

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): May 2, 2019

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)

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

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

Item 2.02 Results of Operations and Financial Condition.

The information in this Item 2.02 is being furnished and shall not be deemed "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information in this Item 2.02 shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

On May 2, 2019, WESCO International, Inc. (the "Company") issued a press release announcing its financial results for the first quarter of 2019. A copy of the press release is attached hereto as Exhibit 99.1.

Item 7.01 Regulation FD Disclosure.

The information in this Item 7.01 is being furnished and shall not be deemed "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information in this Item 7.01 shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

A slide presentation to be used by senior management of the Company in connection with its discussions with investors regarding the Company's financial results for the first quarter of 2019 is included in Exhibit 99.2 to this report and is being furnished in accordance with Regulation FD of the Securities and Exchange Commission.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following are furnished as exhibits to this report.

[99.1 Press Release, dated May 2, 2019](#)

[99.2 Slide presentation for investors](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WESCO International, Inc.

(Registrant)

May 2, 2019
(Date)

By: /s/ David S. Schulz
David S. Schulz
Senior Vice President and Chief Financial Officer



NEWS RELEASE

WESCO International, Inc. / Suite 700, 225 West Station Square Drive / Pittsburgh, PA 15219

WESCO International, Inc. Reports First Quarter 2019 Results

First quarter highlights:

- Consolidated net sales of \$2.0 billion
 - Reported net sales down 1.6%; organic sales growth of 1%
- Cost of goods sold as a percentage of net sales of 80.5%
 - Gross margin of 19.5%, up 40 basis points versus prior year and up 10 basis points sequentially
- Operating profit of \$70.7 million
- Earnings per diluted share of \$0.93
- Completed the acquisition of *Sylvania Lighting Solutions* ("SLS")

PITTSBURGH, May 2, 2019 /PRNewswire/ -- WESCO International, Inc. (NYSE: WCC), a leading provider of electrical, industrial, and communications maintenance, repair and operating (MRO) and original equipment manufacturer (OEM) products, construction materials, and advanced supply chain management and logistics services, announces its results for the first quarter of 2019.

Mr. John J. Engel, WESCO's Chairman, President and CEO, commented, "We started out 2019 with sales and margin within our outlook range for the first quarter. Gross margin, which expanded both sequentially and year-over-year, reached its highest level since early 2017. Our sales growth rebounded nicely in March and has continued into April after a slow start in January and February. Backlog grew sequentially in the quarter, consistent with normal seasonality, and provides a positive set-up for the balance of the year. Operating margin was driven by our gross margin improvement initiatives coupled with our continued effective operating cost management and controls. We also completed the acquisition of SLS in March and look forward to accelerating our results in the lighting marketplace. Our end markets are expected to remain healthy this year and provide excellent profitable growth opportunities for WESCO."

The following are results for the three months ended March 31, 2019 compared to the three months ended March 31, 2018:

- Net sales were \$2.0 billion for the first quarter of 2019 and 2018. Organic sales for the first quarter of 2019 grew by 1.0% as the number of workdays and foreign exchange rates negatively impacted net sales by 1.6% and 1.3%, respectively, while acquisitions positively impacted net sales by 0.3%.
- Cost of goods sold for the first quarter of 2019 and 2018 was \$1.6 billion, and gross profit was \$382.5 million and \$379.9 million, respectively. As a percentage of net sales, gross profit was 19.5% and 19.1% for the first quarter of 2019 and 2018, respectively.
- Selling, general and administrative ("SG&A") expenses were \$296.6 million, or 15.1% of net sales, for the first quarter of 2019 compared to \$290.8 million, or 14.6% of net sales, for the first quarter of 2018.
- Operating profit was \$70.7 million for the first quarter of 2019, compared to \$73.2 million for the first quarter of 2018. Operating profit as a percentage of net sales was 3.6% for the current quarter, compared to 3.7% for the first quarter of the prior year.
- Net interest and other for the first quarter of 2019 was \$17.1 million, compared to \$19.8 million for the first quarter of 2018.
- The effective tax rate for the first quarter of 2019 was 21.7%, compared to 19.6% for the first quarter of 2018. The higher effective tax rate in the current quarter is primarily due to the full application of the international provisions of U.S. tax reform.

