

NYSE: WCC

First Quarter 2022

Webcast Presentation

May 5, 2022



Forward-Looking Statements

All statements made herein that are not historical facts should be considered as forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. These statements include, but are not limited to, statements regarding the expected 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 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, or the risk that problems may arise in successfully integrating the businesses of the companies, which may result in the combined company not operating as effectively and efficiently as expected, the risk that the combined company may be unable to achieve synergies or other anticipated benefits of the 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 (including as a result of climate change), health epidemics, pandemics and other outbreaks, such as the ongoing COVID-19 pandemic, supply chain disruptions, and the impact of Russia's recent invasion of Ukraine, including the impact of sanctions or other actions taken by the U.S. or other countries, the increased risk of cyber incidents and exacerbation of key materials shortages, inflationary cost pressures, material cost increases, demand volatility, and logistics and capacity constraints, which may have a material adverse effect on the combined company's business, results of operations and financial condition, 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, 2021 and Wesco's 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 presentation includes certain non-GAAP financial measures. These financial measures include organic sales growth, gross profit, gross margin, earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted EBITDA, adjusted EBITDA margin, financial leverage, free cash flow, adjusted income from operations, adjusted operating margin, adjusted provision for income taxes, adjusted income before income taxes, adjusted net income, adjusted net income attributable to Wesco International, Inc., adjusted net income attributable to common stockholders, and adjusted earnings per diluted share. The Company believes that these non-GAAP measures are useful to investors as they provide a better understanding of financial 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 and integration costs, and the related income tax effect of such items, allowing investors to more easily compare the Company's financial performance from period to period. Management does not use these non-GAAP financial measures for any purpose other than the reasons stated above.



Agenda



Business Overview

John Engel

Chairman, President & CEO



Financial Results Overview

Dave Schulz

Executive Vice President & CFO

2022 Off to an Exceptional Start

Record sales of \$4.9 billion

Up 21% YOY organically

- Up 22% YOY (up 2% sequentially) on a reported basis
- Effectively managing global supply chain challenges
- Leveraging increased scale, expanded product and services portfolio, and global supplier relationships
- Benefiting from SBU cross-selling and attractive secular growth trends
- Record-level backlog up 25% sequentially and up more than 90% YOY

Gross Margin up 120 bps YOY

Up 50 bps sequentially

- Focus on value-driven pricing
- Continued momentum of our gross margin improvement program

Record adjusted EBITDA

Up 68% YOY and margin up 200 bps YOY

- Benefits of scale, gross margin expansion, and increased operating leverage
- Strong synergy execution delivering results above expectations

Leverage reduced to 3.6x

Down 2.1x in 21 months

- TTM Adjusted EBITDA of \$1.3 billion, up 54% since closing the Anixter acquisition
- Accelerated deleveraging demonstrates the inherent strength of our distribution business model

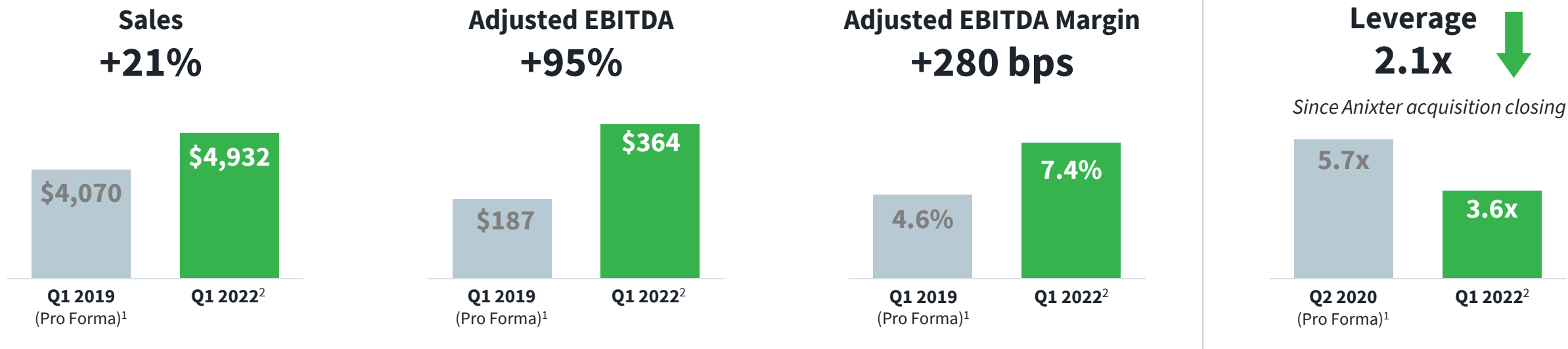
Continued strong execution and accelerating value creation of Wesco + Anixter driving record-level results



See appendix for non-GAAP reconciliations.

Strong Growth and Margin Expansion Versus Pre-pandemic Levels

\$ millions



Substantial growth versus 2019 highlights the strength of the Wesco + Anixter combination



¹ 2019 figures are as-reported on Form 8-K dated November 4, 2020, and include sales and adjusted EBITDA derived from the legacy Wesco data communications and utility business in Canada that were divested in the first quarter of 2021.

² See appendix for non-GAAP reconciliation.

