

FINAL

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

| | Three Months Ended | | | |
|--|-------------------------------|--------|-------------------------------|--------|
| | September 30, 2022 | | September 30, 2021 | |
| Net sales | \$ 5,445,916 | | \$ 4,728,325 | |
| Cost of goods sold (excluding depreciation and amortization) | 4,241,401 | 77.9 % | 3,720,332 | 78.7 % |
| Selling, general and administrative expenses | 760,200 | 14.0 % | 721,795 | 15.3 % |
| Depreciation and amortization | 42,723 | | 56,732 | |
| Income from operations | 401,592 | 7.4 % | 229,466 | 4.9 % |
| Interest expense, net | 75,057 | | 69,720 | |
| Other expense (income), net | 688 | | (5,320) | |
| Income before income taxes | 325,847 | 6.0 % | 165,066 | 3.5 % |
| Provision for income taxes | 85,637 | | 44,870 | |
| Net income | 240,210 | 4.4 % | 120,196 | 2.5 % |
| Net income attributable to noncontrolling interests | 608 | | 600 | |
| Net income attributable to WESCO International, Inc. | 239,602 | 4.4 % | 119,596 | 2.5 % |
| Preferred stock dividends | 14,352 | | 14,352 | |
| Net income attributable to common stockholders | \$ 225,250 | 4.1 % | \$ 105,244 | 2.2 % |
| | | | | |
| Earnings per diluted share attributable to common stockholders | \$ 4.30 | | \$ 2.02 | |
| Weighted-average common shares outstanding and common share equivalents used in computing earnings per diluted common share (in thousands) | 52,389 | | 52,063 | |

Reportable Segments

Net sales:

| | | |
|-------------------------------------|---------------------|---------------------|
| Electrical & Electronic Solutions | \$ 2,234,771 | \$ 1,982,485 |
| Communications & Security Solutions | 1,602,459 | 1,488,689 |
| Utility & Broadband Solutions | 1,608,686 | 1,257,151 |
| | <u>\$ 5,445,916</u> | <u>\$ 4,728,325</u> |

Income from operations:

| | | |
|-------------------------------------|-------------------|-------------------|
| Electrical & Electronic Solutions | \$ 213,185 | \$ 155,210 |
| Communications & Security Solutions | 139,013 | 108,226 |
| Utility & Broadband Solutions | 179,291 | 108,172 |
| Corporate | (129,897) | (142,142) |
| | <u>\$ 401,592</u> | <u>\$ 229,466</u> |

FINAL

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

| | Nine Months Ended | | | |
|--|-------------------------------|--------|-------------------------------|--------|
| | September 30, 2022 | | September 30, 2021 | |
| Net sales | \$ 15,861,622 | | \$ 13,365,592 | |
| Cost of goods sold (excluding depreciation and amortization) | 12,418,561 | 78.3 % | 10,581,406 | 79.2 % |
| Selling, general and administrative expenses | 2,251,162 | 14.2 % | 2,057,952 | 15.4 % |
| Depreciation and amortization | 135,569 | | 144,645 | |
| Income from operations | 1,056,330 | 6.7 % | 581,589 | 4.4 % |
| Interest expense, net | 207,155 | | 207,683 | |
| Other expense (income), net | 3,007 | | (8,929) | |
| Income before income taxes | 846,168 | 5.3 % | 382,835 | 2.9 % |
| Provision for income taxes | 203,178 | | 84,201 | |
| Net income | 642,990 | 4.1 % | 298,634 | 2.2 % |
| Net income attributable to noncontrolling interests | 1,439 | | 665 | |
| Net income attributable to WESCO International, Inc. | 641,551 | 4.0 % | 297,969 | 2.2 % |
| Preferred stock dividends | 43,056 | | 43,056 | |
| Net income attributable to common stockholders | <u>\$ 598,495</u> | 3.8 % | <u>\$ 254,913</u> | 1.9 % |
| Earnings per diluted share attributable to common stockholders | \$ 11.42 | | \$ 4.91 | |
| Weighted-average common shares outstanding and common share equivalents used in computing earnings per diluted common share (in thousands) | 52,386 | | 51,896 | |

