**	**$ (29,767)**	**$ 107,831**
Adjusted EBITDA margin %	**5.7 %**	**5.7 %**	**8.5 %**		**5.1 %**

WESCO INTERNATIONAL, INC.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(dollar amounts in thousands, except per share data)
(Unaudited)

	Year Ended December 31, 2020				
EBITDA and Adjusted EBITDA by Segment:	**EES**	**CSS**	**UBS**	**Corporate**	**Total**
Net income attributable to common stockholders	$ 262,829	$ 217,211	$ 231,678	$ (641,297)	$ 70,421
Net loss attributable to noncontrolling interests	(842)	—	—	321	(521)
Preferred stock dividends	—	—	—	30,139	30,139
Provision for income taxes	—	—	—	22,803	22,803
Interest expense, net	—	—	—	226,591	226,591
Depreciation and amortization	35,811	37,765	22,380	25,644	121,600
EBITDA	**$ 297,798**	**$ 254,976**	**$ 254,058**	**$ (335,799)**	**$ 471,033**
Other, net	(1,780)	(48)	24	(591)	(2,395)
Stock-based compensation expense	991	59	298	15,366	16,714
Merger-related costs	—	—	—	132,236	132,236
Merger-related fair value adjustments	15,411	22,000	6,282	—	43,693
Out-of-period adjustment	2,325	12,634	3,893	—	18,852
Gain on sale of asset	(19,816)	—	—	—	(19,816)
Adjusted EBITDA	**$ 294,929**	**$ 289,621**	**$ 264,555**	**$ (188,788)**	**$ 660,317**
Adjusted EBITDA margin %	**5.4 %**	**8.7 %**	**7.5 %**		**5.4 %**

	Year Ended December 31, 2019				
EBITDA and Adjusted EBITDA by Segment:	**EES**	**CSS**	**UBS**	**Corporate**	**Total**
Net income attributable to common stockholders	$ 264,570	$ 43,835	$ 184,931	$ (269,910)	$ 223,426
Net loss attributable to noncontrolling interests	(1,228)	—	—	—	(1,228)
Provision for income taxes	—	—	—	59,863	59,863
Interest expense, net	—	—	—	65,710	65,710
Depreciation and amortization	28,569	7,155	13,583	12,800	62,107
EBITDA	**$ 291,911**	**$ 50,990**	**$ 198,514**	**$ (131,537)**	**$ 409,878**
Other, net	(1,554)	—	—	—	(1,554)
Stock-based compensation expense	1,116	77	231	17,638	19,062
Merger-related costs	—	—	—	3,130	3,130
Adjusted EBITDA	**$ 291,473**	**$ 51,067**	**$ 198,745**	**$ (110,769)**	**$ 430,516**
Adjusted EBITDA margin %	**6.0 %**	**5.6 %**	**7.7 %**		**5.2 %**

Note: EBITDA, Adjusted EBITDA and Adjusted EBITDA margin % are non-GAAP financial measures that provide indicators of the Company's performance and its ability to meet debt service requirements. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA before other, net, non-cash stock-based compensation, merger-related costs and fair value adjustments, an out-of-period adjustment related to inventory absorption accounting, and gain on sale of a U.S. operating branch. Adjusted EBITDA margin % is calculated by dividing Adjusted EBITDA by net sales.

WESCO INTERNATIONAL, INC.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(dollar amounts in thousands, except per share data)
(Unaudited)

Financial Leverage:	**Pro Forma[1] Twelve Months Ended December 31, 2020**	**Reported Twelve Months Ended December 31, 2019**
Net income attributable to common stockholders	$ 115,572	$ 223,426
Net loss attributable to noncontrolling interests	(521)	(1,228)
Preferred stock dividends	30,139	—
Provision for income taxes	55,659	59,863
Interest expense, net	255,842	65,710
Depreciation and amortization	153,499	62,107
EBITDA	$ 610,190	$ 409,878
Other, net	4,635	(1,554)
Stock-based compensation	34,733	19,062
Merger-related costs and fair value adjustments	206,748	3,130
Out-of-period adjustment	18,852	—
Gain on sale of asset	(19,816)	—
Adjusted EBITDA	$ 855,342	$ 430,516

	December 31, 2020	**December 31, 2019**
Short-term borrowings and current portion of long-term debt	$ 528,830	$ 26,685
Long-term debt	4,369,953	1,257,067
Debt discount and debt issuance costs[2]	88,181	8,876
Fair value adjustments to Anixter Notes due 2023 and 2025[2]	(1,650)	—
Total debt	4,985,314	1,292,628
Less: cash and cash equivalents	449,135	150,902
Total debt, net of cash	$ 4,536,179	$ 1,141,726
Financial leverage ratio	5.3	2.7

(1) Pro forma adjusted EBITDA includes the financial results of the legacy WESCO Utility and Datacom businesses in Canada, which are being divested under a Consent Agreement with the Competition Bureau of Canada.