Multiple Long-Term Growth Drivers

Strong Secular Growth Trends



Electrification



Automation and IoT



Green Energy and Grid Modernization



24/7 Connectivity and Security



Supply Chain Consolidation and Relocation to North America



Digitalization

+

Increasing Public Sector Investment



U.S. Infrastructure Bill



Rural Digital Opportunity Fund (RDOF)



Canada Broadband Investments



Public-Private Partnerships for Smart Cities

+

Wesco's Uniquely Strong Position

- ✓ **Leading Portfolio of Products, Services, and Solutions**
- ✓ **Leading Positions in All Business Units**
- ✓ **Global Footprint and Capabilities**
- ✓ **Leading Digital Investments and Pace of Investment**
- ✓ **Unlocking the Value of Our Big Data**
- ✓ **Accelerating Consolidation Across the Value Chain**

The new Wesco is uniquely positioned for sustainable long-term growth

A New Brand Identity for a New Company

OUR MISSION

We build, connect, power and protect the world.

OUR VISION

To be the best tech-enabled supply chain solutions provider in the world.

OUR PURPOSE

Life should run smoothly, so we create a world you can depend on.

OUR PROMISE

Ingenuity Delivered.



Our new brand identity reflects our ability to drive growth and innovation... responsibly and sustainably



Dave Schulz

Executive Vice President & Chief Financial Officer

First Quarter Results Overview



First Quarter Results Overview

\$ millions, except per share amounts

	Q1 2022	Q1 2021	YOY
Sales	\$4,932	\$4,041	+22%
Gross Profit	\$1,049	\$811	+29%
% of sales	21.3%	20.1%	+120 bps
Adjusted Income from Operations	\$315	\$171	+85%
% of sales	6.4%	4.2%	+220 bps
Adjusted EBITDA	\$364	\$217	+68%
% of sales	7.4%	5.4%	+200 bps
Adjusted Diluted EPS	\$3.63	\$1.43	+154%

- Record sales, +22% YOY and +2% sequentially on a reported basis
- Organic sales +21% YOY and flat sequentially
- Estimated pricing benefit of 8% YOY
- Record backlog, +90% YOY and +25% sequentially
- Gross margin +120 bps YOY and +50 bps sequentially
- \$63 million of realized cost synergies
- \$160 million of cross-sell synergies
- Record adjusted EBITDA +68%
- Adjusted EBITDA margin +200 bps YOY
- Record adjusted diluted EPS +154% YOY

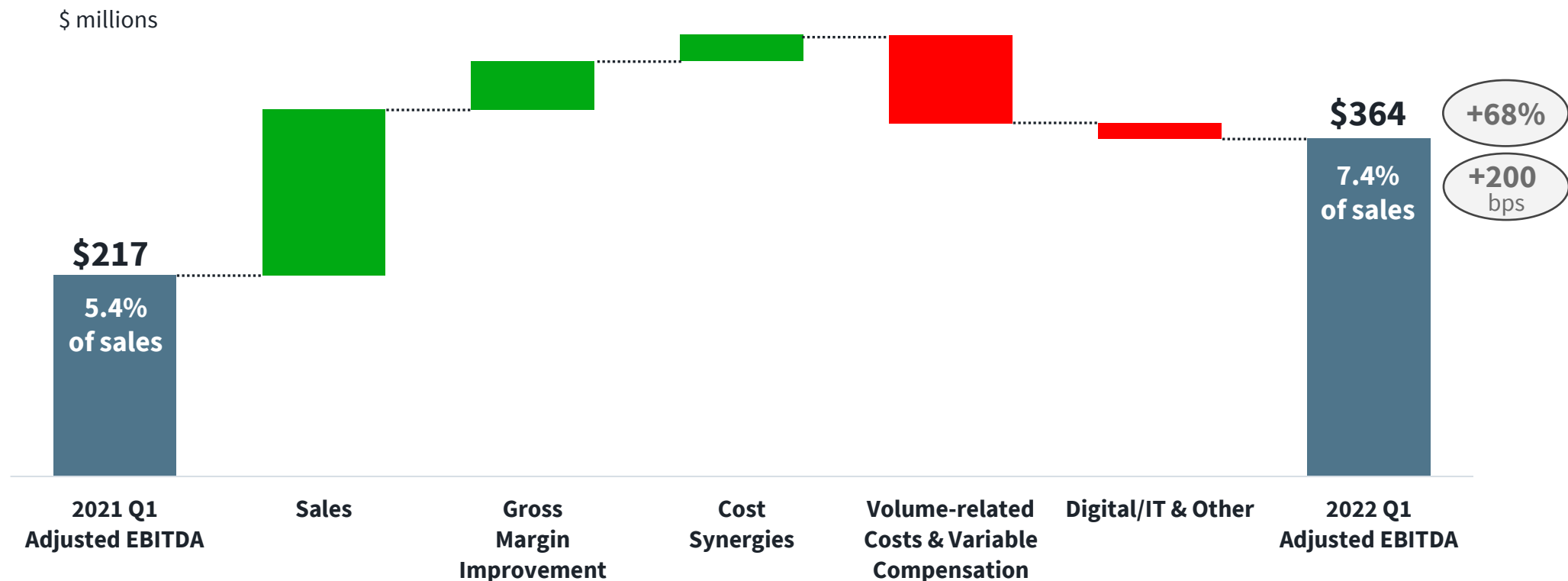
Preliminary April sales up approximately 22% YOY and compared to 2019 on a workday-adjusted basis

Exceptional financial results driven by strong sales growth, margin expansion and operating leverage



See appendix for non-GAAP reconciliations.