Reportable Segments

Net sales:

| | | |
|-------------------------------------|----------------------|----------------------|
| Electrical & Electronic Solutions | \$ 6,654,883 | \$ 5,626,309 |
| Communications & Security Solutions | 4,638,631 | 4,200,424 |
| Utility & Broadband Solutions | 4,568,108 | 3,538,859 |
| | <u>\$ 15,861,622</u> | <u>\$ 13,365,592</u> |

Income from operations:

| | | |
|-------------------------------------|---------------------|-------------------|
| Electrical & Electronic Solutions | \$ 613,462 | \$ 409,062 |
| Communications & Security Solutions | 373,789 | 293,446 |
| Utility & Broadband Solutions | 471,667 | 289,895 |
| Corporate | (402,588) | (410,814) |
| | <u>\$ 1,056,330</u> | <u>\$ 581,589</u> |

FINAL

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

| | As of | |
|---|-----------------------|----------------------|
| | September 30, 2022 | December 31, 2021 |
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 234,083 | \$ 212,583 |
| Trade accounts receivable, net | 3,622,067 | 2,957,613 |
| Inventories | 3,490,121 | 2,666,219 |
| Other current assets | 550,816 | 513,696 |
| Total current assets | <u>7,897,087</u> | <u>6,350,111</u> |
| Goodwill and intangible assets | 4,976,881 | 5,152,474 |
| Other assets | 1,206,596 | 1,115,114 |
| Total assets | <u>\$ 14,080,564</u> | <u>\$ 12,617,699</u> |
| | | |
| Liabilities and Stockholders' Equity | | |
| Current Liabilities | | |
| Accounts payable | \$ 2,578,741 | \$ 2,140,251 |
| Short-term debt and current portion of long-term debt, net ⁽¹⁾ | 69,295 | 9,528 |
| Other current liabilities | 919,536 | 900,029 |
| Total current liabilities | <u>3,567,572</u> | <u>3,049,808</u> |
| Long-term debt, net | 5,192,816 | 4,701,542 |
| Other noncurrent liabilities | 1,128,230 | 1,090,138 |
| Total liabilities | <u>9,888,618</u> | <u>8,841,488</u> |
| | | |
| Stockholders' Equity | | |
| Total stockholders' equity | 4,191,946 | 3,776,211 |
| Total liabilities and stockholders' equity | <u>\$ 14,080,564</u> | <u>\$ 12,617,699</u> |

⁽¹⁾ As of September 30, 2022, short-term debt and current portion of long-term debt includes the \$58.6 million aggregate principal amount of the Company's 5.50% Anixter Senior Notes due 2023, which mature on March 1, 2023.

FINAL

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

| | Nine Months Ended | |
|---|-------------------------------|-------------------------------|
| | September 30, 2022 | September 30, 2021 |
| Operating Activities: | | |
| Net income | \$ 642,990 | \$ 298,634 |
| Add back (deduct): | | |
| Depreciation and amortization | 135,569 | 144,645 |
| Deferred income taxes | 7,246 | (5,340) |
| Change in trade receivables, net | (737,639) | (521,491) |
| Change in inventories | (886,328) | (428,405) |
| Change in accounts payable | 479,645 | 550,858 |
| Other, net | (52,104) | 133,769 |
| Net cash (used in) provided by operating activities | (410,621) | 172,670 |
| Investing Activities: | | |
| Capital expenditures | (59,366) | (25,170) |
| Other, net ⁽¹⁾ | 2,159 | 61,776 |
| Net cash (used in) provided by investing activities | (57,207) | 36,606 |
| Financing Activities: | | |
| Debt borrowings (repayments), net ⁽²⁾ | 549,281 | (330,341) |
| Payments for taxes related to net-share settlement of equity awards | (24,963) | (20,784) |
| Payment of dividends | (43,056) | (43,056) |
| Other, net | (4,011) | (16,023) |
| Net cash provided by (used in) financing activities | 477,251 | (410,204) |
| Effect of exchange rate changes on cash and cash equivalents | 12,077 | 3,592 |
| Net change in cash and cash equivalents | 21,500 | (197,336) |
| Cash and cash equivalents at the beginning of the period | 212,583 | 449,135 |
| Cash and cash equivalents at the end of the period | <u>\$ 234,083</u> | <u>\$ 251,799</u> |

