

REFINITIV

## DELTA REPORT

### 10-K

WCC PR A - WESCO INTERNATIONAL INC

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

**TOTAL DELTAS** 3289

█ **CHANGES** 482

█ **DELETIONS** 1407

█ **ADDITIONS** 1400

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2022** **December 31, 2023**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-14989

**WESCO International, Inc.**

(Exact name of registrant as specified in its charter)

Delaware

25-1723342

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification No.)

225 West Station Square Drive

Suite 700

15219

Suite 700

(Zip Code)

Pittsburgh, Pennsylvania

(Address of principal executive offices)

(412) 454-2200

(Registrant's telephone number, including area code)

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

Title of Class each class	Trading Symbol(s)	Name of Exchange each exchange on which registered
Common Stock, par value \$.01 per share	WCC	New York Stock Exchange
Depository Shares, each representing a 1/1,000th interest in a share of Series A Fixed-Rate Reset Cumulative Perpetual Preferred Stock	WCC PR A	New York Stock Exchange

**SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:** None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for at least the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such file files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-accelerated Filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assertion assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

The registrant estimates that the aggregate market value of the voting shares held by non-affiliates of the registrant was approximately ~~\$5.4 billion~~ ~~\$9.1 billion~~ as of ~~June 30, 2022~~ ~~June 30, 2023~~, the last business day of the registrant's most recently completed second fiscal quarter, based on the closing price on the New York Stock Exchange for such stock.

As of ~~February 17, 2023~~ ~~February 16, 2024~~, ~~51,099,562~~ ~~50,953,600~~ shares of Common Stock, par value \$.01 per share, of the registrant were outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE:**

Part III of this Form 10-K incorporates by reference portions of the registrant's Proxy Statement for its ~~2023~~ ~~2024~~ Annual Meeting of Stockholders.

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## PART I

### Item 1. Business.

In this Annual Report on Form 10-K, "Wesco" refers to WESCO International, Inc., and its subsidiaries and its predecessors unless the context otherwise requires. References to "we," "us," "our" and the "Company" refer to Wesco and its subsidiaries.

#### The Company

WESCO International, Inc. ("Wesco International") and its subsidiaries (collectively, "Wesco" or the "Company"), headquartered in Pittsburgh, Pennsylvania, is a leading provider of business-to-business distribution, logistics services and supply chain solutions.

We employ approximately 20,000 people, maintain relationships with more than 50,000 suppliers, and serve approximately nearly 150,000 customers worldwide. With millions of 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, educational institutions, telecommunications providers, and utilities. Our innovative value-added solutions include supply chain management, logistics and transportation, procurement, warehousing and inventory management, as well as kitting and labeling, limited assembly of products and installation enhancement. Wesco operates approximately nearly 800 branches, warehouses and sales offices in more than approximately 50 countries, providing a local presence for customers and a global network to serve multi-location businesses and multi-national global corporations.

#### Business Segments and Industry Overview

Wesco has operating segments comprising three strategic business units consisting of Electrical & Electronic Solutions ("EES"), Communications & Security Solutions ("CSS") and Utility & Broadband Solutions ("UBS").

The following is a description of each of our business segments and the industries in which they operate.

##### Electrical & Electronic Solutions

The EES segment, with approximately 7,000 6,800 employees supporting customers in more than 50 countries, supplies a broad range of products and solutions primarily to the construction, industrial and original equipment manufacturer ("OEM") markets. Construction and industrial customers include a wide array of contractors, and engineering, procurement and construction firms for industrial, infrastructure, commercial, and data and broadband communications projects. Specific applications include projects for refineries, railways, wastewater treatment facilities, data centers, security installations, offices, and modular and mobile homes. OEM customers require products used in the manufacturing of automotive, industrial, medical, transportation, marine, military and communications equipment. The product portfolio in this business includes a broad range of electrical equipment and supplies, automation and connected devices (the "Internet of Things" or "IoT"), security, lighting, wire and cable, safety, and maintenance, repair and operating ("MRO") products from industry-leading manufacturing partners. The EES service portfolio includes contractor solutions to improve project execution, direct and indirect manufacturing supply chain optimization programs, lighting and renewables advisory services, and digital and automation solutions to improve safety and productivity. The EES segment operates in highly fragmented markets that include thousands of small, regional and locally-based privately owned competitors, as well as several large, multi-national companies.

##### Communications & Security Solutions

The CSS segment, with over 4,600 approximately 4,400 employees supporting customers in more than 50 countries, is a global leader in the network infrastructure and security markets. The network infrastructure market is comprised of comprises cabling and connectivity, racks and cabinets, power, wireless, and associated products that enable network connectivity and communications in commercial buildings, and hyperscale, cloud-based and multi-tenant data centers. The security market includes video surveillance, fire and intrusion detection, access control, door locking and other solutions that create safe and smart environments for customers. Both the network infrastructure and security businesses are large, fragmented and diverse markets that include various industry groups such as technology, finance, telecommunications service providers, transportation, education, government, healthcare and retail. CSS sells products directly to end-users or through various channels including data communications contractors, security, network, professional audio/visual and systems integrators. In addition to the core network infrastructure and security portfolio, CSS has a broad offering of safety and energy management solutions. CSS products are often combined with supply chain services to increase efficiency and productivity, including installation enhancement, project deployment, advisory, and IoT and digital services.

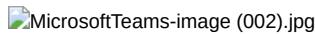
On November 1, 2022, Wesco acquired Rahi Systems Holdings, Inc. ("Rahi Systems"), a leading provider of global hyperscale data center solutions. Rahi's expertise with complex information technology projects and global presence strengthen Wesco's data center solution offerings.

##### Utility & Broadband Solutions

The UBS segment, with over 2,700 approximately 2,900 employees supporting customers primarily in the U.S. and Canada, provides products and services to investor-owned utilities, public power companies, including municipalities, as well as global service providers, wireless providers, broadband operators and the contractors that service these customers. Investor-owned utility companies provide a combination of electric generation, transmission and/or distribution and are owned by investors or shareholders while public power entities are generally non-profit entities owned by their members or governed by local, state, and or municipal governments. These two markets comprise the vast majority of utility customers in the U.S. and Canada. The UBS segment also includes Wesco's integrated supply business, which provides products and services to large industrial and commercial end-users to support their MRO spend. The products sold into the utility and broadband markets include wire and cable, transformers, transmission and distribution hardware, switches, protective devices, connectors, lighting, conduit, fiber and copper cable, connectivity products, pole line hardware, racks, cabinets, safety and MRO products, and point-to-point wireless devices. We UBS also offer offers a complete set of service solutions including fiber project management, high and medium voltage project design and support, pre-wired meters and capacitor banks, meter testing and advanced metering infrastructure installation, personal protective equipment dielectric testing, tool repair, emergency response management, storage yard management, materials management, and logistics management to improve customer supply chain efficiencies.

For information concerning the financial results of our business segments, as well as our domestic and foreign operations, see Note 16, "Business Segments" in the Notes to Consolidated Financial Statements.

#### Business Strategy



Wesco's vision is to be the best tech-enabled supply chain solutions provider in the world. We believe that accomplishing this vision depends on the successful execution of our strategy, which is comprised of three elements:

**Extend Our Leading Scale and Value Proposition:** Our long-term growth potential benefits from secular trends in electrification, automation/IoT, green energy and utility grid modernization, 24/7 connectivity and security, supply chain consolidation, and digitalization. Our broad portfolio of product and service offerings, as well as our global footprint and capabilities, enables us to provide value to our customers.

**Further Develop the Organization and Our Culture of Excellence:** Wesco's five core values are foundational to everything we do: Our People are Our Greatest Asset, our greatest asset, One Team, Always Strive to Be the Best, Innovation, and Winning With Customers. Additionally, our commitment to continuous improvement is a hallmark of our business, and we deploy Lean business practices and Agile methodologies. Wesco continues to enhance its approach to Environmental, Social, and Governance ("ESG") issues, including expansion of our employee training and leadership development programming, as well as our Inclusion and Diversity program. Safety remains a priority and a company-wide responsibility at Wesco. Our goal is to provide a safe work environment for our employees and all those who visit our facilities. Our education and awareness campaigns for employees include training for our branches and distribution centers, enhanced reporting and investigative tools, and reinforced processes at the local branch level. Additionally, our commitment to continuous improvement is a hallmark of our business, and we do so by deploying Lean business practices and Agile methodologies. Wesco continues to enhance its approach to Environmental, Social, and Governance ("ESG") matters, including integrating sustainability into our corporate strategy, and expanding our employee training and leadership development programming, as well as our Inclusion and Diversity program.

**Digitalize and Transform the Business:** The role of digital business models in our industry has accelerated over the past several years. Wesco offers significant digital capabilities today and intends to lead the further digitalization of our industry in the years to come. We are implementing digital tools across various aspects of our business to improve the efficiency of our operations as well as those of our business partners, make it easier to do business with Wesco, and increase the value of our data by providing unique insight into end-market use of the products and services we offer.

The three elements of our strategy touch every aspect of our business – from how we add value to our supplier partners and how we go-to-market within our three strategic business units to how we drive efficiency and build our culture across the organization. We believe that the successful execution of these strategies, combined with our comprehensive product and service offerings, will provide cost-effective and innovative end-to-end supply chain solutions for a diverse set of customers across our end markets. Due to our leadership position, scale, global reach, complete portfolio of products, extensive services and insights from data, we expect to grow our sales over the long term at a faster rate than the overall industry.

As a distribution and supply chain services company, our approach to sustainability is to reduce the environmental impacts of our own operations and assist our customers and suppliers with attaining their sustainability goals through the products and services we provide. We do this by designing and providing solutions to help them reduce greenhouse gas ("GHG") emissions at their facilities and in their supply chains, improve productivity through automation and increase output more efficiently and effectively through digital tools and applications. We build on our own internal strategies for sustainability, while reinforcing our corporate responsibility. Our sustainability efforts are an integral part of our operations and core values.

## Customers

We have a large base of approximately nearly 150,000 active customers across commercial and industrial businesses, contractors, government agencies, educational institutions, telecommunications providers, and utilities. Our top ten customers accounted for approximately 10% 11% of our sales in 2022, 2023. No one customer accounted for more than 2% of our sales in 2022, 2023.

## Suppliers

Our global network of branches, warehouses and sales offices provide customers with access to millions of products. Each location tailors its specific locations tailor their inventories to meet the needs of its their customers, providing a local presence and a global network to service multi-location businesses and multi-national global corporations.

We purchase products from a diverse group of more than 50,000 suppliers who are located predominantly in North America, but who manufacture products around the world. The main product categories we source are electrical distribution and controls, communications and security, wire, cable and conduit, lighting and sustainability, automation and motors, and general supplies. In 2022, 2023, our ten largest suppliers accounted for approximately 28% 27% of our purchases. No one supplier accounted for more than 5% of our total purchases.

Our supplier relationships are important to us, providing access to a wide range of products, services, technical training, and sales and marketing support. We have approximately 1,000 commercial agreements with more than 360 480 preferred suppliers and purchase nearly 65% approximately 66% of our products pursuant to these arrangements.

We offer a wide range of sustainable products from the world's leading manufacturers and help our customers determine solutions to meet their sustainability goals. Key categories include energy-efficient products, energy-management solutions, renewable energy products, sustainable MRO products, and workplace safety products.

Wesco supports socio-economic growth through supplier diversity and promoting the participation of minority-, women-, aboriginal-, disabled-, veteran-, minority, women, aboriginal, disabled, veteran, and LGBTQ+-owned enterprises in our business. Wesco's Diversity Alliance Network and Diverse Supplier Network partners provide customers with a direct procurement solution through a network of third-party certified companies aligned to help customers meet their diversity goals.

## Services

Our customers' challenges are constantly evolving and require comprehensive yet practical solutions. As part of our overall offerings, we provide a comprehensive portfolio of value-added solutions, as outlined below, designed to address our customers' business needs, help save time, drive efficiency, improve productivity, increase profitability, and mitigate risk.

- Installation enhancement services to adapt products and packaging in order to streamline processes and reduce the total cost of installation;

- Advisory services to help customers implement Lean practices, optimize their supply chains, **improve safety**, and digitally transform their workplaces **with the latest technologies** **through technology** and infrastructure solutions;
- Global solutions to create customizable programs that fit customers' business needs on a local, national and global scale;
- Project deployment services to help secure job site materials, **prevent loss**, improve efficiency, reduce job site waste, **ensure day-to-day supplies are on hand** and improve scalability across multifaceted deployments;
- Digital services and e-business integrations to transform how our customers consume, deploy, and procure materials and technologies, supporting data-driven decisions and increased operational efficiency; and
- Supply chain programs to improve productivity, reduce operating costs and increase operational efficiencies.

We are also a provider of services focused on energy efficiency and renewable power to reduce our energy consumption and that of our customers. Our energy solutions business offers turnkey and retrofit solutions designed to reduce energy consumption and improve building efficiency. We also have a team that focuses on providing technical support to installers and end-users of solar products and solutions.

#### **Business Strengths**

Wesco's mission is to help our customers build, connect, power and protect the world. We believe that our business possesses several strengths that will enable us to achieve this mission. The environment in which we operate is highly fragmented and there is significant competition within each end market and geographic area that we serve. Customers look to product line breadth, product availability, service capabilities, geographic proximity and price. **We believe that our** **Our** scale, broad portfolio of products, technical expertise, global reach with local relationships, **smart, digital solutions, and** **comprehensive value-added services** **and smart, digital solutions** provide distinct advantages that benefit our customers.

**Broad Portfolio of Products from Top Brands.** Our broad product portfolio enables us to offer comprehensive, end-to-end solutions in each of our three business units. We partner with the industries' largest suppliers to deliver leading brands across every product category including **automation**, **automation/IoT**, broadband, communications, electrical, electronics, energy, lighting, MRO, networking, renewables, safety, security, utility and wire and cable.

**Customized Solutions.** Our customers have unique business models, challenges and priorities. Our dedicated technical experts have extensive experience and product knowledge that enable them to provide solutions tailored to the various needs of our customers. With specialized industry knowledge and a focus on the latest technologies, we help design and deploy solutions that address critical business priorities.

**Uniquely Positioned to Benefit from Secular Trends.** Each of our business units is positioned to benefit from secular trends that are driving growth. These include increasing electrification, growth of automation/IoT, **data center**, green energy and utility grid modernization, 24/7 connectivity and security, supply chain consolidation and relocation to North America, and **digitalization**, **digitalization/AI**.

**Ingenuity and Expertise.** Our teams are empowered with access to real-time information and tools that enable better decision-making and facilitate easier interaction with customers. Our sales, service and operational specialists bring a depth of industry experience spanning construction, manufacturing, electrical, renewables, lighting, communications, security, professional audio and visual equipment, utility, broadband and more.

**Innovative Digital Roadmap.** We are investing in digital tools and platforms to enable a new level of collaboration, agility and productivity. From adaptable omni-channel e-commerce tools and platforms, to connected buildings and process management, we are a supply chain partner that strives to match our customers' digital needs and drive operational excellence.

**Global Reach with Local Expertise.** Our international operations and global sourcing capabilities enable us to service our customers around the world. Wesco has **approximately** **nearly** 800 branches, warehouses and sales offices with operations in **more than** **approximately** 50 countries. Our global distribution network includes **49** **54** facilities that operate as regional distribution centers or large branch locations in key geographic areas in North America, Europe and South America. These facilities add value for our customers and suppliers through the combination of inventory selection, online ordering, shipment capabilities, and order handling and fulfillment. Our global network allows us to enhance local customer service by tailoring individual branch products and services to local customer needs.

**Smart, Digital Solutions.** Our work with technology companies brings capabilities in digital and information-based solutions. These solutions include global e-commerce platforms, vendor managed inventory, point of use systems, last mile optimization, supply chain engineering and intelligent automation. From enterprise-wide connectivity to real-time analytics and reporting, our digital ecosystem supports our customers' business needs.

**Comprehensive Value-Added Services.** We provide a wide range of value-added services, which draw on our product knowledge and logistics expertise, to help our customers save time, improve productivity, mitigate risk and increase

profitability. Our broad service offering includes installation enhancement, materials management, kitting and labeling, extensive MRO solutions, onsite job trailer solutions, end-to-end supply chain management and project management/execution across the project lifecycle.

## Geography

We sell to global customers through our network of branches, warehouses and sales offices consisting of 473 450 locations in the U.S., 148 144 in Canada, 64 59 in Europe and the Middle East, 55 51 in Central America, the Caribbean and South America, and 69 66 in the Asia Pacific region, which includes Australia. This includes 49 54 facilities that operate as regional distribution centers or large branch locations, of which 38 42 are located in the U.S., seven eight in Canada, three two in Europe and one two in South America.

## Human Capital

At Wesco, our people and our high-performance culture are our greatest assets. We are committed to continuous improvement and leveraging our talented and diverse workforce in pursuing Wesco's vision to be the best tech-enabled supply chain solutions provider in the world. We also believe that our employees should be treated with dignity and respect. Our Human Rights Policy promotes safety in the workplace, training, diversity, disabled employee accommodations, and freedom of association and collective bargaining. It prohibits discrimination, harassment, and child and forced labor. It also provides guidance on appropriate working hours, wages and benefits, and safe and healthy workplace conditions.

As of December 31, 2022 December 31, 2023, Wesco had approximately 20,000 full-time employees worldwide, with approximately 13,000 in the U.S. and the remaining 7,000 in international locations.

**Safety.** Safety is the first tenet of our core value of commitment to our people and we do not tolerate violations of established safety protocol. We work to reduce or eliminate health and safety risks through dedicated programs, leadership commitment, and employee best practice sharing and training. We seek to achieve continuous improvement in the safety of our facilities and track a series of metrics that provide guidance toward that improvement.

Our Global Corporate Safety team oversees our health and safety program, which covers the core processes and procedures for strong health and safety management, safe work practices, and regulatory compliance. Our health and safety program considers both preventative and reactionary management concepts and elements of the OHSAS-18001 and ISO-45001 guidelines and standards. standards, and the strictest global regulations. The key components of our health and safety program are management and supervisory responsibilities, employee responsibilities, accident investigation process, reporting of safety concerns and ideas, safety committee systems, new employee orientation, enforcement, and regulatory compliance.

We have set a goal to achieve a 15% reduction in the total recordable injury rate ("TRIR") from a 2020 baseline by 2030.

**Training and Development.** Wesco offers certification and training programs, some of which are required for all employees while others are voluntary or based on job role. Employees also have access to external training resources. We offer a tuition reimbursement program to eligible employees to encourage the pursuit of undergraduate and graduate education to prepare employees for expanded roles in our business.

Our sales and operations development training program has been in place for more than ten years. The program is designed to systematically train and develop new college graduates through on-the-job rotations and cohort learning and development during the first year of employment. Graduates of the program move into various sales and operations roles after completing the one-year program. Additionally, we have a finance function-specific development program for recent college graduates seeking a career in IT, finance, or supply chain that provides members with eligibility for roles with increasing responsibilities commensurate with their career development goals. Individuals in this program have the opportunity to accelerate the development of their business and technical skills through three 8-month job rotations in various accounting and finance functions, including Controllership, Financial Planning and Analysis, Treasury, and Internal Audit rotations. We also sponsor a summer internship program to provide college students with work experience within staff or business functions and give them the opportunity to evaluate different career fields.

We have developed a collective approach to deliver personalized, successive development aligned with enterprise needs, known as "Leadership Essentials." Leadership Essentials consists of separate programs curated for managers that are new to leading people, leaders of teams, or senior leaders. The programs include personalized development journeys which are aligned to both the individual's and the Company's needs. In 2023, Wesco also launched a development campaign to provide specific tools and resources to help leaders across the enterprise support ongoing transformational change.

**Inclusion and Diversity.** Wesco's focus on inclusion and diversity starts in our boardroom. In 2022, we achieved our goal for As of December 31, 2023, Wesco's Board of Directors to be 50% or more was 60% diverse in terms of gender, race or ethnicity. Our inclusion and diversity initiatives extend to all levels of our organization, and we aim to increase the representation of diverse employees through internal promotions, new hires and improved retention, with an Inclusion inclusion and Diversity diversity program that fosters a sense of individual and group belonging.

The objectives of Wesco's Inclusion inclusion and Diversity diversity program are to 1) leverage the unique experiences and perspectives of our talented workforce to support Wesco's mission, 2) engage employees and build an inclusive culture, 3) recruit and develop talent that brings new perspectives and thought processes to Wesco, 4) increase representation of suppliers that are owned and operated by teams with diverse backgrounds, and 5) support the communities in which we operate.

Wesco's Global Inclusion & and Diversity Council which(the "Council") is led by our Vice President of Inclusion & and Diversity and comprises members of our senior management advises on the achievement of these objectives and who help to ensure that Wesco is making progress toward achieving our program objectives. Wesco has formed five six Business Resource Groups ("BRGs") to support the following groups – groups: women, BLIPOC (Black, Latino, Indigenous, and People of Color), LGBTQ+, people with diverse abilities, and veterans of the armed forces. forces and our early-career employees. These BRGs foster a sense of community and inclusion, provide opportunities to network, support advancement opportunities within the organization, and assist with

recruiting. The BRGs are global and open to all employees regardless of any aspect of their personal identity. More than 2,200 3,300 employees from around the globe and at every level of the organization have joined one or more of the BRGs. Comprising employees from every level

Some of the organization, the BRGs: support many benefits of our BRGs include:

- Supporting our business initiatives; help create
- Creating a more inclusive work environment; provide
- Providing opportunities for employee development, education, training, recruitment, retention, and business outreach and development; and support
- Supporting innovation by providing insights into new markets, product development, and multicultural marketing.

Wesco has also established a diverse leadership program for the purpose of developing promoting the development of our talent diverse emerging leaders and providing direction for career advancement through exposure to new opportunities.

**Company Ethics.** We are firmly committed to operating with the highest level of ethics and integrity. This commitment is reflected in our Code of Business Conduct, which applies to our Directors, officers, employees and other parties when they are acting on behalf of Wesco. Annually, employees must acknowledge that they have received, read and will comply with the Code of Business Conduct. Our global Ethics and Compliance program provides employees with the tools they need to understand our expectations for ethical business conduct. It also provides an anonymous reporting channel for employees and outside parties to report issues of concern regarding workplace activities or business practices without fear of retaliation.

**Compensation and Benefits Program.** Wesco provides competitive compensation and benefits packages in our locations around the globe. In the U.S., we provide a comprehensive benefits program that offers choices to fit our employees' diverse needs including health and disability benefits, paid time off (including a self-managed time off policy for certain eligible employees), life insurance, retirement programs, and access to other services that support health and wellness. To further improve the health of our employees, we offer a variety of activities and programs that assist our employees and their family members to better manage or overcome major well-being challenges, including an employee assistance program, wellness coaching, case/disease management and wellness discounts.

**Employee Engagement.** We believe that employee engagement is not only good for our people; it also benefits various aspects of our business, from safety to improved productivity and customer service. Wesco regularly surveys employees to assess their engagement, as well as to solicit feedback and ideas on organizational changes, so senior management may more intelligently adjust to our employees' evolving needs and support employee success. Wesco also promotes employee engagement through regular town hall discussions.

**Community.** Wesco has established relationships with several charitable organizations and encourages employees to volunteer in the community by providing one day of paid volunteer time off per year. By connecting with and contributing to local charitable organizations, Wesco supports the development of strong, vibrant and diverse communities. As part of Wesco's centennial celebration on June 22, 2022, we announced the launch of Wesco Cares is our new corporate philanthropy program focused on affordable housing and humanitarian aid. Wesco Cares aid and provides for corporate charitable donations, employee volunteerism, and employee gift-matching. Beginning in 2023, June 22 will become 22nd became an annual day of caring for Wesco employees globally on which employees will be encouraged to volunteer in their communities.

## Environmental Management

Environmental sustainability is a priority for Wesco. Wesco works We strive to continually improve our environmental management by establishing and working towards various sustainability objectives. We leverage our environmental management experience in our offerings of products and services to our customers. The foundation of our environmental management is our Global Environmental, Health, Safety and Sustainability Policy, which aligns with key provisions of the ISO 14001:2015 environmental management standards. The policy includes clear management accountability for environmental sustainability, direct program responsibilities, key performance indicators and other metrics to track progress. We produce a Sustainability Report annually which is made public on our website. Information contained in the Sustainability Report is not part of, and should not be construed as being incorporated by reference into, this Annual Report on Form 10-K.

We are working to reduce our environmental impact in the following areas:

**Energy.** The vast majority of the energy we use is for lighting, heating, and cooling our approximately nearly 800 branches, warehouses, and sales offices in approximately 50 countries around the world. Where practicable, we engage with the owners and agents of the buildings we lease to improve energy efficiency, and we include energy-efficiency requirements in new building leases. We have implemented lighting retrofit projects, identified participation plans to purchase green power through utility green tariffs, and installed solar systems at certain facilities. Adding to our energy consumption is a fleet of approximately 9001,300 trucks and 1,3001,700 cars for our distribution and sales activities. Our Fleet Efficiency Policy includes the use of fuel-efficient vehicles, determining the most efficient routes, and idling restrictions.

**Emissions.** Our main source of direct and indirect GHG emissions from our own activities is attributed to the power and natural gas used by our facilities, which accounts for approximately 70% of total emissions from our total emissions. own activities. As such, the energy efficiency of our buildings is a key focus of our emissions-reduction activities. A secondary source of our GHG emissions is our truck and car fleet, and part of our emissions is due to corporate travel and the lifecycle impact of our landfilled waste. We have implemented policies and technology to reduce the emissions impact of our fleet, which included evaluation of alternative fuel sources and an assessment of electric vehicle integration into our truck and sales fleet.

We have a goal to reduce absolute direct and certain indirect GHG emissions by 30% from a 2019 2021 baseline by 2030.

**Climate Impact.** Wesco aligns with the Task Force on Climate-Related Financial Disclosures ("TCFD") framework. We annually review environmental programs, policies, and data, including energy consumption and GHG emissions to identify and assess climate-related risks. The Board of Directors oversees the integration of ESG principles throughout our enterprise. This includes oversight of enterprise risk. Our Board of Directors receives annual regular updates and ongoing information on significant risks and risk mitigation plans. Our ESG management team also reports to the Board of Directors annually on the status of our ESG programs and progress on achieving sustainability goals. We have identified climate-related opportunities that include

expanding our offering of energy-efficient and renewable energy products. As attention and interest grow for climate mitigation solutions, we believe that Wesco is well positioned to expand our business in these energy efficiency and renewable energy technologies and products.

**Waste.** Our top three waste streams are cardboard, wood pallets and reels, and plastic. We work to find opportunities to reduce these waste streams by applying Lean principles. For waste generated, we work to identify principles and opportunities to reuse and recycle. We have developed regional relationships with recycling vendors that recycle non-traditional waste streams, specifically metal and wood.

We have a goal to reduce landfill waste intensity by 15% across our U.S. and Canadian locations from a 2020 baseline by 2030.

**Water.** As a distributor and supply chain solutions provider, we are not a major consumer of water. Our facilities primarily use water for sanitation, cleaning, and irrigation purposes. We track water usage at each of our locations and use the data to identify unusual consumption patterns that could indicate undetected leaks or excessive usage that requires intervention.

#### Information Security

Information security and protection of our data is a top priority for Wesco, our customers and suppliers. We take a comprehensive, multi-layered approach to securing our data and business systems from attack, compromise or loss. This includes the combination of leading technologies, physical and organizational safeguards, including a robust suite of security policies and procedures. We have a dedicated 24 hours per day/7 days per week Cybersecurity Operations team monitoring our environment for signs of attack and responding in real-time.

The implementation of a multi-layer and multi-provider portfolio of technologies is designed to deliver overlapping coverage against today's modern attack vectors with a strong defensive and response driven security posture. We continually evaluate risks, threats, intelligence feeds and vulnerabilities to adapt, mitigate or respond as necessary to preserve a secure state. This includes periodic reviews and assessments of our information security management system ("ISMS") by external, independent third parties and in 2022, we achieved ISO 27001 certification for our ISMS. We conduct mandatory information security awareness training for our employees at least annually and enhanced training for specialized personnel. We have instituted regular attack or malicious activity simulations for employees to enhance awareness and responsiveness to such possible threats, and we also employ third parties to perform penetration and vulnerability tests.

While we focus heavily on prevention and detection, response and recovery plans, service agreements and partner engagements are in place should there be a need for us to respond to an attack. We have adopted a security incident response plan that provides controls and procedures for timely and accurate reporting of material cybersecurity incidents. We also maintain cyber liability insurance coverage. We did not experience any material data breaches in 2022.

To more effectively prevent, detect and respond to information security threats, we have a dedicated Chief Information Security Officer whose team is responsible for leading enterprise-wide information security strategy, policy, standards, architecture and processes. As part of its oversight of cybersecurity risk, the Audit Committee of our Board of Directors meets at least quarterly with our Chief Information Security Officer, Chief Information and Digital Officer, and other senior leaders to receive updates on cybersecurity risks and threats, the status of initiatives to strengthen our information security systems and management's assessments of our security program.

#### Intellectual Property

We work to protect our intellectual property through a combination of trademarks, patents and trade secrets, applicable intellectual property laws, confidentiality procedures and contractual provisions. We currently have trademarks, patents and service marks registered with the U.S. Patent and Trademark Office and in various other countries. The trademarks "Wesco" and service marks filed in the U.S. include, among others: "Wesco" and our corporate logo. The "Anixter" trademarks and service marks are registered in the U.S. and various foreign jurisdictions, and the "EECOL" service mark is registered in Canada. The trademarks and service marks filed in the U.S. include, among others: "Wesco" and our corporate logo. We have also applied to register international trademarks, patents, and service mark applications in various foreign jurisdictions. While our patents have value, none is so essential that its loss would materially affect our business.

#### Environmental Matters

Our facilities and operations are subject to federal, state and local laws and regulations relating to environmental protection and human health and safety. Some of these laws and regulations may impose strict, joint and several liabilities on certain persons for the cost of investigation or remediation of contaminated properties. These persons may include former, current or future owners or operators of properties and persons who arranged for the disposal of hazardous substances. Our owned and leased real property may give rise to such investigation, remediation and monitoring liabilities under environmental laws. In addition, anyone disposing of certain products we distribute, such as ballasts, fluorescent lighting and batteries, must comply with environmental laws that regulate certain materials in these products.