First Quarter Adjusted EBITDA Bridge



Exceptional financial results driven by strong sales growth, margin expansion and operating leverage



See appendix for non-GAAP reconciliations.

Electrical & Electronic Solutions (EES)

First Quarter Drivers

- Record quarter with sales growth in all operating groups
 - Non-residential construction tracking ahead of expectations
 - Strong industrial and OEM momentum continues
- Backlog at record level; up 75% YOY and 25% sequentially
- Record adjusted EBITDA and margin expansion driven by accelerating sales growth, synergy capture, and execution of margin improvement initiatives

\$ millions

	Q1 2022	Q1 2021	YOY
Sales	\$2,090	\$1,721	+21%¹
Adjusted EBITDA	\$192	\$112	+72%
% of sales	9.2%	6.5%	+270 bps

Long-term, sustainable growth supported by secular trends of electrification, automation and green energy

Continue to take share due to enhanced value proposition and complete electrical solutions offering



¹ Sales growth shown on an organic basis. Organic sales growth represents reported sales growth adjusted to remove the effect of acquisitions, divestitures, changes in foreign currency exchange rates and differences in working days. See appendix for non-GAAP reconciliations.

Communications & Security Solutions (CSS)

First Quarter Drivers

- Strong quarter with sales growth in all operating groups despite continued global supply chain challenges
 - Network infrastructure growth led by global hyper-scale data centers and an increase in structured cabling due to accelerating return-to-workplace activities
 - Security growth driven by increased IP-based surveillance and adoption of cloud-based technologies by global customers
 - Continued strong demand from multinational customers for A/V projects and in-building wireless applications
- Backlog at record level; up 89% YOY and 23% sequentially
- Adjusted EBITDA and margin expansion driven by accelerating sales growth, synergy capture, and margin improvement initiatives

\$ millions

	Q1 2022	Q1 2021	YOY
Sales	\$1,434	\$1,251	+14%¹
Adjusted EBITDA	\$123	\$91	+36%
% of sales	8.6%	7.3%	+130 bps

Long-term, sustainable growth supported by secular trends of 24/7 connectivity, data center expansion, secure networks and IoT/automation

Global position, leading value proposition and accelerating secular trends drive strong outlook for 2022 and beyond



¹ Sales growth shown on an organic basis. Organic sales growth represents reported sales growth adjusted to remove the effect of acquisitions, divestitures, changes in foreign currency exchange rates and differences in working days. See appendix for non-GAAP reconciliations.

Utility & Broadband Solutions (UBS)

First Quarter Drivers

- Record quarter with double-digit sales growth in all operating groups
 - Broad-based growth in utility driven by investments in grid modernization
 - Broadband growth driven by connectivity demand and rural broadband expansion
 - Integrated supply up versus PY and sequentially, in-line with industrial recovery
- Backlog at record level; up 130% YOY and 28% sequentially
- Record adjusted EBITDA with accelerating sales growth and margin expansion

\$ millions

	Q1 2022	Q1 2021	YOY
Sales	\$1,408	\$1,070	+30%¹
Adjusted EBITDA	\$136	\$84	+63%
% of sales	9.7%	7.8%	+190 bps

Long-term, sustainable growth driven by industry-leading value proposition, scope expansion and attractive secular trends of green energy, grid modernization and infrastructure investment

Leadership position and complete solutions offering continue to drive exceptional sales and profit growth

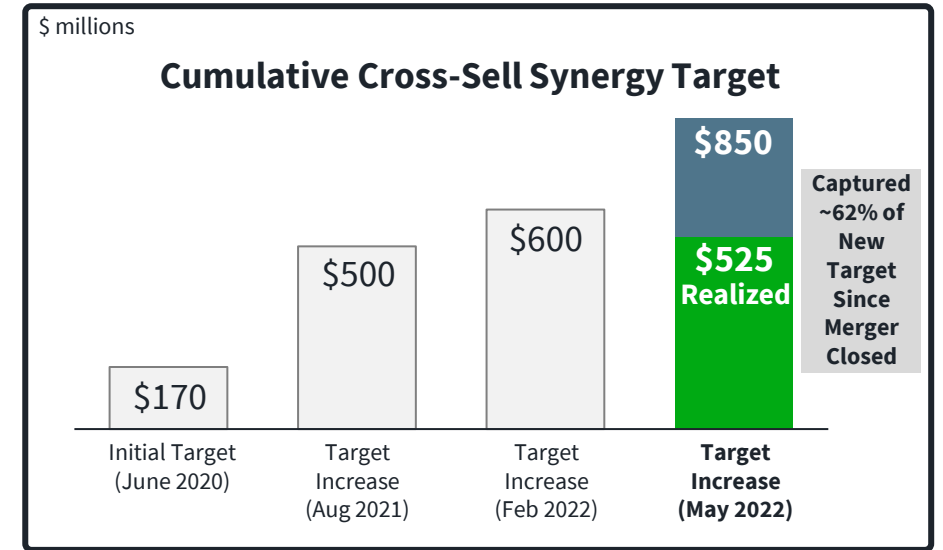


¹ Sales growth shown on an organic basis. Organic sales growth represents reported sales growth adjusted to remove the effect of acquisitions, divestitures, changes in foreign currency exchange rates and differences in working days. See appendix for non-GAAP reconciliations.