⁽¹⁾ For the nine months ended September 30, 2021, other investing activities includes cash consideration totaling approximately \$56.0 million from the divestiture of Wesco's legacy utility and data communications businesses in Canada. The Company used the net proceeds from the divestitures to repay indebtedness.

⁽²⁾ The nine months ended September 30, 2021 includes the redemption of the Company's \$500.0 million aggregate principal amount of 2021 Notes. The redemption of the 2021 Notes was funded with excess cash, as well as borrowings under the Company's accounts receivable securitization and revolving credit facilities.

FINAL

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 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 selling, general and administrative expenses, 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 our financial condition and results of operations 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.

WESCO INTERNATIONAL, INC.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(dollar amounts in thousands, except per share data)

(Unaudited)

Organic Sales Growth by Segment - QTD:

| | Three Months Ended | | Growth/(Decline) | | | | |
|------------------------|-----------------------|-----------------------|------------------|-----------------------|-------------------------------|-------------------|-------------------|
| | September 30, 2022 | September 30, 2021 | Reported | Divestiture Impact | Foreign Exchange Impact | Workday Impact | Organic Growth |
| EES | \$ 2,234,771 | \$ 1,982,485 | 12.7% | — % | (2.2)% | — % | 14.9 % |
| CSS | 1,602,459 | 1,488,689 | 7.6% | — % | (2.0)% | — % | 9.6 % |
| UBS | 1,608,686 | 1,257,151 | 28.0% | — % | (0.6)% | — % | 28.6 % |
| Total net sales | \$ 5,445,916 | \$ 4,728,325 | 15.2% | — % | (1.7)% | — % | 16.9 % |

Organic Sales Growth by Segment - YTD:

| | Nine Months Ended | | Growth/(Decline) | | | | |
|------------------------|-----------------------|-----------------------|------------------|-----------------------|-------------------------------|-------------------|-------------------|
| | September 30, 2022 | September 30, 2021 | Reported | Divestiture Impact | Foreign Exchange Impact | Workday Impact | Organic Growth |
| EES | \$ 6,654,883 | \$ 5,626,309 | 18.3% | (0.2)% | (1.4)% | 0.5 % | 19.4 % |
| CSS | 4,638,631 | 4,200,424 | 10.4% | — % | (1.6)% | 0.5 % | 11.5 % |
| UBS | 4,568,108 | 3,538,859 | 29.1% | (0.1)% | (0.4)% | 0.5 % | 29.1 % |
| Total net sales | \$ 15,861,622 | \$ 13,365,592 | 18.7 % | (0.1)% | (1.2)% | 0.5 % | 19.5 % |

Organic Sales Growth by Segment - Sequential:

| | Three Months Ended | | Growth/(Decline) | | | | |
|------------------------|-----------------------|---------------------|------------------|-----------------------|-------------------------------|-------------------|-------------------|
| | September 30, 2022 | June 30, 2022 | Reported | Divestiture Impact | Foreign Exchange Impact | Workday Impact | Organic Growth |
| EES | \$ 2,234,771 | \$ 2,330,153 | (4.1)% | — % | (0.9)% | — % | (3.2)% |
| CSS | 1,602,459 | 1,601,997 | — % | — % | (0.8)% | — % | 0.8 % |
| UBS | 1,608,686 | 1,551,375 | 3.7 % | — % | (0.3)% | — % | 4.0 % |
| Total net sales | \$ 5,445,916 | \$ 5,483,525 | (0.7)% | — % | (0.7)% | — % | — % |

Note: 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, fluctuations in foreign exchange rates and number of workdays from the reported percentage change in consolidated net sales.