We believe that we are in compliance, in all material respects, with applicable environmental laws. As a result, we do not anticipate making significant capital expenditures for environmental control matters either in the current year or in the near future.

#### Seasonality

Our operating results are not significantly affected by seasonal factors. Sales during the first and fourth quarters have historically been affected by a reduced level of activity due to the impact of weather on projects. Sales typically increase beginning in March, with slight fluctuations per month through October. During periods of economic expansion or contraction, our sales by quarter have varied significantly from this pattern.

## Website Access

Our Internet address is [www.wesco.com](http://www.wesco.com). Information contained on our website is not part of, and should not be construed as being incorporated by reference into, this Annual Report on Form 10-K. We make available free of charge under the "Investors" heading on our website our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as well as our Proxy Statements, as soon as reasonably practicable after such documents are electronically filed or furnished, as applicable, with the U.S. Securities and Exchange Commission (the "SEC").

In addition, the charters for our Audit, Compensation, Executive and Nominating and Governance committees, as well as our Corporate Governance Guidelines, Code of Principles for Senior Executives, Independence Policy, Global Antibribery and Anticorruption Policy, and Code of Business Conduct for our Directors, officers and employees, are all available on our website at the "Leadership" link under the "Our Company" heading.

## Forward-Looking Information

This Annual Report on Form 10-K contains various "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve certain unknown risks and uncertainties, including, among others, those contained in Item 1, "Business," Item 1A, "Risk Factors," and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." When used in this Annual Report on Form 10-K, the words "anticipates," "plans," "believes," "estimates," "intends," "expects," "projects," "will" and similar expressions may identify forward-looking statements, although not all forward-looking statements contain such words. Such statements, including, but not limited to, our statements regarding business strategy, growth strategy, competitive strengths, productivity and profitability enhancement, competition, new product and service introductions and liquidity and capital resources, are based on management's current expectations and beliefs, as well as on assumptions made by and information currently available to management, current market trends and market conditions and involve various risks and uncertainties, some of which are beyond our control and which may cause actual results to differ materially from those contained in the forward-looking statements. In addition, forward-looking statements in this document include information and statements regarding the expected benefits and costs of the transaction between Wesco and Anixter International ("Anixter"), 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 similar statements. Our actual results could differ materially from those expressed in any forward-looking statement made by us or on our behalf. In light of these risks and uncertainties, there can be no assurance that the forward-looking information will in fact prove to be accurate. We have undertaken no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

## Executive Officers

Our executive officers and their respective ages and positions as of February 21, 2023 February 20, 2024 are set forth below.

Name	Age	Position
John J. Engel	61	Chairman, President and Chief Executive Officer
David S. Schulz	57	Executive Vice President and Chief Financial Officer
James F. Cameron	58	Executive Vice President and General Manager, Utility and Broadband Solutions
William C. Geary, II	52	Executive Vice President and General Manager, Communications and Security Solutions
Akash Khurana	49	Executive Vice President and Chief Information and Digital Officer
Diane E. Lazzaris	56	Executive Vice President and General Counsel and Corporate Secretary
Hemant Porwal	49	Executive Vice President, Supply Chain and Operations
Nelson J. Squires III	61	Executive Vice President and General Manager, Electrical and Electronic Solutions
Christine A. Wolf	63	Executive Vice President and Chief Human Resources Officer

Set forth below is biographical information for our executive officers listed above.

**John J. Engel** has served as Chairman of the Board of Directors since May 2011 and as our President and Chief Executive Officer since 2009. Previously, Mr. Engel served as our Senior Vice President and Chief Operating Officer from 2004 to 2009. Before joining Wesco in 2004, Mr. Engel served as Senior Vice President and General Manager of Gateway, Inc., Executive Vice President and Senior Vice President of Perkin Elmer, Inc., Vice President and General Manager of Allied Signal, Inc., and also held various engineering, manufacturing and general management positions at General Electric Company.

**David S. Schulz** has served as our Executive Vice President and Chief Financial Officer since June 2020, and from October 2016 to June 2020, he served as Senior Vice President and Chief Financial Officer. Prior to joining Wesco, Mr. Schulz served as Senior Vice President and Chief Operating Officer of Armstrong Flooring, Inc. from April 2016 to October 2016 and from November 2013 to March 2016, he served as Senior Vice President and Chief Financial Officer of Armstrong World Industries, Inc., and as Vice President, Finance of the Armstrong Building Products division from 2011 to November 2013. Prior to joining Armstrong World Industries in 2011, he held various financial leadership roles with Procter & Gamble and The J.M. Smucker Company. Mr. Schulz began his career as an officer in the U.S. Marine Corps.

**James F. Cameron** has served as our Executive Vice President and General Manager of the Utility and Broadband Solutions division since June 2020 and from January 2014 to June 2020 as Vice President and General Manager, Utility and Broadband Group and as Regional Vice President of the utility business from 2011 to 2013. Prior to joining Wesco in 2011, Mr. Cameron served as Senior Vice President of the Utility Group, and Vice President of Marketing & Operations with Irby, a Sonepar Company. Earlier in his career, Mr. Cameron held various positions with Hubbell Power Systems, Thomas & Betts and the ABB Power T&D Company.

**William C. Geary, II** has served as our Executive Vice President and General Manager of the Communications and Security Solutions division since June 2020. Prior to the merger with Anixter in 2020, Mr. Geary served as Executive Vice President - Network & Security Solutions of Anixter International Inc. from July 2017 to June 2020 and Senior Vice

President - Global Markets - Network & Security Solutions from January 2017 to June 2017. Previously, Mr. Geary served 22 years and held a variety of senior management roles at Accu-Tech Corporation, a wholly-owned subsidiary of Anixter.

**Akash Khurana** has served as our Executive Vice President and Chief Information and Digital Officer since joining the Company in November 2020. Before joining Wesco, Mr. Khurana served as Chief Information Officer and Chief Data Officer of Global information at McDermott from March 2015 to November 2020, Senior Director of Global Product Lines and Regional P&Ls at Baker Hughes, and a variety of leadership roles at GE Healthcare and Power & Water Divisions.

**Diane E. Lazzaris** has served as our Executive Vice President and General Counsel since June 2020 and also as Corporate Secretary since February 2021. From 2014 2021 to June 2020 she December 2023. She served as our Senior Vice President and General Counsel and from 2010 2014 to December 2013 she served June 2020, and as our Vice President, Legal Affairs, Affairs from 2010 to December 2013. From 2008 to 2010, Ms. Lazzaris served as Senior Vice President - Legal, General Counsel and Corporate Secretary of Dick's Sporting Goods, Inc. From 1994 to 2008, she held various corporate counsel positions at Alcoa Inc., including Group Counsel to a group of global businesses.

**Hemant Porwal** has served as our Executive Vice President, Supply Chain and Operations division since June 2020, and from January 2015 to June 2020 as Vice President of Global Supply Chain and Operations. Before joining Wesco, Mr. Porwal served as Vice President at Sears Holding Corporation, leading their global procurement function since 2011, and PepsiCo where he held roles with increasing responsibilities in Operations, Supply Chain, Procurement and Finance.

**Nelson J. Squires III** has served as our Executive Vice President and General Manager of the Electrical and & Electronic Solutions division since June 2020, and from October 2019 to June 2020 he served as our Senior Vice President and Chief Operating Officer. From January 2018 to September 2019, he served as Group Vice President and General Manager of Wesco Canada/International/WIS and as Group Vice President and General Manager of Wesco Canada from August 2015 to January 2018. From 2010 to July 2015, he was Vice President and General Manager, North America Merchant Gases and President, Air Products Canada of Air Products and Chemicals, Inc. He has also served in regional and general management positions, as director of investor relations, and in various sales positions at Air Products. Earlier in his career, he was a Captain in the U.S. Army.

**Christine A. Wolf** has served as our Executive Vice President and Chief Human Resources Officer since June 2020, and from June 2018 to June 2020 she served as Senior Vice President and Chief Human Resources Officer. Before joining Wesco from 2011 to June 2018, Ms. Wolf served as the Chief Human Resources Officer of Orbital ATK, Inc. until its acquisition by Northrop Grumman. From 2008 to 2011, she served as the Chief Human Resources Officer of Fannie Mae and from 2004 to 2008 she served as Chief Human Resources Officer of E\*Trade Financial Corporation. Prior to that, she held various positions in human resources with companies in a variety of industries.

## Item 1A. Risk Factors.

The following factors, among others, could cause our actual results to differ materially from the forward-looking statements we make. All forward-looking statements attributable to us or persons working on our behalf are expressly qualified by the following factors. This information should be read in conjunction with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations", Item 7A, "Quantitative and Qualitative Disclosures about Market Risks" and the consolidated financial statements and related notes included in this Form 10-K.

### Risks Related to the Global Macroeconomic Environment and Our International Operations

**Adverse conditions in the global economy and disruptions of financial and commodities markets could negatively impact us and our customers.**

Our results of operations are affected by the level of business activity of our customers, which in turn is affected by global economic conditions and market factors impacting the industries and markets that they serve. Certain global economies and the financial and commodities markets continue to experience significant uncertainty and volatility. Adverse economic conditions, disruptions in financial markets or lack of liquidity in these markets, particularly in North America, including those caused by political risk or instability, may adversely affect our revenues and operating results. Disruptions in financial markets can cause increases in interest rates and borrowing costs. Economic and financial market conditions may also affect the availability or the cost of financing for projects and for our customers' capital or other expenditures, which can result in project delays or cancellations and thus affect demand for our products. There can be no assurance that any governmental responses to economic conditions or disruptions in the financial markets ultimately will stabilize the markets or increase our customers' liquidity or the availability of credit for us or our customers. Although no single customer accounts for more than 2% of our sales, a payment default by one of our larger customers could have a negative short-term impact on earnings or liquidity. A financial or industry downturn could have an adverse effect on the collectability of our accounts receivable, which could result in longer payment cycles, increased collection costs and defaults, and limit our ability to borrow additional funds. Should one or more of our larger customers declare bankruptcy, it could adversely affect the collectability of our accounts receivable, along with credit loss reserves and net income. In addition, our ability to access the capital markets may be restricted at a time when we would like, or need, to do so.

The economic, political and financial environment may also affect our business and financial condition in ways that we currently cannot predict. Russia's recent invasion of Ukraine, The Russia-Ukraine and the Middle East conflicts, and resulting international response, responses, have contributed to further volatility and uncertainty in the global financial and commodities markets, resulting in higher fluctuations in oil and commodity prices. There can be no assurance that economic and political instability, both domestically and internationally (for example, resulting from the Russia-Ukraine conflict, or Middle East conflicts, changes in the creditworthiness of the U.S. or any government, changes to economic or trade policies, sanctions, tariffs or participation in trade agreements or economic and political unions) will not adversely affect our results of operations, cash flows or financial position in the future.

### **Our global operations expose us to political, economic, legal, currency and other risks.**

We operate a network of approximately nearly 800 branches, warehouses and sales offices with operations in more than approximately 50 countries. Approximately one-third of our employee population are non-U.S. employees. We derive approximately 26% of our revenues from sales outside of the U.S. As a result, we are subject to additional risks associated with owning and operating businesses in these foreign markets and jurisdictions.

Operating in the global marketplace exposes us to a number of risks including:

- geopolitical and security issues, including armed conflict and civil or military unrest (such as the conflict resulting from Russia's invasion of Ukraine) evolving Russia-Ukraine and Middle East conflicts, political instability, terrorist activity and human rights concerns;
- natural disasters (including as a result of climate change) and public health crises (including pandemics such as COVID-19), and other catastrophic events;
- global supply chain disruptions and large-scale outages or inefficient provision of services from utilities, transportation, data hosting, or telecommunications providers;
- abrupt changes in government policies, laws, regulations or treaties, including imposition of export, import, or doing-business regulations, trade sanctions, embargoes or other trade restrictions (such as sanctions and other restrictions imposed against Russia in response to Russia's invasion of Ukraine, the Russia-Ukraine conflict, as well as those against China to mitigate the potential U.S. national security concerns related to critical infrastructure and technology);
- tax or tariff increases;
- government restrictions on, or nationalization of, our operations in any country;

- changes in labor conditions and difficulties in staffing and managing international operations, including logistical and communication challenges;
- restrictions on monetary policy of the countries where we operate and related currency movement, exchange rate fluctuations;
- challenges in protecting our IP rights in certain countries;
- local business and cultural factors that differ from our current standards and practices;
- continuing uncertainty regarding social, political, immigration, and tax and trade policies in the U.S. and abroad;
- currency exchange rate fluctuations; and
- other social, political and economic instability, including recessions and other economic crises in other regions.

In February 2022, Russian forces invaded Ukraine. In response to the Russia-Ukraine conflict, the United States, the European Union and other governments throughout the world imposed broad economic sanctions and other restrictions against Russia and Russian interests. In October 2023, Hamas militants attacked Israel, leading Israel to respond with air strikes and a major ground operation in Gaza. To the extent the conflict between Russia and Ukraine escalates Middle East conflicts escalate or is are further prolonged, it may have the effect of heightening many of the risks described above or elsewhere in these Risk Factors, risk factors.

Our business and operations have been and will may continue to be adversely affected by the COVID-19 pandemic, and the duration and extent to which it COVID variants or other pandemics will affect our business, financial condition, results of operations, cash flows, liquidity, and stock price remains uncertain.

The global COVID-19 pandemic has created significant disruption to the broader economies, financial markets, workforces, business environment and supply chains, as well as to our suppliers and customers. Beginning in 2020, the pandemic has caused significant disruptions to our business due to, among other things, disruptions to our suppliers and global supply chain, labor shortages, transportation disruptions, travel restrictions, the impact on our customers and their demand for our products and services and ability to pay for them, as well as temporary closures of facilities. Some of the actions we have taken in response to the COVID-19 pandemic, such as implementing remote working arrangements, may also create increased vulnerability to cybersecurity incidents and other risks. The duration Remote working arrangements and severity the decrease in commercial office occupancy rates may adversely affect sectors of the COVID-19 pandemic remains uncertain and cannot be predicted. economy or the bank or financial markets, which may affect our customers or lenders, or may increase market volatility. The full extent to which the pandemic will continue to new COVID variants or new pandemics may impact our business, results of operations, and financial condition depends on many evolving factors and future developments for which there remains significant uncertainty, such as possible resurgences of the virus, including new variants; uncertainty; the availability, effectiveness and public acceptance of treatments or vaccines (including boosters); the impact of the imposition of governmental actions; and the impact of the pandemic pandemics on the global supply chain and the broader economy and capital markets, as well as the matters noted above. In addition, the COVID-19 pandemic COVID variants and other pandemics may continue to adversely affect many of our suppliers' and customers' businesses and operations, including the ability of our suppliers to manufacture or obtain the products we sell or to meet delivery requirements and commitments, and our customers' demand for our products and services and the ability to pay for them, all of which could adversely affect our sales and results of operations.

Due to the uncertainty of COVID-19, we will continue to assess the situation, including the impact of governmental regulations or restrictions that might We may not be imposed or re-imposed in response to the pandemic. If we are unable able to appropriately respond to or manage the impact of these events, our business and results of operations may be adversely affected.

In addition, the impact of COVID-19 on macroeconomic conditions has adversely affected and may continue to affect the functioning of financial and capital markets, foreign currency exchange rates, commodity and energy prices, and interest rates. The long-term financial and economic impacts of the COVID-19 pandemic may continue for a significant period and cannot be reliably quantified or estimated at this time due to the uncertainty of these future developments.

Any any of these events could materially adversely affect our business, financial condition, results of operations, cash flows, liquidity and stock price.

We are subject to various laws and regulations globally and any failure to comply could adversely affect our business.

We are subject to a broad range of laws and regulations in the jurisdictions where we operate globally, including, among others, those relating to data privacy and protection, cyber security, import and export requirements, anti-bribery and corruption, product compliance, supplier regulations regarding the sources of supplies or products, sustainability and environmental protection, health and safety requirements, intellectual property, foreign exchange controls and cash repatriation restrictions, labor and employment, human rights, e-commerce, advertising and marketing, anti-competition, artificial intelligence and tax. Compliance with these domestic and foreign laws, regulations and requirements may be burdensome, increasing our cost of compliance and doing business. In addition, as a supplier to federal, state, and local government agencies, we must comply with certain laws and regulations relating specifically to our governmental contracts. Although we have implemented policies and procedures designed to facilitate compliance with these various laws, we cannot assure you that our employees, contractors, or agents will not violate such laws and regulations, or our policies and procedures. Any such violations could result in the imposition of fines and penalties, damage to our reputation, and, in the case of laws and regulations relating to governmental contracts, the loss of those contracts.

Fluctuations in foreign currency have an effect on our results from operations.

The results of certain of our foreign operations are reported in the local currency and then translated into U.S. dollars at the applicable exchange rates for inclusion in our consolidated financial statements. The exchange rates between some of these currencies and the U.S. dollar have fluctuated significantly in recent years (particularly the Argentine Peso and the Egyptian Pound), and may continue to do so in the future. We may incur losses related to foreign currency fluctuations, and foreign exchange controls may prevent us from repatriating cash in countries outside the U.S. In addition, because our financial

statements are stated in U.S. dollars, such fluctuations may also affect the comparability of our results between financial periods.

#### **Risks Related to Our Acquisitions, Divestitures Strategic Initiatives and Strategic Initiatives Acquisitions**

**Expansion into new business activities, industries, product lines or geographic areas could subject the company Company to increased costs and risks and may not achieve the intended results.**

We have invested significantly in expanding our digital solutions and digitalization initiatives, including but not limited to, e-commerce capabilities, and enhancing the online customer experience, experience, software as a service (SaaS), internet of things (IoT) technology, electrification, automation, grid modernization, security, smart building technology and advisory services. If our efforts to expand our digital and service capabilities are not successful, we may not realize the return on our investments as anticipated, or our operating results could be adversely affected by slower than expected sales growth or additional costs. Furthermore, engaging in or significantly expanding business activities in product sourcing, sales and services could subject the company Company to unexpected costs and risks. Such activities could subject us to increased operating costs, product liability, regulatory requirements and reputational risks. Our expansion into new and existing markets, including manufacturing related or regulated businesses, may present competitive distribution and regulatory challenges that differ from current ones. We may be less familiar with the target customers and may face different or additional risks, as well as increased or unexpected costs, compared to existing operations. Growth into new markets may also bring us into direct competition with companies with whom we have little or no past experience as competitors. To the extent we are reliant upon expansion into new geographic, industry and product markets for growth and do not meet the new challenges posed by such expansion, our future sales growth could be negatively impacted, our operating costs could increase, and our business operations and financial results could be negatively affected.

**Our strategic and operational initiatives, including our digital transformation initiatives, are subject to various risks and uncertainties, and we may be unable to implement the initiatives successfully.**

We are engaged in a number of strategic and operational initiatives, including our digital transformation initiatives, designed to optimize costs and improve operational efficiency. Our ability to successfully execute these initiatives is subject to various risks and uncertainties and there can be no assurance regarding the timing of or extent to which we will realize the anticipated benefits, if at all.

**We may not be able to fully realize the anticipated benefits and cost savings of our merger with Anixter, mergers and acquisitions.**

On June 22, 2020, In 2020, we completed our merger with Anixter (the "Merger"), and in 2022, we completed the acquisition of Rahi Systems. We consider and may pursue other acquisitions on an on-going basis. The success of the Merger, these and future acquisitions, including anticipated benefits and cost savings, depends on the successful combination and integration of the companies' businesses. It is possible that the integration process of an acquired business could result in the loss of key employees, higher than expected costs, diversion of management attention, the disruption of either company's ongoing legacy businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the combined company's Company's ability to maintain relationships with customers, suppliers and employees or to achieve the anticipated benefits and cost savings of the Merger. transaction.

We have incurred, and expect to continue to incur, a number of non-recurring costs associated with the Merger recent acquisitions and combining the operations of the two companies. related integration activities. This includes transaction fees and expenses related to formulating and implementing integration plans, including facilities, systems consolidation and employment-related costs. We continue to assess the magnitude of these costs, and additional unanticipated costs may be incurred in the integration of the two acquired companies' businesses. Although we expect anticipate that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, should allow us to offset integration-related costs over time, this net benefit may not be achieved in the near term, or at all.

If we experience difficulties with the integration process, the anticipated benefits of the Merger recent or future mergers or acquisitions may not be realized or may take longer to realize than expected. These integration matters could have an adverse effect on us for an undetermined period. In addition, the actual cost savings of the Merger could be less than anticipated.

**Our strategic and operational initiatives are subject to various risks and uncertainties, and we may be unable to implement the initiatives successfully.**

We are engaged in a number of strategic and operational initiatives designed to optimize costs and improve operational efficiency. Our ability to successfully execute these initiatives is subject to various risks and uncertainties and there can be no assurance regarding the timing of or extent to which we will realize the anticipated benefits, if at all.

**Any future acquisitions that we may undertake will involve a number of inherent risks, any of which could cause us not to realize the anticipated benefits.**

We have expanded our operations through organic growth and selected acquisitions of businesses and assets, such as our acquisition of Rahi Systems in 2022, and may seek to do so in the future. Acquisitions involve various inherent risks, including: problems that could arise from the integration of the acquired business; uncertainties in assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates; the potential loss of key

employees of an acquired business; the ability to achieve identified operating and financial synergies anticipated to result from an acquisition or other transaction; unanticipated changes in business, industry or general economic conditions that affect the

assumptions underlying the acquisition or other transaction rationale; and expansion into new countries or geographic markets where we may be less familiar with operating requirements, target customers and regulatory compliance. Any one or more of these factors could increase our costs or cause us not to realize the benefits anticipated to result from the acquisition of a business or assets.

#### **Risks Related to Our Information Systems and Technology and Intellectual Property**

**Any significant disruption or failure of our information systems could lead to interruptions in our operations, which may materially adversely affect our business operations, financial condition, and results of operations.**

We operate a number of facilities and we coordinate company activities, including information technology systems, and administrative services, and the like, similar systems, through our headquarters operations. We rely on the proper functioning and availability of our information systems to successfully operate our business, including managing inventory, processing customer orders, shipping products, providing service to customers, maintaining customer and supplier information, and compiling financial results. Our operations depend on our ability to maintain existing systems and implement new technology, which includes allocating sufficient resources to periodically upgrade our information technology systems, and to protect our equipment and the information stored in our databases against both manmade man-made and natural disasters (including those as a result of climate change), as well as power losses, computer and telecommunications failures, technological breakdowns, unauthorized intrusions, cyber-attacks, and other events. Further, many of the products and services we provide to customers rely on information technology to transmit and store data in both Company, cloud-based and third-party systems. Even where Company-managed information systems remain fully operational, a failure by a third-party's systems or procedures could have negative effects on our operations. Any significant or prolonged unavailability or failure of critical information systems could materially impair our ability to maintain proper levels of inventories, process orders, meet the demands of our customers and suppliers in a timely manner, and other harmful effects, effects on our business operations, which could negatively affect our financial results.

**We may not be able to realize the anticipated benefits and cost savings of our digital transformation initiatives or enhancing existing, and deploying new, technology, digital products and information systems in our operations.**

We are executing our digital transformation strategy and seek to continually enhance our existing and deploy new technology, digital products and information systems and such as a part of our technology-enablement strategy. Such changes could potentially fail to realize anticipated benefits, create a disruption new liability or failure of disrupt our existing information technology systems or other aspects of our operations. Conversions to new information technology systems may result in cost overruns, delays or business interruptions. Additionally, efforts Efforts to align portions of our business on common enterprise platforms, systems and processes could result in unforeseen interruptions, increased costs or liability, and other negative effects. If our information technology systems are disrupted, become obsolete Sales enablement initiatives that improve data analytics and automate, optimize, digitize or do not adequately support our strategic, operational or compliance needs, it outsource tasks could result in a competitive disadvantage or adversely affect our business operations and financial condition, unforeseen consequences, including our ability to process orders, receive and ship products, maintain inventories, collect accounts receivable and pay expenses, therefore impacting our results of operations. Additionally, exploring and deploying use cases for artificial intelligence, generative artificial intelligence and large language models to empower our employees and streamline our operations may introduce new risks such as biased output, inaccurate output, security vulnerabilities and increased stakeholder or regulatory scrutiny, which could impact the integrity of our business processes, expose us to litigation or fines, or erode the trust of our stakeholders. If our technology systems are disrupted, become obsolete or do not adequately support our strategic, operational or compliance needs, or if the controls placed over the use of new and existing technology prove inadequate, it could result in a competitive disadvantage or adversely affect our business operations, reputation or financial condition.

**Our business depends on cloud-based services operated by various third-party service providers, and any disruption in or interference with our use of these services could have adverse effects on our business, operational results, and financial condition.**

We rely heavily on cloud-based services, systems and networks operated or supported by various third-party service providers to operate critical business systems, to process, transmit and store information, and to conduct our business activities and transactions with employees, customers, vendors and other third parties. Our utilization of these cloud-based services and systems will increase as we continue to implement our digital transformation initiatives. This reliance makes us vulnerable to service malfunctions, interruptions, or outages caused by technical failures, natural disasters, or cybersecurity and other security breaches. Such disruptions can adversely impact our operations as well as our ability to serve our customers, diminishing customer satisfaction and potentially damaging our business reputation. Moreover, we have limited control over these third-party providers and the need to manage multiple external service providers increases operational complexity. If any of our cloud service providers do not perform effectively, or if we fail to adequately monitor their performance (including their failure to comply with service-level agreements or regulatory requirements), we could incur additional expenses to remediate errors made by such providers, or could be subject to litigation, claims or regulatory investigations and actions. In addition, our third-party service providers might unilaterally discontinue or limit our access to services, increase pricing, alter service terms, or seek to terminate their contractual relationship with us, negatively affecting our operations. The failure to maintain our relationships or

renew our contracts with cloud service providers on commercially favorable terms could pose serious challenges to our business. Although we could seek alternative providers, we may incur significant costs in connection with the transition or experience operational disruptions. In light of these factors, the cumulative impact of such issues, whether service disruptions, regulatory challenges, litigation or remediation costs, reputational harm, or cost escalations, could pose substantial risks to our operational efficiency and our ability to meet our strategic objectives, thereby potentially leading to material adverse effects on our overall business performance and financial results.

**We may experience a failure in or breach of our information security systems, or those of our third-party product suppliers or service providers, as a result of cyber-attacks or information security breaches.**

Because we rely heavily on information technology both in serving our customers and in our enterprise infrastructure in order to achieve our objectives, we may be vulnerable to damage or intrusion from a variety of cyber-attacks, including computer viruses, ransomware, worms or other malicious software programs that seek to gain access to our systems and networks, or those of our third-party service providers. Additionally, third parties may fraudulently attempt to induce employees or customers into disclosing sensitive information such as user names, passwords and other information in order to gain access to our customers' data or our data, including our intellectual property and other confidential business information, or our information technology systems. Information technology security threats to our systems, networks and data have dramatically increased in recent years due to the proliferation of new technologies and the increased sophistication and activities of perpetrators. We have seen, and will continue to see, industry-wide vulnerabilities, which could cause widespread disruptions to our or other parties' systems. In addition, the risk of retaliatory cyber-attacks has increased as a result of geopolitical conflicts, including

**Russia's invasion of Ukraine, the Middle East and Russia-Ukraine conflicts.** These threats and vulnerabilities pose a risk to the security of our systems and networks and the confidentiality, availability and integrity of our proprietary and confidential information.

Although we actively manage information technology security risks within our control and continually seek to enhance our controls and processes designed to protect our systems, computers, networks and data, there can be no assurance that such actions will be sufficient to mitigate all potential risks. As cyber threats continue to evolve, we may be required to expend additional resources to continue to enhance our information security measures and remediate any information security vulnerabilities. Despite the precautions we take to mitigate the risks of such events, an attack on our enterprise information technology system, or those of third parties with which we do business, could result in theft or unauthorized disclosure of our proprietary or confidential information or a breach of confidential customer, supplier or employee information. Such events could impair our ability to conduct our operations or cause disruptions to our supply chain, which could have an adverse impact on revenue and harm our reputation. Additionally, such an event could expose us to regulatory sanctions or penalties, lawsuits

or other legal action or cause us to incur legal liabilities and costs, which could be significant, in order to address and remediate the effects of an attack and related security concerns. The insurance coverage we maintain may be inadequate to cover claims or liabilities relating to a cybersecurity attack.

In addition, the legal and regulatory environment surrounding information security and privacy in the U.S. and international jurisdictions is constantly **evolving**. **evolving** and **additional laws and regulations regarding artificial intelligence are being considered and implemented.** Violation or non-compliance with any of these laws or regulations, contractual requirements relating to data security and privacy, or our own privacy and security policies, either intentionally or unintentionally, or through the acts of intermediaries could have a material adverse effect on our brand, reputation, business, financial condition and results of operations, as well as subject us to significant fines, litigation losses, third-party damages and other liabilities.

#### **We could incur significant and unexpected costs in our efforts to successfully avoid, manage, defend and litigate intellectual property matters.**

We rely on certain trademarks, patents, trade secrets, copyrights, and other intellectual property, and are continuing to develop intellectual property in connection with the digital transformation of our business and operations. We cannot be certain that others have not or will not infringe upon our intellectual **property**, **property**, or that **in-house or third-party solutions, including the output of large language models, will not potentially infringe upon the intellectual property rights of others.** Intellectual property litigation could be costly and time consuming, and we could incur significant legal expenses pursuing these claims against others. From time to time, we may receive notices from third parties that allege intellectual property infringement. Any dispute or litigation involving intellectual property could be costly and time-consuming due to its complexity and uncertainty. Our intellectual property portfolio may not be useful in asserting a counterclaim or negotiating a license in response to a claim of infringement or misappropriation. In addition, as a result of such claims, we may lose our rights to utilize critical technology or may be required to pay substantial damages or license fees with respect to infringed rights or be required to redesign or restructure our products or services at a substantial cost, any of which could negatively impact our operating results.