(2) Long-term debt is presented in the condensed consolidated balance sheets net of debt discount and debt issuance costs, and includes adjustments to record the long-term debt assumed in the merger with Anixter at its acquisition date fair value.

Note: Financial leverage measures the use of debt. Financial leverage ratio is calculated by dividing total debt, excluding debt discount, debt issuance costs and fair value adjustments, net of cash, by adjusted EBITDA. EBITDA is defined as the trailing twelve months earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as the trailing twelve months EBITDA before foreign exchange and other non-operating expenses, non-cash stock-based compensation, costs and fair value adjustments associated with the merger with Anixter, an out-of-period adjustment related to inventory absorption accounting, and gain on the sale of a U.S. operating branch. Pro forma financial leverage ratio is calculated by dividing total debt, excluding debt discount and debt issuance costs, net of cash, by pro forma adjusted EBITDA. Pro forma EBITDA and pro forma adjusted EBITDA gives effect to the combination of WESCO and Anixter as if it had occurred at the beginning of the respective trailing twelve month period.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(dollar amounts in thousands, except per share data)
(Unaudited)

Free Cash Flow:	**Three Months Ended**		**Twelve Months Ended**	
	December 31, 2020	**December 31, 2019**	**December 31, 2020**	**December 31, 2019**
Cash flow provided by operations	$ 124,993	$ 107,703	$ 543,931	$ 224,367
Less: Capital expenditures	(14,109)	(13,744)	(56,671)	(44,067)
Add: Merger-related expenditures	13,147	—	98,822	—
Free cash flow	$ 124,031	$ 93,959	$ 586,082	$ 180,300
Percentage of adjusted net income	161 %	170 %	251 %	80 %

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. For the three and twelve months ended December 31, 2020, the Company paid certain fees, expenses and other costs to consummate the merger with Anixter. Such expenditures have been added back to cash flow provided by operations to determine free cash flow for such periods.

WESCO®

NYSE: WCC

Fourth Quarter 2020

Webcast Presentation

February 9, 2021

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 A 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 l statements regarding the process to divest certain legacy WESCO businesses in Canada, including the expected length of the process, the expected benefits and costs of the between WESCO and Anixter International Inc., including anticipated future financial and operating results, synergies, accretion and growth rates, and the combined compan objectives, expectations and intentions, statements that address the combined company's expected future business and financial performance, and other statements identi words such as "anticipate," "plan," "believe," "estimate," "intend," "expect," "project," "will" and similar words, phrases or expressions. These forward-looking statements are current expectations and beliefs of WESCO's management, as well as assumptions made by, and information currently available to, WESCO's management, current market t 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 dif 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 risk of any unexpected costs or expenses resulting from the transaction, the risk of any litigation or post-closing regu action relating to the transaction, the risk that the transaction could have an adverse effect on the ability of the combined company to retain customers and retain and hire k personnel and maintain relationships with its suppliers, customers and other business relationships and on its operating results and business generally, the risk that probler arise in successfully integrating the businesses of the companies or that the combined company could be required to divest one or more businesses, which may result in the 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 th transaction or it may take longer than expected to achieve those synergies or benefits, the risk that the leverage of the company may be higher than anticipated, the impact disasters, health epidemics and other outbreaks, especially the outbreak of COVID-19 since December 2019, which may have a material adverse effect on the combined com business, results of operations and financial conditions, the risk that the divesture of certain legacy WESCO businesses in Canada may take longer than expected and other i factors that could cause actual results to differ materially from those projected. All such factors are difficult to predict and are beyond each company's control. Additional fac could cause results to differ materially from those described above can be found in WESCO's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 and W other reports filed with the U.S. Securities and Exchange Commission ("SEC").