Accelerating Cross-Sell Drives Market Outperformance

- Expanding pipeline of cross-sell opportunities
- Strong customer relationships and global supplier partnerships
- Minimal overlap between legacy Wesco and Anixter customers
- Highly complementary products and services
- Salesforce training and incentives in place
- Opportunities to cross-sell exist across all three SBUs
- Growth opportunity is further amplified by attractive secular growth trends

Increasing cross-sell target from \$600 million to \$850 million



Broad Portfolio of Cross-Sell Products and Services



Switch Gear



Wire & Cable Solutions



Substation and Grid Components



Balance of Electrical System



MRO Supplies and Safety



Network Infrastructure and Security



Services

Successful and accelerating cross-selling initiative to existing customers and new prospects

Sales Synergies Increase as Leading Value Proposition Takes Hold

EES and CSS

Overview: Major EPC win for the construction of a new U.S. semiconductor fabrication facility

Key Enablers

- ✓ Ability to coordinate global transactions
- ✓ Strong existing relationships

Initial Value
\$40+ million

Major Product Categories

Cable
Tray

Power
Cable

Infrastructure

CSS

Overview: Network infrastructure products award to support the outdoor Passive Optical Network of an entertainment theme park

Key Enablers

- ✓ Access to two divisions of a Wesco supplier that was new to Anixter

Initial Value
\$1+ million

Major Product Categories

Electrical

Lighting

UBS

Overview: Expanded product scope for a long-term utility customer

Key Enablers

- ✓ Supplier access from legacy company
- ✓ Unified sales team across Wesco and Anixter
- ✓ Consolidated logistics platform and data management provided additional efficiencies and scale to existing customer