### **Risks Related to Our Industry, Markets and Business Operations**

#### **Loss of key suppliers could decrease sales, profit margins and earnings.**

Most of our agreements with suppliers are terminable by either party on 60 days' notice or less for any reason. We currently source products from thousands of suppliers. However, our 10 largest suppliers in **2022** **2023** accounted for approximately **28%** **27%** of our purchases by dollar volume for the period. The loss of, or a substantial decrease in the availability of, products from any of these suppliers, a supplier's change in sales strategy to reduce its reliance on distribution channels, the loss of key preferred supplier agreements, or disruptions in a key supplier's operations could have a material adverse effect on our business. Although we believe our relationships with our key suppliers are good, they could change their strategies as a result of a change in control, expansion of their direct sales force, changes in the marketplace or other factors beyond our control, including a key supplier becoming financially **distressed**, **distressed** which could materially affect our supply chain, increase our costs or disrupt our ability to deliver products to our customers in a timely and cost-effective manner.

#### **We have been and may continue to be adversely affected by supply chain challenges, including product shortages, delays and price increases, which could decrease sales, profit margins and earnings.**

Supply interruptions could arise from shortages of raw materials, effects of economic, political or financial market conditions on a supplier's operations, labor disputes or weather conditions affecting products or shipments, transportation disruptions, natural disasters, outbreaks of disease, information system disruptions or other reasons beyond our control.

**In 2022, Since the start of the COVID-19 pandemic, our industry and the broader economy continued to experience experienced** supply chain challenges, including shortages in raw materials and components, labor shortages and transportation constraints, leading to product delays, backlogged orders, increased transportation cost and longer lead times. **Russia's invasion** In 2023, we saw varying degrees of **Ukraine**, supply chain improvements, with manufacturers adjusting their production footprints through diversification, reshoring, nearshoring and other strategies designed at mitigating supply chain risks, alongside continued volatility in the **related** sanctions imposed against Russia availability of certain raw materials, components and Russian interests, have further disrupted global supply chains and exacerbated existing material and product shortages, inflationary cost pressures, and **logistics and capacity constraints**. products. While we continue to aggressively and proactively manage **these** supply chain **issues**, **developments**, we have experienced, and may continue to experience, some delays in receiving products from our suppliers. We cannot be certain that particular products will be available to us, or available in quantities sufficient to meet customer demand. **Continued** Any product shortages and delays could impair our ability to make scheduled deliveries to our customers in a timely manner and cause us to be at a competitive disadvantage.

**The product** **Product** shortages and delays in deliveries, along with other factors such as price inflation and higher transportation costs, **have resulted** **could result** in price increases from our suppliers. We may be unable to pass these price increases on to our customers, which could erode our profit margins. **These** **Supply** chain constraints, increased product costs and inflationary pressures could continue or escalate in the future, for example if the Russia-Ukraine, **Middle** **East** and other geopolitical conflicts escalate or are further prolonged, which would have an adverse impact on our business and results of operations.

We conducted a climate risk assessment in 2022 aligned to the Task Force on Climate-Related Financial Disclosures ("TCFD") to determine the materiality of climate-related risks to our business. The effects of global climate change could

increase the frequency and intensity of natural disasters or extreme weather conditions, such as tropical storms, severe winter weather, drought, flooding, heat waves, wildfires and rising sea levels, which could cause or exacerbate supply chain interruptions. For example, some of our customers', suppliers' and our operations are in water-stressed regions or areas prone to flooding or wildfires, and our facilities depend on power grids that may be impacted by severe weather. With global climate change increasing the frequency and severity of such events, it is possible that we could face greater climate-related risks in the future, which could result in temporary or prolonged interruptions in operations, increase our operating costs and capital expenditures, and reduce revenue and profitability.

The profitability of our business is also dependent upon the efficiency of our supply chain. An inefficient or ineffective supply chain strategy or operations could increase operational costs, decrease sales, profit margins and earnings, which could adversely affect our business.

#### **Product cost fluctuations could decrease sales, profit margins and earnings.**

Some of our products, such as wire and conduit, are commodity price based products and may be subject to significant price fluctuations which are beyond our control. Recently, we have experienced **increases** **fluctuations** in commodity costs, as well as in the costs of raw materials and components generally, as a result of global **shortages** **economic conditions** and other **macroeconomic** trends. **Continued increases** **Increases** in these costs could erode our profit margin and negatively impact our results of operations to the extent we are unable to successfully mitigate and offset the impact of these costs.

While increases in the cost of energy or products could have adverse effects, decreases in those costs, particularly if severe, could also adversely impact us by creating deflation in selling prices, which could cause our profit margin to deteriorate. Fluctuations in energy or raw materials costs can also adversely affect our customers.

#### **Challenges in managing working capital and inventory in response to evolving customer demands, supply chain disruptions, and market fluctuations could significantly impact our cash flow, profit margins, and overall business performance.**

Our ability to manage our working capital, including our inventory position, as well as efficiently managing our receivables and payables, is important to the successful operation of our business and resulting cash flow, and if we do not manage our working capital adequately, it can affect our cash flows, results of operations, and financial performance. Evolving customer demand patterns and supply chain disruptions may require rapid adjustments in inventory management strategies. Additionally, our business may continue to adjust the proportion of direct ship sales versus stock sales. An increase in direct ship sales could negatively impact product margins and other financial metrics, while an increase in stock sales could negatively impact inventory carrying costs and free cash flow, either of which could have a negative impact on our business and financial performance. Furthermore, fluctuations in foreign exchange rates, particularly in international markets, combined with varying interest rates, can significantly affect the cost of inventory, the value of receivables, and the cost of debt, thereby impacting our working capital efficiency, ability to fund growth initiatives and overall financial stability.

#### **A decline in project volume could adversely affect our sales and earnings.**

While much of our sales and earnings are generated by comparatively smaller and more frequent orders, the fulfillment of large orders for large capital projects generates significant sales and earnings. Accordingly, our results of operations can fluctuate depending on whether and when large project awards occur and the commencement and progress of work under large contracts already awarded.

The awarding and timing of projects is unpredictable and depends on many factors outside of our control. Project awards often involve complex and lengthy negotiations and competitive bidding processes. These processes can be impacted by a wide range of factors including a customer's decision to not proceed with a project or its inability to obtain necessary governmental approvals or financing, commodity prices, and overall market and economic conditions. Slow macro-economic growth rates, difficult credit market conditions for our customers, weak demand for our customers' products or other customer spending constraints can result in project delays or cancellations. In addition, some of our competitors may also be more willing to take greater or unusual risks or include terms and conditions in a contract that we might not deem acceptable.

#### **We have risks associated with the sale of nonconforming products and services.**

Historically, we have experienced a small number of cases in which our vendors supplied us with products that did not conform to the agreed upon specifications without our knowledge. Additionally, we may inadvertently sell a product not suitable for a customer's application. We address this risk through our quality control processes, by seeking to limit liability and our warranty in our customer contracts, and by obtaining indemnification rights from vendors. However, there can be no assurance that we will be able to include protective provisions in all of our contracts or that vendors will have the financial capability to fulfill their indemnification obligations to us.

#### **Disruptions to our logistics capability, or our failure to effectively manage supply chain logistics during periods of disruption, may have an adverse impact on our operations.**

Our global logistics services are operated through distribution centers around the world. An interruption of operations at any of our distribution centers could have a material adverse effect on the operations of branches served by the affected distribution center. Such disaster related risks and effects are not predictable with certainty and, although they typically can be mitigated, they cannot be eliminated. We seek to mitigate our exposures to disaster events in a number of ways. For example, where feasible, we design the configuration of our facilities to reduce the consequences of disasters. We also maintain insurance for our facilities against casualties, and we evaluate our risks and develop contingency plans for dealing with them. **Disruptions to our logistics capability or supply chain may have an adverse impact on ability to serve our customers, based on factors such as a lack of depth and breadth in the suppliers we do business with, failure to utilize and optimize warehouse space availability in key markets, failure to achieve network optimization and last mile solutions, and failure to improve our supply chain resiliency through technological improvements.**

Although we have reviewed and analyzed a broad range of risks applicable to our business, the **ones** **risks** that **actually** **most** **significantly** affect us may not be those that we have concluded are most likely to occur. Furthermore, although our reviews have led to more systematic **business** **continuity** and **contingency** planning, our plans are in varying stages of development and execution, such that they may not be adequate at the time of occurrence for the magnitude of any particular disaster event that we may encounter.

We also depend on transportation service providers for the delivery of products to our customers. Any significant interruption or disruption in service at one or more of our distribution centers due to severe weather or natural disasters (including as a result of climate change), information technology upgrades, operating issues, disruptions to our transportation network, public health crises, pandemics, or other unanticipated events, could impair our ability to obtain or deliver inventory in a timely manner, **increase transportation costs**, cause cancellations or delays in shipments to customers or otherwise disrupt our normal business operations. **The COVID-19 pandemic**

#### **Our reliance on third-party service providers for outsourced functions could negatively impact our reputation, operations or financial results.**

We engage third-party suppliers for various outsourced services. This approach aims to enhance efficiency and **responses** generate cost savings. However, it also increases our operational complexity and reduces our direct control over these functions. Dependence on these providers subjects us to **it have significantly limited risks** such as inadequate service levels, untimely support, non-compliance with legal requirements and industry standards, and potential disruptions if these relationships are terminated or **reduced not renewed**. These factors could lead to missed deadlines, reputational harm, or challenges in adapting to regulatory or market changes. In the **transportation event of goods globally**. **Our industry** substandard performance by our service providers, or if we are unable to promptly replace them with competent alternatives, our business, reputation, and financial condition could be adversely affected. We may consider outsourcing additional functions in the **broader global economy** have been impacted by logistical and transportation constraints, due to reduced workforce, including at ports and warehouses, as well as commercial driver shortages around the world. This has resulted in higher transportation costs and longer delivery times for our suppliers and for our products. **future, further heightening these risks.**

#### **An increase in competition could decrease sales, profit margins, and earnings.**

We operate in a highly competitive industry and compete directly with global, national, regional and local providers of like products and services. Some of our existing competitors have, and new market entrants may have, greater resources than us. Competition is generally based on product line breadth, product availability, service capabilities and price. Other sources of competition are buying groups formed by smaller distributors to increase purchasing power and provide some cooperative marketing capability, as well as e-commerce companies. There may be new market entrants with non-traditional business and customer service models, resulting in increased competition and changing industry dynamics.

Existing or future competitors may seek to gain or retain market share by reducing prices, and we may be required to lower our prices or may lose business, which could adversely affect our financial results. We may be subject to supplier price increases while not being able to increase prices to customers. Also, to the extent that we do not meet changing customer preferences or demands, or to the extent that one or more of our competitors becomes more successful with private label products, on-line offerings or otherwise, our ability to attract and retain customers could be materially adversely affected. Existing or future competitors also may seek to compete with us for acquisitions, which could have the effect of increasing the price and reducing the number of suitable acquisitions. These factors, in addition to competitive pressures resulting from the fragmented nature of our industry, could affect our sales, profit margins and earnings.

#### **Our continued success may depend on our ability to execute environmental, social and governance ("ESG") programs as planned and may impact our reputation and operating costs.**

Customers, suppliers, employees, community partners, shareholders and regulatory agencies in various jurisdictions globally are increasingly requesting disclosure and action relating to ESG objectives and performance. We commit time and resources to ESG efforts, consistent with our corporate values and in ways designed to strengthen our business, including programs focused on sustainability, corporate responsibility, human rights, ethics, diversity **equity** and inclusion. Our failure to execute our ESG programs and objectives as planned, or in accordance with the evolving expectations of various stakeholders or regulators **in the United States, Europe and globally**, could adversely affect the Company's reputation, business and financial performance. For example, an isolated incident of non-compliance, **underperformance or underperformance, inaccuracy in reporting**, the aggregate effect of individually insignificant incidents or the failures of suppliers in our supply chain, can erode trust and confidence in the Company and our brand and adversely affect our business and financial performance, particularly if such events result in adverse publicity, governmental investigations or litigation.

Simultaneously, increased expectations and regulations around ESG reporting and performance may result in higher operating expenses, capital expenditures and costs of goods sold (including those related to deploying low-carbon technologies, expanding our electric vehicle fleet, strengthening ESG monitoring and reporting programs, **calculating and disclosing different scopes of greenhouse gas emissions in the manner and timeline expected by regulators and other stakeholders, enhancing supply chain transparency** programs, transitioning suppliers due to their ESG programs, other costs to pursue our ESG goals or supplier price increases as manufacturers and services providers accommodate their own ESG-related expenses), which could reduce our profitability and cash flow. Additionally, certain customers may set net-zero emissions targets, and we could face pressure from such customers to further reduce emissions to assist them in the achievement of such targets or risk the loss of their business, which could result in increased costs or decreased revenue and may adversely impact financial performance.

#### **Risks Related to Tax Matters**

##### **Changes in tax laws or challenges to the Company's tax positions by taxing authorities could adversely impact the Company's results of operations and financial condition.**

We are subject to taxes in jurisdictions in which we do business, including but not limited to taxes imposed on our income, receipts, stockholders' equity, property, sales, purchases and payroll. As a result, the tax expense we incur can be adversely affected by changes in tax law. We cannot anticipate these changes in tax law, which can cause unexpected volatility in our results of operations. Changes in the tax law at the federal and state/provincial levels, in particular in the U.S. and Canada, **jurisdictions which has accounted account** for most of our income before taxes, can have a material adverse effect on our results of operations.

For example, Canada's Department of Finance introduced proposals to end hybrid mismatch arrangements, effective in two phases. Canada's Department of Finance released the first phase of these anti-hybrid rules, which went into effect during 2022.

These rules reduced the tax benefits from intercompany financing arrangements as disclosed in the reconciliation between the federal statutory income tax rate and the effective tax rate in Note 11, "Income Taxes" of our Notes to Consolidated Financial Statements. Canada's Department of Finance is expected to release the second phase of these anti-hybrid

rules in 2023, which could eliminate the remaining tax benefits from intercompany financing arrangements from the date the rules are effective.

Additionally, the Organization for Economic Cooperation and Development (the "OECD") has issued proposed rules to address the tax challenges arising from the digitalization of the global economy. The so-called two-pillar solution is intended to implement rules addressing 1) nexus and profit allocation in cases where businesses profit from markets in other countries while paying little to no tax in those countries under the current physical presence-based global tax system, 2) standardized intercompany pricing for routine marketing and distribution activities, and 3) a global minimum tax as a catch-all to address residual base erosion and profit shifting. Each of the OECD's member states must enact domestic legislation implementing the OECD's proposed rules for them to become law. The impact on the Company's tax obligations is unclear pending the issuance of law, which a number of more detailed rules in 2023. Recently, the OECD released an implementation package for some of these rules, and the European Union (the "EU") formally adopted rules, which jurisdictions either did during 2023 or are expected to become effective in 2024 and 2025. Other countries, including Canada, the UK, and Australia are moving forward with legislation on this topic. The Company is evaluating the impact of the guidance released by the OECD and proposed and enacted domestic legislation in relevant member states, as well as information released by the Financial Accounting Standards Board, to determine the effect on the Company. While a comprehensive analysis of the proposed and enacted domestic legislation and OECD proposals is still being conducted, the Company's preliminary conclusions are that the current proposed and enacted rules are not likely to have a material impact on the Company's worldwide tax expense but are likely to create significant compliance obligations.

Finally, the tax laws to which the Company is subject are inherently complex and ambiguous. Therefore, we must interpret the applicable laws and make subjective judgments about the expected outcome upon challenge by the applicable taxing authorities. As a result, the impact on our results from operations of the application of enacted tax laws to our facts and circumstances is sometimes uncertain. If a tax authority successfully challenges our interpretation and application of the tax law to our facts and circumstances, there can be no assurance that we can accurately predict the outcome and the taxes ultimately owed upon effective settlement, which may differ from the tax expense recognized in our consolidated statements of income and comprehensive income and accrued in our consolidated balance sheets. Additionally, if we cannot meet liquidity requirements in the U.S., we may have to repatriate funds from overseas to meet these liabilities, which would result in additional income taxes being incurred on the amount repatriated.

#### **Risks Related to Our Indebtedness and Capital Structure**

**Our outstanding indebtedness requires debt service commitments that could adversely affect our ability to fulfill our obligations and could limit our growth and impose restrictions on our business, and fluctuations in interest rates could affect the cost of our indebtedness.**

In 2020, we incurred significant additional indebtedness to finance the merger with Anixter, which increased our interest expense from historical levels. As a result, a substantial portion of our cash flow from operations must be dedicated to the payment of principal and interest on our indebtedness, thereby reducing the funds available to us for other purposes. As of December 31, 2022, excluding debt discount and debt issuance costs, we had \$5.5 billion of consolidated indebtedness. We and our subsidiaries may also undertake additional borrowings in the future, subject to certain limitations contained in the debt instruments governing our indebtedness.

Over the next three years, we will be required to repay or refinance approximately \$3.1 billion of our currently outstanding indebtedness.

Our debt service obligations impact our ability to operate and grow our business. Our payments of principal and interest on our indebtedness reduce the amount of funds available to us to invest in operations, future business opportunities, acquisitions, and other potentially beneficial activities. Our debt service obligations also reduce our flexibility to adjust to changing market conditions and may increase our vulnerability to adverse economic, political, financial market and industry conditions. A portion of our indebtedness, including amounts outstanding under our accounts receivable securitization and revolving credit facilities, bears interest at variable rates. In the future, we may also incur additional indebtedness that bears interest at variable rates. In a rising interest rate environment, or one in which interest rates may be affected by market disruptions, the interest expense on our variable rate borrowings will increase. Our ability to service and refinance our indebtedness, make scheduled payments on our operating leases, and fund capital expenditures, acquisitions or other business opportunities, repurchase shares, and pay dividends will depend in large part on both our future performance and the availability of additional financing in the future, as well as prevailing interest rates and other market conditions and other factors beyond our control. We cannot assure you that we will be able to obtain additional financing on terms acceptable to us or at all.

There can be no assurance that our business will continue to generate sufficient cash flows from operations in the future to service our debt, make necessary capital expenditures, or meet other cash needs. If we do not achieve the expected benefits and cost savings from the merger with Anixter, or if the financial performance of the combined company does not meet current expectations, then our ability to service or repay our indebtedness may be adversely impacted. If unable to do so, we may be

to do so, we may be required to refinance all or a portion of our existing debt, sell assets, or obtain additional financing. If we are unable to repay indebtedness, lenders having secured obligations could proceed against the collateral securing these obligations.

#### **Our debt agreements contain restrictive covenants that may limit our ability to operate our business.**

Our credit facilities and our other debt agreements, including those governing the debt financings incurred in connection with the merger with Anixter, contain various covenants that restrict or limit our ability to, among other things:

- incur additional indebtedness or create liens on assets;
- engage in mergers, acquisitions or consolidations;
- make loans or other investments;
- transfer, lease or dispose of assets outside the ordinary course of business;
- pay dividends, repurchase equity interests, make other payments with respect to equity interests, repay or repurchase subordinated debt; and
- engage in affiliate transactions.

In addition, certain of these debt agreements contain financial covenants that may require us to maintain certain financial ratios and other requirements in certain circumstances. As a result of these covenants, our ability to respond to changes in business and economic conditions and to obtain additional financing, if needed, may be significantly restricted, and we may be prevented from engaging in transactions or taking advantage of new business opportunities that might otherwise be beneficial to us. Our ability to comply with these covenants and restrictions may be affected by economic, financial and industry conditions or regulatory changes beyond our control. Failure to comply with these covenants or restrictions could result in an event of default, under our revolving lines of credit or the indentures governing certain of our outstanding notes which, if not cured or waived, could

accelerate our repayment obligations. See the liquidity Liquidity and Capital Resources section in "Item 7. Management's Item 7, "Management's Discussion and Analysis" for further details.

#### **General Risk Factors**

**We are subject to costs and risks associated with global laws and regulations affecting our business, as well as litigation for product liability or other matters affecting our business.**

The global legal and regulatory environment is complex and exposes us to compliance costs and risks, as well as litigation and other legal proceedings, which could materially affect our operations and financial results. These laws and regulations may change, sometimes significantly, as a result of political or economic events, and some changes are anticipated to occur in the coming year. They include laws and regulations covering taxation, trade, import and export, labor and employment (including wage and hour), product safety, product labeling, occupational safety and health, data privacy, data protection, intellectual property, artificial intelligence, and sustainability and environmental matters (including those relating to global climate change and its impact). We are also subject to securities and exchange laws and regulations and other laws applicable to publicly-traded companies such as the Foreign Corrupt Practices Act. Furthermore, as a government contractor selling to federal, state and local government entities, we are also subject to a wide variety of additional laws and regulations. Proposed laws and regulations in these and other areas could affect the cost of our business operations.

From time to time we are involved in legal proceedings, audits or investigations which may relate to, for example, product liability, labor and employment (including wage and hour), tax, escheat, import and export compliance, government contracts, worker health and safety, intellectual property misappropriation or infringement, and general commercial and securities matters. While we believe the outcome of any pending matter is unlikely to have a material adverse effect on our financial condition or liquidity, additional legal proceedings may arise in the future and the outcome of these as well as other contingencies could require us to take actions, which could adversely affect our operations, could diminish our intellectual property portfolio or could require us to pay substantial amounts of money. Even if we successfully defend against claims, we may incur significant costs that could adversely affect our results of operations, financial condition and cash flow.

**We must attract, retain and motivate our employees, and the failure to do so may adversely affect our business.**

Our success depends on hiring, retaining and motivating our employees, including executive, managerial, sales, technical, operations, marketing and support personnel. We may have difficulty locating and hiring qualified personnel. In addition, we may have difficulty retaining such personnel once hired, and key people may leave and compete against us. The loss of key personnel or our failure to attract and retain other qualified and experienced personnel could disrupt or adversely affect our business, its sales and operating results. In addition, our operating results could be adversely affected by increased costs due to increased competition for employees, higher employee turnover, increasing levels of retirement, the possibility of a shrinking workforce in various regions globally, which may also result in increased employee benefit or other costs or the loss of significant customer business, proprietary information, or increased employee benefit costs. tacit knowledge, which could negatively impact our operational efficiency, innovation capabilities, and customer relationships. Furthermore, inadequate talent management and succession planning, along with potential challenges in adapting to evolving workplace trends and expectations, could hinder our ability to respond to market changes and maintain a competitive edge, which could lead to decreased productivity, reduced market share, and ultimately, a decline in financial performance.

#### **Item 1B. Unresolved Staff Comments.**

None.

#### **Item 1C. Cybersecurity.**

##### **Risk Management and Strategy**

Information security and protection of our data is important to Wesco, our customers and suppliers. We take a comprehensive, multi-layered approach to securing our data and business systems from attack, compromise or loss. This includes the combination of leading technologies, physical and organizational safeguards, including a robust suite of security policies and procedures. We have a dedicated 24 hours per day/seven days per week Cybersecurity Operations team, with a third-party service provider, monitoring our environment for signs of attack and responding in real-time.

The implementation of a multi-layer and multi-provider portfolio of technologies is designed to deliver overlapping coverage against today's cybersecurity threats with a strong defensive and response driven security posture. We evaluate risks, threats, intelligence feeds and vulnerabilities to adapt, mitigate or respond as appropriate to preserve a secure state. Additionally, Wesco has a comprehensive third-party risk management program to evaluate partners prior to onboarding, throughout the life of the relationship, and through the close out of the relationship. This program is designed to ensure our third-party partners adhere to Wesco's security policies and expectations as the threat landscape evolves and the relation between the organization changes. Wesco's cybersecurity programs are reviewed as part of our information security management system ("ISMS") by external, independent third parties and in 2022, we achieved ISO 27001 certification for our ISMS. We conduct mandatory information security awareness training for our employees at least annually and enhanced training for specialized personnel. We have instituted regular attack or malicious activity simulations for employees to enhance awareness and responsiveness to such possible threats, and we also employ third parties to perform penetration and vulnerability tests.

While we focus on prevention and detection, we have response and recovery plans in place, as well as service agreements and partner engagements should there be a need for us to respond to an attack. We have adopted a cybersecurity incident response plan that provides direction and a defined approach for preparing for, identifying and responding to cybersecurity incidents that may pose a potential threat to our information systems, networks and data. The plan defines the roles and responsibilities of our IT and security teams and other functional teams that comprise the cybersecurity incident response team, as well as provides controls and procedures for timely and accurate reporting of material cybersecurity incidents. Significant cybersecurity incidents are reviewed by a cross-functional team to determine whether further escalation is appropriate. Any incident that potentially is, or may become, material is reported to senior management for materiality and disclosure determinations. We also maintain cyber liability insurance coverage. While we did not experience any material data breaches in 2023 and no risks from cybersecurity threats have materially impacted or are reasonably likely to materially impact the Company's business strategy, operations, or financial condition, we cannot provide assurance that they will not be materially affected in the future by such risks or any future material incidents. For more information on our cybersecurity related risks, see Item 1A, "Risk Factors" of this Annual Report on Form 10-K.

## Governance

To more effectively prevent, detect and respond to information security threats, we have a dedicated Chief Information Security Officer ("CISO") whose team is responsible for leading enterprise-wide information security strategy, policy, standards, architecture and processes. The CISO, with over 30 years of technology experience, has been in this role with Wesco since 2020, has a total of eight years of experience serving in the role of Chief Information Security Officer, and has twelve years of experience dedicated to cybersecurity. The CISO reports to our Executive Vice President, Chief Information and Digital Officer ("CIDO"), who reports directly to our Chief Executive Officer. The CISO and CIDO regularly review cybersecurity matters with our Chief Executive Officer and other members of our senior management, including cybersecurity risks and threats and the status of our cybersecurity incident response plan and related processes relating to the prevention, detection, mitigation and remediation of cybersecurity incidents. As part of its oversight responsibility of cybersecurity risk and the overall enterprise risk management process, the Audit Committee of our Board of Directors meets at least quarterly with our CISO, CIDO, and other senior leaders to receive updates on cybersecurity risks and threats (and should they arise, any material incidents), the status of initiatives to strengthen our information security systems, management's assessments of our security program, and compliance with disclosure requirements. The Audit Committee and senior management report any findings and recommendations, as appropriate to the full Board of Directors for consideration. Wesco's cybersecurity program is regularly evaluated by internal and external experts with the results of those reviews reported to senior leadership and the Board of Directors. We also actively engage with strategic partners, industry groups, and intelligence and law enforcement to better understand macro trends and significant risk concerns to better inform and enhance our cybersecurity policies and procedures.

## Item 2. Properties.

We operate a network of approximately 650 625 branches and warehouse locations that hold inventory, and approximately 150 140 sales offices, with operations in more than approximately 50 countries throughout the world. This includes 49 54 facilities with square footage between 100,000 and 500,000 that operate as regional distribution centers or large branch locations, of which 38 42 are located in the U.S., seven eight in Canada, three two in Europe and one two in South America. Approximately 7% 8% of our facilities are owned, and the remainder are leased.

We also lease our 118,000 square-foot headquarters in Pittsburgh, Pennsylvania. We do not regard the real property associated with any single facility as material to our operations. We believe our facilities are in good operating condition and are adequate for their respective uses.

## Item 3. Legal Proceedings.

From time to time, a number of lawsuits and claims have been or may be asserted against us relating to the conduct of our business, including litigation relating to commercial, product and employment matters (including wage and hour). The outcome of any litigation cannot be predicted with certainty, and some lawsuits may be determined adversely to us. However, management does not believe that the ultimate outcome of any such pending matters is likely to have a material adverse effect on our financial condition or liquidity, although the resolution in any fiscal period of one or more of these matters may have a material adverse effect on our results of operations for that period.

Information relating to legal proceedings is disclosed in Note 15, "Commitments and Contingencies" of the Notes to Consolidated Financial Statements and is incorporated herein by reference.

## Item 4. Mine Safety Disclosures.

Not applicable.

## PART II

### Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

**Market, Stockholder, and Dividend Information.** Our common stock is listed on the New York Stock Exchange under the symbol "WCC". As of February 17, 2023 February 16, 2024, there were 51,099,562 50,953,600 shares of common stock outstanding held by approximately 850 860 holders of record.

We have not paid dividends on our common stock. We expect, however, to begin began paying a quarterly cash dividend on our common stock starting in the first quarter of 2023, subject 2023. During each of the quarters in the fiscal year ended December 31, 2023, we paid a quarterly cash dividend of \$0.375 per common share to approval our shareholders. The payment of dividends is within the discretion of our Board of Directors and declaration any decision to pay dividends in the future, and the amount of any such dividend, will depend on an evaluation of a number of factors, including our financial condition, earnings, capital requirements, debt service obligations, restrictive covenants contained in our debt agreements, and other factors deemed relevant by our Board of Directors.

As disclosed in Note 9, "Debt" of our Notes to Consolidated Financial Statements, the terms of the Revolving Credit Facility, as well as the indentures governing the 7.125% Senior Notes due 2025 and 7.250% Senior Notes due 2028 contain various restrictive covenants that limit the amount of dividends and common stock repurchases that can be made. We were in compliance with these conditions in 2022 2023 and expect to be in 2023 2024.

#### Issuer Purchases of Equity Securities.

The following table sets forth all issuer purchases of common stock during the three months ended December 31, 2022 December 31, 2023:

Period	Total Number of Shares Purchased <sup>(1)</sup>	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>(2)</sup>	Approximate Dollar Value of Shares That May Yet be Purchased Under the Plans or Programs <sup>(2)</sup>	(In millions)
October 1, 2022 – October 31, 2022	4,089	\$ 123.68	—	\$ 1,000.0	
November 1, 2022 – November 30, 2022	88,661	\$ 126.50	87,502	\$ 988.9	

December 1, 2022 – December 31, 2022	1,258	\$ 125.10	—	\$ 988.9
<b>Total</b>	<b>94,008</b>	<b>\$ 126.36</b>	<b>87,502</b>	

Period	Total Number of Shares Purchased <sup>(1)</sup>	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>(2)</sup>	Approximate Dollar Value of Shares That May Yet be Purchased Under the Plans or Programs <sup>(2)</sup>
			(In millions)	
October 1, 2023 - October 31, 2023	57	\$ 143.52	—	\$ 938.9
November 1, 2023 - November 30, 2023	178,886	\$ 139.75	178,886	\$ 913.9
December 1, 2023 - December 31, 2023	1,325	\$ 174.90	—	\$ 913.9
<b>Total</b>	<b>180,268</b>	<b>\$ 140.01</b>	<b>178,886</b>	

(a) There were **6,506** **1,382** shares purchased during the quarterly period ended **December 31, 2022** **December 31, 2023** that were not part of the publicly announced share repurchase program. These shares were surrendered by stock-based compensation plan participants to satisfy tax withholding obligations arising from the exercise of stock-settled stock appreciation rights, and vesting of restricted stock units, units and performance-based awards.