- Net income attributable to WESCO International, Inc. was \$42.4 million and \$44.4 million for the first quarter of 2019 and 2018, respectively.
- Earnings per diluted share for the first quarter of 2019 and 2018 was \$0.93, based on 45.5 million and 47.6 million diluted shares, respectively.
- Operating cash flow for the first quarter of 2019 was \$28.9 million, compared to \$53.0 million for the first quarter of 2018. Free cash flow for the first quarter of 2019 was \$18.1 million, or 43% of net income, compared to \$45.3 million, or 105% of net income, for the first quarter of 2018.

Mr. Engel continued, "We maintain our full year 2019 outlook for sales growth of 3% to 6%, as the benefit of the SLS acquisition is offset by additional foreign currency headwinds. We reaffirm our full year outlook for operating margin of 4.3% to 4.7%, EPS of \$5.10 to \$5.70 per diluted share, and free cash flow generation of at least 90% of net income. Our focus is on executing our 2019 plan priorities of sales growth, margin improvement, investments in our people and processes, and maintaining our cost and cash management discipline. We also expect to complete additional share repurchases of at least \$75 million during the second quarter. Customers continue to seek improvement in their operations and supply chains in an increasingly complex and rapidly changing world. Our talented team of associates and our robust portfolio of products and value-added services differentiate WESCO by providing our customers with complete solutions for their MRO, OEM and capital project needs."

Webcast and Teleconference Access

WESCO will conduct a webcast and teleconference to discuss the first quarter of 2019 earnings as described in this News Release on Thursday, May 2, 2019, at 10:00 a.m. E.T. The call will be broadcast live over the internet and can be accessed from the Investor Relations page of the Company's website at www.wesco.investorroom.com. The call will be archived on this internet site for seven days.

WESCO International, Inc. (NYSE: WCC), a publicly traded Fortune 500 holding company headquartered in Pittsburgh, Pennsylvania, is a leading provider of electrical, industrial, and communications maintenance, repair and operating (MRO) and original equipment manufacturer (OEM) products, construction materials, and advanced supply chain management and logistic services. 2018 annual sales were approximately \$8.2 billion. The company employs approximately 9,300 people, maintains relationships with approximately 30,000 suppliers, and serves approximately 70,000 active customers worldwide. Customers include commercial and industrial businesses, contractors, government agencies, institutions, telecommunications providers, and utilities. WESCO operates 10 fully automated distribution centers and approximately 500 branches in North America and international markets, providing a local presence for customers and a global network to serve multi-location businesses and multi-national corporations.

The matters discussed herein may contain forward-looking statements that are subject to certain risks and uncertainties that could cause actual results to differ materially from expectations. Certain of these risks are set forth in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, as well as the Company's other reports filed with the Securities and Exchange Commission.

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

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

	Three Months Ended			
	March 31, 2019		March 31, 2018	
Net sales	\$ 1,961.3		\$ 1,993.9	
Cost of goods sold (excluding depreciation and amortization)	1,578.8	80.5%	1,614.0	80.9%
Selling, general and administrative expenses	296.6	15.1%	290.8	14.6%
Depreciation and amortization	15.2		15.9	
Income from operations	70.7	3.6%	73.2	3.7%
Net interest and other	17.1		19.8	
Income before income taxes	53.6	2.7%	53.4	2.7%
Provision for income taxes	11.6		10.5	
Net income	42.0	2.1%	42.9	2.2%
Net loss attributable to noncontrolling interests	(0.4)		(1.5)	
Net income attributable to WESCO International, Inc.	\$ 42.4	2.2%	\$ 44.4	2.2%
Earnings per diluted common share	\$ 0.93		\$ 0.93	
Weighted-average common shares outstanding and common share equivalents used in computing earnings per diluted common share (in millions)	45.5		47.6	