Non-GAAP Measures

In addition to the results provided in accordance with U.S. Generally Accepted Accounting Principles ("U.S. GAAP") above, this slide presentation includes certain non-GAAP fi measures. These financial measures include pro forma gross profit, adjusted gross profit gross margin, adjusted gross margin, earnings before interest, taxes, depreciation a amortization (EBITDA), adjusted EBITDA, adjusted EBITDA margin, pro forma adjusted EBITDA, financial leverage, pro forma financial leverage, free cash flow, adjusted incon operations, adjusted operating margin, adjusted provision for income taxes, adjusted net income, adjusted net income attributable to WESCO International, Inc., adjusted ne 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 understanding of sales performance, and the use of debt and liquidity on a comparable basis. Additionally, certain non-GAAP measures either focus on or exclude items imp comparability of results such as merger-related costs and fair value adjustments, an out-of-period adjustment related to inventory absorption accounting, gain on sale of a U operating branch, and the related income tax effect of such items, allowing investors to more easily compare the Company's financial performance from period to period. M does not use these non-GAAP financial measures for any purpose other than the reasons stated above.

Agenda

Business Overview

John Engel

Chairman, President & CEO

Financial Results Overview

Dave Schulz

Executive Vice President & CFO

2020 Summary

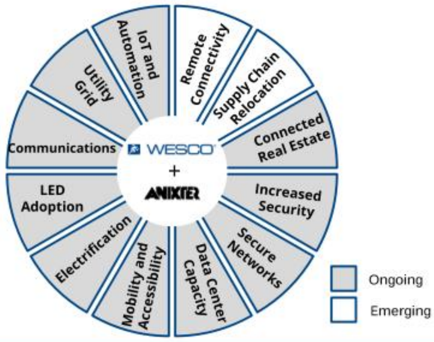
Exceeding Our Expectations

- Successfully closed Anixter transaction; integration is going exceptionally well
  - Synergy capture exceeding expectations, raised external targets in November 2020
  - Increased scale and complementary capabilities driving cross-sell pipeline and positive sales momentum
  - New organization up and running, high-performance culture in place
- Rapid COVID response to support employee safety, customer operations and supply chain needs
- Leveraged competitive capabilities to gain share against unprecedented macro challenges

Significant upside potential on sales growth, cost, margin, and cash flow targets

Outperforming The Markets

- Leading scale and diversified portfolio
- Service differentiation and complete suppl chain solutions
- Well positioned to capitalize on attractive secular growth trends



Transformation well underway…substantial value creation has begun

Second Half Priorities and Achievements

Take share

- Workday-adjusted sales up 4% sequentially in Q4 versus typical seasonal decline
- Cross selling initiatives underway with new wins captured in each business
- Entered 2021 with record year-end backlog
- Return to growth in January 2021 with sales per workday up LSD versus prior year

Deliver Synergies

- Tracking to previously increased synergy targets with upside
- Reduced headcount by over 650 through integration initiatives
- Adjusted gross margin up YoY for second consecutive quarter due to improved sales processes and benefits of scale
- Integration management office fully established and driving daily execution

Focus free cash flow generation on debt reduction

- Generated $124 million of free cash flow in Q4 and $586 million in FY 2020
- Reduced net debt by $389 million and leverage by 0.4x in first six months post-acquisition
- Completed debt refinancing in January 2021 that reduces interest expense by $20 million per year

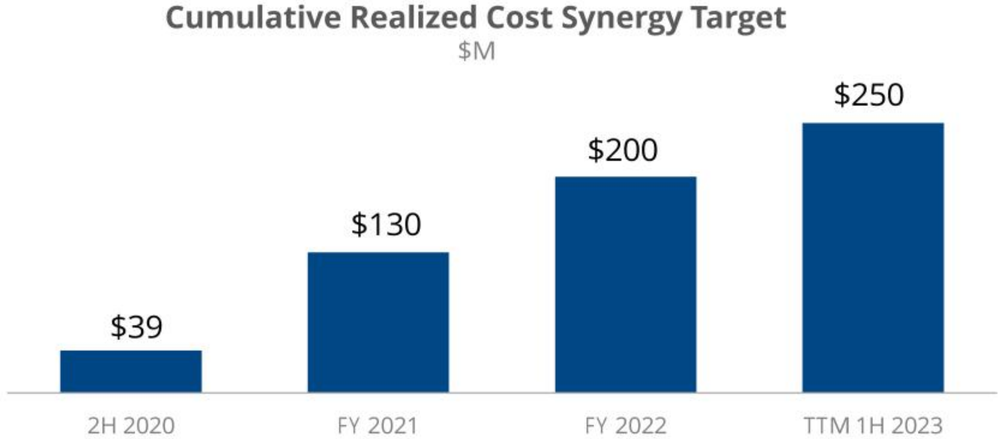
Sales momentum accelerated in 2H 2020 and has continued into 2021