(b) On June 1, 2022, Wesco announced that its Board of Directors authorized, on May 31, 2022, the repurchase of up to \$1 billion of the Company's common stock and Series A Preferred Stock. The share repurchase authorization has no expiration date and may be modified, suspended, or terminated at any time without prior notice. During the three months ended December 31, 2023, the Company entered into spot repurchase transactions through a broker to purchase 178,886 shares of its common stock in the open market for cash totaling \$25.0 million. Wesco funded the repurchases with available cash and borrowings under its revolving credit facility.

**Company Performance.** The following stock price performance graph illustrates the five-year cumulative total return on an investment in Wesco International, a **2022** **2023** Performance Peer Group, and the Russell 2000 Index. The graph covers the period from **December 31, 2017** **December 31, 2018** to **December 31, 2022** **December 31, 2023**, and assumes that the value for each investment was \$100 on **December 31, 2017** **December 31, 2018**, and that all dividends were reinvested.



#### **2022 2023 Performance Peer Group:**

Applied Industrial Technologies, Inc.	Fastenal Company	Rexel SA
Arrow Electronics, Inc.	Genuine Parts Company	Rockwell Automation, Inc.
Avnet, Inc.	Hubbell, Inc.	W.W. Grainger, Inc.
Barnes Group Inc.	MRC Global, Inc.	
Eaton Corporation Plc	MSC Industrial Direct Co., Inc.	

#### **Item 6. [Reserved]**

Not applicable.

#### **Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

The following discussion should be read in conjunction with the audited consolidated financial statements and notes thereto included in Item 8 of this Annual Report on Form 10-K. 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 Item 1A of this Annual Report on Form 10-K. In this Item 7, "Wesco" refers to WESCO International, Inc., and its subsidiaries and its predecessors unless the context otherwise requires. References to "we," "us," "our" and the "Company" refer to Wesco and its subsidiaries.

In addition to the results provided in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), our discussion and analysis of financial condition and results of operations includes certain non-GAAP financial measures, which are defined further below. These financial measures include organic sales growth, earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted EBITDA, adjusted EBITDA margin, financial leverage, adjusted selling, general and administrative expenses, adjusted income from operations, adjusted other non-operating expense (income), 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. We believe that these non-GAAP measures are helpful to users of our financial statements 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, allowing users to more easily compare our financial performance from period to period. Management uses certain non-GAAP financial measures in its evaluation of the performance of the Company's

operating segments and in the determination of incentive compensation. Management does not use these non-GAAP financial measures for any purpose other than the reasons stated above.

In the first quarter of the fiscal year ended December 31, 2023, we changed our presentation in tables from thousands to millions. Certain amounts as of and for the year ended December 31, 2022 in Management's Discussion and Analysis of Financial Condition and Results of Operations may not foot or recalculate due to rounding.

## Company Overview

Wesco, headquartered in Pittsburgh, Pennsylvania, is a leading provider of business-to-business distribution, logistics services and supply chain solutions.

We employ approximately 20,000 people, maintain relationships with more than 50,000 suppliers, and serve approximately nearly 150,000 customers worldwide. With millions of products, end-to-end supply chain services, and leading digital capabilities, we provide innovative solutions to meet customer needs across commercial and industrial businesses, contractors, government agencies, educational institutions, telecommunications providers, and utilities. Our innovative value-added solutions include supply chain management, logistics and transportation, procurement, warehousing and inventory management, as well as kitting and labeling, limited assembly of products and installation enhancement. We operate approximately nearly 800 branches, warehouses and sales offices in more than approximately 50 countries, providing a local presence for customers and a global network to serve multi-location businesses and multi-national global corporations.

In 2021, we established a new corporate brand strategy to adopt a single, master brand architecture. This initiative reflects our corporate integration strategy and simplifies engagement for our customers and suppliers. In 2022, we launched the master brand identity in North America and began migrating certain legacy sub-brands to the master brand architecture, a process that will continue for the next several years. In 2023, we launched the Wesco Anixter go-to-market brand in all markets outside of the U.S. and Canada, as part of our master brand deployment strategy. Due to the strength of its recognition with customers and suppliers, we will continue to use the Anixter brand name globally for the foreseeable future.

We have operating segments comprising three strategic business units consisting of Electrical & Electronic Solutions ("EES"), Communications & Security Solutions ("CSS") and Utility & Broadband Solutions ("UBS"). These operating segments are equivalent to our reportable segments. See Item 1, "Business" in this Annual Report on Form 10-K for a description of each of our reportable segments and their business activities.

## Overall Financial Performance

Our financial results for 2022 2023 compared to 2021 2022 reflect double-digit single-digit sales growth driven by the benefits of price inflation, and higher volumes, increased scale, and secular demand trends and execution of our cross-sell program, trends. These impacts were partially offset by volume declines in certain businesses, as well as slight margin expansion contraction, and the realization of integration synergies, partially offset by higher selling, general and administrative ("SG&A") payroll and payroll-related expenses, volume-related costs to operate our facilities, along with expenses associated with our digital transformation initiatives.

Net sales for 2022 2023 increased \$3.2 billion \$965.1 million, or 17.6% 4.5%, over the prior year. The increase reflects the estimated impact of changes in price inflation of approximately 3% and volume growth, secular demand trends, and execution the favorable impact of our cross-sell program, as well as 2.1% from the acquisition of Rahi Systems Holdings, Inc. ("Rahi Systems"Systems"), which closed in the fourth quarter November of 2022, 2022. These positive factors were partially offset by the negative impacts of

fluctuations in foreign exchange rates of 0.4% and the divestiture number of Wesco's legacy utility and data communications businesses workdays of 0.4%. Volume growth did not have a material impact on the year-over-year increase in Canada in the first quarter of 2021, organic sales. Cost of goods sold as a percentage of net sales was 78.4% and 78.2% for 2023 and 79.2% for 2022, and 2021, respectively. The improvement unfavorable increase of 100 20 basis points reflects lower supplier volume rebates and a shift in sales mix, partially offset by our continued focus on value-driven a strategy of pricing products and pass-through of inflationary costs, along with services to realize the continued momentum value that we provide to our customers as a result of our gross margin improvement program broad portfolio of product and higher supplier volume rebates service offerings, global footprint and capabilities ("value-driven pricing").

Income from operations was \$1,406.4 million for 2023, compared to \$1,438.1 million for 2022, a decrease of \$31.7 million, or 2.2%. Income from operations as a percentage of net sales. Cost sales was 6.3% for the current year, compared to 6.7% for the prior year. Income from operations for 2023 includes merger-related and integration costs of

goods sold \$55.4 million, restructuring costs of \$16.7 million, and accelerated trademark amortization expense of \$1.6 million. Adjusted for 2021 included a write-down these items, income from operations was 6.6% of net sales in 2023. For 2022, income from operations was 7.1% of net sales, as adjusted for merger-related and integration costs of \$67.4 million and accelerated trademark amortization expense of \$9.8 million. For 2023, income from operations declined compared to the carrying value of certain personal protective equipment inventories, which increased prior year due to higher cost of goods sold as a percentage of net sales, by approximately 14 basis points.

Income from operations was \$1.4 billion for 2022, compared to \$0.8 billion for 2021. Income from operations as a percentage of net sales was 6.7% for the current year, compared to 4.4% for the prior year. Income from operations for 2022 includes merger-related higher salaries and integration costs of \$67.4 million. Additionally, in connection with an integration initiative to review our brand strategy, certain legacy trademarks are migrating to a master brand architecture, which resulted in \$9.8 million of accelerated amortization expense in 2022. Adjusted for these items, income from operations was 7.1% of net sales in 2022. For 2021, income from operations adjusted for merger-related and integration costs of \$158.5 million, accelerated trademark amortization expense of \$32.0 million, and a net gain of \$8.9 million resulting from the divestiture of our legacy utility and data communications businesses in Canada was 5.4% of net sales. For 2022, income from operations compared to the prior year improved across all segments and reflects sales growth and lower cost of goods sold as a percentage of net sales, as well as the realization of integration cost synergies and a reduction to incentive compensation expense. Income from operations for 2022 was negatively impacted by higher salaries benefits due to wage inflation and increased headcount, including the impact of the Rahi Systems acquisition, as well as an increase in volume-related costs such as commissions and volume-related marketing costs. The costs driven by significant sales growth, to operate our facilities also unfavorably affected income from operations. In addition, digital transformation initiatives contributed to higher expenses in 2022, including those related 2023. These negative factors were partially offset by sales growth as well as the realization of integration synergies and a reduction to professional and consulting fees. incentive compensation expense.

Earnings per diluted share for 2022 2023 was \$13.54, based on 52.3 million diluted shares, compared to \$15.33 for 2022, based on 52.4 million diluted shares, compared to \$7.84 a decrease of 11.7%. Adjusted for 2021, based on 52.0 million merger-related and integration costs, restructuring costs, accelerated trademark amortization expense, net pension settlement cost, and the related income tax effects, earnings per diluted shares, share for 2023 was \$14.60. Adjusted for merger-related and integration costs, accelerated trademark amortization expense, and the related income tax effects, earnings per diluted share for 2022 was \$16.42. Adjusted for merger-related and integration costs, accelerated trademark amortization expense, net gain on divestitures, a \$36.6 million curtailment gain resulting from the remeasurement of our pension obligations in the U.S. and Canada due to amending certain terms of such defined benefit plans, and the related income tax effects, earnings per diluted share for 2021 was \$9.98. Adjusted earnings per diluted share increased 64.5% decreased 11.1% year-over-year.

Our industry and the broader economy are experiencing have experienced supply chain challenges, including product delays and backlogged orders, shortages in raw materials and components, labor shortages, transportation challenges, and higher costs. During 2022, we continued We have aggressively responded to experience strong demand from many of our customers, along with uncertainty in the amount of time it takes to receive products from our suppliers. We are aggressively managing these supply chain issues which have largely improved and have begun to experience some improvements, although we anticipate that supply chain constraints and inflationary pressures may extend into progressively become manageable throughout 2023. We intend to continue to actively manage the impact of inflation on our results of operations. We cannot reasonably estimate possible future impacts from these disruptions at this time.

There continues to be ongoing uncertainties associated with the COVID-19 pandemic, including with respect to economic conditions and the possible resurgence of COVID-19 whether through the emergence of new variants of the virus or otherwise. As the duration and severity of the COVID-19 pandemic cannot be predicted, there is significant uncertainty as to the ultimate impact that COVID-19 will have on our business, results of operations and financial condition.

#### Cash Flow

Operating cash flow for 2022 2023 was \$11.0 million \$493.2 million. Net cash provided by operating activities included net income of \$862.1 \$766.1 million and non-cash adjustments to net income totaling \$243.1 million \$235.8 million, which were primarily comprised consisted of depreciation and amortization of \$179.0 million \$181.3 million, stock-based compensation expense of \$46.4 million \$48.1 million, amortization of debt discount and debt issuance costs of \$15.2 million \$14.8 million, and deferred income taxes of \$1.2 million \$7.9 million. Operating cash flow also included was negatively impacted by net changes in assets and liabilities of \$1.1 billion \$508.7 million, which were primarily comprised consisted of a decrease in accounts payable of \$319.7 million, mainly due to a reduction in inventory purchases in the fourth quarter, and an increase in inventories of \$817.0 million resulting from \$68.4 million. Inventories grew at a slower rate than sales, as supply chain challenges and to support growth in our sales backlog, including project-based business, as well as an increase lead times have normalized. These cash usage factors were partially offset by cash inflow from a decrease in trade accounts receivable of \$690.6 million due to significant sales growth. These \$52.2 million. Additionally, the payment of management incentive compensation earned in 2022 resulted in a cash outflows were outflow of approximately \$153.9 million in 2023, which was partially offset by an increase the accrual of management incentive compensation earned in accounts payable of \$552.9 million due to the aforementioned higher purchases of inventory, current year.

Investing activities primarily included \$255.4 million of cash paid to acquire Rahi Systems, less cash acquired of \$68.6 million, and \$99.4 million \$92.3 million of capital expenditures mostly consisting of internal-use computer software and information technology hardware to support our digital transformation initiatives, as well as equipment and leasehold improvements to support our global network of branches, warehouses and sales offices.

Financing activities were primarily comprised consisted of net borrowings repayments of \$433.0 million \$70.3 million related to our revolving credit facility (the "Revolving Credit Facility") and the repayment of our \$58.6 million aggregate principal amount of 5.50% Anixter Senior Notes due 2023, which matured on March 1, 2023, partially offset by net borrowings of \$265.0 million \$15.0 million related to our accounts receivable securitization facility (the "Receivables Facility"). Financing activities for 2022 2023 also included \$57.4 million \$76.6 million and \$57.4 million of dividends paid to holders of our common stock and Series A Preferred Stock, \$25.8 million respectively, \$75.0 million of common stock repurchases, and \$68.3 million of payments for taxes related to the exercise and vesting of stock-based awards, borrowings and repayments of \$19.5 million and \$19.5 million, respectively, related to our various international lines of credit, and \$11.1 million of common stock repurchases. awards.

#### Financing Availability

During 2022 we amended our Receivables Facility and Revolving Credit Facility to, among other things, increase their borrowing capacities, extend their maturity dates, and replace the London Inter-Bank Offered Rate-based ("LIBOR") interest rate options with Secured Overnight Financing Rate-based ("SOFR") interest rate options.

See Note 9, "Debt" of our Notes to Consolidated Financial Statements for additional disclosure regarding the amendments to these facilities.

As of December 31, 2022 December 31, 2023, we had \$664.9 million \$736.0 million in total available borrowing capacity under our Revolving Credit Facility. Available Facility and \$75.0 million of available borrowing capacity under our Receivables Facility was \$50.0 million. Facility. The Revolving Credit Facility and the Receivables Facility mature in March 2027 and March 2025, respectively. As of December 31, 2022 December 31, 2023, we also had \$10.1 million \$8.2 million of borrowing capacity available under our international lines of credit that did not directly reduce availability under the Revolving Credit Facility.

#### Critical Accounting Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on the financial condition or results of operations, including those related to goodwill and indefinite-lived intangible assets, defined benefit pension plans, and income taxes. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. If actual market conditions are less favorable than those projected by management, additional adjustments to reserve items may be required. We believe the following accounting estimates are the most critical to the understanding of our consolidated financial statements as they require subjective or complex judgments by management.

*Goodwill and Indefinite-Lived Intangible Assets*

Goodwill and indefinite-lived intangible assets are tested for impairment annually as of October 1, or more frequently if triggering events occur, indicating that their carrying values may not be recoverable. We test for goodwill impairment on a reporting unit level. We first assess qualitative factors, including macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, other relevant events such as changes in key personnel, changes in the composition or carrying amount of the net assets of a reporting unit, and changes in share price, to determine whether it is more likely than not that the fair value of our reporting units are less than their carrying values. If the qualitative assessment indicates that the fair values of our reporting units may not exceed their respective carrying values, then we perform a quantitative test for impairment by comparing the fair value of each reporting unit to its carrying value. We determine the fair values of our reporting units using a discounted cash flow analysis and consideration of market multiples. The discounted cash flow analysis uses certain assumptions, including expected operating margins supported by a combination of historical results, current forecasts, market data and recent economic events, which are categorized within Level 3 of the fair value hierarchy. We use a discount rate that reflects market participants' cost of capital. We evaluate the recoverability of indefinite-lived intangible assets using the relief-from-royalty method based on projected financial information. Significant inputs used in the relief-from-royalty method include projected revenues, discount rates, royalty rates, and applicable income tax rates.

We performed our annual impairment tests of goodwill and indefinite-lived intangible assets during the fourth quarter of 2022 2023 by assessing qualitative factors to determine whether it was more likely than not that the fair values of our reporting units and indefinite-lived intangible assets were less than their respective carrying amounts. As a result of this assessment, we determined that it was more likely than not that the fair values of our reporting units and indefinite-lived intangible assets continued to exceed their respective carrying amounts and, therefore, a quantitative impairment test was not necessary.

The determination of fair value involves significant management judgment, particularly as it relates to the underlying assumptions and factors around future expected operating margins and discount rate. Management applies its best judgment when assessing the reasonableness of financial projections. Fair values are sensitive to changes in underlying assumptions and factors. As a result, there can be no assurance that the estimates and assumptions made for purposes of the annual goodwill and indefinite-lived intangible impairment tests will prove to be an accurate prediction of future results.

See Note 2, "Accounting Policies" and Note 5, "Goodwill and Intangible Assets" of our Notes to Consolidated Financial Statements for additional disclosure regarding goodwill and indefinite-lived intangible assets.

#### Defined Benefit Pension Plans

Liabilities and expenses for defined benefit pension plans are determined using actuarial methodologies and incorporate significant assumptions, including the interest rate used to discount the future estimated cash flows, the expected long-term rate of return on plan assets, and several assumptions relating to the employee workforce (salary increases, retirement age, and mortality).

Liabilities for defined benefit pension plans are particularly sensitive to changes in the discount rate. At the end of each fiscal year, we determine the discount rate to measure our defined benefit pension plan liabilities at their present value. The discount rate reflects the current rate at which the defined benefit pension plan liabilities could be effectively settled at the end of the year. This rate is estimated using a yield curve based on corporate bond data, which we believe is consistent with observable market conditions and industry standards for developing spot rate curves. The consolidated weighted-average discount rate used to measure the projected benefit obligation of all plans was 4.4% and 4.6% at December 31, 2023 and 2.6% at December 31, 2022 and 2021, 2022, respectively. As a sensitivity measure, the effect of a 50-basis-point decline in the assumed discount rate would result in an increase no change in the expense for 2023 of approximately \$1.0 million, 2024, and an increase in our projected benefit obligations at December 31, 2022 December 31, 2023 of \$41.0 million \$31.0 million. The impact of a 50-basis-point increase in the assumed discount rate would result in a decrease in the expense for 2023 2024 of approximately \$3.0 million \$1.0 million, and a decrease in our projected benefit obligations at December 31, 2022 December 31, 2023 of \$37.0 million \$29.0 million. Changes in the expected long-term rate of return on plan assets and assumptions relating to the employee workforce are less likely to have a material impact on the measurement of defined benefit pension plan liabilities.

See Note 2, "Accounting Policies" and Note 13, "Employee Benefit Plans" of our Notes to Consolidated Financial Statements for additional disclosure regarding defined benefit pension plans.

#### Income Taxes

We recognize deferred tax assets consistent with amounts expected to be realized. To make such determination, management evaluates all positive and negative evidence, including but not limited to, prior, current and future taxable income, tax planning strategies and future reversals of existing taxable temporary differences. A valuation allowance is recognized if it is "more-likely-than-not" that some or all of a deferred tax asset will not be realized. We regularly assess the realizability of deferred tax assets.

We account for uncertainty in income taxes using a "more-likely-than-not" recognition threshold. Due to the subjectivity inherent in the evaluation of uncertain tax positions, the tax benefit ultimately recognized may materially differ from the estimate recognized in the consolidated financial statements. We recognize interest and penalties related to uncertain tax benefits as part of interest expense and income tax expense, respectively.

See Note 2, "Accounting Policies" and Note 11, "Income Taxes" of our Notes to Consolidated Financial Statements for additional disclosure regarding income taxes.

#### Results of Operations

The following table sets forth the percentage relationship to net sales of the financial statement line items in our Consolidated Statements of Income and Comprehensive Income for the periods presented:

	Year Ended December 31,
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	2022	2021	2020
Net sales	100.0 %	100.0 %	100.0 %
Cost of goods sold (excluding depreciation and amortization)	78.2	79.2	81.1
Selling, general and administrative expenses	14.2	15.3	15.1
Depreciation and amortization	0.8	1.1	1.0
Income from operations	6.8	4.4	2.8
Interest expense, net	1.5	1.5	1.8
Other expense (income), net	—	(0.3)	—
Income before income taxes	5.3	3.2	1.0
Provision for income taxes	1.3	0.6	0.2
Net income	4.0	2.6	0.8
Net income (loss) attributable to noncontrolling interests	—	—	—
Net income attributable to WESCO International, Inc.	4.0	2.6	0.8
Preferred stock dividends	0.3	0.4	0.2
Net income attributable to common stockholders	3.7 %	2.2 %	0.6 %

2022 2023 Compared to 2021 2022

#### Net Sales

The following table sets forth net sales and organic sales growth **by segment** for the periods presented:

(In thousands)	Twelve Months Ended			Growth/(Decline)			
	December 31, 2022	December 31, 2021	Reported	Acquisition/Divestiture Impact	Foreign Exchange Impact	Workday Impact	Organic Growth
EES	\$ 8,823,331	\$ 7,621,263	15.8%	(0.1)%	(1.8)%	0.4 %	17.3 %
CSS	6,401,468	5,715,238	12.0%	2.0 %	(1.9)%	0.4 %	11.5 %
UBS	6,195,317	4,881,011	26.9%	(0.1)%	(0.6)%	0.4 %	27.2 %
<b>Total net sales</b>	<b>\$ 21,420,116</b>	<b>\$ 18,217,512</b>	<b>17.6%</b>	<b>0.5 %</b>	<b>(1.5)%</b>	<b>0.4 %</b>	<b>18.2 %</b>

	Year Ended December 31,			Growth/(Decline)			
	2023	2022	Reported	Acquisition	Foreign Exchange	Workday	Organic Sales
(In millions)							
Net sales	\$ 22,385.2	\$ 21,420.1	4.5 %	2.1 %	(0.4)%	(0.4)%	3.2 %

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. **Workday impact** represents the change in the number of operating days period-over-period after adjusting for weekends and public holidays in the United States; 2023 had one less workday compared to 2022.

Net sales were \$22.4 billion for 2023 compared with \$21.4 billion for 2022, compared with \$18.2 billion for 2021, an increase of **17.6% 4.5%**. The increase primarily reflects price inflation and volume growth, secular demand trends, and execution of our cross-sell program. Organic sales **Adjusting for 2022 grew 18.2% as the favorable impact from the acquisition of Rahi Systems in of 2.1%, the fourth quarter of 2022, partially offset by the divestiture of Wesco's legacy utility and data communications businesses in Canada in the first quarter of 2021, positively impacted reported net sales by 0.5%**. Additionally, the number of workdays positively impacted reported net sales by 0.4%, while unfavorable impacts from fluctuations in foreign exchange rates negatively impacted reported net sales by 1.5%. All segments reported double-digit sales growth versus the prior year, as discussed below. For the year ended December 31, 2022, pricing related to inflation favorably impacted our net sales by approximately 8%.

EES reported net sales of \$8.8 billion for 2022 compared to \$7.6 billion for 2021, an increase of 15.8%. Organic sales for 2022 grew 17.3% as 0.4% and the number of workdays positively of 0.4%, organic sales for 2023 grew by 3.2%. The increase was primarily due to the impact of changes in price, which favorably impacted reported net organic sales by 0.4%, while fluctuations in foreign exchange rates and approximately 3%. Volume growth did not have a material impact on the Canadian divestitures described in our overall results above negatively impacted reported net sales by 1.8% and 0.1%, respectively. The year-over-year increase in organic sales, reflects price inflation, growth as increases in our industrial, construction, and original equipment manufacturer businesses, as well as the benefits of cross selling and secular growth trends. Additionally, supply chain constraints have had a negative impact on sales in both 2022 and 2021; however, these pressures have begun to moderate.

CSS reported net sales of \$6.4 billion for 2022 compared to \$5.7 billion for 2021, an increase of 12.0%. Organic sales for 2022 grew 11.5% as the acquisition of Rahi Systems volume in the fourth quarter of 2022 CSS and UBS operating segments were offset by a decrease in sales volume in the number of workdays positively impacted reported

net sales by 2.0% and 0.4%, respectively, while fluctuations in foreign exchange rates negatively impacted reported net sales by 1.9%. The year-over-year increase in organic sales reflects strong growth in our security solutions and network infrastructure businesses, as well as the benefits of cross selling and some improvements in supply chain constraints.

UBS reported net sales of \$6.2 billion for 2022 compared to \$4.9 billion for 2021, an increase of 26.9%. Organic sales for 2022 grew 27.2% as the number of workdays positively impacted reported net sales by 0.4%, while fluctuations in foreign exchange rates and the Canadian divestitures described in our overall results above negatively impacted reported net sales by 0.6% and 0.1%, respectively. The year-over-year increase in organic sales reflects price inflation, broad-based growth driven by investments in electrification, green energy, utility grid modernization and hardening, and rural broadband development, as well as expansion in our integrated supply business, EES segment.

#### Cost of Goods Sold

Cost of goods sold for 2022 was \$16.8 billion compared to \$17.5 billion for 2023, an increase of \$0.7 billion or 4.1%. Cost of goods sold as a percentage of net sales was 78.4% and 78.2% for 2023 and 79.2% for 2022, and 79.2% for 2021, respectively. The favorable reduction in cost of goods sold reflects our focus on value-driven pricing, a shift in sales mix and pass-through of inflationary costs, along with the continued momentum of our gross margin improvement program and higher supplier volume rebates, partially offset by our continued focus on a strategy of pricing products and services to realize the value that we provide to our customers as a percentage of net sales. Cost of goods sold for 2021 included a write-down to the carrying value of certain personal protective equipment inventories, which increased cost of goods sold as a percentage of net sales by approximately 14 basis points.

product and service offerings, global footprint and capabilities ("value-driven pricing").

#### Selling, General and Administrative Expenses

Selling, general and administrative ("SG&A") expenses primarily include payroll and payroll-related costs, shipping and handling, travel and entertainment, facilities, utilities, information technology expenses, professional and consulting fees, credit losses, gains (losses) on the sale of property and equipment, as well as real estate and personal property taxes. SG&A expenses for 2022 totaled \$3.3 billion versus \$3.0 billion for 2021, an increase of \$252.6 million, or 9.0%. As a percentage of net sales, SG&A expenses were 14.5% and 14.2% for 2023 and 15.3% for 2022, and 15.3% for 2021, respectively. SG&A expenses for 2023 and 2022 include merger-related and integration costs of \$55.4 million and \$67.4 million, respectively. SG&A expenses for 2022 were 13.9% of net sales. SG&A expenses for 2023 also include \$16.7 million of net sales. SG&A expenses for 2021 include merger-related and integration costs, of \$158.5 million, as well as a net gain of \$8.9 million resulting from the Canadian divestitures. Adjusted for these amounts, SG&A expenses for 2023 were 14.5% of net sales for 2021, 13.9% of net sales for 2022.

SG&A payroll and payroll-related expenses for 2022 were \$1.9 billion, an increase of \$2.1 billion compared to 2021 primarily as a result of higher salaries and benefits due to wage inflation and increased headcount, as well as including the impact of the Rahi Systems acquisition, partially offset by the impact of headcount reductions taken at the end of the second quarter of 2023. This increase in payroll and payroll-related expenses also includes an increase in sales commissions driven by significant sales growth, partially offset by a reduction in incentive compensation expense of \$98.3 million.

SG&A expenses not related to payroll and payroll-related costs for 2022 were \$1.1 billion, an increase of \$123.9 million compared to 2021. The increase in 2022, which primarily reflects higher volume-related costs driven by significant sales growth and to operate our facilities of \$49.2 million, increased marketing costs of \$11.5 million, as well as higher employee expenses of \$6.6 million due to increased headcount. In addition, digital transformation initiatives contributed to higher expenses of \$22.4 million in 2022, including those related to 2023, which includes higher professional and consulting fees, as well as the absence of the net gain recognized in the first quarter of 2021 on the Canadian divestitures. These increases were partially offset by the realization of integration cost synergies and lower costs associated with integration activities.

#### Depreciation and Amortization

Depreciation and amortization decreased \$19.6 million, increased \$2.3 million to \$181.3 million for 2023, compared to \$179.0 million for 2022, compared to \$198.6 million for 2021. Depreciation and amortization for 2023 and 2022 includes \$1.6 million and \$2.0 million, respectively, of accelerated amortization expense resulting from changes in the estimated useful lives of certain legacy trademarks that are migrating to our master brand architecture, as described in our overall results above.

#### Income from Operations

The following tables set forth income from operations by segment for the periods presented:

(In thousands)	Year Ended December 31, 2022				
	EES	CSS	UBS	Corporate	Total
Income from operations	\$ 799,419	\$ 525,693	\$ 650,470	\$ (537,497)	\$ 1,438,085
Year Ended December 31, 2021					
(In thousands)	EES	CSS	UBS	Corporate	Total
	\$ 542,059	\$ 395,343	\$ 412,740	\$ (548,269)	\$ 801,873

Income from operations was \$1.4 billion for 2022, an increase of \$1,406.4 million compared to \$0.8 billion for 2021. The increase in income from operations for 2022 reflects sales growth and lower cost of goods sold as a percentage of net sales along with higher SG&A expenses, as described above, partially offset by sales growth and the realization of integration synergies and a reduction in incentive compensation expense, partially offset by higher salaries and commissions, volume-related costs, as well as expenses associated with our digital transformation initiatives.

EES reported income from operations of \$799.4 million for 2022 compared to \$542.1 million for 2021. The increase of \$257.3 million primarily reflects the factors impacting the overall business, as described above.

CSS reported income from operations of \$525.7 million for 2022 compared to \$395.3 million for 2021. The increase of \$130.4 million primarily reflects the factors impacting the overall business, as described above. Additionally, income from operations for 2021 was negatively impacted by approximately \$21.1 million from the inventory write-down described under *Cost of Goods Sold* above.

UBS reported income from operations of \$650.5 million for 2022 compared to \$412.7 million for 2021. The increase of \$237.8 million primarily reflects the factors impacting the overall business, as described above, offset by the benefit in the first quarter of 2021 from the net gain on the Canadian divestitures.

Corporate, which primarily incurs costs related to treasury, tax, information technology, legal and other centralized functions, recognized net expenses of \$537.5 million for 2022, compared to \$548.3 million for 2021. The decrease of \$10.8 million primarily reflects lower professional and consulting fees associated with integration activities, partially offset by an increase in information technology expenses related to our digital transformation initiatives as well as higher salaries due to wage inflation and increased headcount.

synergies.