WESCO INTERNATIONAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(dollar amounts in millions)
(Unaudited)

	March 31, 2019	December 31, 2018
Assets		
Current Assets		
Cash and cash equivalents	\$ 106.1	\$ 96.3
Trade accounts receivable, net	1,268.6	1,166.6
Inventories	1,001.4	948.7
Other current assets	137.7	174.0
Total current assets	2,513.8	2,385.6
Other assets ⁽¹⁾	2,470.9	2,219.4
Total assets	\$ 4,984.7	\$ 4,605.0
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 870.2	\$ 794.3
Short-term borrowings and current debt	28.5	56.2
Other current liabilities ⁽¹⁾	252.0	211.4
Total current liabilities	1,150.7	1,061.9
Long-term debt, net	1,214.3	1,167.3
Other noncurrent liabilities ⁽¹⁾	423.3	246.1
Total liabilities	2,788.3	2,475.3
Stockholders' Equity		
Total stockholders' equity	2,196.4	2,129.7
Total liabilities and stockholders' equity	\$ 4,984.7	\$ 4,605.0

⁽¹⁾ Effective January 1, 2019, the Company adopted Accounting Standards Update 2016-02, *Leases*, and all the related amendments ("Topic 842") using the effective date method. The adoption of Topic 842 resulted in the recognition of right-of-use assets and lease liabilities in the balance sheet. As of March 31, 2019, other assets includes \$233.0 million of operating lease assets, and other current liabilities and other noncurrent liabilities include \$59.2 million and \$178.6 million, respectively, of operating lease liabilities.

WESCO INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollar amounts in millions)
(Unaudited)

	Three Months Ended	
	March 31, 2019	March 31, 2018
Operating Activities:		
Net income	\$ 42.0	\$ 42.9
Add back (deduct):		
Depreciation and amortization	15.2	15.9
Deferred income taxes	0.9	2.7
Change in trade receivables, net	(76.7)	(37.5)
Change in inventories	(40.8)	3.0
Change in accounts payable	68.1	8.1
Other	20.2	17.9
Net cash provided by operating activities	28.9	53.0
Investing Activities:		
Capital expenditures	(10.8)	(7.7)
Other	(27.7)	(8.7)
Net cash used in investing activities	(38.5)	(16.4)
Financing Activities:		
Debt borrowings (repayments), net	17.2	(16.6)
Equity activity, net	(2.6)	(1.7)
Other	4.6	(10.6)
Net cash provided by (used in) financing activities	19.2	(28.9)
Effect of exchange rate changes on cash and cash equivalents	0.2	(1.8)
Net change in cash and cash equivalents	9.8	5.9
Cash and cash equivalents at the beginning of the period	96.3	118.0
Cash and cash equivalents at the end of the period	\$ 106.1	\$ 123.9

NON-GAAP FINANCIAL MEASURES

This earnings release includes certain non-GAAP financial measures. These financial measures include organic sales growth, gross profit, financial leverage, earnings before interest, taxes, depreciation and amortization (EBITDA), and free cash flow. The Company believes that these non-GAAP measures are useful to investors as they provide a better understanding of sales performance, and the use of debt and liquidity on a comparable basis. Management does not use these non-GAAP financial measures for any purpose other than the reasons stated above.

WESCO INTERNATIONAL, INC.