Initial Value
\$10+ million

Major Product Categories

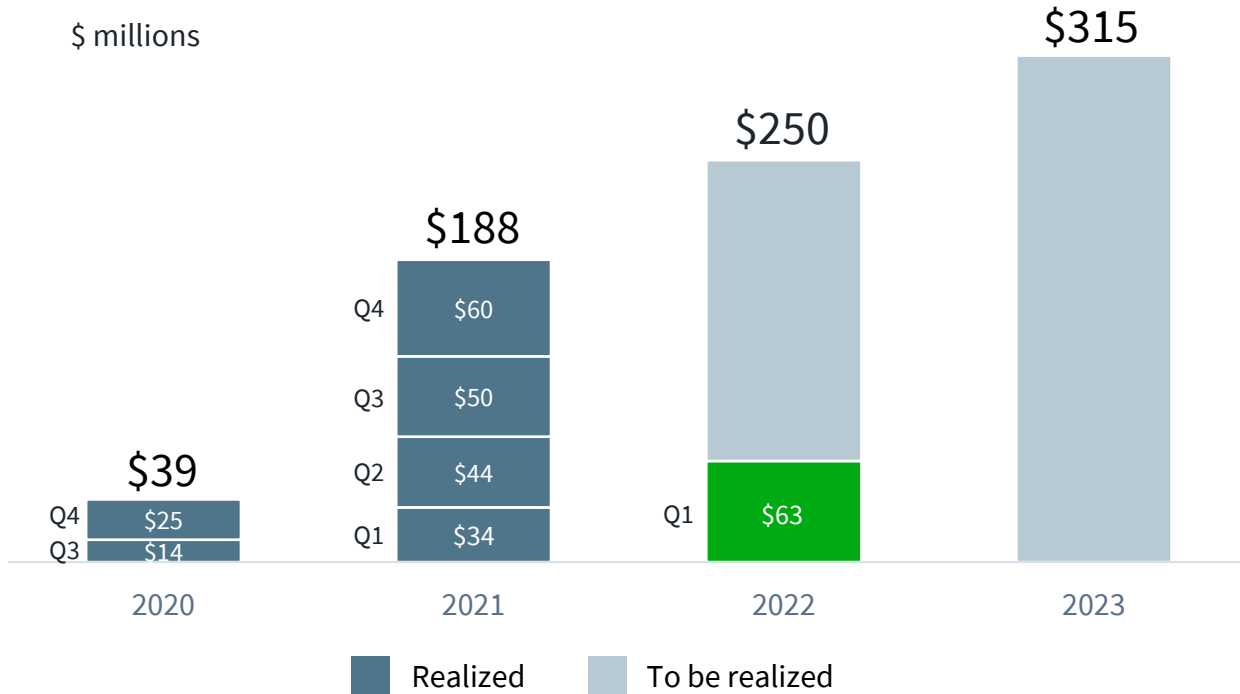
Supply Chain
Services

Wire and
Cable

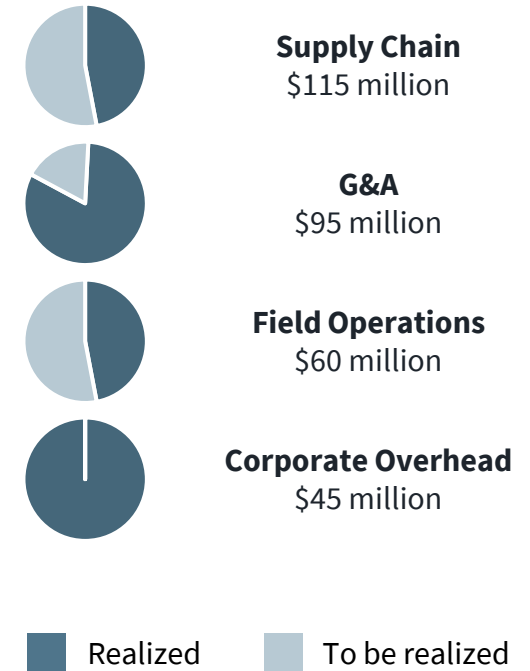
Cross-sell momentum highlights the power of the combined portfolio