#### **Interest Expense, net**

Net interest expense totaled \$389.3 million for 2023 compared to \$294.4 million for 2022 compared to \$268.1 million for 2021. The increase of \$26.3 million \$94.9 million, or **9.8% 32.2%**, reflects higher borrowings and an increase in variable interest rates.

#### **Other Expense, (Income), net**

Other non-operating expense totaled \$25.1 million for 2023 compared to \$7.0 million for 2022 compared to other non-operating income of \$48.1 million for 2021. As disclosed in Note 13, "Employee Benefit Plans" of our Notes to Consolidated Financial Statements, we recognized net benefits of \$14.8 million and \$53.2 million associated with the non-service cost components of net periodic pension (benefit) cost for 2022 and 2021, respectively. The non-service cost components of net periodic pension (benefit) cost for 2021 includes a \$36.6 million curtailment gain. Due to fluctuations in the U.S. dollar against certain foreign currencies, for example particularly the Canadian dollar, we recorded Argentine Peso and the Egyptian Pound, a net foreign currency exchange losses loss of \$22.9 million was recognized for 2023 compared to a net loss of \$19.9 million for 2022. We recognized net costs of \$0.2 million and net benefits of \$14.8 million associated with the non-service cost components of net periodic pension cost (benefit) for 2023 and 2022, respectively. The year-over-year change was primarily due to a decrease in expected return on plan assets and an increase in interest cost. Other non-operating expense for 2023 includes net pension settlement cost of \$2.8 million primarily related to the partial settlement of the Company's pension plan in 2022 and 2021, respectively, the U.S., partially offset by pension settlement gains related to other plans. Adjusted for this amount, other non-operating expense was \$22.3 million for 2023.

#### **Income Taxes**

The provision for income taxes was \$225.9 million for 2023 compared to \$274.5 million for 2022, compared to \$115.5 million for 2021, resulting in effective tax rates of **24.2% 22.8% and 19.9% 24.2%**, respectively. The effective tax rates for both the current year and the prior year were favorably impacted by the tax benefits related to intercompany financing the exercise and vesting of stock-based awards and reductions in the valuation allowance recorded against certain foreign deferred tax credit carryforwards. assets. The higher lower effective tax rate in the current year is due primarily due to lower higher tax benefits from intercompany financing arrangements resulting from changes in Canadian stock-based compensation deductions and foreign tax law and certain foreign derived intangible income, credit utilization as compared to the prior year.

#### **Net Income and Earnings per Share**

Net income for 2022 was \$862.1 million compared to \$466.4 million for 2021, an increase of \$395.7 million, or 84.8%.

Preferred stock dividends expense, which relates to the fixed-rate reset cumulative perpetual preferred stock, Series A, that was issued in connection with the merger with Anixter, was \$57.4 million for 2022 and 2021.

Net income and earnings per diluted share attributable to common stockholders were \$708.1 million and \$13.54, respectively, for 2023 compared to \$803.1 million and \$15.33, respectively, for 2022 compared 2022. Adjusted for merger-related and integration costs, restructuring costs, accelerated trademark amortization expense, net pension settlement cost, and the related income tax effects, net income and earnings per diluted share attributable to \$408.0 million common stockholders were \$763.6 million and \$7.84, \$14.60, respectively, for 2021. the year ended December 31, 2023. Adjusted for merger-related and integration costs, accelerated trademark amortization expense, and the related income tax effects, net income and earnings per diluted share attributable to common stockholders were \$860.1 million and \$16.42, respectively, for the year ended December 31, 2022.

#### **Adjusted EBITDA**

Adjusted EBITDA, a non-GAAP financial measure, was \$1,705.3 million for 2023 compared to \$1,725.6 million for 2022. Adjusted EBITDA decreased \$20.3 million, or 1.2% year-over-year. The decrease primarily reflects the \$211.8 million increase in SG&A expenses, as well as the increase in cost of goods sold of \$782.7 million, partially offset by the \$1.0 billion increase in net sales, as described above. Included in the increase in SG&A expenses was restructuring costs of \$16.7 million, partially offset by a decrease in merger-related and integration costs accelerated trademark amortization expense, of \$12.0 million.

#### **Segment Results**

The following is a discussion of the financial results of our operating segments comprising three strategic business units consisting of EES, CSS and UBS for the year ended December 31, 2023. As further described below and in Note 16, "Business Segments" of our Notes to the Consolidated Financial Statements, the performance of our operating segments is based on net gain on Canadian divestitures, gain on curtailment sales, adjusted EBITDA, and adjusted EBITDA margin percentage. Adjusted EBITDA and adjusted EBITDA margin percentage are non-GAAP financial measures.

#### **Electrical & Electronic Solutions**

	Year Ended December 31,		Growth/(Decline)				
	2023	2022	Reported	Acquisition	Foreign Exchange	Workday	Organic Sales

(In millions)								
Net sales	\$ 8,610.3	\$ 8,823.3		(2.4)%	— %	(0.6)%	(0.4)%	(1.4)%
Adjusted EBITDA	\$ 727.4	\$ 851.3						
Adjusted EBITDA margin %	8.4 %	9.6 %						

EES reported net sales of \$8.6 billion for 2023 compared to \$8.8 billion for 2022, a decrease of 2.4%. Adjusting for the unfavorable impact from fluctuations in foreign exchange rates of 0.6% and the related income tax effects, number of workdays of 0.4%, EES organic sales for 2023 declined 1.4%, reflecting volume declines of approximately 2%, primarily as a result of declines in construction and original equipment manufacturers, partially offset by continued positive momentum in industrial and the benefits of selling the broader company portfolio ("cross selling"). In addition, a transfer of certain customer accounts to the CSS segment negatively impacted organic net sales for EES by approximately 2%. These negative factors were partially offset by the impact of changes in price, which favorably impacted organic sales by approximately 3%.

EES reported adjusted EBITDA of \$727.4 million for 2023, or 8.4% of net sales, compared to \$851.3 million for 2022, or 9.6% of net sales. Adjusted EBITDA decreased \$123.9 million, or 14.6% year-over-year. The decrease primarily reflects the decline in net sales, as described above, and an increase in SG&A expenses as a percentage of net sales, partially offset by a decrease in cost of goods sold of \$131.8 million, which is inclusive of higher inventory write-downs and lower supplier volume rebates totaling approximately \$28.7 million and the negative impact of a shift in sales mix. SG&A expenses increased \$41.6 million as compared to the prior year, which was primarily attributed to higher payroll and payroll-related expenses of \$43.6 million as a result of higher salaries due to wage inflation and increased headcount. This increase in payroll and payroll-related expenses also includes a reduction to incentive compensation expense of \$31.4 million.

#### Communications & Security Solutions

	Year Ended December 31,		Growth/(Decline)				
			Reported	Acquisition	Foreign Exchange	Workday	Organic Sales
	2023	2022					
(In millions)							
Net sales	\$ 7,152.2	\$ 6,401.5	11.7 %	7.1 %	(0.4)%	(0.4)%	5.4 %
Adjusted EBITDA	\$ 683.8	\$ 599.0					
Adjusted EBITDA margin %	9.6 %	9.4 %					

CSS reported net sales of \$7.2 billion for 2023 compared to \$6.4 billion for 2022, an increase of 11.7%. Adjusting for the favorable impact from the acquisition of Rahi Systems of 7.1%, the unfavorable impacts from fluctuations in foreign exchange rates of 0.4% and the number of workdays of 0.4%, CSS organic sales for 2023 grew 5.4%, reflecting the impact of changes in price, which favorably impacted organic sales by approximately 1%. Volume growth, which includes growth in data center, security solutions and enterprise network infrastructure and the benefits of cross selling, favorably impacted organic sales by approximately 1%. The transfer of certain customer accounts from the EES segment also positively impacted organic net sales for CSS by approximately 3%.

CSS reported adjusted EBITDA of \$683.8 million for 2023, or 9.6% of net sales, compared to \$599.0 million for 2022, or 9.4% of net sales. Adjusted EBITDA increased \$84.8 million, or 14.2% year-over-year. The increase primarily reflects the increase in net sales, as described above, partially offset by a corresponding increase in cost of goods sold of \$580.2 million. SG&A expenses increased \$90.5 million as compared to the prior year, which was primarily attributed to higher payroll and payroll-related expenses of \$45.1 million as a result of higher salaries due to wage inflation and increased headcount, including the impact of the Rahi Systems acquisition. This increase in payroll and payroll-related expenses also includes an increase in sales commissions of \$26.1 million and a reduction to incentive compensation expense of \$29.9 million. Additionally, higher costs to operate our facilities of \$15.9 million, higher marketing costs of \$6.8 million due to increased sales volume, and higher employee expenses of \$5.9 million due to increased headcount contributed to the year-over-year increase in SG&A expenses.

#### Utility & Broadband Solutions

	Year Ended December 31,		Growth/(Decline)				
			Reported	Acquisition	Foreign Exchange	Workday	Organic Sales
	2023	2022					
(In millions)							
Net sales	\$ 6,622.7	\$ 6,195.3	6.9 %	— %	(0.2)%	(0.4)%	7.5 %
Adjusted EBITDA	\$ 739.3	\$ 677.3					
Adjusted EBITDA margin %	11.2 %	10.9 %					

UBS reported net sales of \$6.6 billion for 2023 compared to \$6.2 billion for 2022, an increase of 6.9%. Adjusting for the unfavorable impacts of fluctuations in foreign exchange rates of 0.2% and the number of workdays of 0.4%, UBS organic sales for 2023 grew 7.5%, reflecting the impact of changes in price, which favorably impacted organic sales by approximately 6%. Volume growth, which includes growth in utility and integrated supply, and the benefits of cross selling, partially offset by lower sales in broadband, particularly in Canada, favorably impacted organic sales by approximately 2%.

UBS reported adjusted EBITDA of \$739.3 million for 2023, or 11.2% of net sales, compared to \$677.3 million for 2022, or 10.9% of net sales. Adjusted EBITDA increased \$62.0 million, or 9.2% year-over-year. The increase primarily reflects the \$427.4 million increase in net sales, as described above, partially offset by a corresponding increase in cost of goods sold of \$334.4 million. SG&A expenses increased \$31.2 million as compared to the prior year, which was primarily attributed to higher payroll and payroll-related expenses of \$13.2 million as a result of higher salaries due to wage inflation and increased headcount. This increase in payroll and payroll-related expenses includes a reduction to incentive compensation expense of \$6.5 million and a decrease in sales commissions of \$1.1 million. Additionally, higher costs to operate our facilities of \$13.9 million and increased transportation costs of \$4.1 million as a result of sales growth, contributed to the year-over-year increase in SG&A expenses.

The following tables reconcile net income and earnings per diluted share attributable to common stockholders to adjusted EBITDA and \$9.98, respectively, adjusted EBITDA margin % by segment, which are non-GAAP financial measures, for the year ended December 31, 2021, periods presented:

(In millions)	Year Ended December 31, 2023					Corporate	Total
	EES	CSS	UBS	Corporate	Corporate		
Net income attributable to common stockholders	\$ 668.7	\$ 531.1	\$ 712.5	\$ (1,204.2)	\$ 708.1		
Net (loss) income attributable to noncontrolling interests	(0.5)	1.6	—	(0.5)	0.6		
Preferred stock dividends	—	—	—	57.4	57.4		
Provision for income taxes <sup>(1)</sup>	—	—	—	225.9	225.9		
Interest expense, net <sup>(1)</sup>	—	—	—	389.3	389.3		
Depreciation and amortization	43.3	71.7	25.0	41.3	181.3		
Other expense (income), net	10.1	74.2	(1.4)	(57.8)	25.1		
Stock-based compensation expense <sup>(2)</sup>	5.8	5.2	3.2	31.3	45.5		
Merger-related and integration costs <sup>(3)</sup>	—	—	—	55.4	55.4		
Restructuring costs <sup>(4)</sup>	—	—	—	16.7	16.7		
<b>Adjusted EBITDA</b>	<b>\$ 727.4</b>	<b>\$ 683.8</b>	<b>\$ 739.3</b>	<b>\$ (445.2)</b>	<b>\$ 1,705.3</b>		
<b>Adjusted EBITDA margin %</b>	<b>8.4 %</b>	<b>9.6 %</b>	<b>11.2 %</b>				

(1) The reportable segments do not incur income taxes and interest expense as these costs are centrally controlled through the Corporate tax and treasury functions.

(2) Stock-based compensation expense in the calculation of adjusted EBITDA for the year ended December 31, 2023 excludes \$2.6 million that is included in merger-related and integration costs.

(3) Merger-related and integration costs include integration and professional fees associated with the integration of Wesco and Anixter, including digital transformation costs, as well as advisory, legal, and separation costs associated with the merger between the two companies.

(4) Restructuring costs include severance costs incurred pursuant to an ongoing restructuring plan.

(In millions)	Year Ended December 31, 2022					Corporate	Total
	EES	CSS	UBS	Corporate	Corporate		
Net income attributable to common stockholders	\$ 801.3	\$ 527.0	\$ 648.5	\$ (1,173.7)	\$ 803.1		
Net income attributable to noncontrolling interests	0.2	—	—	1.5	1.7		
Preferred stock dividends	—	—	—	57.4	57.4		
Provision for income taxes <sup>(1)</sup>	—	—	—	274.5	274.5		
Interest expense, net <sup>(1)</sup>	—	—	—	294.4	294.4		
Depreciation and amortization	42.6	68.4	23.3	44.7	179.0		
Other (income) expense, net	(2.0)	(1.3)	2.0	8.3	7.0		
Stock-based compensation expense <sup>(2)</sup>	9.2	4.9	3.5	23.4	41.0		
Merger-related and integration costs <sup>(3)</sup>	—	—	—	67.4	67.4		
<b>Adjusted EBITDA</b>	<b>\$ 851.3</b>	<b>\$ 599.0</b>	<b>\$ 677.3</b>	<b>\$ (401.9)</b>	<b>\$ 1,725.6</b>		
<b>Adjusted EBITDA margin %</b>	<b>9.6 %</b>	<b>9.4 %</b>	<b>10.9 %</b>				

(1) The reportable segments do not incur income taxes and interest expense as these costs are centrally controlled through the Corporate tax and treasury functions.

(2) Stock-based compensation expense in the calculation of adjusted EBITDA for the year ended December 31, 2022 excludes \$5.4 million that is included in merger-related and integration costs.

(3) Merger-related and integration costs include integration and professional fees associated with the integration of Wesco and Anixter, including digital transformation costs, as well as advisory, legal, and separation costs associated with the merger between the two companies.

Note: Adjusted EBITDA and Adjusted EBITDA margin % are non-GAAP financial measures that provide indicators of our performance and ability to meet debt service requirements. Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization before other non-operating expenses (income), non-cash stock-based compensation expense, merger-related and integration costs, and restructuring costs. Adjusted EBITDA margin % is calculated by dividing Adjusted EBITDA by net sales.

The following tables reconcile selling, general and administrative expenses, income from operations, other non-operating expense, (income), provision for income taxes and earnings per diluted share to adjusted selling, general and administrative expenses, adjusted income from operations, adjusted other non-operating expense, (income), adjusted provision for income taxes and adjusted earnings per diluted share, which are non-GAAP financial measures, for the periods presented:

	Year Ended December 31,	
	2022	2021
	(In thousands)	
<b>Adjusted SG&amp;A Expenses:</b>		
Selling, general and administrative expenses	\$ 3,044,223	\$ 2,791,641
Merger-related and integration costs	(67,446)	(158,484)
Net gain on divestitures	—	8,927
Adjusted selling, general and administrative expenses	\$ 2,976,777	\$ 2,642,084
<b>Adjusted Income from Operations:</b>	Year Ended December 31,	
		2022 2021
		(In thousands)
Income from operations	\$ 1,438,085	\$ 801,873
Merger-related and integration costs	67,446	158,484
Accelerated trademark amortization	9,774	32,021
Net gain on divestitures	—	(8,927)
Adjusted income from operations	\$ 1,515,305	\$ 983,451
<b>Adjusted Other Expense (Income), net:</b>	Year Ended December 31,	
		2022 2021
		(In thousands)
Other expense (income), net	\$ 7,014	\$ (48,112)
Curtailment gain	—	36,580
Adjusted other expense (income), net	\$ 7,014	\$ (11,532)
<b>Year Ended December 31,</b>		
31,		
2023		
<b>Year Ended December 31,</b>		
2023 2022		
<b>Adjusted SG&amp;A Expenses:</b>	<b>Adjusted SG&amp;A Expenses:</b>	
	(In millions)	
Selling, general and administrative expenses		
Merger-related and integration costs <sup>(1)</sup>		
Restructuring costs <sup>(2)</sup>		
Adjusted selling, general and administrative expenses		
<b>Adjusted Income from Operations:</b>		
<b>Adjusted Income from Operations:</b>		
<b>Adjusted Income from Operations:</b>		
Income from operations		

Income from operations		
Income from operations		
Merger-related and integration costs <sup>(1)</sup>		
Restructuring costs <sup>(2)</sup>		
Accelerated trademark amortization <sup>(3)</sup>		
Adjusted income from operations		
<b>Adjusted Other Expense, net:</b>		
<b>Adjusted Other Expense, net:</b>		
<b>Adjusted Other Expense, net:</b>		
Other expense, net		
Other expense, net		
Other expense, net		
Pension settlement cost <sup>(4)</sup>		
Adjusted other expense, net		
	Year Ended December 31,	
	Adjusted	
<b>Adjusted Provision for Income Taxes:</b>	Provision for Income Taxes:	
	2022	2021
	(In thousands)	
<b>Adjusted Provision for Income Taxes:</b>		
<b>Adjusted Provision for Income Taxes:</b>		
Provision for income taxes	\$274,529	\$115,510
Income tax effect of adjustments to income from operations and other income, net <sup>(1)</sup>	20,165	33,672
Provision for income taxes		
Provision for income taxes		
Income tax effect of adjustments to income from operations <sup>(5)</sup>		

Adjusted provision for income taxes	Adjusted provision for income taxes	\$294,694	\$149,182
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(b) Merger-related and integration costs include integration and professional fees associated with the integration of Wesco and Anixter, including digital transformation costs, as well as advisory, legal, and separation costs associated with the merger between the two companies.

(c) Restructuring costs include severance costs incurred pursuant to an ongoing restructuring plan.

(d) Accelerated trademark amortization represents additional amortization expense resulting from changes in the estimated useful lives of certain legacy trademarks that are migrating to our master brand architecture.

(e) Pension settlement cost represents expense related to the partial settlement of the Company's pension plan in the U.S., partially offset by pension settlement gains related to other plans.

(f) The adjustments to income from operations for the years ended December 31, 2022 December 31, 2023 and 2021 2022 have been tax effected at rates of 26.1% 27.5% and 23.5% 26.1%, respectively. The adjustment to other-non operating income for the year ended December 31, 2021 has been tax effected at a rate of 24.6% as the majority of the curtailment gain relates to our Canadian defined benefit pension plans.

Year Ended December 31,				Year Ended December 31,	
Adjusted Earnings Per Diluted Share:	Adjusted Earnings Per Diluted Share:	2022	2021	Adjusted Earnings Per Diluted Share:	2023
(In thousands, except per share data)					
(In millions, except per share data)					
Adjusted income from operations					
Adjusted income from operations					
Adjusted income from operations	Adjusted income from operations	\$1,515,305	\$983,451		
Interest expense, net	Interest expense, net	294,420	268,073		
Adjusted other expense (income), net		7,014	(11,532)		
Adjusted other expense, net					
Adjusted income before income taxes	Adjusted income before income taxes	1,213,871	726,910		
Adjusted provision for income taxes	Adjusted provision for income taxes	294,694	149,182		
Adjusted net income	Adjusted net income	919,177	577,728		
Net income attributable to noncontrolling interests	Net income attributable to noncontrolling interests	1,651	1,020		

Adjusted net income attributable to WESCO International, Inc.	Adjusted net income attributable to WESCO International, Inc.	917,526	576,708
Preferred stock dividends	Preferred stock dividends	57,408	57,408
Adjusted net income attributable to common stockholders	Adjusted net income attributable to common stockholders	\$ 860,118	\$ 519,300
Diluted shares	Diluted shares	52,395	52,030
Diluted shares	Diluted shares		
Adjusted earnings per diluted share	Adjusted earnings per diluted share	\$ 16.42	\$ 9.98

Note: For the year ended December 31, 2023, SG&A expenses, income from operations, other non-operating expense, the provision for income taxes and earnings per diluted share have been adjusted to exclude merger-related and integration costs, restructuring costs, accelerated amortization expense associated with migrating to our master brand architecture, net pension settlement cost primarily related to the partial settlement of the Company's pension plan in the U.S., partially offset by pension settlement gains related to other plans, and the related income tax effects. For the year ended December 31, 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 trademark amortization expense associated with migrating to our master brand architecture, and the related income tax effects. For the year ended December 31, 2021, SG&A expenses, income from operations, other non-operating income, 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 our legacy utility and data communications businesses in Canada, accelerated trademark amortization expense associated with migrating to our master brand architecture, a curtailment gain, and the related income tax effects. These non-GAAP financial measures provide a better understanding of our financial results on a comparable basis.

#### EBITDA, Adjusted EBITDA and Adjusted EBITDA margin %

The following tables reconcile net income attributable to common stockholders to EBITDA, adjusted EBITDA and adjusted EBITDA margin % by segment, which are non-GAAP financial measures, for the periods presented:

(In thousands)	Year Ended December 31, 2022				
	EES	CSS	UBS	Corporate	Total
Net income attributable to common stockholders	\$ 801,283	\$ 526,985	\$ 648,478	\$ (1,173,683)	\$ 803,063
Net income attributable to noncontrolling interests	158	—	—	1,493	1,651
Preferred stock dividends	—	—	—	57,408	57,408
Provision for income taxes	—	—	—	274,529	274,529
Interest expense, net	—	—	—	294,420	294,420
Depreciation and amortization	42,621	68,448	23,251	44,694	179,014
<b>EBITDA</b>	<b>\$ 844,062</b>	<b>\$ 595,433</b>	<b>\$ 671,729</b>	<b>\$ (501,139)</b>	<b>\$ 1,610,085</b>
Other (income) expense, net	(2,022)	(1,292)	1,992	8,336	7,014
Stock-based compensation expense <sup>(1)</sup>	9,226	4,859	3,534	23,418	41,037
Merger-related and integration costs	—	—	—	67,446	67,446
<b>Adjusted EBITDA</b>	<b>\$ 851,266</b>	<b>\$ 599,000</b>	<b>\$ 677,255</b>	<b>\$ (401,939)</b>	<b>\$ 1,725,582</b>
<b>Adjusted EBITDA margin %</b>	<b>9.6 %</b>	<b>9.4 %</b>	<b>10.9 %</b>		<b>8.1 %</b>

<sup>(1)</sup> Stock-based compensation expense in the calculation of adjusted EBITDA for the year ended December 31, 2022 excludes \$5.4 million as such amount is included in merger-related and integration costs.

(In thousands)	Year Ended December 31, 2021				
	EES	CSS	UBS	Corporate	Total
Net income attributable to common stockholders	\$ 543,633	\$ 394,031	\$ 412,698	\$ (942,388)	\$ 407,974
Net income attributable to noncontrolling interests	298	—	—	722	1,020

Preferred stock dividends	—	—	—	57,408	57,408
Provision for income taxes	—	—	—	115,510	115,510
Interest expense, net	—	—	—	268,073	268,073
Depreciation and amortization	55,998	82,870	22,447	37,239	198,554
<b>EBITDA</b>	<b>\$ 599,929</b>	<b>\$ 476,901</b>	<b>\$ 435,145</b>	<b>\$ (463,436)</b>	<b>\$ 1,048,539</b>
Other (income) expense, net <sup>(1)</sup>	(1,872)	1,312	42	(47,594)	(48,112)
Stock-based compensation expense <sup>(2)</sup>	6,404	2,607	2,107	14,581	25,699
Merger-related and integration costs	—	—	—	158,484	158,484
Net gain on divestitures	—	—	(8,927)	—	(8,927)
<b>Adjusted EBITDA</b>	<b>\$ 604,461</b>	<b>\$ 480,820</b>	<b>\$ 428,367</b>	<b>\$ (337,965)</b>	<b>\$ 1,175,683</b>
<b>Adjusted EBITDA margin %</b>	<b>7.9 %</b>	<b>8.4 %</b>	<b>8.8 %</b>		<b>6.5 %</b>

<sup>(1)</sup> Corporate other non-operating income in the calculation of adjusted EBITDA for the year ended December 31, 2021 includes a \$36.6 million curtailment gain.

<sup>(2)</sup> Stock-based compensation expense in the calculation of adjusted EBITDA for the year ended December 31, 2021 excludes \$5.1 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 our performance and 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 expense (income), non-cash stock-based compensation expense, merger-related and integration costs, and net gain on the divestiture of our legacy utility and data communications businesses in Canada. Adjusted EBITDA margin % is calculated by dividing Adjusted EBITDA by net sales.

#### 2021 Compared to 2020

The comparability of our financial performance for 2021 relative to 2020 is impacted by the fact that 2020 includes the results of operations of Anixter for only the second half of the year.

#### Net Sales

The following table sets forth net sales by segment for the periods presented:

(In thousands)	Year Ended December 31,	
	2021	2020
EES	\$ 7,621,263	\$ 5,479,760
CSS	5,715,238	3,323,264
UBS	4,881,011	3,522,971
<b>Total net sales</b>	<b>\$ 18,217,512</b>	<b>\$ 12,325,995</b>

Net sales were \$18.2 billion for 2021 compared with \$12.3 billion for 2020, an increase of 47.8%. The increase primarily reflects the merger with Anixter, along with double-digit growth across all segments, as described below. For the year ended December 31, 2021, pricing related to inflation favorably impacted our net sales by approximately 3%.

EES reported net sales of \$7.6 billion for 2021, compared to \$5.5 billion for 2020, an increase of 39.1%. In addition to the impact from the merger with Anixter, the increase reflects improved economic conditions and strong demand.

CSS reported net sales of \$5.7 billion for 2021, compared to \$3.3 billion for 2020, an increase of 72.0%. The increase reflects the impact of the merger with Anixter and broad-based growth in our security solutions and network infrastructure businesses.

UBS reported net sales of \$4.9 billion for 2021, compared to \$3.5 billion for 2020, an increase of 38.5%. Along with the impact of the merger with Anixter, the increase reflects broad-based growth in our utility business and continued strong demand in our broadband business.

#### Cost of Goods Sold

Cost of goods sold for 2021 was \$14.4 billion compared to \$10.0 billion for 2020, an increase of \$4.4 billion, reflecting the merger with Anixter. Cost of goods sold as a percentage of net sales was 79.2% and 81.1% for 2021 and 2020, respectively. The decrease of 190 basis points reflects strong execution on supplier price increases and cost initiatives to offset inflation, along with higher supplier volume rebate income, partially offset by higher expense related to excess and obsolete inventories, including write-downs totaling \$26.2 million to the carrying value of certain personal protective equipment products. These write-downs of inventory impacted cost of goods sold as a percentage of net sales for 2021 by 14 basis points. Cost of goods sold as a percentage of net sales for 2020 was 80.6% excluding the effect of merger-related fair value adjustments of \$43.7 million and an out-of-period adjustment related to inventory cost absorption accounting of \$18.9 million.

#### Selling, General and Administrative Expenses

SG&A expenses primarily include payroll and payroll-related costs, shipping and handling, travel and entertainment, facilities, utilities, information technology expenses, professional and consulting fees, credit losses, gains (losses) on the sale of property and equipment, as well as real estate and personal property taxes. SG&A expenses for 2021 totaled \$2.8 billion versus \$1.9 billion for 2020. As a percentage of net sales, SG&A expenses were 15.3% and 15.1%, respectively. The increase in SG&A expenses of \$932.6 million, or 50.2%, primarily reflects the impact of the merger with Anixter. SG&A expenses for 2021 were favorably impacted by the realization of integration synergies and structural cost takeout actions. SG&A expenses for 2021 include merger-related and integration costs of \$158.5 million, as well as a net gain of \$8.9 million resulting from the divestiture of our

legacy utility and data communications businesses in Canada in the first quarter of 2021 in connection with the merger with Anixter. Adjusted for these amounts, SG&A expenses were 14.5% of net sales for 2021. SG&A expenses for 2020 include \$132.2 million of merger-related and integration costs, as well as a gain on the sale of an operating branch in the U.S. of \$19.8 million. Adjusted for these amounts, SG&A expenses were 14.2% of net sales for 2020, reflecting lower sales and the merger with Anixter, partially offset by cost reduction actions taken in response to the COVID-19 pandemic that lowered SG&A expenses as a percentage of net sales by approximately 40 basis points.

SG&A payroll and payroll-related expenses for 2021 of \$1.8 billion increased by \$589.5 million compared to 2020 primarily due to the merger with Anixter. Excluding the impact of the merger with Anixter, SG&A payroll and payroll-related expenses in 2021 were negatively impacted by higher salaries, variable compensation expense and benefit costs, including the impact of reinstating salaries and certain benefits for legacy Wesco employees that had been reduced or suspended in 2020 in response to the COVID-19 pandemic.

SG&A expenses not related to payroll and payroll-related costs for 2021 were \$991.1 million, an increase of \$343.1 million compared to 2020 primarily due to the merger with Anixter. Excluding the impact of the merger with Anixter, these SG&A expenses for 2021 were negatively impacted by higher professional and consulting fees, and information technology expenses resulting from integration activities and digital transformation initiatives. Shipping and handling costs also increased in 2021 due to sales volume growth. The gain on the sale of an operating branch in the U.S., as described above, positively impacted SG&A expenses in 2020.

#### Depreciation and Amortization

Depreciation and amortization increased \$77.0 million to \$198.6 million for 2021, compared to \$121.6 million for 2020. Depreciation and amortization for 2021 includes \$63.3 million attributable to the amortization of identifiable intangible assets acquired in the merger with Anixter, as well as \$32.0 million resulting from changes in the estimated useful lives of certain legacy trademarks that are migrating to our master brand architecture, as described above.