Dave Schulz

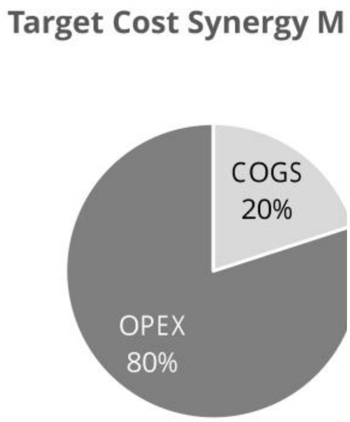
Executive Vice President & Chief Financial Officer

Fourth Quarter Resu
Overv

Cost Synergy Target Timeline



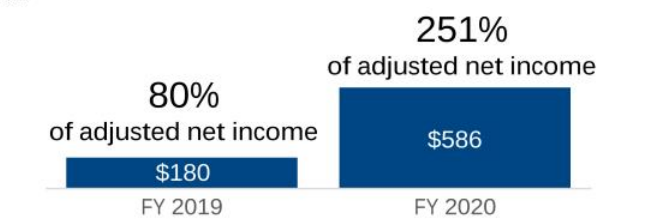
Cumulative one-time operating expenses	$37	$115	$160	$175



Introducing calendar year targets

Free Cash Flow & Liquidity

Free Cash Flow

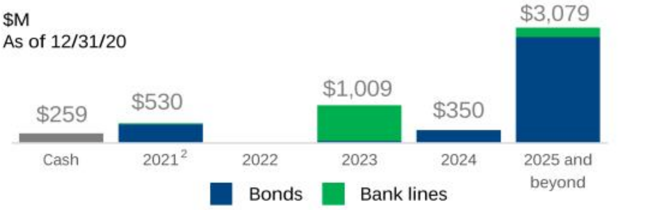


Capital Deployment

- Strong free cash flow in Q4 and FY 2020
- Net debt reduction of $109 million in Q4 and $389 million in 2H 2020
- Leverage reduced 0.4x since Anixter acquisition closed in June

On-track to rapidly delever to target leverage range of 2.0–3.5x by June 2023

Cash & Debt Maturity



Liquidity

As of 12/31/20

- Liquidity of ~$1.1 billion[1]
  - Invested cash: $259 million
  - Revolver availability: $802 million
  - AR facility availability: $75 million

Strong free cash flow generation and liquidity supports future growth

[1] Excludes $175 million and $100 million of incremental AR facility and Revolver capacity, respectively, resulting from amendments completed on January 5, 2021
[2] $500 million senior notes due 2021 were redeemed on January 14, 2021

Fourth Quarter Results Overview

$M
Except per share amounts

	Q4 2019 Pro Forma[1]	Q3 2020	Q4 2020	Versus Q4 2019	Versus Q3 2020
Sales	**$4,352**	**$4,142**	**$4,129**	**(5)%**	**flat**
Adjusted Gross Profit[2]	**850**	**814**	**811**	**(5)%**	**flat**
% of sales	*19.5%*	*19.6%*	*19.6%*	*+10 bps*	*flat*
Adjusted Income from Operations[2]	**185**	**200**	**172**	**(7)%**	**(14)%**
% of sales	*4.3%*	*4.8%*	*4.2%*	*(10) bps*	*(60) bps*
Adjusted EBITDA[2]	**229**	**252**	**216**	**(6)%**	**(14)%**
% of sales	*5.3%*	*6.1%*	*5.2%*	*(10) bps*	*(90) bps*
Adjusted Diluted EPS[2]		**$1.66**	**$1.22**		

- **Sequential sales +4% on comparable workday basis**
- **Effective October 1, 2020 re salaries and merit adjustm and resumed retirement m contributions**
- **Record year-end backlog**

Year-over-year margin improvement and accelerating sales momentum in Q4

[1] Information as filed as an exhibit to Form 8-K on November 4, 2020.
[2] Adjusted Gross profit, Adjusted Income from Operations, Adjusted EBITDA and Adjusted earnings per diluted share have been adjusted to exclude merger-related costs and fair value adjustments, an out-of-period adjustmer inventory absorption accounting, gain on sale of a U.S. operating branch in the third quarter, and the related income tax effects. See appendix for reconciliation.