Accelerated Cost Synergy Realization Continues

Cumulative Realized Synergies



Cumulative Realized Synergies By Type

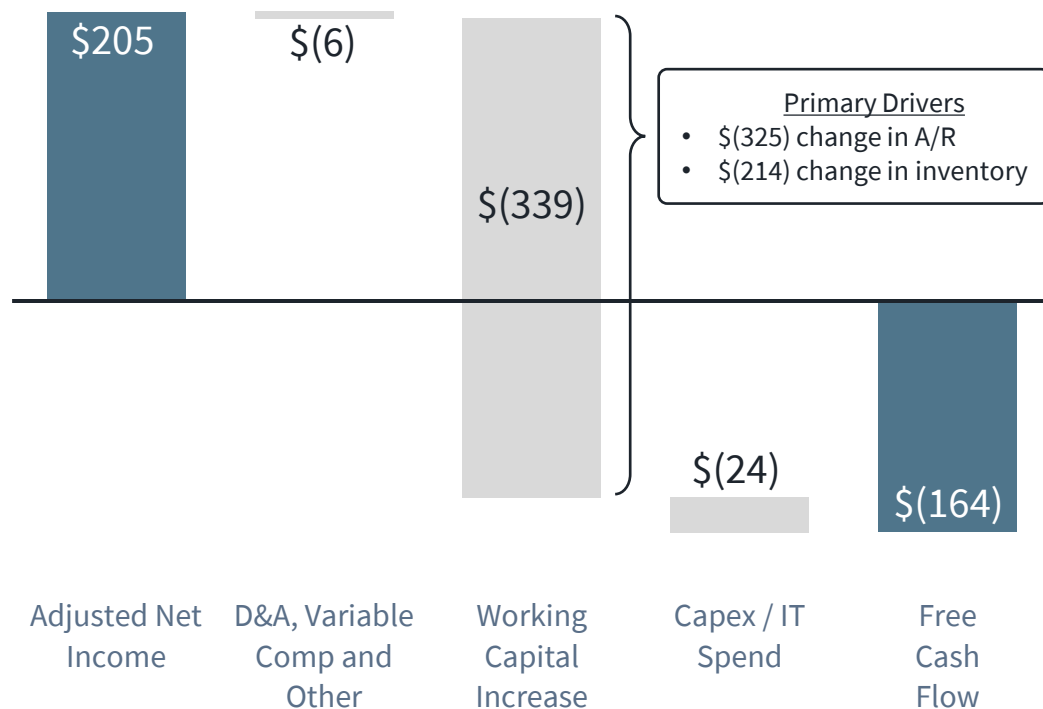


Tracking well toward 2023 cost synergy target of \$315 million

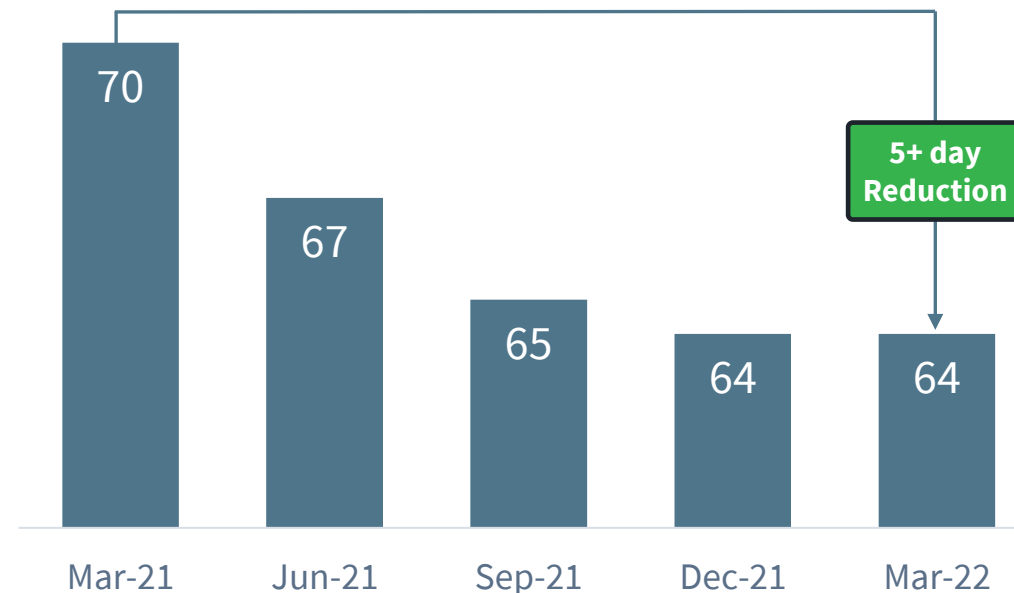
Free Cash Flow and Working Capital Days

\$ millions

Q1 Free Cash Flow



Net Working Capital Days¹



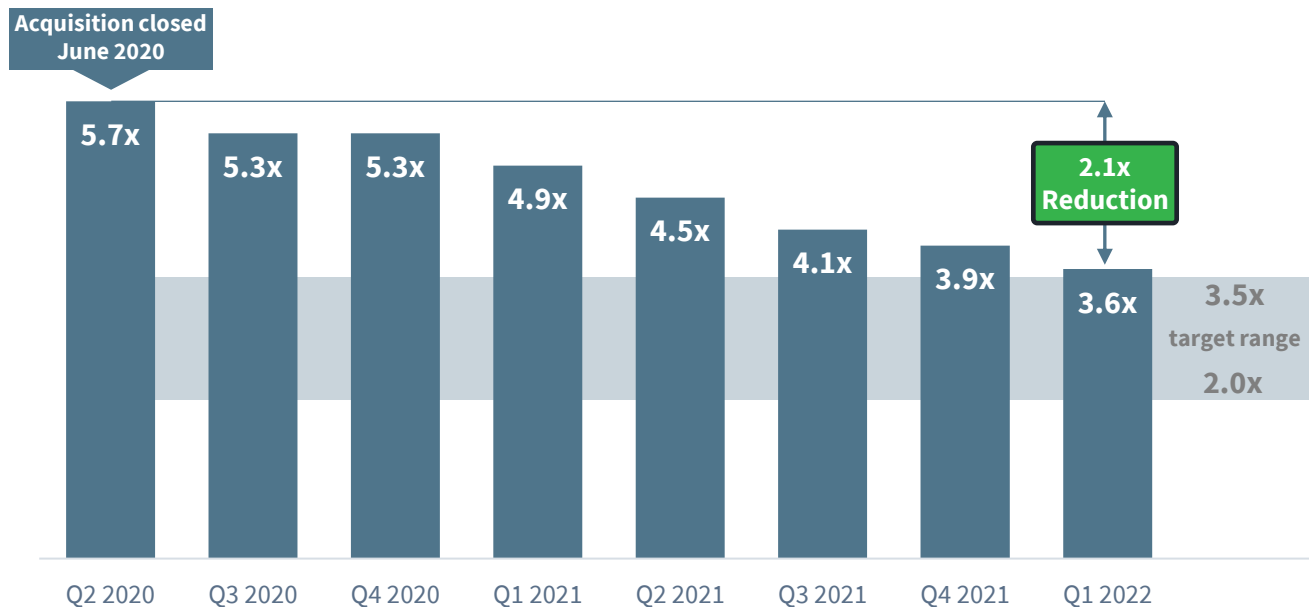
Responsively managing working capital in a high-growth, supply-constrained environment



¹ Calculated on a trailing twelve-month basis using the preceding four quarter income statements and the average of the preceding five quarter-end balance sheets. See appendix for non-GAAP reconciliations.

Leverage Improved 2.1x Since Anixter Acquisition in June 2020

Net Debt / TTM Adjusted EBITDA



- Leverage reduced 0.3x in Q1; 2.1x since Anixter acquisition closed
- Accelerated expected timing to return to our target range by Q2-22
- Rapid deleveraging demonstrates inherent strength of our B2B distribution business model

Expect to exceed our deleveraging target again and return to our target leverage in Q2 2022



See appendix for non-GAAP reconciliations.

2022 Outlook

		Prior (2/15/22)	Updated (5/5/22)
Sales	Market growth (including price)	+3% to +5%	+9% to +11%
	Plus: share gain/cross-sell	+2% to +3%	+3% to +4%
	Plus: benefit of one more workday in 2022	+0.5%	+0.5%
	Reported sales	+5% to +8%	+12% to +15%
Adjusted EBITDA	Adjusted EBITDA margin¹ <i>vs PY</i> <i>Implied midpoint of range</i>	6.7% to 7.0% <i>+20 bps to +50 bps</i> <i>\$1.33 billion</i>	7.3% to 7.6% <i>+80 bps to +110 bps</i> <i>\$1.54 billion</i>
Tax	Effective tax rate	~25%	~24%
Adjusted EPS	Adjusted diluted EPS¹ <i>vs PY</i>	\$11.00 to \$12.00 <i>+10% to +20%</i>	\$14.00 to \$15.00 <i>+40% to +50%</i>
Cash	Free cash flow percent of adjusted net income	~100%	~80%

Outlook Notes

- Does not reflect the effect of potential tax law changes or future refinancing activity
- Foreign exchange rates expected to be neutral
- Utility customer model shift results in negative sales impact of ~0.5%



¹ Adjusted EBITDA is defined as EBITDA before other, net, non-cash stock-based compensation and merger-related costs; Adjusted EPS excludes merger-related costs, accelerated trademark amortization and the related income tax effects.