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

	Three Months Ended March 31, 2019	
Organic Sales Growth:		
Change in net sales		(1.6)%
Impact from acquisitions		0.3%
Impact from foreign exchange rates		(1.3)%
Impact from number of workdays		(1.6)%
Organic sales growth		1.0%

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

	Three Months Ended	
	March 31, 2019	March 31, 2018
Gross Profit:		
Net sales	\$ 1,961.3	\$ 1,993.9
Cost of goods sold (excluding depreciation and amortization)	1,578.8	1,614.0
Gross profit	\$ 382.5	\$ 379.9
Gross margin	19.5%	19.1%

	Three Months Ended December 31, 2018	
Gross Profit:		
Net sales	\$ 2,011.4	
Cost of goods sold (excluding depreciation and amortization)	1,621.1	
Gross profit	\$ 390.3	
Gross margin		19.4%

Note: Gross profit is a financial measure commonly used within the distribution industry. Gross profit is calculated by deducting cost of goods sold, excluding depreciation and amortization, from net sales. Gross margin is calculated by dividing gross profit by net sales.

WESCO INTERNATIONAL, INC.

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

	Twelve Months Ended	
	March 31, 2019	December 31, 2018
Financial Leverage:		
Income from operations	\$ 349.9	\$ 352.5
Depreciation and amortization	62.4	63.0
EBITDA	\$ 412.3	\$ 415.5
	March 31, 2019	December 31, 2018
Short-term borrowings and current debt	\$ 28.5	\$ 56.2
Long-term debt	1,214.3	1,167.3
Debt discount and debt issuance costs ⁽¹⁾	8.5	9.6
Total debt	1,251.3	1,233.1
Less: cash and cash equivalents	106.1	96.3
Total debt, net of cash	\$ 1,145.2	\$ 1,136.8
Financial leverage ratio	3.0	3.0
Financial leverage ratio, net of cash	2.8	2.7

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

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

	Three Months Ended	
	March 31, 2019	March 31, 2018
Free Cash Flow:		
Cash flow provided by operations	\$ 28.9	\$ 53.0
Less: Capital expenditures	(10.8)	(7.7)
Free cash flow	\$ 18.1	\$ 45.3
Percentage of net income	43%	105%

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.



Q1 2019 Earnings

Webcast Presentation – May 2, 2019

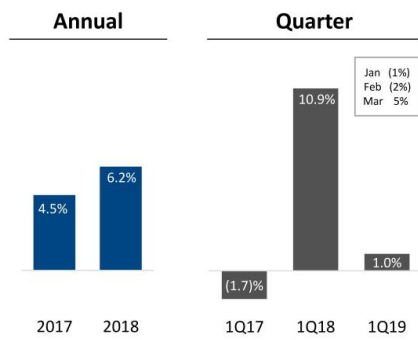
Safe Harbor Statement



All statements made herein that are not historical facts should be considered as “forward-looking statements” within the meaning of the Private Securities Litigation Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. Such risks, uncertainties and other factors include, but are not limited to: adverse economic conditions; increase in competition; expansion of business activities; disruptions in operations or information technology systems; supply chain disruptions, changes in supplier strategy or loss of key suppliers; personnel turnover or labor cost increases; risks related to acquisitions, including the integration of acquired businesses; changes in tax laws, regulations and guidance, and uncertainties regarding their application, and challenges by tax authorities to the company’s tax positions; exchange rate fluctuations; debt levels, terms, financial market conditions or interest rate fluctuations; stock market, economic or political instability; legal or regulatory matters; litigation, disputes, contingencies or claims; and other factors described in detail in the Form 10-K for WESCO International, Inc. for the year ended December 31, 2018 and any subsequent filings with the Securities & Exchange Commission. The following presentation includes a discussion of certain non-GAAP financial measures. Information required by Regulation G with respect to such non-GAAP financial measures can be found in the appendix and obtained via WESCO’s website, www.wesco.com.