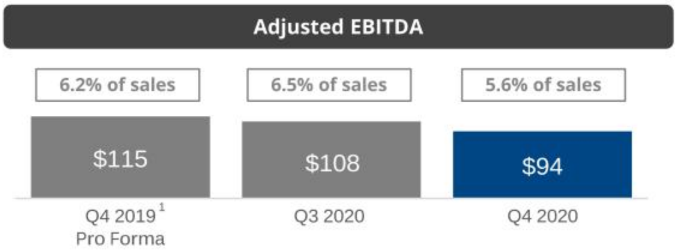
WESCO's Three Strategic Business Units (SBUs)

	Electrical & Electronic Solutions (EES)	**Communications & Security Solutions (CSS)**	**Utility & Broadband Solutions (UBS)**
% of SALES (2020 Pro Forma)	**40%** of total company sales	**33%** of total company sales	**27%** of total company sales
INDUSTRIES	**Construction | Industrial | OEM | CIG | Lighting**	**Technology | Financial | Government | Healthcare | Education**	**Utility | Broadband | Integrated Supply**
SERVING	• Contractors and specialty integrators • Industrial, automation, commercial, institutional, and government • OEM and global complex manufacturing • Turn-key lighting and energy solutions	• Cloud and data center • Contractors and integrators • Security solutions • Professional audio/video • In-building wireless • Safety solutions	• IOUs, public power, and contractors • Global Service Providers, wireless and broadband operators • Integrated Supply solutions

Industry-leading businesses diversified by products, services, end markets and geogra

Electrical & Electronic Solutions (EES)

$M



Sequential Performance Drivers

- Strong sequential sales improvement in 2nd half; initi cross-sell wins offering complete electrical package
- Construction demand improving
  - Record year-end backlog
  - Some project delays but not cancellations
- Increasing momentum in Industrial and OEM
  - MRO and project activity levels improving across all verti
  - OEM recovery underway
  - Robust opportunity pipeline
- Adjusted EBITDA driven by restoration of salary and benefits related to COVID cost actions in October

Improving sequential momentum and record backlog provides positive set-up for 2

[1] Information as filed as an exhibit to Form 8-K on November 4, 2020.

See appendix for non-GAAP reconciliations.

Communications & Security Solutions (CSS)

$M

Sales

Sequential

Reported WD adjusted

(1)% +3%

Adjusted EBITDA

Sequential Performance Drivers

- Improving sales momentum in Q4 to close out a str 2020 with continued share gains
- Network infrastructure growth driven by increasing global enterprise accounts, data centers, in-building wireless, and professional A/V applications
- Security solutions driven by expanding secure netw and IP security applications; continued share gains robust pipeline in place
- Adjusted EBITDA and margins remain strong YoY

Continue to take share with industry-leading value propositions in attractive high-growth mark

[1] Information as filed as an exhibit to Form 8-K on November 4, 2020.

See appendix for non-GAAP reconciliations.

Utility & Broadband Solutions (UBS)

$M

Sales

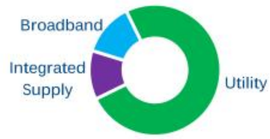
Sequential

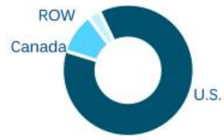
Reported (1)% | WD adjusted +4%

Adjusted EBITDA

Sequential Performance Drivers

- Strong results in 2020 with continued share gains
- Utility strength continues with grid modernization act project backlog, lighting and automation driving dema
- Strong broadband growth driven by 5G buildouts, FTT deployments and increasing remote work application
- Adjusted EBITDA and margins remain strong YoY





Unmatched supply chain capabilities enable WESCO to continue to take share

[1] Information as filed as an exhibit to Form 8-K on November 4, 2020.
See appendix for non-GAAP reconciliations.