Summary

- Exceptional start to 2022
- Outstanding results across the board in Q1 and strongest quarter of Wesco + Anixter combination yet
 - All-time record sales, operating profit, adjusted EBITDA and adjusted EPS
 - Growth in every segment versus 2021 and pre-pandemic 2019 levels
 - Delivered very strong EBITDA margin expansion of 200 bps on value-based pricing execution, accelerated cross-sell, and continued cost synergies
- Took market share through sales execution and cross-selling program and again increased cross-sell synergy target
- Accelerated de-leveraging; leverage reduced 2.1 turns to 3.6x since merger close in June 2020
- Making excellent progress on our IT/Digital roadmap
- Exceptionally well positioned to benefit from secular growth trends

Differentiated capabilities and execution, along with improving macro environment, drive our increased 2022 outlook

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

MTDC: Multi-tenant data center

MSD: Mid-single digit

PF: Pro Forma

PY: Prior Year

OEM: Original equipment manufacturer

OPEX: Operating expenses

ROW: Rest of world

RTW: Return to Workplace

SBU: Strategic Business Unit

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
2022	63	64	64	62	253

Non-GAAP Measure Definitions

Organic sales growth is a non-GAAP financial measure of sales performance. Organic sales growth is calculated by deducting the percentage impact from acquisitions and divestitures for one year following the respective transaction, foreign exchange rates and number of workdays from the reported percentage change in consolidated net sales.

Gross profit is a financial measure commonly used in 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.

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 foreign exchange and other non-operating expenses (income), non-cash stock-based compensation expense, merger-related and integration costs, and net gain on the divestiture of Wesco's legacy utility and data communications businesses in Canada. Adjusted EBITDA margin % is calculated by dividing Adjusted EBITDA by net sales.

Free cash flow is a non-GAAP financial 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.

Financial leverage is a non-GAAP measure of 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 (income), non-cash stock-based compensation expense, merger-related and integration costs, and net gain on the divestiture of Wesco's legacy utility and data communications businesses in Canada.

Organic Sales Growth by Segment

\$ thousands

Organic Sales Growth by Segment:

	Three Months Ended		Growth/(Decline)				
	March 31, 2022	March 31, 2021	Reported	Divestiture Impact	Foreign Exchange Impact	Workday Impact	Organic Growth
EES	\$ 2,089,959	\$ 1,720,813	21.5%	(0.5)%	(0.4)%	1.6%	20.8%
CSS	1,434,175	1,250,615	14.7%	— %	(0.8)%	1.6%	13.9%
UBS	1,408,047	1,070,049	31.6%	(0.4)%	— %	1.6%	30.4%
Total net sales	\$ 4,932,181	\$ 4,041,477	22.0%	(0.3)%	(0.5)%	1.6%	21.2%

Organic Sales Growth by Segment - Sequential:

	Three Months Ended		Growth/(Decline)				
	March 31, 2022	December 31, 2021	Reported	Divestiture Impact	Foreign Exchange Impact	Workday Impact	Organic Growth
EES	\$ 2,089,959	\$ 1,994,954	4.8%	— %	(0.2)%	1.6%	3.4%
CSS	1,434,175	1,514,813	(5.3)%	— %	(0.2)%	1.6%	(6.7)%
UBS	1,408,047	1,342,152	4.9%	— %	(0.1)%	1.6%	3.4%
Total net sales	\$ 4,932,181	\$ 4,851,919	1.7%	— %	(0.1)%	1.6%	0.2%

Gross Profit and Free Cash Flow

\$ thousands

Gross Profit:	Three Months Ended		
	March 31, 2022	March 31, 2021	December 31, 2021
Net sales	\$ 4,932,181	\$ 4,041,477	\$ 4,851,919
Cost of goods sold (excluding depreciation and amortization)	3,883,074	3,230,441	3,844,038
Gross profit	\$ 1,049,107	\$ 811,036	\$ 1,007,881
Gross margin	21.3%	20.1%	20.8%

Free Cash Flow:	Three Months Ended	
	March 31, 2022	March 31, 2021
Cash flow (used in) provided by operations	\$ (171,911)	\$ 120,490
Less: Capital expenditures	(15,247)	(10,211)
Add: Merger-related and integration cash costs ⁽¹⁾	22,798	14,472
Free cash flow	\$ (164,360)	\$ 124,751
Percentage of adjusted net income	(80)%	141%

⁽¹⁾ For the three months ended March 31, 2022 and 2021, the Company paid for certain costs to integrate the acquired Anixter business. Such expenditures have been added back to determine free cash flow for such periods.