Organic Sales Growth versus Prior Year



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

First Quarter

- First quarter within outlook range with sales momentum improving in March and continued in April
- Reported sales were down 2%, organic sales were up 1% (flat in the U.S., up 3% in Canada, and up 8% in International)
- Organic sales up 12% on a two year stack basis
- Strong margin performance in the first quarter
 - Billing margin expansion in all end markets and geographies
 - Gross margin expansion of 40 bps year-over-year
- Estimated pricing impact +2%
- Preliminary April organic sales up low single digits
- Acquired SLS and maintained leverage at 3.0x

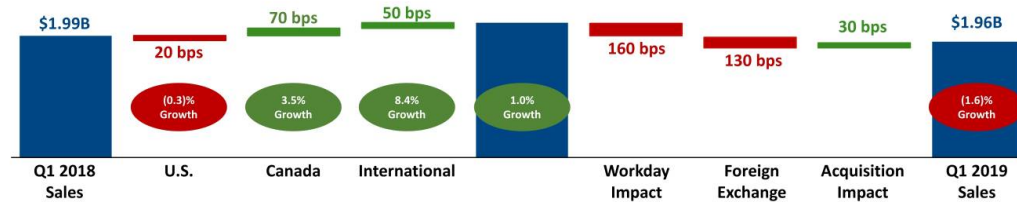
...improving sales and margin momentum exiting Q1

Q1 2019 Earnings Webcast 5/2/19

Q1 2019 Results



	Outlook	Actual	YOY
Sales	(2%) to 2%	\$1.96B	Down 1.6%; Core ⁽¹⁾ down 1.9%
Gross Margin		19.5%	Up 40 bps
SG&A		\$296.6M, 15.1%	Core up 1%, up 50 bps
Operating Profit		\$71M	Down 3%
Operating Margin	3.5% to 3.8%	3.6%	Down 10 bps
Effective Tax Rate	~23%	21.7%	Up 210 bps
EPS		\$0.93	Flat to prior year



Note: See appendix for non-GAAP reconciliations.

⁽¹⁾ Core excludes acquisitions in first year of ownership

...continued gross margin expansion and effective operating cost management

Q1 2019 Earnings Webcast 5/2/19



	Q1
2018	\$0.93
Core operations	(0.01)
Acquisitions	0.00
Foreign exchange	0.00
Tax	(0.03)
Share count	0.04
2019	\$0.93

...flat EPS versus prior year

Industrial End Market



Organic Sales Growth versus Prior Year



Note: See appendix for non-GAAP reconciliations.

- Q1 2019 Sales
 - Organic sales were flat versus prior year (flat in the U.S. and Canada in local currency)
 - Down 2% sequentially
- Industrial market growth continues, driven by increasing production and capacity utilization; labor constraints support higher capital spending
- Global Account and Integrated Supply opportunity pipeline remains strong and bidding activity levels increased in first quarter
- Customer trends include continued high expectations for supply chain process improvements, cost reductions, and supplier consolidation

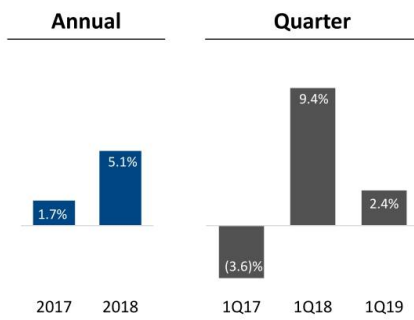
Global Accounts	Integrated Supply	OEM	General Industrial
36% of WESCO Sales			

Renewed our contract with a U.S. based metals and mining company to support capital projects and provide electrical and MRO materials for 5 years with estimated total revenues of over \$250 million.

Construction End Market



Organic Sales Growth versus Prior Year



Note: See appendix for non-GAAP reconciliations.

- Q1 2019 Sales
 - Organic sales were up 2% versus prior year (down 1% in the U.S. and up 8% in Canada in local currency)
 - Down 8% sequentially
- Strong backlog and improving business momentum with construction/contractor customers
- Backlog down 2% versus prior year record level and up 5% from year-end 2018 (in line with normal seasonality)
- Expecting moderate growth and uptrend in non-residential construction market to continue in 2019 construction season

Non-Residential | Contractors
33% of WESCO Sales

Awarded a multi-million dollar contract to provide electrical gear and equipment for a hospital upgrade project in western Canada.