2021 Outlook

	FY 2021 Outlook
2020 Pro Forma Sales[1]	$16.0B
2021 Outlook:	
Market growth	3% - 5%
Plus: share gain / cross sell	1% - 2%
Less: impact of one fewer workday in 2021 and divestitures	(~1%)
Reported Sales	3% - 6%
2020 Pro Forma Adjusted EBITDA	$855M
2021 Outlook:	
Adjusted EBITDA Margin[2]	5.4% - 5.7%
Effective Tax Rate	~23%
Adjusted EPS[2]	$5.50 - $6.00
Free Cash Flow	~100% of Adjusted Net Income
Capital Expenditures	$100 - $120M

Continuing to deliver on our integration commitments in 2021

2021 Adjusted EBITDA Margin Outlook[2]
2020 Pro Forma Adjusted EBITDA Margin
Plus: improving mix, market outperformance, and operating leverage
Less: COVID restoration, incentive compensation, and benefits
Plus: ~$90M incremental realized synergies
2021 Adjusted EBITDA margin

Q1 2021 Drivers

- Estimate ~$28 million of realized cost synergies
- 2 fewer workdays in Q1 21 than prior year

Workdays	2021	2020
Jan	19	22
Feb	20	20
Mar	23	22
Q1	**62**	**64**

Sales growth and cost synergies drive growth and profitability in 2021

[1] Adjusted to account for a difference in workdays in Q2 2020 versus the pro forma financial information filed on Form 8-K on November 4, 2020.
[2] Adjusted EBITDA is defined as EBITDA before other, net, non-cash stock-based compensation and merger-related costs; Adjusted EPS only excludes merger-related costs and the related income tax effects.

Summary

- **Excellent performance against a COVID-driven environment in 2020**
- **Strong execution, substantial progress made on integration in first six months**
  - Delivering integration commitments while maintaining momentum in base business
  - New organization structure and strengthened management team in place
  - Generating initial cross-selling results in all three businesses
  - Synergies on track with high confidence on delivering upside
- **Excellent free cash flow generation demonstrates resilient business model and consist strength through the cycle; on-track to rapidly delever**
- **Entering 2021 from position of strength**
- **Exceptionally well positioned to capitalize on evolving secular growth trends**

WESCO's new era is off to an exceptional start

APPENDIX

Glossary

Abbreviations

1H: First half of fiscal year
2H: Second half of fiscal year
A/V: Audio/visual
COGS: Cost of goods sold
CIG: Commercial, Institutional, and Government
CSS: Communications & Security Solutions (business unit)
EES: Electrical & Electronic Solutions (business unit)
ETR: Effective tax rate
FTTx: Fiber-to-the-x (last mile fiber optic network connections)
HSD: High-single digit
LSD: Low-single digit
MRO: Maintenance, repair, and operating
MSD: Mid-single digit
PF: Pro Forma
OEM: Original equipment manufacturer
OPEX: Operating expenses
ROW: Rest of world
Seq: Sequential
TTM: Trailing twelve months
UBS: Utility & Broadband Solutions (business unit)
WD: Workday
YoY: Year-over-year

Definitions

Executed synergies: Initiatives fully implemented – actions taken to generate savings
Realized synergies: Savings that impact financial results versus pro forma 2019
One-time operating expenses: Operating expenses that are in or will be realized in the P&L (including cash and non-cash)
Leverage: Debt, net of cash, divided by trailing-twelve-month adjusted EBITDA

Workdays

	Q1	Q2	Q3	Q4	FY
2019	63	64	63	62	252
2020	64	64	64	61	253
2021	62	64	64	62	252

Adjusted EPS

($M, except for EPS)	Q4 2020 Reported Results	Q4 2020 Adjustments (1)	Q4 2020 Adjusted Results	YTD 2020 Reported Results	YTD 2020 Adjustments (1)	YTD 2020 Adjusted Results
Income from operations	$ 92.8	$ 79.0	$ 171.8	$ 347.0	$ 175.0	$ 522.0
Interest expense, net	74.3	-	74.3	226.6	-	226.6
Other, net	(0.9)	-	(0.9)	(2.4)	-	(2.4)
Income before income taxes	19.4	79.0	98.4	122.8	175.0	297.8
Income tax	(0.9)	22.2 [2]	21.3	22.8	41.8 [2]	64.6
Effective tax rate	*-4.6%*		*21.6%*	*18.6%*		*21.7%*
Net income	20.3	56.8	77.1	100.0	133.2	233.2
Less: Non-controlling interests	0.3	-	0.3	(0.5)	-	(0.5)
Net income attributable to WESCO	20.0	56.8	76.8	100.5	133.2	233.7
Preferred stock dividends	14.4	-	14.4	30.1	-	30.1
Net income attributable to common stockholders	5.6	56.8	62.4	70.4	133.2	203.6
Diluted Shares	51.1		51.1	46.6		46.6
Adjusted Diluted EPS	$ 0.11		$ 1.22	$ 1.51		$ 4.37

[1] Adjustments include merger-related costs and fair value adjustments, an out-of-period adjustment related to inventory absorption accounting, gain on sale of a U.S. operating branch, and the related income tax effects.