Adjusted EBITDA

\$ thousands

EBITDA and Adjusted EBITDA by Segment:	Three Months Ended March 31, 2022					Three Months Ended March 31, 2021				
	EES	CSS	UBS	Corporate	Total	EES	CSS	UBS	Corporate	Total
Net income attributable to common stockholders	\$ 178,735	\$ 103,687	\$ 129,981	\$ (245,512)	\$ 166,891	\$ 100,629	\$ 73,594	\$ 87,013	\$ (216,410)	\$ 44,826
Net income (loss) attributable to noncontrolling interests	210	—	—	178	388	(75)	—	—	51	(24)
Preferred stock dividends	—	—	—	14,352	14,352	—	—	—	14,352	14,352
Provision for income taxes	—	—	—	37,654	37,654	—	—	—	6,531	6,531
Interest expense, net	—	—	—	63,620	63,620	—	—	—	70,373	70,373
Depreciation and amortization	12,024	18,132	5,786	11,038	46,980	10,563	16,293	5,210	9,143	41,209
EBITDA	\$ 190,969	\$ 121,819	\$ 135,767	\$ (118,670)	\$ 329,885	\$ 111,117	\$ 89,887	\$ 92,223	\$ (115,960)	\$ 177,267
Other (income) expense, net	(174)	344	(33)	987	1,124	(443)	370	17	(2,751)	(2,807)
Stock-based compensation expense ⁽¹⁾	1,622	877	626	4,425	7,550	1,351	425	340	2,577	4,693
Merger-related and integration costs	—	—	—	25,563	25,563	—	—	—	46,322	46,322
Net gain on divestitures	—	—	—	—	—	—	—	(8,927)	—	(8,927)
Adjusted EBITDA	\$ 192,417	\$ 123,040	\$ 136,360	\$ (87,695)	\$ 364,122	\$ 112,025	\$ 90,682	\$ 83,653	\$ (69,812)	\$ 216,548
Adjusted EBITDA margin %	9.2%	8.6%	9.7%		7.4%	6.5%	7.3%	7.8%		5.4%

(1) Stock-based compensation expense in the calculation of adjusted EBITDA for the three months ended March 31, 2022 and 2021 excludes \$1.4 million and \$1.3 million, respectively, as such amounts are included in merger-related and integration costs.

Adjusted EPS

\$ thousands, except per share amounts

	Three Months Ended	
	March 31, 2022	March 31, 2021
Adjusted Income from Operations:		
Income from operations	\$ 284,029	\$ 133,251
Merger-related and integration costs	25,563	46,322
Accelerated trademark amortization	5,323	—
Net gain on divestitures	—	(8,927)
Adjusted income from operations	<u>\$ 314,915</u>	<u>\$ 170,646</u>
Adjusted income from operations margin %	6.4%	4.2%
Adjusted Provision for Income Taxes:		
Provision for income taxes	\$ 37,654	\$ 6,531
Income tax effect of adjustments to income from operations ⁽¹⁾	8,008	8,145
Adjusted provision for income taxes	<u>\$ 45,662</u>	<u>\$ 14,676</u>
Adjusted Earnings per Diluted Share:		
Adjusted income from operations	\$ 314,915	\$ 170,646
Interest expense, net	63,620	70,373
Other expense (income), net	1,124	(2,807)
Adjusted income before income taxes	250,171	103,080
Adjusted provision for income taxes	45,662	14,676
Adjusted net income	204,509	88,404
Net income (loss) attributable to noncontrolling interests	388	(24)
Adjusted net income attributable to WESCO International, Inc.	204,121	88,428
Preferred stock dividends	14,352	14,352
Adjusted net income attributable to common stockholders	<u>\$ 189,769</u>	<u>\$ 74,076</u>
Diluted shares	52,237	51,708
Adjusted earnings per diluted share	<u>\$ 3.63</u>	<u>\$ 1.43</u>

⁽¹⁾ The adjustments to income from operations have been tax effected at rates of approximately 26% and 22% for the three months ended March 31, 2022 and 2021, respectively.



Capital Structure and Leverage

\$ thousands

	Twelve Months Ended	
	March 31, 2022	December 31, 2021
Financial Leverage:		
Net income attributable to common stockholders	\$ 530,039	\$ 407,974
Net income attributable to noncontrolling interests	1,431	1,020
Preferred stock dividends	57,408	57,408
Provision for income taxes	146,633	115,510
Interest expense, net	261,321	268,073
Depreciation and amortization	204,325	198,554
EBITDA	1,201,157	1,048,539
Other income, net ⁽¹⁾	(44,181)	(48,112)
Stock-based compensation expense	28,556	25,699
Merger-related and integration costs	137,725	158,484
Net gain on Canadian divestitures	—	(8,927)
Adjusted EBITDA	\$ 1,323,257	\$ 1,175,683
	As of	
	March 31, 2022	December 31, 2021
Short-term debt and current portion of long-term debt, net	\$ 70,263	\$ 9,528
Long-term debt, net	4,836,658	4,701,542
Debt discount and debt issuance costs ⁽²⁾	67,715	70,572
Fair value adjustments to Anixter Senior Notes due 2023 and 2025 ⁽²⁾	(786)	(957)
Total debt	4,973,850	4,780,685
Less: cash and cash equivalents	201,474	212,583
Total debt, net of cash	\$ 4,772,376	\$ 4,568,102
Financial leverage ratio	3.6x	3.9x



⁽¹⁾ Other non-operating income for the twelve months ended March 31, 2022 and December 31, 2021 includes a \$36.6 million curtailment gain resulting from the remeasurement of the Company's pension obligations in the U.S. and Canada due to amending certain terms of such defined benefit plans.

⁽²⁾ 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.