Utility End Market



Organic Sales Growth versus Prior Year



Note: See appendix for non-GAAP reconciliations.

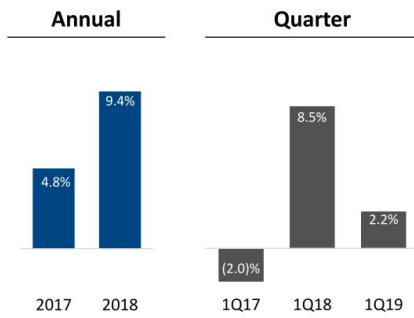
Investor Owned | Public Power | Utility Contractors
16% of WESCO Sales

Awarded a new five-year contract with estimated total revenues of over \$350 million to provide electrical generation, transmission and distribution materials, lighting, and MRO supplies, including tools and safety products, to an investor-owned utility in the U.S.

- Q1 2019 Sales
 - Organic sales were flat versus prior year (up 3% in the U.S. and down 38% in Canada in local currency)
 - Down 1% sequentially
- Continued scope expansion and value creation with investor owned utility, public power, and generation customers
- Increased interest in Integrated Supply solution offerings
- Favorable economic conditions, improvement in construction market, renewables growth, and consolidation trend within Utility industry remain positive catalysts for future spending



Organic Sales Growth versus Prior Year



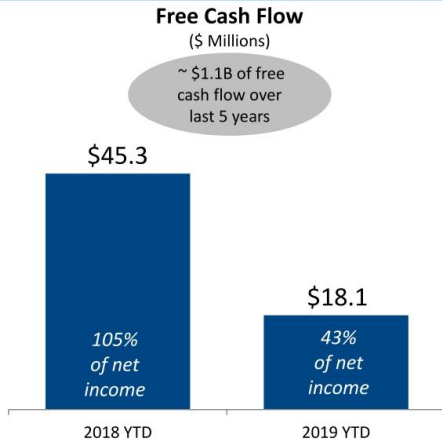
Note: See appendix for non-GAAP reconciliations.

- Q1 2019 Sales
 - Organic sales were up 2% versus prior year (down 5% in the U.S. and up 22% in Canada in local currency)
 - Down 5% sequentially
- Technical expertise and supply chain solutions driving results in datacenter, broadband, and cloud technology projects
- Continued positive momentum seen in LED lighting retrofits, FTTX deployments, broadband build outs, and cyber and physical security for critical infrastructure protection

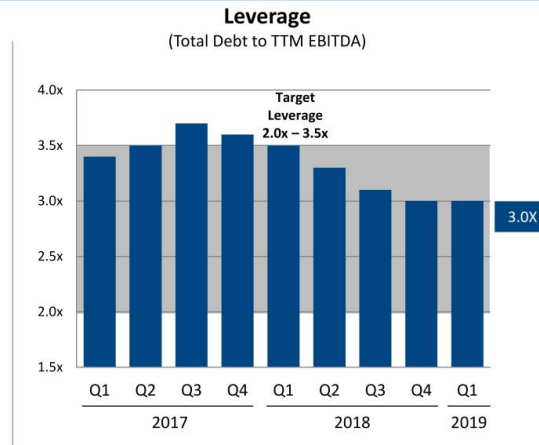
Commercial | Institutional | Government
15% of WESCO Sales

Awarded a multi-million dollar contract to provide a lighting solution for an energy savings upgrade at a federal government facility.

Free Cash Flow & Leverage



Note: See appendix for non-GAAP reconciliations.