#### Income from Operations

The following tables set forth income from operations by segment for the periods presented:

(In thousands)	Year Ended December 31, 2021				
	EES	CSS	UBS	Corporate	Total
Income from operations	\$ 542,059	\$ 395,343	\$ 412,740	\$ (548,269)	\$ 801,873
Year Ended December 31, 2020					
(In thousands)	EES	CSS	UBS	Corporate	Total
	\$ 260,207	\$ 217,163	\$ 231,702	\$ (362,034)	\$ 347,038

Income from operations was \$801.9 million for 2021, compared to \$347.0 million for 2020. The increase of \$454.9 million, or 131.1%, primarily reflects the merger with Anixter. For 2021, income from operations improved compared to 2020 across all segments and reflects sales growth and lower cost of goods sold as a percentage of net sales, as well as the realization of integration cost synergies and structural cost takeout actions. Income from operations for 2021 was negatively impacted by higher volume-related costs, and SG&A payroll and payroll-related expenses, as described above. Income from operations for 2021 was not materially effected by higher pricing related to inflation given the offsetting effect of higher costs for certain products.

EES reported income from operations of \$542.1 million for 2021, compared to \$260.2 million for 2020. The increase of \$281.9 million primarily reflects the factors impacting the overall business, as described above. Additionally, income from operations for 2021 was negatively impacted by \$4.4 million from the inventory write-down described under *Cost of Goods Sold* above, as well as accelerated trademark amortization expense of \$13.3 million associated with migrating to our master brand architecture.

CSS reported income from operations of \$395.3 million for 2021, compared to \$217.2 million for 2020. The increase of \$178.1 million primarily reflects the factors impacting the overall business, as described above. Additionally, income from operations for 2021 was negatively impacted by \$21.1 million from the inventory write-down described under *Cost of Goods Sold* above, as well as accelerated trademark amortization expense of \$17.4 million associated with migrating to our master brand architecture.

UBS reported income from operations of \$412.7 million for 2021, compared to \$231.7 million for 2020. The increase of \$181.0 million primarily reflects the factors impacting the overall business, as described above, combined with the benefit from the net gain on the Canadian divestitures.

Corporate, which primarily incurs costs related to treasury, tax, information technology, legal and other centralized functions, recognized net expenses of \$548.3 million for 2021, compared to \$362.0 million for 2020. The increase of \$186.3 million primarily reflects the merger with Anixter, as well as merger-related and integration costs, higher SG&A payroll and payroll-related expenses, professional and consulting fees, and information technology expenses, as described above.

#### Interest Expense, net

Net interest expense totaled \$268.1 million for 2021, compared to \$226.6 million for 2020. The increase of \$41.5 million, or 18.3%, was driven by financing activity related to the merger with Anixter.

#### Other Expense (Income), net

Other non-operating income totaled \$48.1 million for 2021, compared to \$2.4 million for 2020, an increase of \$45.7 million. As disclosed in Note 13, "Employee Benefit Plans" of our Notes to Consolidated Financial Statements, we recognized net benefits of \$53.2 million and \$8.2 million associated with the non-service cost components of net periodic pension (benefit) cost for 2021 and 2020, respectively. The non-service cost components of net periodic pension (benefit) cost for 2021 includes a \$36.6 million curtailment gain. Due to fluctuations in the U.S. dollar against certain foreign currencies, we recognized net foreign currency exchange losses of \$2.8 million and \$4.9 million in 2021 and 2020, respectively.

## Income Taxes

The provision for income taxes was \$115.5 million for 2021, compared to \$22.8 million for 2020, resulting in effective tax rates of 19.9% and 18.6%, respectively. The effective tax rate for 2021 was favorably impacted by a change in the mix of domestic and foreign earnings, tax benefits related to certain foreign derived intangible income, and a reduction in the valuation allowance recorded against certain foreign tax credit carryforwards. The effective tax rate for 2020 was impacted by one-time items associated with the Anixter merger.

## Net Income and Earnings per Share

Net income for 2021 was \$466.4 million, compared to \$100.0 million for 2020.

Preferred stock dividends expense, which relates to the fixed-rate reset cumulative perpetual preferred stock, Series A, that was issued in connection with the merger with Anixter, was \$57.4 million for 2021 compared to \$30.1 million for 2020.

Net income and earnings per diluted share attributable to common stockholders were \$408.0 million and \$7.84, respectively, for 2021, compared with \$70.4 million and \$1.51, respectively, for 2020. Adjusted for merger-related and integration costs, accelerated trademark amortization expense, net gain on Canadian divestitures, gain on curtailment of defined benefit pension plans, and the related income tax effects, net income and earnings per diluted share attributable to common stockholders were \$519.3 million and \$9.98, respectively, for the year ended December 31, 2021. Adjusted for merger-related and integration costs, merger-related fair value adjustments, an out-of-period adjustment related to inventory cost absorption accounting, gain on sale of a U.S. operating branch, and the related income tax effects, net income and earnings per diluted share attributable to common stockholders were \$203.6 million and \$4.37, respectively, for the year ended December 31, 2020.

The following tables reconcile selling, general and administrative expenses, income from operations, other non-operating income, provision for income taxes and earnings per diluted share to adjusted selling, general and administrative expenses, adjusted income from operations, adjusted other non-operating income, adjusted provision for income taxes and adjusted earnings per diluted share, which are non-GAAP financial measures, for the periods presented:

Adjusted SG&A Expenses:	Year Ended December 31,	
	2021	2020
(In thousands)		
Selling, general and administrative expenses	\$ 2,791,641	\$ 1,859,028
Merger-related and integration costs	(158,484)	(132,236)
Net gain on sale of assets and divestitures	8,927	19,816
Adjusted selling, general and administrative expenses	\$ 2,642,084	\$ 1,746,608

Adjusted Income from Operations:	Year Ended December 31,	
	2021	2020
(In thousands)		
Income from operations	\$ 801,873	\$ 347,038
Merger-related and integration costs	158,484	132,236
Accelerated trademark amortization	32,021	—
Merger-related fair value adjustments	—	43,693
Out-of-period adjustment	—	18,852
Net gain on sale of assets and divestitures	(8,927)	(19,816)
Adjusted income from operations	\$ 983,451	\$ 522,003

Adjusted Other Income, net:	Year Ended December 31,	
	2021	2020
(In thousands)		
Other income, net	\$ (48,112)	\$ (2,395)
Curtailment gain	36,580	—
Adjusted other income, net	\$ (11,532)	\$ (2,395)

Adjusted Provision for Income Taxes:	Year Ended December 31,	
	2021	2020
(In thousands)		
Provision for income taxes	\$ 115,510	\$ 22,803
Income tax effect of adjustments to income from operations and other income, net <sup>(1)</sup>	33,672	41,817
Adjusted provision for income taxes	\$ 149,182	\$ 64,620

(1) The adjustments to income from operations have been tax effected at rates of 23.5% and 23.9% for the years ended December 31, 2021 and 2020, respectively. The adjustment to other non-operating income for the year ended December 31, 2021 has been tax effected at a rate of 24.6% as the majority of the curtailment gain relates to our Canadian defined benefit pension plans.

	Year Ended December 31,	
	2021	2020
<b>Adjusted Earnings Per Diluted Share:</b>		
(In thousands, except per share data)		
Adjusted income from operations	\$ 983,451	\$ 522,003
Interest expense, net	268,073	226,591
Adjusted other income, net	(11,532)	(2,395)
Adjusted income before income taxes	726,910	297,807
Adjusted provision for income taxes	149,182	64,620
Adjusted net income	577,728	233,187
Net income (loss) attributable to noncontrolling interests	1,020	(521)
Adjusted net income attributable to WESCO International, Inc.	576,708	233,708
Preferred stock dividends	57,408	30,139
Adjusted net income attributable to common stockholders	\$ 519,300	\$ 203,569
Diluted shares	52,030	46,625
Adjusted earnings per diluted share	\$ 9.98	\$ 4.37

Note: For the year ended December 31, 2021, SG&A expenses, income from operations, other non-operating income, 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 our legacy utility and data communications businesses in Canada, accelerated trademark amortization expense associated with migrating to our master brand architecture, a curtailment gain, and the related income tax effects. For the year ended December 31, 2020, 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, merger-related fair value adjustments, an out-of-period adjustment related to inventory cost absorption accounting, a gain on sale of an operating branch in the U.S., and the related income tax effects. These non-GAAP financial measures provide a better understanding of our financial results on a comparable basis.

#### EBITDA, Adjusted EBITDA and Adjusted EBITDA margin %

The following tables reconcile net income attributable to common stockholders to EBITDA, adjusted EBITDA and adjusted EBITDA margin % by segment, which are non-GAAP financial measures, for the periods presented:

(In thousands)	Year Ended December 31, 2021				
	EES	CSS	UBS	Corporate	Total
Net income attributable to common stockholders	\$ 543,633	\$ 394,031	\$ 412,698	\$ (942,388)	\$ 407,974
Net income attributable to noncontrolling interests	298	—	—	722	1,020
Preferred stock dividends	—	—	—	57,408	57,408
Provision for income taxes	—	—	—	115,510	115,510
Interest expense, net	—	—	—	268,073	268,073
Depreciation and amortization	55,998	82,870	22,447	37,239	198,554
<b>EBITDA</b>	<b>\$ 599,929</b>	<b>\$ 476,901</b>	<b>\$ 435,145</b>	<b>\$ (463,436)</b>	<b>\$ 1,048,539</b>
Other (income) expense, net <sup>(1)</sup>	(1,872)	1,312	42	(47,594)	(48,112)
Stock-based compensation expense <sup>(2)</sup>	6,404	2,607	2,107	14,581	25,699
Merger-related and integration costs	—	—	—	158,484	158,484
Net gain on divestitures	—	—	(8,927)	—	(8,927)
<b>Adjusted EBITDA</b>	<b>\$ 604,461</b>	<b>\$ 480,820</b>	<b>\$ 428,367</b>	<b>\$ (337,965)</b>	<b>\$ 1,175,683</b>
<b>Adjusted EBITDA margin %</b>	<b>7.9 %</b>	<b>8.4 %</b>	<b>8.8 %</b>		<b>6.5 %</b>

<sup>(1)</sup> Corporate other non-operating income in the calculation of adjusted EBITDA for the year ended December 31, 2021 includes a \$36.6 million curtailment gain.

<sup>(2)</sup> Stock-based compensation expense in the calculation of adjusted EBITDA for the year ended December 31, 2021 excludes \$5.1 million as such amount is included in merger-related and integration costs.

(In thousands)	Year Ended December 31, 2020				
	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
<b>EBITDA</b>	<b>\$ 297,798</b>	<b>\$ 254,976</b>	<b>\$ 254,058</b>	<b>\$ (335,799)</b>	<b>\$ 471,033</b>
Other (income) expense, net	(1,780)	(48)	24	(591)	(2,395)
Stock-based compensation expense <sup>(1)</sup>	4,080	1,403	1,336	9,895	16,714
Merger-related and integration costs	—	—	—	132,236	132,236
Merger-related fair value adjustments	15,411	22,000	6,282	—	43,693
Out-of-period adjustment	12,634	2,325	3,893	—	18,852
Gain on sale of asset	(19,816)	—	—	—	(19,816)
<b>Adjusted EBITDA</b>	<b>\$ 308,327</b>	<b>\$ 280,656</b>	<b>\$ 265,593</b>	<b>\$ (194,259)</b>	<b>\$ 660,317</b>
<b>Adjusted EBITDA margin %</b>	<b>5.6 %</b>	<b>8.4 %</b>	<b>7.5 %</b>		<b>5.4 %</b>

<sup>(1)</sup> Stock-based compensation expense in the calculation of adjusted EBITDA for the year ended December 31, 2020 excludes \$2.6 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 our performance and 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 expense (income), non-cash stock-based compensation expense, merger-related and integration costs, merger-related fair value adjustments, an out-of-period adjustment related to inventory cost absorption accounting, and net gains on the divestiture of our legacy utility and data communications businesses in Canada and sale of an operating branch in the U.S. Adjusted EBITDA margin % is calculated by dividing Adjusted EBITDA by net sales.

## Liquidity and Capital Resources

Our liquidity needs generally arise from fluctuations in our working capital requirements, information technology investments, capital expenditures, acquisitions, the payment of dividends, and debt service obligations. As of December 31, 2022 December 31, 2023, we had \$664.9 million \$736.0 million in available borrowing capacity under our Revolving Credit Facility, after giving effect to outstanding letters of credit and certain borrowings under our international lines of credit, and \$50.0 million \$75.0 million in available borrowing capacity under our Receivables Facility, which combined with available cash of \$294.5 million \$250.1 million, provided liquidity of \$1.0 billion \$1.1 billion. Cash included in our determination of liquidity represents cash in certain deposit and interest-bearing investment accounts. We monitor the depository institutions that hold our cash and cash equivalents on a regular basis, and we believe that we have placed our deposits with creditworthy financial institutions.

We regularly review our mix of fixed versus variable rate debt, and we may, from time to time, issue or retire borrowings and/or refinance existing debt in an effort to mitigate the impact of interest rate and foreign exchange rate fluctuations, and to maintain a cost-effective capital structure consistent with our anticipated capital requirements. Economic conditions have contributed to increases in interest rates during 2023 and 2022. Further increases will raise the rates we pay on our variable rate debt and will contribute to higher interest expense versus prior periods.

At December 31, 2022 December 31, 2023, approximately 53% of our debt portfolio was comprised consisted of fixed rate debt. We believe our capital structure has an appropriate mix of fixed versus variable rate debt and secured versus unsecured instruments.

Over the next several quarters, it is expected we expect that our excess liquidity will be directed primarily at debt reduction, integration activities and potential acquisitions, or digital transformation initiatives, returning capital to shareholders through the payment of dividends and our existing share repurchase authorization. authorization, or potential acquisitions and related integration activities. We expect to maintain sufficient liquidity through our credit facilities and cash balances. We believe cash provided by operations and financing activities will be adequate to cover our operational and business needs for at least the next twelve months.

We communicate on a regular basis with our lenders regarding our financial and working capital performance, and liquidity position. We were in compliance with all financial covenants and restrictions contained in our debt agreements as of December 31, 2022 December 31, 2023.

We also measure our ability to meet our debt obligations based on our financial leverage ratio, which was 2.9 2.8x as of December 31, 2022 December 31, 2023 and 3.9 2.9x as of December 31, 2021 December 31, 2022.

The following table sets forth our financial leverage ratio, which is a non-GAAP financial measure, for the periods presented:

Twelve months ended		Twelve months ended	
December 31, 2022	December 31, 2021	December 31, 2023	December 31, 2022
Twelve months ended		Twelve months ended	
December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022

(In millions of dollars, except ratios)	(In millions of dollars, except ratios)		
Net income attributable to common stockholders	Net income attributable to common stockholders		
Net income attributable to common stockholders	Net income attributable to common stockholders	\$ 803.1	\$ 408.0
Net income attributable to noncontrolling interests	Net income attributable to noncontrolling interests	1.7	1.0
Preferred stock dividends	Preferred stock dividends	57.4	57.4
Provision for income taxes	Provision for income taxes	274.5	115.5
Interest expense, net	Interest expense, net	294.4	268.1
Depreciation and amortization	Depreciation and amortization	179.0	198.5
<b>EBITDA</b>	<b>EBITDA</b>	<b>\$1,610.1</b>	<b>\$1,048.5</b>
Other expense (income), net <sup>(1)</sup>		7.0	(48.1)
Other expense, net			
Stock-based compensation expense	Stock-based compensation expense	41.0	25.7
Merger-related and integration costs		67.4	158.5
Net gain on divestitures		—	(8.9)
Merger-related and integration costs <sup>(1)</sup>			
Restructuring costs <sup>(2)</sup>			
<b>Adjusted EBITDA</b>	<b>Adjusted EBITDA</b>	<b>\$1,725.5</b>	<b>\$1,175.7</b>
		<b>As of</b>	
		<b>December 31, 2022</b>	<b>December 31, 2021</b>
		<b>As of</b>	
		<b>December 31, 2023</b>	
			<b>December 31, 2022</b>
Short-term debt and current portion of long-term debt, net	Short-term debt and current portion of long-term debt, net	\$ 70.5	\$ 9.5
Long-term debt, net	Long-term debt, net	5,346.0	4,701.5

Debt discount and debt issuance costs <sup>(2)</sup>	57.9	70.6
Fair value adjustments to Anixter Senior Notes due 2023 and 2025 <sup>(2)</sup>	(0.3)	(0.9)
Debt discount and debt issuance costs <sup>(3)</sup>		
Fair value adjustments to Anixter Senior Notes due 2023 and 2025 <sup>(3)</sup>		
Total debt	Total debt	5,474.1 4,780.7
Less: Cash and cash equivalents	Less: Cash and cash equivalents	527.3 212.6
Total debt, net of cash	Total debt, net of cash	\$4,946.8 \$4,568.1
Financial leverage ratio	Financial leverage ratio	2.9 3.9
Financial leverage ratio		2.8 2.9

<sup>(1)</sup> Other non-operating income for Merger-related and integration costs include integration and professional fees associated with the year ended December 31, 2021 includes a \$36.6 million curtailment gain, integration of Wesco and Anixter, including digital transformation costs, as well as advisory, legal, and separation costs associated with the merger between the two companies.

<sup>(2)</sup> Restructuring costs include severance costs incurred pursuant to an ongoing restructuring plan.

<sup>(3)</sup> Debt is presented in the [consolidated balance sheets](#) [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 ratio 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 expense (income), non-cash stock-based compensation expense, merger-related and integration costs, and net gain on the divestiture of our legacy utility and data communications businesses in Canada, restructuring costs.

The undistributed earnings of our foreign subsidiaries amounted to approximately \$1,865.4 million \$2,194.1 million at December 31, 2022 December 31, 2023. Most of these earnings have been taxed in the U.S. under either the one-time tax on the deemed repatriation of undistributed foreign earnings (the "transition tax"), or the GILTI global intangible low-taxed income ("GILTI") tax regime imposed by the Tax Cuts and Jobs Act of 2017. Future distributions of previously taxed earnings by our foreign subsidiaries should, therefore, result in minimal U.S. taxation. We have elected to pay the transition tax in installments over an eight year period, which ends in 2026. As of December 31, 2022 December 31, 2023, our remaining liability for the transition tax was \$58.8 million \$53.8 million. We continue to assert that the remaining undistributed earnings of our foreign subsidiaries are indefinitely reinvested. The distribution of earnings by our foreign subsidiaries in the form of dividends, or otherwise, may be subject to additional taxation. We estimate that additional taxes of approximately \$91.4 million \$119.3 million would be payable upon the remittance of all previously undistributed foreign earnings as of December 31, 2022 December 31, 2023, based upon the laws in effect on that date. We believe that we are able to maintain sufficient liquidity for our domestic operations and commitments without repatriating cash from our foreign subsidiaries.

We finance our operating and investing needs primarily with borrowings under our Revolving Credit Facility and Receivables Facility, as well as uncommitted lines of credit entered into by certain of our foreign subsidiaries to support local operations, some of which are overdraft facilities. The Revolving Credit Facility has a borrowing limit of \$1,725 million and the purchase limit under the Receivables Facility is \$1,625 million. As of December 31, 2022 December 31, 2023, we had \$1,023.6 million \$953.0 million and \$1,535.0 \$1,550.0 million outstanding under the Revolving Credit Facility and Receivables Facility, respectively. The maximum borrowing limits of our international lines of credit vary by facility and range between \$0.6 million and \$31.0 million \$10.0 million. Our international lines of credit generally are renewable on an annual basis and certain facilities are fully and unconditionally guaranteed by Wesco Distribution. Accordingly, certain borrowings under these lines directly reduce availability under our Revolving Credit Facility. As of December 31, 2022 December 31, 2023, there was \$10.1 million \$8.2 million of borrowing capacity available under the international lines of credit that did not directly reduce availability under the Revolving Credit facility, Facility. As of December 31, 2022 December 31, 2023, we had \$7.1 million \$1.0 million outstanding under our international lines of credit.

During 2022, On March 1, 2023, we amended repaid the \$58.6 million aggregate principal amount of our Receivables Facility several times to increase its borrowing capacity from \$1,300 million to \$1,625 million, extend its maturity date from June 21, 2024 to March 1, 2025, and decrease the interest rate spread from 1.15% to 1.05%.

We also amended our Revolving Credit Facility several times in 2022 to increase its borrowing capacity from \$1,200 million to \$1,725 million, extend its maturity date from June 22, 2025 to March 1, 2027, and to increase the sub-facility for loans denominated in Canadian dollars from \$500 million to \$625 million.

The amendments to the Receivables Facility and the Revolving Credit Facility in 2022 also replaced the respective LIBOR-based interest rate options with SOFR-based interest rate options, including term SOFR and daily simple SOFR.

The 5.50% Anixter 5.50% Senior Notes due 2023 will mature on March 1, 2023 and we expect to use 2023. The repayment was funded with borrowings under our Revolving Credit Facility and had no impact on our results of operations.

Our \$1,500 million of 7.125% Senior Notes will mature on June 15, 2025 ("2025 Notes"). On and after June 15, 2024, all or part of the 2025 Notes may be redeemed at a redemption price equal to redeem 100% of the \$58.6 million aggregate principal amount of this instrument. We expect to complete a transaction or transactions to refinance the 2025 Notes during 2024.

For additional information regarding the amendments to the Receivables Facility and Revolving Credit Facility as well as disclosure of our debt instruments, including our outstanding indebtedness as of December 31, 2022 December 31, 2023, see Note 9, "Debt" of our Notes to Consolidated Financial Statements.

An analysis of cash flows for 2023 and 2022 and 2021 follows:

#### Operating Activities

Net cash provided by operating activities for 2023 totaled \$493.2 million, compared to \$11.0 million of cash generated in 2022. Net cash provided by operating activities for 2023 included net income of \$766.1 million and non-cash adjustments to net income totaling \$235.8 million, which primarily consisted of depreciation and amortization of \$181.3 million, stock-based compensation expense of \$48.1 million, and amortization of debt discount and debt issuance costs of \$14.8 million, partially offset by deferred income taxes of \$7.9 million.

Other sources of cash in 2023 included a decrease in trade accounts receivable of \$52.2 million due to the timing of receipts from customers and a decrease in net sales in the fourth quarter of 2023 compared to the fourth quarter of the prior year and a decrease in other accounts receivable of \$3.6 million due primarily to the collection of supplier volume rebates earned in 2022 in excess of income accrued during the current period, partially offset by an increase in value-added tax receivables. Primary uses of cash in 2023 included a decrease in accounts payable of \$319.7 million primarily due to a reduction in inventory purchases in the fourth quarter, a decrease in accrued payroll and benefit costs of \$92.3 million resulting primarily from the payment of management incentive compensation earned in 2022, partially offset by the accrual of management incentive compensation earned in the current year. Net operating cash flow was also negatively impacted by \$68.4 million from an increase in inventories. Inventories grew at a slower rate than sales, as supply chain lead times have normalized. Uses of cash in 2023 also included an increase in other current and noncurrent assets of \$60.6 million primarily due to an increase in capitalized costs associated with developing cloud computing arrangements to support our digital transformation initiatives, as well as a decrease in other current and noncurrent liabilities of \$23.5 million.

Net cash provided by operating activities for 2022 totaled \$11.0 million, compared to \$67.1 million of cash generated in 2021. Net cash provided by operating activities for 2022 included net income of \$862.1 million and non-cash adjustments to net income totaling \$243.1 million, which were primarily comprised of depreciation and amortization of \$179.0 million, stock-based compensation expense of \$46.4 million, and amortization of debt discount and debt issuance costs of \$15.2 million, and partially offset by deferred income taxes of \$1.2 million.

Other sources of cash in 2022 included an increase in accounts payable of \$552.9 million due to higher purchases of inventory and an increase in other current and noncurrent liabilities of \$131.6 million, primarily due to increases in deferred revenue and accrued taxes. Primary uses of cash in 2022 included an increase in inventories of \$817.0 million \$817.0 million due to supply chain challenges and to support growth in our sales backlog, including project-based business, an increase in trade accounts receivable of \$690.6 million resulting from significant sales growth, an increase in other current and noncurrent assets of \$153.2 million, primarily due to an increase in capitalized costs associated with developing cloud computing arrangements to support our digital transformation initiatives, an increase in other accounts receivable/receivables of \$54.8 million associated with higher supplier volume rebate income accruals, and a decrease in accrued payroll and benefit costs of \$63.1 million due to lower incentive compensation accruals.

Net cash provided by operating activities for 2021 totaled \$67.1 million, compared to \$543.9 million of cash generated in 2020. Net cash provided by operating activities for 2021 included net income of \$466.4 million and non-cash adjustments to net income totaling \$132.2 million, which were primarily comprised of depreciation and amortization of \$198.6 million, deferred income taxes of \$78.3 million, a gain on curtailment of defined benefit pension plans of \$36.6 million, as described in Note 13, "Employee Benefit Plans" of our Notes to Consolidated Financial Statements, stock-based compensation expense of \$30.8 million, amortization of debt discount and debt issuance costs of \$19.2 million, and a net gain of \$8.9 million resulting from the divestiture of our legacy utility and data communications businesses in Canada, as described in Note 6, "Acquisitions and Disposals" of our Notes to Consolidated Financial Statements. Other sources of cash in 2021 included an increase in accounts payable of \$449.6 million due to higher purchases of inventory, an increase in other current and noncurrent liabilities of \$190.3 million, and an increase in accrued payroll and benefit costs of \$84.2 million due to higher incentive compensation accruals. Primary uses of cash in 2021 included an increase in trade accounts receivable of \$531.8 million resulting from significant sales growth, an increase in inventories of \$530.7 million to support increased customer demand, an increase in other receivables of \$136.7 million associated with higher supplier volume rebate income accruals and an increase in other current and noncurrent assets of \$56.3 million.

#### Investing Activities

Net cash used in investing activities in 2022 2023 was \$283.6 million \$89.6 million, compared to \$2.5 million \$283.6 million in 2022. Included in 2023 were capital expenditures of net \$92.3 million which primarily consisted of internal-use computer software and information technology hardware to support our digital transformation initiatives, as well as equipment and leasehold improvements to support our global network of branches, warehouses and sales offices.

Net cash provided by used in investing activities for 2021 in 2022 was \$283.6 million. Included in 2022 was \$255.4 million of cash paid to acquire Rahi Systems, less cash acquired of \$68.6 million, as described in Note 6, "Acquisitions and Disposals" of our Notes to Consolidated Financial Statements. Included in 2021 was \$56.0 million of net proceeds from the Canadian divestitures. Capital expenditures were \$99.4 million \$99.4 million in 2022, compared to \$54.7 million in 2021. 2022.

#### Financing Activities

Net cash provided by investing used in financing activities in 2021 2023 was \$2.5 million \$403.9 million, compared to \$3,735.1 million \$584.0 million of net cash used provided by financing activities in 2020. Included in 2021 was \$56.0 million 2022. During 2023, financing activities primarily consisted of net proceeds from repayments of \$70.3 million related to our Revolving Credit Facility and the Canadian divestitures, as described in Note 6, "Acquisitions and Disposals" repayment of our \$58.6 million aggregate principal amount of 5.50%

Anixter Senior Notes due 2023, partially offset by net borrowings of \$15.0 million related to Consolidated Financial Statements. Capital expenditures were \$54.7 million in 2021, compared our Receivables Facility. Financing activities for 2023 also included \$76.6 million and \$57.4 million of dividends paid to \$56.7 million in 2020.

**Financing Activities** holders of our common stock and Series A Preferred Stock, respectively, \$75.0 million of common stock repurchases, \$68.3 million of payments for taxes related to the exercise and vesting of stock-based awards, and net repayments on our various international lines of credit of approximately \$6.0 million.

Net cash provided by financing activities in 2022 was \$584.0 million, compared to \$310.8 million of net cash used in financing activities in 2021. During 2022, financing activities were primarily comprised of net borrowings of \$433.0 million related to our Revolving Credit Facility and net borrowings of \$265.0 million related to our Receivables Facility. Financing activities for 2022 also included \$57.4 million of dividends paid to holders of our Series A Preferred Stock, \$25.8 million of payments for taxes related to the exercise and vesting of stock-based awards, borrowings and repayments of \$19.5 million and \$19.5 million and \$19.5 million, respectively, related to our various international lines of credit, and \$11.1 million of common stock repurchases.

Net cash used in financing activities in 2021 was \$310.8 million, compared to \$3,480.7 million of net cash provided by financing activities for 2020. During 2021, financing activities were primarily comprised of the redemption of the \$500.0 million and \$354.7 million aggregate principal amounts of our 5.375% Senior Notes due 2021 and 5.375% Senior Notes due 2024, respectively, net borrowings of \$347.0 million related to our Revolving Credit Facility, and net borrowings of \$320.0 million related to our Receivables Facility. Financing activities for 2021 also included \$57.4 million of dividends paid to holders of our Series A Preferred Stock, borrowings and repayments of \$14.5 million and \$34.8 million, respectively, related to our various international lines of credit, and \$27.2 million of payments for taxes related to the exercise and vesting of stock-based awards.

The following table summarizes our material cash requirements from known contractual and other obligations at December 31, 2022 December 31, 2023, including interest, and the expected effect on our liquidity and cash flow in future periods:

(In millions)	(In millions)	2024 to 2028 -					2024	2025 to 2026	2027 to 2028	2029 - After	Total
		2023	2025	2026	2027	After					
Debt, excluding debt discount and debt issuance costs	Debt, excluding debt discount and debt issuance costs	\$ 70.5	\$ 3,049.6	\$ 1,028.5	\$ 1,325.6	\$ 5,474.2					
Interest on indebtedness <sup>(1)</sup>	Interest on indebtedness <sup>(1)</sup>	339.0	563.1	256.5	48.0	1,206.6					
Non-cancelable operating leases	Non-cancelable operating leases	158.6	244.3	156.3	170.9	730.1					
Transition tax installments	Transition tax installments	5.0	40.2	13.6	—	58.8					
Defined benefit pension plans <sup>(2)</sup>	Defined benefit pension plans <sup>(2)</sup>	7.0	—	—	—	—					
<b>Total</b>	<b>Total</b>	<b>\$580.1</b>	<b>\$3,897.2</b>	<b>\$1,454.9</b>	<b>\$1,544.5</b>	<b>\$7,476.7</b>					

<sup>(1)</sup> Interest on variable rate debt was calculated using the rates and balances outstanding at December 31, 2022 December 31, 2023.