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

| | Three Months Ended | | Nine Months Ended | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | September 30, 2022 | September 30, 2021 | September 30, 2022 | September 30, 2021 |
| Gross Profit: | | | | |
| Net sales | \$ 5,445,916 | \$ 4,728,325 | \$ 15,861,622 | \$ 13,365,592 |
| Cost of goods sold (excluding depreciation and amortization) | 4,241,401 | 3,720,332 | 12,418,561 | 10,581,406 |
| Gross profit | <u>\$ 1,204,515</u> | <u>\$ 1,007,993</u> | <u>\$ 3,443,061</u> | <u>\$ 2,784,186</u> |
| Gross margin | 22.1 % | 21.3 % | 21.7 % | 20.8 % |

| Gross Profit: | Three Months Ended June 30, 2022 |
|--|---|
| Net sales | \$ 5,483,525 |
| Cost of goods sold (excluding depreciation and amortization) | 4,294,086 |
| Gross profit | <u>\$ 1,189,439</u> |
| Gross margin | 21.7 % |

Note: 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.

WESCO INTERNATIONAL, INC.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(dollar amounts in thousands, except per share data)

(Unaudited)

| Adjusted SG&A Expenses: | Three Months Ended | | Nine Months Ended | |
|---|--|-------------------------------|-------------------------------|-------------------------------|
| | September 30, 2022 | September 30, 2021 | September 30, 2022 | September 30, 2021 |
| | Selling, general and administrative expenses | \$ 760,200 | \$ 721,795 | \$ 2,251,162 |
| Merger-related and integration costs | (13,210) | (35,750) | (52,200) | (119,792) |
| Net gain on divestitures | — | — | — | 8,927 |
| Adjusted selling, general and administrative expenses | \$ 746,990 | \$ 686,045 | \$ 2,198,962 | \$ 1,947,087 |
| Percentage of net sales | 13.7 % | 14.5 % | 13.9 % | 14.6 % |

| Adjusted Income from Operations: | Three Months Ended | | Nine Months Ended | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | September 30, 2022 | September 30, 2021 | September 30, 2022 | September 30, 2021 |
| | Income from operations | \$ 401,592 | \$ 229,466 | \$ 1,056,330 |
| Merger-related and integration costs | 13,210 | 35,750 | 52,200 | 119,792 |
| Accelerated trademark amortization | 389 | 15,147 | 9,384 | 20,196 |
| Net gain on divestitures | — | — | — | (8,927) |
| Adjusted income from operations | \$ 415,191 | \$ 280,363 | \$ 1,117,914 | \$ 712,650 |
| Adjusted income from operations margin % | 7.6 % | 5.9 % | 7.0 % | 5.3 % |

| Adjusted Provision for Income Taxes: | Three Months Ended | | Nine Months Ended | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | September 30, 2022 | September 30, 2021 | September 30, 2022 | September 30, 2021 |
| | Provision for income taxes | \$ 85,637 | \$ 44,870 | \$ 203,178 |
| Income tax effect of adjustments to income from operations ⁽¹⁾ | 3,673 | 13,512 | 16,371 | 32,968 |
| Adjusted provision for income taxes | \$ 89,310 | \$ 58,382 | \$ 219,549 | \$ 117,169 |

⁽¹⁾ The adjustments to income from operations have been tax effected at a rate of approximately 27% for the three and nine months ended September 30, 2022, and at rates of approximately 27% and 25% for the three and nine months ended September 30, 2021, respectively.