...maintained financial leverage ratio while completing acquisition of SLS



	Q2	Full Year
Sales	3% to 6%	3% to 6%
Operating Margin	4.5% to 4.8%	4.3% to 4.7%
Effective Tax Rate	~ 23%	22% to 24%
Diluted EPS		\$5.10 to \$5.70
Free Cash Flow		~ 90% of net income

Notes
 Excludes unannounced acquisitions.
 Assumes a CAD/USD exchange rate of 0.74 in Q2.
 FY 2019 has one fewer workday than FY 2018.
 See appendix for non-GAAP reconciliations.

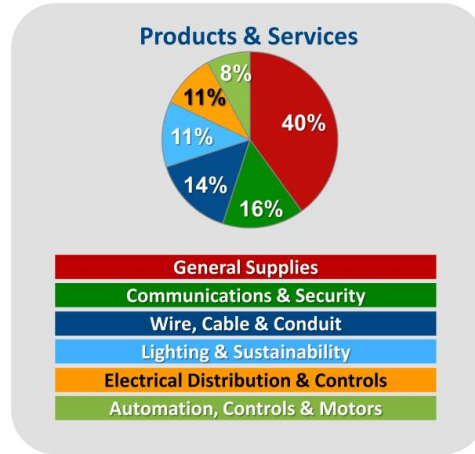
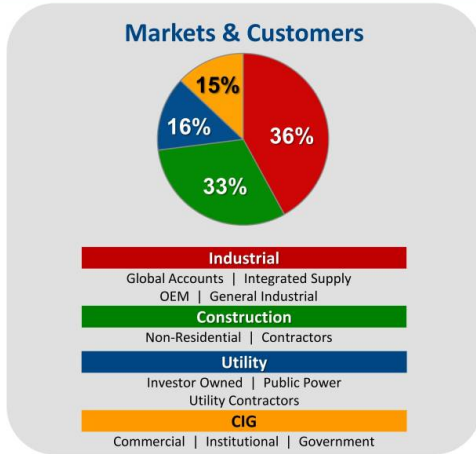
- Maintaining full year sales outlook as the benefit of the SLS acquisition is expected to be offset by additional foreign currency headwinds
- Reaffirming our full year outlook for operating margin, EPS, and free cash flow



Appendix

NON-GAAP FINANCIAL MEASURES

This presentation includes certain non-GAAP financial measures. These financial measures include organic sales growth, gross profit, financial leverage, earnings before interest, taxes, depreciation and amortization (EBITDA), and free cash flow. The Company believes that these non-GAAP measures are useful to investors as they provide a better understanding of sales performance, 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.



13 Note: Markets & Customers and Products & Services percentages reported on a TTM consolidated basis.

Sales Growth



(%)

	2017					2018					2019
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1
Change in Net Sales	(0.2)	(0.1)	7.8	11.3	4.7	12.5	10.2	3.4	0.7	6.5	(1.6)
Acquisition Impact	0.9				0.2						0.3
Core	(1.1)	(0.1)	7.8	11.3	4.5	12.5	10.2	3.4	0.7	6.5	(1.9)
FX Impact	0.6	(1.1)	0.8	1.2	0.4	1.6	1.2	(0.8)	(0.8)	0.3	(1.3)
Workday Impact			(1.6)		(0.4)						(1.6)
Organic	(1.7)	1.0	8.6	10.1	4.5	10.9	9.0	4.2	1.5	6.2	1.0

14 Note: Core sales growth excludes acquisitions during the first year of ownership.

Q1 2019 Earnings Webcast 5/2/19

Q1 2019 Organic Sales Growth by Geography



(%)

	U.S.	Canada	International	WESCO
Change in net sales (USD)	(1.5)	(3.6)	2.8	(1.6)
Impact from acquisitions	0.4	-	-	0.3
Impact from foreign exchange rates	-	(5.5)	(4.0)	(1.3)
Impact from number of workdays	(1.6)	(1.6)	(1.6)	(1.6)
Organic sales growth	(0.3)	3.5	8.4	1.0