<sup>(2)</sup> As disclosed in Note 13, "Employee Benefit Plans" of our Notes to Consolidated Financial Statements, the majority of our various defined benefit pension plans are non-contributory and, with the exception of the U.S. and Canada, cover substantially all full-time employees in their respective countries. Retirement benefits are provided based on compensation as defined in the plans. Our policy is to fund these plans as required by the Employee Retirement Income Security Act, the Internal Revenue Service and local statutory law. We currently estimate that we will contribute \$7.0 million to our foreign pension plans in 2023 2024. Due to the future impact of various market conditions, rates of return and changes in plan participants, we cannot provide a meaningful estimate of our future contributions beyond 2023 2024.

In addition to the cash requirements disclosed in the table above, we expect future uses of cash to include working capital requirements, capital expenditures, investments in our digital capabilities, costs to integrate the operations of Wesco and Anixter and achieve the anticipated synergies of the merger with Anixter, dividend payments to holders of our common stock and Series A Preferred Stock, benefit payments to participants in our deferred compensation plan, and other organic opportunities. Future uses of cash could also include acquisitions of businesses and the repurchase of common or preferred stock. We expect to spend approximately \$100 million in 2023 2024 on capital expenditures for information technology investments and to support our global network of branches, warehouses and sales offices.

We expect to fund future uses of cash with a combination of existing cash balances, cash generated from operating activities, borrowings under our revolving credit and accounts receivable securitization facilities, or new issuances of debt.

Purchase orders for inventory requirements and service contracts are not included in the table above. Generally, our purchase orders and contracts contain clauses allowing for cancellation. We do not have significant agreements to purchase material or goods that would specify minimum order quantities.

Liabilities related to unrecognized tax benefits, including interest and penalties, of **\$122.9 million** **\$133.7 million** were excluded from the table above as we cannot reasonably estimate the timing of these potential cash settlements with taxing authorities. See Note 11, "Income Taxes" in our Notes to Consolidated Financial Statements for further information related to unrecognized tax benefits.

#### Seasonality

Our operating results are not significantly affected by seasonal factors. Sales during the first and fourth quarters have historically been affected by a reduced level of activity due to the impact of weather on projects. Sales typically increase beginning in March, with slight fluctuations per month through October. During periods of economic expansion or contraction, our sales by quarter have varied significantly from this pattern.

#### Recent Accounting Standards

See Note 2, "Accounting Policies" of our Notes to Consolidated Financial Statements for a description of recently adopted and recently issued accounting standards.

#### Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

##### Foreign Currency Risks

In **2022, 2023**, approximately 26% of our sales were from our foreign subsidiaries and are denominated in foreign currencies. Our exposure to currency rate fluctuations primarily relate to Canada (Canadian dollar), certain countries in the European Union (euro), the United Kingdom (British pound), Sweden (Swedish krona), Switzerland (Swiss franc), and Australia (**dollar**) (**Australian dollar**). We also have exposure to currency rate fluctuations related to more volatile markets including Argentina (peso), Brazil (real), Chile (peso), Colombia (peso), Egypt (pound), Mexico (peso), and Turkey (lira). We may establish additional foreign subsidiaries in the future. Accordingly, we may derive a larger portion of our sales from international operations, and a portion of these sales may be denominated in foreign currencies. As a result, our future operating results could be subject to further fluctuations in foreign exchange rates relative to the U.S. dollar. Furthermore, to the extent that we engage in international sales denominated in U.S. dollars, an increase in the value of the U.S. dollar relative to foreign currencies could make our products less competitive in international markets.

We purchase foreign currency forward contracts to reduce the effect of fluctuating foreign currency-denominated accounts on our reported earnings. The foreign currency forward contracts are not designated as hedges for accounting purposes. At **December 31, 2022** **December 31, 2023** and **2021, 2022**, the gross and net notional amounts of foreign currency forward contracts outstanding were approximately **\$172.8** **\$168.4** million and **\$188.6** **\$172.8** million, respectively. We prepared a sensitivity analysis of our foreign currency forward contracts assuming a 10% adverse change in the value of foreign currency contracts outstanding. The hypothetical adverse changes would have resulted in recording a **\$17.3** **\$16.8** million and **\$18.9** **\$17.3** million loss in **2022** **2023** and **2021, 2022**, respectively. However, since these forward contracts are intended to be effective economic hedges, we would record offsetting gains as a result of the remeasurement of the underlying foreign currency denominated monetary amounts being hedged.

##### Interest Rate Risk

**Fixed Rate Borrowings:** As of **December 31, 2022** **December 31, 2023**, approximately 53% of our debt portfolio is comprised of comprises fixed rate debt. As our **5.50%** Senior Notes due **2023**, 6.00% **Anixter** Senior Notes due 2025, 7.125% Senior Notes due 2025, and 7.250% Senior Notes due 2028 were issued at fixed rates, interest expense would not be impacted by interest rate fluctuations. However, the fair value of our fixed rate debt will generally fluctuate with movements of interest rates, increasing in periods of declining rates of interest and declining in periods of increasing rates of interest. The fair value of our debt instruments with fixed interest rates is disclosed in Note 4, "Fair Value of Financial Instruments" of our Notes to Consolidated Financial Statements.

**Floating Rate Borrowings:** Our variable rate borrowings are comprised of comprise the Revolving Credit Facility, the Receivables Facility, and international lines of credit. The fair value of these debt instruments at **December 31, 2022** **December 31, 2023** approximated carrying value. We borrow under our Revolving Credit Facility and Receivables Facility for general corporate purposes, including working capital requirements and capital expenditures. As disclosed in Note 9, "Debt" of our Notes to Consolidated Financial Statements, these facilities were amended during 2022 to, among other things, replace the respective LIBOR-based interest rate options with SOFR-based interest rate options, including term SOFR and daily simple SOFR. The use of SOFR in place of LIBOR for such facilities has not had a material impact on our results from operations. A 100 basis point rise or decline in interest rates would result in an increase or decrease to interest expense of **\$25.7 million** **\$25.2 million** under our current capital structure.

#### Item 8. Financial Statements and Supplementary Data.

The information required by this item is set forth in our Consolidated Financial Statements contained in this Annual Report on Form 10-K. Specific financial statements can be found at the pages listed below:

	PAGE
<a href="#">Report of Independent Registered Public Accounting Firm (PCAOB ID 238)</a>	<a href="#">45</a> <a href="#">41</a>
<a href="#">Consolidated Balance Sheets as of December 31, 2022 December 31, 2023 and 2021 2022</a>	<a href="#">47</a> <a href="#">43</a>
<a href="#">Consolidated Statements of Income and Comprehensive Income for the years ended December 31, 2022, 2021 2023, 2022 and 2020 2021</a>	<a href="#">48</a> <a href="#">44</a>
<a href="#">Consolidated Statements of Stockholders' Equity for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021</a>	<a href="#">49</a> <a href="#">45</a>
<a href="#">Consolidated Statements of Cash Flows for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021</a>	<a href="#">50</a> <a href="#">46</a>
<a href="#">Notes to Consolidated Financial Statements</a>	<a href="#">51</a> <a href="#">47</a>

## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of WESCO International, Inc.

### ***Opinions on the Financial Statements and Internal Control over Financial Reporting***

We have audited the accompanying consolidated balance sheets of WESCO International, Inc. and its subsidiaries (the "Company") as of **December 31, 2022** **December 31, 2023** and **2021, 2022**, and the related consolidated statements of income and comprehensive income, of stockholders' equity and of cash flows for each of the three years in the period ended **December 31, 2022** **December 31, 2023**, including the related notes and schedule of valuation and qualifying accounts for each of the three years in the period ended **December 31, 2022** **December 31, 2023** appearing under Item 15 (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of **December 31, 2022** **December 31, 2023**, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of **December 31, 2022** **December 31, 2023** and **2021, 2022**, and the results of its operations and its cash flows for each of the three years in the period ended **December 31, 2022** **December 31, 2023** in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of **December 31, 2022** **December 31, 2023**, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

### ***Basis for Opinions***

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

***As described in Management's Report on Internal Control Over Financial Reporting, management has excluded Rahi Systems Holdings, Inc. from its assessment of internal control over financial reporting as of December 31, 2022 because it was acquired by the Company in a purchase business combination during 2022. We have also excluded Rahi Systems Holdings, Inc. from our audit of internal control over financial reporting. Rahi Systems Holdings, Inc. is a wholly-owned subsidiary whose total assets and total net sales excluded from management's assessment and our audit of internal control over financial reporting represent approximately 2% and less than 1%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2022.***

### ***Definition and Limitations of Internal Control over Financial Reporting***

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### ***Critical Audit Matters***

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially

challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

**Revenue Recognition**

As described in Note 2 to the consolidated financial statements, the Company's revenue arrangements generally consist of single performance obligations to transfer a promised good or service, or a combination of goods and services. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring goods or providing services. Revenue is recognized when control has transferred to the customer, which is generally when the product has shipped from the Company's facility or directly from a supplier. For the year ended **December 31, 2022** **December 31, 2023**, the Company's net sales were **\$21,420 million** **\$22,385 million**.

The principal consideration for our determination that performing procedures relating to revenue recognition is a critical audit matter is the significant audit effort in performing procedures related to the Company's revenue recognition.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process. These procedures also included, among others, for certain components, evaluating revenue transactions on a sample basis by inspecting evidence of consideration received in exchange for transferring goods, and for other components, (i) evaluating revenue transactions by testing the issuance and settlement of invoices and credit memos, (ii) tracing transactions not settled to a detailed listing of accounts receivable, (iii) confirming a sample of outstanding customer invoice balances at year end and obtaining and inspecting source documents, including invoices, sales contracts, and subsequent cash receipts, where applicable, for confirmations not returned, and (iv) testing the completeness and accuracy of data provided by management.

/s/ PricewaterhouseCoopers LLP

Pittsburgh, Pennsylvania

February **21, 2023** **20, 2024**

We have served as the Company's auditor since 1994.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**

		As of December 31,		As of December 31,					
		2022	2021	2023	2022				
		(In thousands, except per share data)		(In millions, except per share data)					
<b>Assets</b>									
<b>Current assets:</b>									
<b>Current assets:</b>									
<b>Current assets:</b>									
Cash and cash equivalents	Cash and cash equivalents	\$ 527,348	\$ 212,583						
Trade accounts receivable, net of allowance for expected credit losses of \$46,525 and \$41,723 in 2022 and 2021, respectively		3,662,663	2,957,613						
Trade accounts receivable, net of allowance for expected credit losses of \$55.9 and \$46.5 in 2023 and 2022, respectively									
Other accounts receivable	Other accounts receivable	435,711	375,885						
Inventories	Inventories	3,498,824	2,666,219						
Prepaid expenses and other current assets	Prepaid expenses and other current assets	205,993	137,811						

Total current assets	Total current assets	8,330,539	6,350,111	
Property, buildings and equipment, net	Property, buildings and equipment, net	402,674	379,012	
Operating lease assets	Operating lease assets	625,082	530,863	
Intangible assets, net	Intangible assets, net	1,943,400	1,944,141	
Goodwill	Goodwill	3,240,931	3,208,333	
Deferred income taxes	Deferred income taxes	34,155	34,191	
Other assets	Other assets	234,905	171,048	
<b>Total assets</b>	<b>Total assets</b>	<b>\$14,811,686</b>	<b>\$12,617,699</b>	
<b>Liabilities and Stockholders' Equity</b>	<b>Liabilities and Stockholders' Equity</b>			
<b>Current liabilities:</b>	<b>Current liabilities:</b>			<b>Liabilities and Stockholders' Equity</b>
Accounts payable	Accounts payable	\$ 2,728,195	\$ 2,140,251	
Accrued payroll and benefit costs	Accrued payroll and benefit costs	269,128	314,962	
Short-term debt and current portion of long-term debt	Short-term debt and current portion of long-term debt	70,471	9,528	
Other current liabilities	Other current liabilities	749,553	585,067	
<b>Total current liabilities</b>	<b>Total current liabilities</b>	<b>3,817,347</b>	<b>3,049,808</b>	
Long-term debt, net of debt discount and debt issuance costs of \$57,943 and \$70,572 in 2022 and 2021, respectively		5,345,973	4,701,542	
Long-term debt, net of debt discount and debt issuance costs of \$43.0 and \$57.9 in 2023 and 2022, respectively				
Operating lease liabilities	Operating lease liabilities	510,433	414,248	
Deferred income taxes	Deferred income taxes	460,746	437,444	
Other noncurrent liabilities	Other noncurrent liabilities	227,615	238,446	
<b>Total liabilities</b>	<b>Total liabilities</b>	<b>\$10,362,114</b>	<b>\$ 8,841,488</b>	
Commitments and contingencies (Note 15)	Commitments and contingencies (Note 15)			Commitments and contingencies (Note 15)
<b>Stockholders' Equity:</b>	<b>Stockholders' Equity:</b>			<b>Stockholders' Equity:</b>

Preferred stock, \$0.01 par value; 20,000,000 shares authorized, no shares issued or outstanding	Preferred stock, \$0.01 par value; 20,000,000 shares authorized, no shares issued or outstanding	\$ —	\$ —
Preferred stock, Series A, \$0.01 par value; 25,000 shares authorized, 21,612 shares issued and outstanding in 2022 and 2021, respectively		—	—
Common stock, \$0.01 par value; 210,000,000 shares authorized, 68,535,704 and 68,162,297 shares issued and 50,759,482 and 50,474,806 shares outstanding in 2022 and 2021, respectively	685	682	
Class B nonvoting convertible common stock, \$0.01 par value; 20,000,000 shares authorized, 4,339,431 issued and no shares outstanding in 2022 and 2021, respectively	43	43	
Preferred stock, Series A, \$0.01 par value; 25,000 shares authorized, 21,612 shares issued and outstanding in 2023 and 2022, respectively			
Common stock, \$0.01 par value; 210,000,000 shares authorized, 69,278,677 and 68,535,704 shares issued and 50,897,122 and 50,759,482 shares outstanding in 2023 and 2022, respectively			

Class B nonvoting convertible common stock, \$.01 par value; 20,000,000 shares authorized, 4,339,431 issued and no shares outstanding in 2023 and 2022, respectively	Additional capital	2,005,442	1,969,332
Retained earnings	Retained earnings	3,794,965	3,004,690
Treasury stock, at cost; 22,115,653 and 22,026,922 shares in 2022 and 2021, respectively		(969,150)	(956,188)
Treasury stock, at cost; 22,720,986 and 22,115,653 shares in 2023 and 2022, respectively			
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(377,751)	(236,035)
Total WESCO International, Inc. stockholders' equity	Total WESCO International, Inc. stockholders' equity	4,454,234	3,782,524
Noncontrolling interests	Noncontrolling interests	(4,662)	(6,313)
<b>Total stockholders' equity</b>	<b>Total stockholders' equity</b>	<b>4,449,572</b>	<b>3,776,211</b>
<b>Total liabilities and stockholders' equity</b>	<b>Total liabilities and stockholders' equity</b>	<b>\$14,811,686</b>	<b>\$12,617,699</b>

The accompanying notes are an integral part of the consolidated financial statements.

#### WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

#### CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

		Year Ended December 31,			Year Ended December 31,		
		2022			2022		
		(In thousands, except per share data)			(In millions, except per share data)		
Net sales	Net sales	\$21,420,116	\$18,217,512	\$12,325,995			
Cost of goods sold (excluding depreciation and amortization)	Cost of goods sold (excluding depreciation and amortization)	16,758,794	14,425,444	9,998,329			

Selling, general and administrative expenses	Selling, general and administrative expenses	3,044,223	2,791,641	1,859,028
Depreciation and amortization	Depreciation and amortization	179,014	198,554	121,600
Income from operations	Income from operations	1,438,085	801,873	347,038
Interest expense, net	Interest expense, net	294,420	268,073	226,591
Other expense (income), net (Note 13)	Other expense (income), net (Note 13)	7,014	(48,112)	(2,395)
Income before income taxes	Income before income taxes	1,136,651	581,912	122,842
Provision for income taxes	Provision for income taxes	274,529	115,510	22,803
Net income	Net income	862,122	466,402	100,039
Less: Net income (loss) attributable to noncontrolling interests		1,651	1,020	(521)
Less: Net income attributable to noncontrolling interests				
Net income attributable to WESCO International, Inc.	Net income attributable to WESCO International, Inc.	860,471	465,382	100,560
Less: Preferred stock dividends	Less: Preferred stock dividends	57,408	57,408	30,139
Net income attributable to common stockholders	Net income attributable to common stockholders	\$ 803,063	\$ 407,974	\$ 70,421
Other comprehensive (loss) income:				
Earnings per share attributable to common stockholders				
Earnings per share attributable to common stockholders				
Earnings per share attributable to common stockholders				
Basic				
Diluted				
Other comprehensive income (loss):				
Other comprehensive income (loss):				
Other comprehensive income (loss):				
Foreign currency translation adjustments and other				
Foreign currency translation adjustments and other				

Foreign currency translation	Foreign currency translation
adjustments and other	adjustments and other
	(126,973) (15,584) 95,577
Post-retirement benefit plan adjustments, net of tax	Post-retirement benefit plan adjustments, net of tax
	(14,743) 42,683 9,061
Comprehensive income attributable to common stockholders	Comprehensive income attributable to common stockholders
	\$ 661,347 \$ 435,073 \$ 175,059
Earnings per share attributable to common stockholders	
Basic	\$ 15.83 \$ 8.11 \$ 1.53
Diluted	\$ 15.33 \$ 7.84 \$ 1.51

The accompanying notes are an integral part of the consolidated financial statements.

#### WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

#### CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

		Accumulated Other											
		Accumulated Other					Comprehensive						
		Common Stock		Common Stock		Preferred Stock	Additional	Earnings	Treasury Stock	Noncontrolling	Income		
(in thousands)		Amount	Shares	Amount	Shares	Amount	Shares	Capital	(Deficit)	Amount	Shares	Interests	(Loss)
Balance, December 31, 2019		\$ 593	59,308,018	\$ 43	4,339,431	\$ —	—	\$ 1,039,347	\$ 2,530,429	\$ (937,157)	(21,850,356)	\$ (6,812)	\$ (367,772)
Exercise of stock-based awards		1	171,517					(40)		(1,178)	(20,605)		
Stock-based compensation expense										19,279			
Tax withholding related to vesting of restricted stock units and retirement of common stock		—	(33,248)					(2,377)	812				
Capital stock issuance		82	8,150,228		—	21,612	886,601						
Noncontrolling interests											(521)		
Net income attributable to WESCO International, Inc.								100,560					
Preferred stock dividends								(30,139)					
Translation adjustments											95,577		
Benefit plan adjustments, net of tax effect of \$2,891											9,061		
(in millions, except shares)													
(in millions, except shares)													
(in millions, except shares)													
Balance, December 31, 2020	Balance, December 31, 2020	\$ 676	67,596,515	\$ 43	4,339,431	\$ —	21,612	\$ 1,942,810	\$ 2,601,662	\$ (938,335)	(21,870,961)	\$ (7,333)	\$ (263,134)
Exercise of stock-based awards	Exercise of stock-based awards	7	662,261					(43)		(17,853)	(155,961)		
Stock-based compensation expense	Stock-based compensation expense									30,821			

Tax withholding related to vesting of restricted stock units and retirement of common stock	Tax withholding related to vesting of restricted stock units and retirement of common stock	(1)	(96,479)	(4,256)	(4,946)	
Noncontrolling interests	Noncontrolling interests					1,020
Net income attributable to WESCO International, Inc.				465,382		
Net income attributable to Wesco						
Preferred stock dividends	Preferred stock dividends			(57,408)		
Translation adjustments	Translation adjustments					(15,584)
Benefit plan adjustments, net of tax effect of \$13,043						42,683
Benefit plan adjustments, net of tax effect of \$13.0 million						
<b>Balance, December 31, 2021</b>	<b>Balance, December 31, 2021</b>					
Exercise of stock-based awards	Exercise of stock-based awards	6	569,112	28	(1,896)	(1,229)
Stock-based compensation expense	Stock-based compensation expense			46,401		
Repurchases of common stock	Repurchases of common stock				(11,069)	(87,502)
Tax withholding related to vesting of restricted stock units and retirement of common stock	Tax withholding related to vesting of restricted stock units and retirement of common stock	(3)	(195,705)	(10,071)	(12,905)	
Noncontrolling interests	Noncontrolling interests					1,651
Net income attributable to WESCO International, Inc.				860,471		
Net income attributable to Wesco						
Preferred stock dividends	Preferred stock dividends			(57,408)		
Translation adjustments and other	Translation adjustments and other			(248)	117	3
Benefit plan adjustments, net of tax effect of \$3,412						(14,743)

Benefit plan adjustments, net of tax effect of \$3.4 million															
<b>Balance,</b> <b>December 31,</b> <b>2022</b>	<b>Balance,</b> <b>December 31,</b> <b>2022</b>	<b>\$ 685</b>	<b>68,535,704</b>	<b>\$ 43</b>	<b>4,339,431</b>	<b>\$ —</b>	<b>21,612</b>	<b>\$2,005,442</b>	<b>\$3,794,965</b>	<b>\$(969,150)</b>	<b>(22,115,653)</b>	<b>\$ (4,662)</b>	<b>\$</b>	<b>(377,751)</b>	
Exercise of stock-based awards															
Stock-based compensation expense															
Repurchases of common stock															
Tax withholding related to vesting of restricted stock units and retirement of common stock															
Noncontrolling interests															
Net income attributable to Wesco															
Common stock dividends															
Preferred stock dividends															
Dividends to noncontrolling interests															
Translation adjustments and other															
Benefit plan adjustments, net of tax effect of \$7.4 million															
<b>Balance,</b> <b>December 31,</b> <b>2023</b>															

*The accompanying notes are an integral part of the consolidated financial statements.*

#### WESCO INTERNATIONAL, INC. AND SUBSIDIARIES

#### CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,			Year Ended December 31,		
	2022	2021	2020	2023	2022	2021
(In thousands)						
<b>Operating Activities:</b>	<b>Operating Activities:</b>			<b>Operating Activities:</b>		
Net income	Net income	\$ 862,122	\$ 466,402	\$ 100,039		
					(In millions)	

Adjustments to reconcile net income to net cash provided by operating activities:	Adjustments to reconcile net income to net cash provided by operating activities:	Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	Depreciation and amortization	179,014	198,554	121,600
Stock-based compensation expense	Stock-based compensation expense	46,401	30,821	19,279
Amortization of debt discount and debt issuance costs	Amortization of debt discount and debt issuance costs	15,177	19,197	10,578
Gain on curtailment of defined benefit pension plans	Gain on curtailment of defined benefit pension plans	—	(36,580)	—
Gain on sale of assets and divestitures, net		—	(8,927)	(19,816)
Gain on divestitures, net				
Other operating activities, net	Other operating activities, net	3,735	7,406	15,604
Deferred income taxes	Deferred income taxes	(1,236)	(78,285)	(33,538)
Changes in assets and liabilities:	Changes in assets and liabilities:	Changes in assets and liabilities:		
Trade accounts receivable, net	Trade accounts receivable, net	(690,568)	(531,828)	47,879
Other accounts receivable	Other accounts receivable	(54,772)	(136,659)	(23,520)
Inventories	Inventories	(817,046)	(530,730)	203,827
Other current and noncurrent assets	Other current and noncurrent assets	(153,166)	(56,274)	2,321
Accounts payable	Accounts payable	552,916	449,564	(54,127)
Accrued payroll and benefit costs	Accrued payroll and benefit costs	(63,130)	84,204	75,556
Other current and noncurrent liabilities	Other current and noncurrent liabilities	131,591	190,273	78,249

Net cash provided by operating activities	Net cash provided by operating activities	11,038	67,138	543,931	
<b>Investing Activities:</b>	<b>Investing Activities:</b>				<b>Investing Activities:</b>
Capital expenditures	Capital expenditures	(99,412)	(54,746)	(56,671)	
Acquisition payments, net of cash acquired	Acquisition payments, net of cash acquired	(186,787)	—	(3,707,575)	
Proceeds from sale of assets and divestitures		—	56,010	19,066	
Proceeds from sale of property, buildings and equipment	Proceeds from sale of property, buildings and equipment	231	5,221	6,721	
Other investing activities, net	Other investing activities, net	2,393	(3,948)	3,310	
Net cash (used in) provided by investing activities	Net cash (used in) provided by investing activities	(283,575)	2,537	(3,735,149)	
<b>Financing Activities:</b>	<b>Financing Activities:</b>				<b>Financing Activities:</b>
Proceeds from issuance of short-term debt	Proceeds from issuance of short-term debt	19,453	14,522	102,905	
Repayments of short-term debt	Repayments of short-term debt	(19,452)	(34,835)	(114,163)	
Repayment of 5.50% Anixter Senior Notes due 2023 (Note 9)					
Repayment of 5.375% Senior Notes due 2021	Repayment of 5.375% Senior Notes due 2021	—	(500,000)	—	
Repayment of 5.375% Senior Notes due 2024	Repayment of 5.375% Senior Notes due 2024	—	(354,704)	—	
Proceeds from issuance of long-term debt	Proceeds from issuance of long-term debt	4,470,034	3,231,443	5,114,210	
Repayments of long-term debt	Repayments of long-term debt	(3,772,296)	(2,565,142)	(1,513,048)	
Payments for taxes related to net-share settlement of equity awards	Payments for taxes related to net-share settlement of equity awards	(25,774)	(27,158)	(2,901)	
Repurchases of common stock	Repurchases of common stock	(11,069)	—	—	

Payment of common stock dividends				
Payment of preferred stock dividends	Payment of preferred stock dividends	(57,408)	(57,408)	(30,139)
Debt issuance costs		(3,250)	(2,280)	(80,231)
Payment of dividends to noncontrolling interests				
Other financing activities, net	Other financing activities, net	(16,203)	(15,217)	4,108
Net cash provided by (used in) financing activities		584,035	(310,779)	3,480,741
Net cash (used in) provided by financing activities				
Effect of exchange rate changes on cash and cash equivalents	Effect of exchange rate changes on cash and cash equivalents	3,267	4,552	8,710
Net change in cash and cash equivalents	Net change in cash and cash equivalents	314,765	(236,552)	298,233
Cash and cash equivalents at the beginning of period	Cash and cash equivalents at the beginning of period	212,583	449,135	150,902
Cash and cash equivalents at the end of period	Cash and cash equivalents at the end of period	\$ 527,348	\$ 212,583	\$ 449,135
<b>Supplemental disclosures:</b>	<b>Supplemental disclosures:</b>			<b>Supplemental disclosures:</b>
Cash paid for interest	Cash paid for interest	\$ 272,432	\$ 249,654	\$ 169,620
Cash paid for taxes	Cash paid for taxes	292,872	118,183	56,186

*The accompanying notes are an integral part of the consolidated financial statements.*

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

## 1. ORGANIZATION

WESCO International, Inc. ("Wesco International") and its subsidiaries (collectively, "Wesco" or the "Company"), headquartered in Pittsburgh, Pennsylvania, is a leading provider of business-to-business distribution, logistics services and supply chain solutions.

The Company has operating segments comprising three strategic business units consisting of Electrical & Electronic Solutions ("EES"), Communications & Security Solutions ("CSS") and Utility & Broadband Solutions ("UBS"). The Company's operating segments are described further in Note 16, "Business Segments".

## 2. ACCOUNTING POLICIES

#### *Basis of Presentation*

The consolidated financial statements include the accounts of Wesco International and all of its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

In the first quarter of the fiscal year ended December 31, 2023, we changed our presentation in tables from thousands to millions. Certain amounts as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021 in the consolidated financial statements and associated notes may not foot or recalculate due to rounding.

#### *Reclassifications*

The Consolidated Statements of Cash Flows and the reconciliation between the federal statutory income tax rate and the effective tax rate in Note 11, "Income Taxes" for the years ended December 31, 2021 December 31, 2022 and 2020, 2021, respectively, include certain reclassifications to previously reported amounts to conform to the current period's presentation. Such reclassifications had no impact on the totals of operating, investing and financing cash flow activities or the effective tax rates for those years.

#### *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Although these estimates are based on management's best knowledge of current events and actions Wesco may undertake in the future, actual results may ultimately differ from the estimates.

#### *Revenue Recognition*

Wesco's revenue arrangements generally consist of single performance obligations to transfer a promised good or service, or a combination of goods and services. Revenue is measured as the amount of consideration Wesco expects to receive in exchange for transferring goods or providing services. Revenue is recognized when control has transferred to the customer, which is generally when the product has shipped from a Wesco facility or directly from a supplier. However, transfer may occur at a later date depending on the agreed upon terms, such as delivery at the customer's designated location, or based on consignment terms. For products that ship directly from suppliers to customers, Wesco generally acts as the principal in the transaction and recognizes revenue on a gross basis. When providing services, sales are recognized over time as control transfers to the customer, which occurs as services are rendered. Wesco generally satisfies its performance obligations within a year or less.

Wesco generally does not have significant financing terms associated with its contractual arrangements; payments are normally received within 60 days. There are generally no significant costs associated with obtaining customer contracts. Wesco typically passes through warranties offered by manufacturers or suppliers to its customers. Sales taxes (and value added taxes in foreign jurisdictions) collected from customers and remitted to governmental authorities are excluded from net sales.

#### *Supplier Volume Rebates*

Wesco receives volume rebates from certain suppliers based on contractual arrangements with such suppliers. Volume rebates are included within other receivables in the Consolidated Balance Sheets, and represent the estimated amounts due to Wesco based on forecasted purchases and the rebate provisions of the various supplier contracts. The corresponding rebate income is recorded as a reduction to cost of goods sold. Receivables under the supplier rebate program were \$233.1 million at December 31, 2023 and \$246.2 million at December 31, 2022 and \$219.1 million at December 31, 2021. The supplier volume rebate income as a percentage of net sales was 1.4% in 2023, 1.6% in 2022 and 1.4% in 2021.

### **WESCO INTERNATIONAL, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

#### *Supplier Finance Programs*

The Company has supplier finance programs that are administered by intermediaries. Under these arrangements, participating suppliers may elect to receive early payment of invoices that have been confirmed by the Company, less an interest deduction or fees paid by the supplier, which is paid to the supplier by third-party finance providers. Wesco agrees to pay the stated amount of confirmed invoices in full on the original due date of the invoices, which is typically within 45 to 180 days of the invoice date, regardless of whether the supplier elects to receive early payment from the third-party finance providers. The Company does not provide assets pledged as security or other forms of guarantees to the finance providers or intermediaries under these arrangements. As of December 31, 2023 and 1.1% 2022, the amounts due to suppliers that participate in 2020, the Company's supplier finance programs were approximately \$32.6 million and \$30.7 million, respectively, which are included in accounts payable in the Consolidated Balance Sheets.