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 | | Nine Months Ended | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | September 30, 2022 | September 30, 2021 | September 30, 2022 | September 30, 2021 |
| Adjusted income from operations | \$ 415,191 | \$ 280,363 | \$ 1,117,914 | \$ 712,650 |
| Interest expense, net | 75,057 | 69,720 | 207,155 | 207,683 |
| Other expense (income), net | 688 | (5,320) | 3,007 | (8,929) |
| Adjusted income before income taxes | 339,446 | 215,963 | 907,752 | 513,896 |
| Adjusted provision for income taxes | 89,310 | 58,382 | 219,549 | 117,169 |
| Adjusted net income | 250,136 | 157,581 | 688,203 | 396,727 |
| Net income attributable to noncontrolling interests | 608 | 600 | 1,439 | 665 |
| Adjusted net income attributable to WESCO International, Inc. | 249,528 | 156,981 | 686,764 | 396,062 |
| Preferred stock dividends | 14,352 | 14,352 | 43,056 | 43,056 |
| Adjusted net income attributable to common stockholders | \$ 235,176 | \$ 142,629 | \$ 643,708 | \$ 353,006 |
| Diluted shares | 52,389 | 52,063 | 52,386 | 51,896 |
| Adjusted earnings per diluted share | \$ 4.49 | \$ 2.74 | \$ 12.29 | \$ 6.80 |

Note: For the three and nine months ended September 30, 2022, SG&A expenses, income from operations, the provision for income taxes and earnings per diluted share have been adjusted to exclude merger-related and integration costs, accelerated amortization expense associated with migrating to the Company's master brand architecture, and the related income tax effects. For the three and nine months ended September 30, 2021, SG&A expenses, income from operations, the provision for income taxes and earnings per diluted share have been adjusted to exclude merger-related and integration costs, a net gain on the divestiture of Wesco's legacy utility and data communications businesses in Canada, accelerated amortization expense associated with migrating to the Company's master brand architecture, 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.

WESCO INTERNATIONAL, INC.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(dollar amounts in thousands, except per share data)

(Unaudited)

| EBITDA and Adjusted EBITDA by Segment: | Three Months Ended September 30, 2022 | | | | |
|---|---------------------------------------|-------------------|-------------------|---------------------|-------------------|
| | EES | CSS | UBS | Corporate | Total |
| Net income attributable to common stockholders | \$ 214,054 | \$ 138,747 | \$ 180,354 | \$ (307,905) | \$ 225,250 |
| Net income attributable to noncontrolling interests | 200 | — | — | 408 | 608 |
| Preferred stock dividends | — | — | — | 14,352 | 14,352 |
| Provision for income taxes | — | — | — | 85,637 | 85,637 |
| Interest expense, net | — | — | — | 75,057 | 75,057 |
| Depreciation and amortization | 9,596 | 15,929 | 5,859 | 11,339 | 42,723 |
| EBITDA | \$ 223,850 | \$ 154,676 | \$ 186,213 | \$ (121,112) | \$ 443,627 |
| Other (income) expense, net | (1,069) | 266 | (1,063) | 2,554 | 688 |
| Stock-based compensation expense ⁽¹⁾ | 2,983 | 1,428 | 1,107 | 2,853 | 8,371 |
| Merger-related and integration costs | — | — | — | 13,210 | 13,210 |
| Adjusted EBITDA | \$ 225,764 | \$ 156,370 | \$ 186,257 | \$ (102,495) | \$ 465,896 |
| Adjusted EBITDA margin % | 10.1 % | 9.8 % | 11.6 % | | 8.6 % |

⁽¹⁾ Stock-based compensation expense in the calculation of adjusted EBITDA for the three months ended September 30, 2022 excludes \$1.3 million as such amount is included in merger-related and integration costs.