Sales Growth by End Market



(\$ Millions)	Q1 2019 vs. Q1 2018			Q1 2019 vs. Q4 2018		
	Q1 2019	Q1 2018	% Growth	Q1 2019	Q4 2018	% Growth
Industrial Core	\$740	\$762	(2.9%)	\$740	\$742	(0.3%)
Construction Core	633	640	(1.2%)	633	680	(7.0%)
Utility Core	309	317	(2.3%)	309	306	1.1%
CIG Core	281	283	(0.7%)	281	291	(3.5%)
Total Core Gross Sales	\$1,963	\$2,002	(1.9%)	\$1,963	\$2,019	(2.8%)
Total Gross Sales from Acquisitions	6	-		6	-	
Total Gross Sales	\$1,969	\$2,002	(1.7%)	\$1,969	\$2,019	(2.5%)
Gross Sales Reduction/Discounts	(7)	(8)		(7)	(8)	
Total Net Sales	\$1,961	\$1,994	(1.6%)	\$1,961	\$2,011	(2.5%)

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

Q1 2019 Organic Sales by End Market



(%)

	Industrial	Construction	Utility	CIG	WESCO
Core Sales Growth	(2.9)	(1.2)	(2.3)	(0.7)	(1.9)
FX Impact	(1.0)	(2.0)	(0.3)	(1.3)	(1.3)
Workday Impact	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)
Organic Growth	(0.3)	2.4	(0.4)	2.2	1.0

Gross Margin



(\$ Millions)

	Three Months Ended	
	March 31, 2019	March 31, 2018
Net sales	\$1,961	\$1,994
Cost of goods sold (excluding depreciation and amortization)	1,579	1,614
Gross profit ⁽¹⁾	\$382	\$380
Gross margin ⁽¹⁾	19.5%	19.1%

⁽¹⁾ 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. Note: For gross margin in prior periods, see quarterly earnings webcasts as previously furnished to the Securities & Exchange Commission, which can be obtained from the Investor Relations page of WESCO's website at www.wesco.com.

Capital Structure



(\$ Millions)

	Outstanding at December 31, 2018	Outstanding at March 31, 2019	Debt Maturity Schedule
AR Revolver ^(V)	275	340	2020
Inventory Revolver ^(V)	52	33	2020
2019 Term Loans ^(V)	25	-	2019
2021 Senior Notes ^(F)	500	500	2021
2024 Senior Notes ^(F)	350	350	2024
Other ^(V)	31	28	N/A
Total Debt	1,233	1,251	

Key Financial Metrics		
	YE 2018	Q1 2019
Cash	96	106
Capital Expenditures	36	11
Free Cash Flow ⁽¹⁾	261	18
Liquidity ⁽²⁾	824	781

^(V) Variable Rate Debt

^(F) Fixed Rate Debt

⁽¹⁾ Cash flow provided by operations less capital expenditures.

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

Financial Leverage



(\$ Millions)

	Twelve Months Ended March 31, 2019
Income from operations	\$350
Depreciation and amortization	62
EBITDA	\$412
	March 31, 2019
Short-term borrowings and current debt	\$29
Long-term debt	1,214
Debt discount and debt issuance costs ⁽¹⁾	9
Total debt	\$1,251
Less: cash and cash equivalents	106
Total debt, net of cash	\$1,145
Financial leverage ratio	3.0X
Financial leverage ratio, net of cash	2.8X

(1) Long-term debt is presented in the consolidated balance sheet as of March 31, 2019 net of debt discount and debt issuance costs.

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.

Free Cash Flow Reconciliation



(\$ Millions)

	Q1 2018	Q1 2019
Cash flow provided by operations	\$53.0	\$28.9
Less: Capital expenditures	(7.7)	(10.8)
Free cash flow	45.3	18.1
Net income	\$42.9	\$42.0
Percentage of net income	105%	43%

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 investing and financing activities.

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