[2] The adjustments to income from operations have been tax effected at rates of 28.2% and 23.9% for the three and twelve months ended December 31, 2020, respectively.

Adjusted EBITDA

$M

EBITDA, Adjusted EBITDA and Adjusted EBITDA margin % by Segment

	Three Months Ended December 31, 2020				
	EES	CSS	UBS	Corporate	Total
Net income attributable to common stockholders	$ 66	$ 89	$ 64	$ (213)	$ 6
Preferred stock dividends	-	-	-	14	14
Provision for income taxes	-	-	-	(1)	(1)
Interest expense, net	-	-	-	74	74
Depreciation and amortization	11	13	8	10	42
EBITDA	**$ 77**	**$ 102**	**$ 72**	**$ (116)**	**$ 135**
Other, net	(2)	(3)	-	4	(1)
Stock-based compensation expense	-	-	-	3	3
Merger-related costs	-	-	-	40	40
Merger-related fair value adjustments	4	10	2	-	16
Out-of-period adjustment	15	3	5	-	23
Adjusted EBITDA	**$ 94**	**$ 112**	**$ 79**	**$ (69)**	**$ 216**
Adjusted EBITDA margin %	**5.6%**	**8.2%**	**7.3%**		**5.2%**

Gross Profit and Free Cash Flow

$M

Gross Profit

	Three Months Ended,	
	December 31, 2020	December 31, 2019
Net sales	$ 4,129	$ 2,099
Cost of goods sold[1]	3,357	1,709
Gross profit	**$ 772**	**$ 390**
Adjustments[2]	39	-
Adjusted gross profit	**$ 811**	**$ 390**
Gross margin	*18.7%*	*18.6%*
Adjusted gross margin	*19.6%*	*18.6%*

Free Cash Flow

	Three Months Ended,		Twelve Months Ended,	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Cash flow provided by operations	$ 125	$ 108	$ 544	$ 224
Less: capital expenditures	(14)	(14)	(57)	(44)
Add: merger-related expenditures	13	-	99	-
Free cash flow	**$ 124**	**$ 94**	**$ 586**	**$ 180**
Adjusted net income	77	55	233	225
% of adjusted net income	*161%*	*170%*	*251%*	*80%*

Capital Structure and Leverage

$M

Financial Leverage	Pro Forma December 31, 2020	Reported December 31, 2019
	Twelve Months Ended,	
Net income attributable to common stockholders	$ 116	$ 223
Net loss attributable to noncontrolling interests	(1)	(1)
Preferred stock dividends	30	-
Provision for income taxes	56	60
Interest expense, net	256	66
Depreciation and amortization	153	62
EBITDA	**$ 610**	**$ 410**
Other, net	**5**	**(2)**
Stock-based compensation	**35**	**19**
Merger-related costs and fair value adjustments	**207**	**3**
Out-of-period adjustment	**19**	**-**
Gain on sale of asset	**(20)**	**-**
Adjusted EBITDA	**$ 855**	**$ 430**

Debt	As of, December 31, 2020	December 31, 2019	Maturity
Receivables Securitization (variable)	$ 950	$ 415	2023
Inventory Revolver (variable)	250	-	2025
2021 Senior Notes (fixed)	500	500	2021
2023 Senior Notes AXE (fixed)	59	-	2023
2024 Senior Notes (fixed)	350	350	2024
2025 Senior Notes AXE (fixed)	4	-	2025
2025 Senior Notes (fixed)	1,500	-	2025
2028 Senior Notes (fixed)	1,325	-	2028
Other	47	28	Various
Total debt[1]	**$ 4,985**	**$ 1,293**	
Less: cash and cash equivalents	449	151	
Total debt, net of cash	**$ 4,536**	**$ 1,142**	
Leverage	5.3x	2.7x	

[1] Total debt is presented in the consolidated balance sheets net of debt discount and debt issuance costs, and includes adjustments to record the long-term debt assumed in the merger with Anixter at its acquisition date fair value.