| EBITDA and Adjusted EBITDA by Segment: | Three Months Ended September 30, 2021 | | | | |
|---|---------------------------------------|-------------------|-------------------|---------------------|-------------------|
| | EES | CSS | UBS | Corporate | Total |
| Net income attributable to common stockholders | \$ 155,627 | \$ 107,898 | \$ 108,150 | \$ (266,431) | \$ 105,244 |
| Net income attributable to noncontrolling interests | 309 | — | — | 291 | 600 |
| Preferred stock dividends | — | — | — | 14,352 | 14,352 |
| Provision for income taxes | — | — | — | 44,870 | 44,870 |
| Interest expense, net | — | — | — | 69,720 | 69,720 |
| Depreciation and amortization | 16,840 | 24,723 | 5,869 | 9,300 | 56,732 |
| EBITDA | \$ 172,776 | \$ 132,621 | \$ 114,019 | \$ (127,898) | \$ 291,518 |
| Other (income) expense, net | (726) | 328 | 22 | (4,944) | (5,320) |
| Stock-based compensation expense ⁽¹⁾ | 1,848 | 752 | 633 | 5,079 | 8,312 |
| Merger-related and integration costs | — | — | — | 35,750 | 35,750 |
| Adjusted EBITDA | \$ 173,898 | \$ 133,701 | \$ 114,674 | \$ (92,013) | \$ 330,260 |
| Adjusted EBITDA margin % | 8.8 % | 9.0 % | 9.1 % | | 7.0 % |

⁽¹⁾ Stock-based compensation expense in the calculation of adjusted EBITDA for the three months ended September 30, 2021 excludes \$1.3 million as such amount is included in merger-related and integration costs.

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 non-operating expenses (income), non-cash stock-based compensation expense, and merger-related and integration costs. 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)

| EBITDA and Adjusted EBITDA by Segment: | Nine Months Ended September 30, 2022 | | | | |
|---|--------------------------------------|-------------------|-------------------|---------------------|--------------------|
| | EES | CSS | UBS | Corporate | Total |
| Net income attributable to common stockholders | \$ 615,547 | \$ 373,073 | \$ 472,119 | \$ (862,244) | \$ 598,495 |
| Net income attributable to noncontrolling interests | 561 | — | — | 878 | 1,439 |
| Preferred stock dividends | — | — | — | 43,056 | 43,056 |
| Provision for income taxes | — | — | — | 203,178 | 203,178 |
| Interest expense, net | — | — | — | 207,155 | 207,155 |
| Depreciation and amortization | 32,818 | 51,916 | 17,315 | 33,520 | 135,569 |
| EBITDA | \$ 648,926 | \$ 424,989 | \$ 489,434 | \$ (374,457) | \$1,188,892 |
| Other (income) expense, net | (2,646) | 716 | (452) | 5,389 | 3,007 |
| Stock-based compensation expense ⁽¹⁾ | 7,350 | 3,747 | 2,670 | 16,612 | 30,379 |
| Merger-related and integration costs | — | — | — | 52,200 | 52,200 |
| Adjusted EBITDA | \$ 653,630 | \$ 429,452 | \$ 491,652 | \$ (300,256) | \$1,274,478 |
| Adjusted EBITDA margin % | 9.8 % | 9.3 % | 10.8 % | | 8.0 % |

⁽¹⁾ Stock-based compensation expense in the calculation of adjusted EBITDA for the nine months ended September 30, 2022 excludes \$4.1 million as such amount is included in merger-related and integration costs.

| EBITDA and Adjusted EBITDA by Segment: | Nine Months Ended September 30, 2021 | | | | |
|---|--------------------------------------|-------------------|-------------------|---------------------|-------------------|
| | EES | CSS | UBS | Corporate | Total |
| Net income attributable to common stockholders | \$ 410,233 | \$ 292,537 | \$ 289,851 | \$ (737,708) | \$ 254,913 |
| Net income attributable to noncontrolling interests | 158 | — | — | 507 | 665 |
| Preferred stock dividends | — | — | — | 43,056 | 43,056 |
| Provision for income taxes | — | — | — | 84,201 | 84,201 |
| Interest expense, net | — | — | — | 207,683 | 207,683 |
| Depreciation and amortization | 40,184 | 60,257 | 16,545 | 27,659 | 144,645 |
| EBITDA | \$ 450,575 | \$ 352,794 | \$ 306,396 | \$ (374,602) | \$ 735,163 |
| Other (income) expense, net | (1,329) | 909 | 44 | (8,553) | (8,929) |
| Stock-based compensation expense ⁽¹⁾ | 4,648 | 1,818 | 1,517 | 10,972 | 18,955 |
| Merger-related and integration costs | — | — | — | 119,792 | 119,792 |
| Net gain on divestitures | — | — | (8,927) | — | (8,927) |
| Adjusted EBITDA | \$ 453,894 | \$ 355,521 | \$ 299,030 | \$ (252,391) | \$ 856,054 |
| Adjusted EBITDA margin % | 8.1 % | 8.5 % | 8.4 % | | 6.4 % |

⁽¹⁾ Stock-based compensation expense in the calculation of adjusted EBITDA for the nine months ended September 30, 2021 excludes \$3.8 million as such amount is included in merger-related and integration costs.

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 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.

WESCO INTERNATIONAL, INC.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(dollar amounts in thousands, except per share data)

(Unaudited)

| Financial Leverage: | Twelve Months Ended | |
|---|-----------------------|----------------------|
| | September 30, 2022 | December 31, 2021 |
| Net income attributable to common stockholders | \$ 751,555 | \$ 407,974 |
| Net income attributable to noncontrolling interests | 1,794 | 1,020 |
| Preferred stock dividends | 57,408 | 57,408 |
| Provision for income taxes | 234,487 | 115,510 |
| Interest expense, net | 267,545 | 268,073 |
| Depreciation and amortization | 189,478 | 198,554 |
| EBITDA | 1,502,267 | 1,048,539 |
| Other income, net ⁽¹⁾ | (36,176) | (48,112) |
| Stock-based compensation expense | 37,122 | 25,699 |
| Merger-related and integration costs | 90,892 | 158,484 |
| Net gain on divestitures | — | (8,927) |
| Adjusted EBITDA | \$ 1,594,105 | \$ 1,175,683 |
| | As of | |
| | September 30, 2022 | December 31, 2021 |
| Short-term debt and current portion of long-term debt, net | \$ 69,295 | \$ 9,528 |
| Long-term debt, net | 5,192,816 | 4,701,542 |
| Debt discount and debt issuance costs ⁽²⁾ | 60,765 | 70,572 |
| Fair value adjustments to Anixter Senior Notes due 2023 and 2025 ⁽²⁾ | (439) | (957) |
| Total debt | 5,322,437 | 4,780,685 |
| Less: cash and cash equivalents | 234,083 | 212,583 |
| Total debt, net of cash | \$ 5,088,354 | \$ 4,568,102 |
| Financial leverage ratio | 3.2 | 3.9 |

⁽¹⁾ Other non-operating income for the twelve months ended September 30, 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.

Note: 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 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.

WESCO INTERNATIONAL, INC.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(dollar amounts in thousands, except per share data)

(Unaudited)

| Free Cash Flow: | Three Months Ended | | Nine Months Ended | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | September 30, 2022 | September 30, 2021 | September 30, 2022 | September 30, 2021 |
| Cash flow (used in) provided by operations | \$ (106,090) | \$ 69,875 | \$ (410,621) | \$ 172,670 |
| Less: Capital expenditures | (27,725) | (4,979) | (59,366) | (25,170) |
| Add: Merger-related and integration cash costs | 6,200 | 20,109 | 49,460 | 61,676 |
| Free cash flow | \$ (127,615) | \$ 85,005 | \$ (420,527) | \$ 209,176 |
| Percentage of adjusted net income | (51)% | 54 % | (61)% | 53 % |

Note: 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. For the three and nine months ended September 30, 2022 and 2021, the Company paid for certain costs to integrate the acquired Anixter business. Such expenditures have been added back to operating cash flow to determine free cash flow for such periods.