#### *Cash and Cash Equivalents*

Cash equivalents are defined as highly liquid investments with original maturities of 90 days or less when purchased. Cash and cash equivalents in the Consolidated Balance Sheets include \$21.2 million \$21.9 million and \$11.7 million \$21.2 million as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively, that is restricted from use to fund operations.

### **WESCO INTERNATIONAL, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

#### *Allowance for Expected Credit Losses*

Wesco recognizes expected credit losses resulting from the inability of its customers to make required payments through an allowance account that is measured each reporting period. Wesco estimates credit losses over the life of its trade accounts receivable using a combination of historical loss data, current credit conditions, specific customer circumstances, and reasonable and supportable forecasts of future economic conditions. The allowance for expected credit losses was \$55.9 million at December 31, 2023 and \$46.5 million at December 31, 2022 and \$41.7 million at December 31, 2021. The total amount recorded as selling, general and administrative expense related to credit losses was \$18.0 million \$18.6 million, \$18.0 million and \$12.9 million for 2023, 2022 and \$10.1 million for 2022, 2021, and 2020, respectively.

#### *Inventories*

Inventories primarily consist of merchandise purchased for resale and are stated at the lower of cost and/or net realizable value. Cost is determined principally under the average cost method. Wesco reduces the carrying value of its inventories at the earlier of identifying an item that is considered to be obsolete or in excess of supply relative to demand, or no movement in a prescribed number of months. The carrying value of inventories reflect reductions for excess and obsolescence of \$113.4 million and \$70.0 million at December 31, 2023 and \$50.3 million at December 31, 2022 and 2021, respectively. The total expense related to excess and obsolete inventories, which is included in cost of goods sold, was \$43.2 million \$63.1 million, \$43.2 million and \$37.1 million for 2023, 2022 and \$15.7 million for 2022, 2021, and 2020, respectively.

#### *Property, Buildings and Equipment*

Property, buildings and equipment are recorded at cost. Depreciation expense is determined using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over either their respective lease terms or their estimated lives, whichever is shorter. Estimated useful lives range from five to forty years for buildings and leasehold improvements and two to ten years for furniture, fixtures and equipment.

Costs incurred during the application development stage of internally developed software are capitalized and are reported at the lower of unamortized cost or net realizable value. Costs incurred during the preliminary project and post-implementation stages are expensed as incurred. Capitalized costs include external direct costs of materials and services consumed in developing internal-use computer software, payroll and payroll-related costs for employees who are directly associated with and who devote time to the internal-use computer software project, as well as interest costs. Internal-use computer software is amortized using the straight-line method over its estimated useful life, typically three to seven years.

Expenditures for new facilities and improvements that extend the useful life of an asset are capitalized. Ordinary repairs and maintenance are expensed as incurred. When property is retired or otherwise disposed, the cost and the related accumulated depreciation are removed from the accounts and any resulting gains or losses are recorded and reported as selling, general and administrative expenses.

Of Wesco's \$402.7 million \$423.6 million net book value of property, buildings and equipment as of December 31, 2022 December 31, 2023, \$131.5 million \$152.8 million consists of land, buildings and leasehold improvements that are geographically dispersed among Wesco's approximately nearly 800 branches, warehouses and sales offices, mitigating the risk of impairment. Wesco assesses its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of any such assets may not be fully recoverable. Changes in circumstances include, among others, technological advances, changes in the business model, capital structure, economic conditions or operating performance. The evaluation is based upon, among other things, utilization, serviceability and

### **WESCO INTERNATIONAL, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

assumptions developed by management, which are categorized as Level 3 of the fair value hierarchy, related to the estimated future undiscounted cash flows that these assets are expected to generate. When the sum of the undiscounted cash flows is less than the carrying value of the asset (asset group), an impairment loss is recognized to the extent that carrying value exceeds fair value. Management applies its best judgment when performing these evaluations.

#### *Leases*

The determination of whether an arrangement is, or contains, a lease is performed at the inception of the arrangement. Classification and initial measurement of the right-of-use asset and lease liability are determined at the lease commencement date. The Company has elected the short-term lease measurement and recognition exemption; therefore, leases with an initial term of 12 twelve months or less are not recorded on the balance sheet. Operating lease expense is recognized on a straight-line basis over the lease term.

### **WESCO INTERNATIONAL, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

Operating lease assets and liabilities are recognized at the commencement date based on the present value of the future minimum lease payments. Certain leases contain rent escalation clauses that are either fixed or adjusted periodically for inflation or market rates and such clauses are factored into the Company's determination of lease payments. Wesco also has variable lease payments that do not depend on a rate or index, primarily for items such as common area maintenance and real estate taxes, which are recorded as variable expense when incurred. The operating lease asset includes advance payments and excludes incentives and initial direct costs incurred.

The Company's arrangements include certain non-lease components such as common area and other maintenance for leased real estate, as well as mileage, fuel and maintenance costs related to leased automobiles and trucks. Wesco accounts for these non-lease components separately from the associated lease components. The Company does not guarantee any residual value in its lease agreements, and there are no material restrictions or covenants imposed by lease arrangements. Real estate leases typically include one or more options to extend the lease, or terminate early. The Company regularly evaluates the renewal options, and when they are reasonably certain of exercise, the Company includes the renewal period in its lease term. For most of Wesco's leases, the discount rate implicit in the lease is not readily determinable. Accordingly, the Company uses its incremental borrowing rate on a secured basis based on the information available at the lease commencement date to discount lease payments to the present value.

#### *Goodwill and Indefinite-Lived Intangible Assets*

Goodwill and indefinite-lived intangible assets are tested for impairment annually as of October 1, or more frequently if triggering events occur, indicating that their carrying value may not be recoverable. Wesco tests for goodwill impairment on a reporting unit level. The Company first assesses qualitative factors, including macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, other relevant events such as changes in key personnel, changes in the composition or carrying amount of the net assets of a reporting unit, and changes in share price, to determine whether it is more likely than not that the fair value of Wesco's reporting units are less than their carrying values. If the qualitative assessment indicates that the fair values of the Company's reporting units may not exceed their respective carrying values, then Wesco performs a quantitative test for impairment by comparing the fair value of each reporting unit to its carrying value. The Company determines the fair values of its reporting units using a discounted cash flow analysis and consideration of market multiples. The discounted cash flow analysis uses certain assumptions, including expected operating margins supported by a combination of historical results, current forecasts, market data and recent economic events, which are categorized within Level 3 of the fair value hierarchy. The Company uses a discount rate that reflects market participants' cost of capital. Wesco evaluates the recoverability of indefinite-lived intangible assets using the relief-from-royalty method based on projected financial information. Significant inputs used in the relief-from-royalty method include projected revenues, discount rates, royalty rates, and applicable income tax rates. At December 31, 2022 December 31, 2023 and 2021, 2022, goodwill and indefinite-lived trademarks totaled \$4.1 billion and \$4.0 billion, respectively.

The determination of fair value involves significant management judgment, particularly as it relates to the underlying assumptions and factors around future expected operating margins and discount rate. Management applies its best judgment when assessing the reasonableness of financial projections. Fair values are sensitive to changes in underlying assumptions and factors. As a result, there can be no assurance that the estimates and assumptions made for purposes of the annual goodwill and indefinite-lived intangible impairment tests will prove to be an accurate prediction of future results.

#### **Definite Lived Definite-Lived Intangible Assets**

Definite lived Definite-lived intangible assets are amortized over 25 to 20 years. Certain customer relationships are amortized using an accelerated method whereas all other definite lived definite-lived intangible assets subject to amortization use a straight-line method. In either case, the amortization method reflects the pattern in which the economic benefits of the respective assets are consumed or otherwise used. Wesco continually evaluates whether events or circumstances have occurred that would indicate the remaining

### **WESCO INTERNATIONAL, INC. AND SUBSIDIARIES** **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

estimated useful lives of definite lived definite-lived intangible assets require revision or that the remaining carrying value of such assets may not be recoverable.

#### *Cloud Computing Arrangements*

The Company capitalizes costs associated with implementing its various cloud computing arrangements. Capitalized implementation costs, which are recorded as a component of other assets in the Consolidated Balance Sheets, were \$195.4 million and \$104.1 million as of December 31, 2023 and 2022, respectively, and the related accumulated amortization was \$15.5 million and \$6.1 million, respectively.

#### *Insurance Programs*

Wesco uses commercial insurance for auto, workers' compensation, casualty and health claims, and information technology as a risk-reduction strategy to minimize catastrophic losses. The Company's strategy involves large deductible policies where Wesco must pay all costs up to the deductible amount. Wesco estimates the reserve for these programs based on historical incident rates and costs. The assumptions included in developing this accrual include the period of time between the incurrence and payment of a claim. The total liability related to insurance programs was \$28.1 million and \$28.0 million at December 31, 2023 and \$30.6 million at December 31, 2022 and 2021, respectively.

### **WESCO INTERNATIONAL, INC. AND SUBSIDIARIES** **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

#### *Income Taxes*

Wesco accounts for income taxes under the asset and liability method, which requires the recognition of deferred income taxes for events that have future tax consequences. Under this method, deferred income taxes are recognized (using enacted tax laws and rates) based on the future income tax effects of differences in the carrying amounts of assets and liabilities for financial reporting and tax purposes. The effect of a tax rate change on deferred tax assets and liabilities is recognized in income in the period of change.

Wesco recognizes deferred tax assets consistent with amounts expected to be realized. To make such determination, management evaluates all positive and negative evidence, including but not limited to, prior, current and future taxable income, tax planning strategies and future reversals of existing taxable temporary differences. A valuation allowance is recognized if it is "more-likely-than-not" that some or all of a deferred tax asset will not be realized. Wesco regularly assesses the realizability of deferred tax assets.

Wesco accounts for uncertainty in income taxes using a "more-likely-than-not" recognition threshold. Due to the subjectivity inherent in the evaluation of uncertain tax positions, the tax benefit ultimately recognized may materially differ from the estimate recognized in the consolidated financial statements. Wesco recognizes interest and penalties related to uncertain tax benefits as part of interest expense and income tax expense, respectively.

The Tax Cuts and Jobs Act of 2017 (the "TCJA") imposed a one-time tax on the deemed repatriation of undistributed foreign earnings (the "transition tax"). Except for a portion of foreign earnings previously taxed in the U.S. that can effectively be distributed without further material U.S. or foreign taxation, the Company continues to assert that the undistributed earnings of its foreign subsidiaries are indefinitely reinvested. To the extent the earnings of the Company's foreign subsidiaries are distributed in the form of dividends, such earnings may be subject to additional taxes. The Company believes that it is able to maintain a sufficient level of liquidity for its domestic operations and commitments without incurring any material tax cost to repatriate cash held by its foreign subsidiaries.

The provisions of the TCJA also introduced U.S. taxation on certain global intangible low-taxed income ("GILTI"). Wesco has elected to account for GILTI tax as a component of income tax expense.

#### *Foreign Currency*

The local currency is the functional currency for most of the Company's operations outside the U.S. is generally the applicable local currency. Assets and liabilities of these operations are translated to U.S. dollars at the exchange rate in effect at the end of each period. Income statement accounts are translated at an exchange rate that approximates the average for the period. Translation adjustments arising from the use of differing exchange rates from period to period are included as a component of other comprehensive income (loss) within stockholders' equity. Gains and losses from foreign currency transactions are included in net income for the period. The Company may re-evaluate the functional currencies of certain operations outside the U.S. if there are significant changes to operations that indicate that a change in functional currency may be necessary.

#### *Defined Benefit Pension Plans*

Liabilities and expenses for defined benefit pension plans are determined using actuarial methodologies and incorporate significant assumptions, including the interest rate used to discount the future estimated cash flows, the expected long-term rate of return on plan assets, and several assumptions relating to the employee workforce (salary increases, retirement age, and

### **WESCO INTERNATIONAL, INC. AND SUBSIDIARIES** **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

mortality). Unrealized gains and losses related to the Company's defined benefit pension obligations are recognized as a component of other comprehensive income (loss) within stockholders' equity. Gains or losses resulting from plan amendments, curtailments, and settlements are recognized as a component of other non-operating income and expenses ("other expense (income), net") in the period of the remeasurement.

#### *Fair Value of Financial Instruments*

The Company measures the fair value of assets and liabilities on a recurring and nonrecurring basis according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value and requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of the fair value hierarchy are as follows: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date; Level 2 inputs include inputs other than Level 1 that are observable, either directly or indirectly, and Level 3 inputs are unobservable inputs for which little or no market data exists, therefore requiring an entity to develop its own assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to measurements involving significant unobservable inputs (Level 3).

The Company measures the fair values of goodwill, intangible assets and property, buildings and equipment on a nonrecurring basis if required by impairment tests applicable to these assets, as described above.

### **WESCO INTERNATIONAL, INC. AND SUBSIDIARIES** **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

#### *Other, net*

Other non-operating income and expenses ("other expense (income), net") primarily includes the non-service cost components of net periodic pension cost (benefit) and foreign exchange gains and losses.

#### *Recently Adopted and Recently Issued Accounting Standards*

In **March 2020, September 2022**, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") **2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting**, which provides optional guidance for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. The amendments in this Update are effective for all entities as of March 12, 2020 through December 31, 2022. The Company adopted this ASU during the first quarter of 2022 in connection with amending Wesco's credit facilities, as disclosed in Note 9, "Debt". The replacement of the London Interbank Offered Rate ("LIBOR") and the related adoption of the optional guidance under this accounting standard did not have a material impact on the Company's consolidated financial statements and notes thereto.

In **October 2021**, the FASB issued ASU 2021-08, **Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers**, which requires contract assets and contract liabilities acquired in a business combination to be recognized and measured by the acquirer on the acquisition date in accordance with ASC Topic 606, **Revenue from Contracts with Customers**, as if the acquirer had originated the contracts. The amendments in this ASU are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted. The Company adopted this ASU in the fourth quarter of 2022 in connection with the business combination that occurred on November 1, 2022, as disclosed in Note 6, "Acquisitions and Disposals". The adoption of this accounting standard did not have a material impact on the Company's consolidated financial statements and notes thereto.

In **September 2022**, the FASB issued ASU 2022-04, **Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations**, which requires that a buyer in a supplier finance program disclose sufficient information about the program to allow a user of financial statements to understand the program's nature, activity during the period, changes from period to period, and potential magnitude. The amendments in this ASU are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, except for the amendment on rollforward information, which is effective for fiscal years beginning after December 15, 2023. **Early The Company adopted this ASU in the first quarter of 2023, except for the amendment on rollforward information, which the Company will begin disclosing in its Annual Report on Form 10-K for the fiscal year ending December 31, 2024. The adoption is permitted of this ASU resulted in additional disclosure of the Company's supplier finance programs.**

In **November 2023**, the FASB issued ASU 2023-07, **Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures**, which enhances prior reportable segment disclosure requirements in part by requiring entities to disclose significant expenses related to their reportable segments. The amendments in this ASU are effective on a retrospective basis for annual periods beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. Management is currently evaluating the impact that this accounting standard will have on its consolidated financial statements and notes thereto.

In **December 2023**, the **adoption FASB issued ASU 2023-09, Income Taxes(Topic 740): Improvements to Income Tax Disclosures**, which requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid to enhance the transparency and decision usefulness of income tax disclosures. The amendments in this ASU are effective for annual periods beginning after December 15, 2024 on a prospective basis. Management is currently evaluating the impact that this accounting standard will have on its consolidated financial statements and notes thereto.

Other pronouncements issued by the FASB or other authoritative accounting standards groups with future effective dates are either not applicable or are not expected to be significant to Wesco's financial position, results of operations or cash flows.

### **WESCO INTERNATIONAL, INC. AND SUBSIDIARIES** **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

## **3. REVENUE**

Wesco distributes products and provides services to customers globally in various end markets within its business segments. The segments, which consist of EES, CSS and UBS operate in the United States, Canada and various other countries.

The following tables disaggregate Wesco's net sales by segment and geography for the periods presented:

(In thousands)	Year Ended December 31,			Year Ended December 31,		
	2022	2021	2020	2023	2022	2021
(In millions)				(In millions)		
Electrical & Electronic Solutions	Electrical & Electronic Solutions	\$ 8,823,331	\$ 7,621,263	\$ 5,479,760		
Communications & Security Solutions	Communications & Security Solutions	6,401,468	5,715,238	3,323,264		
Utility & Broadband Solutions	Utility & Broadband Solutions	6,195,317	4,881,011	3,522,971		
Total by segment	Total by segment	\$21,420,116	\$18,217,512	\$12,325,995		

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

(In thousands)	Year Ended December 31,			Year Ended December 31,		
	2022	2021	2020	2023	2022	2021
(In millions)				(In millions)		
United States	United States	\$15,857,319	\$13,157,866	\$ 9,110,453		
Canada	Canada	3,021,369	2,747,187	1,892,321		
Other International <sup>(1)</sup>	Other International <sup>(1)</sup>	2,541,428	2,312,459	1,323,221		
Total by geography <sup>(2)</sup>	Total by geography <sup>(2)</sup>	\$21,420,116	\$18,217,512	\$12,325,995		

(1) No individual country's net sales are greater than 10% of total net sales.

(2) Wesco attributes revenues from external customers to individual countries on the basis of point of sale.

Due to the terms of certain contractual arrangements, Wesco bills or receives payment from its customers in advance of satisfying the respective performance obligation. Such advance billings or payments are recorded as deferred revenue and recognized as revenue when the performance obligation has been satisfied and control has transferred to the customer, which is generally upon shipment. Deferred revenue is usually recognized within a year or less from the date of the advance billing or payment. At December 31, 2022 December 31, 2023 and 2021, 2022, \$111.9 million and \$99.6 million and \$35.5 million, respectively, of deferred revenue was recorded as a component of other current liabilities in the Consolidated Balance Sheets. The Company recognized \$74.0 million of revenue during 2023 that was included in the deferred revenue balance as of December 31, 2022. The amount of revenue recognized during 2022 and 2021 that was deferred as of December 31, 2021 and 2020, respectively, was not material.

The Company also has certain long-term contractual arrangements where revenue is recognized over time based on the cost-to-cost input method. As of December 31, 2022 December 31, 2023 and 2021, 2022, the Company had contract assets of \$27.5 million \$35.4 million and \$33.4 million \$27.5 million, respectively, resulting from contracts where the amount of revenue recognized exceeded the amount billed to the customer. Contract assets are recorded in the Consolidated Balance Sheets as a component of prepaid expenses and other current assets.

Wesco's revenues are adjusted for variable consideration, which includes customer volume rebates, returns and discounts. Wesco measures variable consideration by estimating expected outcomes using analysis and inputs based upon historical data, as well as current and forecasted information. Variable consideration is reviewed by management on a monthly basis and revenue is adjusted accordingly as necessary. Variable consideration reduced revenue for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021 by approximately \$417.1 million \$427.8 million, \$360.6 million \$417.1 million and \$269.5 million \$360.6 million, respectively. The variable consideration for the year ended December 31, 2021 reflects adjustments that reduced the previously disclosed amount by \$72.8 million. As of December 31, 2022 December 31, 2023 and 2021 2022, the Company's estimated product return obligation was \$46.5 \$41.3 million and \$38.8 \$46.5 million, respectively.

Billings to customers for shipping and handling are recognized in net sales. Wesco has elected to recognize shipping and handling costs as a fulfillment cost. Shipping and handling costs recorded as a component of selling, general and administrative expenses totaled \$302.3 million \$306.8 million, \$248.3 million \$302.3 million and \$149.3 million \$248.3 million for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020 2021, respectively.

#### 4. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments primarily consist of cash and cash equivalents, accounts receivable, accounts payable, bank overdrafts, outstanding indebtedness, foreign currency forward contracts, and benefit plan assets. The fair value of the Company's benefit plan assets is disclosed in Note 13, "Employee Benefit Plans" and except for outstanding indebtedness and foreign currency forward contracts, the carrying value of the Company's remaining financial instruments approximates fair value.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

The Company uses a market approach to determine the fair value of its debt instruments, utilizing quoted prices in active markets, interest rates and other relevant information generated by market transactions involving similar instruments. Therefore, the inputs used to measure the fair value of the Company's debt instruments are classified as Level 2 within the fair value hierarchy.

The carrying value of Wesco's debt instruments with fixed interest rates was **\$2,881.2 million** **\$2,823.7 million** and **\$2,880.7 million** **\$2,881.2 million** as of **December 31, 2022** **December 31, 2023** and **2021, 2022**, respectively. The estimated fair value of this debt was **\$2,929.5 million** **\$2,880.3 million** and **\$3,118.0 million** **\$2,929.5 million** as of **December 31, 2022** **December 31, 2023** and **2021, 2022**, respectively. The reported carrying values of Wesco's other debt instruments, including those with variable interest rates, approximated their fair values as of **December 31, 2022** **December 31, 2023** and **2021, 2022**.

The Company purchases foreign currency forward contracts to reduce the effect of fluctuations in foreign currency-denominated accounts on its earnings. The foreign currency forward contracts are not designated as hedges for accounting purposes. The Company's strategy is to negotiate terms for its derivatives and other financial instruments to be highly effective, such that the change in the value of the derivative offsets the impact of the underlying hedge. Its counterparties to foreign

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

currency forward contracts have investment-grade credit ratings. The Company regularly monitors the creditworthiness of its counterparties to ensure no issues exist that could affect the value of its derivatives.

The Company does not hedge 100% of its foreign currency-denominated accounts. In addition, the results of hedging can vary significantly based on various factors, such as the timing of executing foreign currency forward contracts versus the movement of currencies, as well as fluctuations in the account balances throughout each reporting period. The fair value of foreign currency forward contracts is based on the difference between the contract rate and the current price of a forward contract with an equivalent remaining term. The fair value of foreign currency forward contracts is measured using observable market information. These inputs are considered Level 2 in the fair value hierarchy. At **December 31, 2022** **December 31, 2023** and **2021, 2022**, foreign currency forward contracts were revalued at then-current foreign exchange rates with the changes in valuation reflected directly in other non-operating expense (income) in the Consolidated Statements of Income and Comprehensive Income offsetting the transaction gain (loss) recorded on foreign currency-denominated accounts. At **December 31, 2022** **December 31, 2023** and **2021, 2022**, the gross and net notional amounts of foreign currency forward contracts outstanding were approximately **\$172.8 million** **\$168.4 million** and **\$188.6 million** **\$172.8 million**, respectively. While all of the Company's foreign currency forward contracts are subject to master netting arrangements with its counterparties, assets and liabilities related to these contracts are presented on a gross basis within the Consolidated Balance Sheets. The gross fair value of assets and liabilities related to foreign currency forward contracts were immaterial.

## 5. GOODWILL AND INTANGIBLE ASSETS

The following table sets forth the changes in the carrying value of goodwill by reportable segment for the periods presented:

	EES	CSS	UBS	Total	EES	CSS	UBS	Total
<b>(In thousands)</b>								
Balance as of January 1, 2021								
	\$853,456	\$1,115,500	\$1,218,213	\$3,187,169				
<b>(In millions)</b>								
Balance as of December 31, 2021								
Balance as of December 31, 2021								
Balance as of December 31, 2021								
Adjustments to goodwill for acquisitions <sup>(1)</sup>	Adjustments to goodwill for acquisitions <sup>(1)</sup>							
1,124	8,603	4,215	13,942					
Foreign currency exchange rate changes and other								
6,378	(2,391)	3,235	7,222					
Balance as of December 31, 2021	\$860,958	\$1,121,712	\$1,225,663	\$3,208,333				
Adjustments to goodwill for acquisitions <sup>(2)</sup>								
—	97,426	—	97,426					
Foreign currency exchange rate changes	Foreign currency exchange rate changes							
(35,459)	(10,241)	(19,128)	(64,828)					

Balance as of December 31, 2022	Balance as of December 31, 2022	\$825,499	\$1,208,897	\$1,206,535	\$3,240,931
Adjustments to goodwill for acquisitions <sup>(1)</sup>					
Foreign currency exchange rate changes					
Balance as of December 31, 2023					

<sup>(1)</sup>Reflects the effect on goodwill of the adjustments to the assets acquired and liabilities assumed in the merger with Anixter since their initial measurement, as described in Note 6, "Acquisitions and Disposals".

<sup>(2)</sup> Adjustments to goodwill reflect the preliminary allocation of the purchase price paid to acquire Rahi Systems, which is part of the CSS segment, and adjustments to the assets acquired and liabilities assumed since their initial measurement, as disclosed in Note 6, "Acquisitions and Disposals", which is part of the CSS segment.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

The components of intangible assets are as follows:

	Life (in years)	December 31, 2022			December 31, 2021			December 31, 2023	December 31, 2022			
		Gross Carrying Amount <sup>(1)</sup>	Accumulated Amortization <sup>(1)</sup>	Net Carrying Amount	Gross Carrying Amount <sup>(1)</sup>	Accumulated Amortization <sup>(1)</sup>	Net Carrying Amount					
Life (in years)												
(In thousands)												
<b>Intangible assets:</b>												
Trademarks	Trademarks	Indefinite	\$ 792,080	\$ —	\$ 792,080	\$ 795,065	\$ —	\$ 795,065	Intangible assets:			
Customer relationships	Customer relationships	10 - 20	1,515,994	(377,645)	1,138,349	1,431,251	(308,180)	1,123,071				
Distribution agreements	Distribution agreements	15 - 19	29,212	(24,388)	4,824	29,212	(22,714)	6,498				
Trademarks	Trademarks	5 - 12	15,543	(7,396)	8,147	38,758	(20,058)	18,700				
Non-compete agreements		2	—	—	—	4,300	(3,493)	807				
			\$2,352,829	\$ (409,429)	\$1,943,400	\$2,298,586	\$ (354,445)	\$1,944,141				

<sup>(1)</sup> Excludes the original cost and related accumulated amortization of fully-amortized intangible assets.

Amortization expense related to intangible assets totaled \$92.9 million \$88.6 million, \$119.6 million \$92.9 million and \$66.5 million \$119.6 million for the years ended December 31, 2022 December 31, 2023, 2022 and 2021, and 2020, respectively.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

The following table sets forth the remaining estimated amortization expense for intangible assets for the next five years and thereafter:

For the year ending	For the year ending	December 31, 2023	December 31, 2024	(in thousands)	For the year ending December 31,	(in millions)
2023		\$ 88,498				
2024	2024	86,088				
2025	2025	83,015				
2026	2026	77,663				
2027	2027	74,769				
2028						
Thereafter	Thereafter	741,287				

The Company performed its annual impairment tests of goodwill and indefinite-lived intangible assets during the fourth quarter of 2022 2023 by assessing qualitative factors to determine whether it was more likely than not that the fair values of its reporting units and indefinite-lived intangible assets were less than their respective carrying amounts. In performing this qualitative assessment, the Company assessed relevant events and circumstances, including macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, other relevant events such as changes in key personnel, changes in the composition or carrying amount of the net assets of a reporting unit, and changes in share price. As a result of this assessment, the Company determined that it was more likely than not that the fair values of its reporting units and indefinite-lived intangible assets continued to exceed their respective carrying amounts and, therefore, a quantitative impairment test was not necessary.

The annual impairment tests of goodwill and indefinite-lived intangible assets involve the assessment of factors, events and circumstances at a point in time that are subject to change. As a result, there can be no assurance that the fair values of the Company's reporting units and indefinite-lived intangible assets will exceed their carrying values in the future, and that goodwill and indefinite-lived intangible assets will be fully recoverable.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

## 6. ACQUISITIONS AND DISPOSALS

### Rahi Systems Holdings, Inc.

On November 1, 2022, through its wholly-owned subsidiary WESCO Distribution, Inc. ("Wesco Distribution"), the Company acquired 100% of the equity securities of Rahi Systems Holdings, Inc. ("Rahi Systems" or "Rahi"). Headquartered in Fremont, California, Rahi Systems is a leading provider of global hyperscale data center solutions with over 900 employees in 25 countries. Rahi's expertise with complex information technology projects and global presence strengthen WESCO's data center solution offerings. WESCO Distribution funded the purchase price paid at closing with cash on hand as well as borrowings under its accounts receivable securitization and revolving credit facilities.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

The total preliminary estimated fair value of consideration transferred for the acquisition of Rahi Systems consisted of the following:

	(in thousands) millions
Purchase price	\$ 217,000 217.0
Adjustments to purchase price	25,851 25.9
Total cash consideration	242,851 242.9
Extinguishment of Rahi Systems obligations	12,565 12.6
Total purchase consideration	\$ 255,416 255.4
Supplemental cash flow disclosure related to acquisitions:	
Cash paid for acquisition	\$ 255,416 255.4
Less: Cash acquired	(68,629) (68.6)
Cash paid for acquisition, net of cash acquired	\$ 186,787 186.8

The preliminary purchase consideration was allocated to the identified assets acquired and liabilities assumed based on their respective acquisition date fair value, with the excess allocated to goodwill. The Company identified a customer relationship intangible asset and estimated its fair value using an income valuation method. The excess purchase consideration recorded as goodwill is not deductible for income tax purposes, and has been assigned to the Company's CSS reportable segment, as disclosed in Note 5, "Goodwill and Intangible Assets". The resulting goodwill is primarily attributable to Rahi's workforce and cross-selling opportunities in additional geographies.

The estimated fair values of assets acquired and liabilities assumed are based on preliminary calculations and valuations using estimates and assumptions at the time of acquisition. During the fourth quarter of 2023, the Company finalized its allocation of the purchase consideration to the respective fair values of assets acquired and liabilities

assumed in the acquisition of Rahi. As the Company obtains additional information during the measurement period, (not it recorded adjustments to exceed one year from its preliminary estimates of fair value, which were as of November 1, 2022. As presented in the acquisition date), estimates and assumptions for table below, the preliminary purchase consideration allocations may change materially, net impact of these measurement period adjustments was an increase to goodwill of \$0.9 million.

The results of operations of Rahi Systems are included in the consolidated financial statements beginning on November 1, 2022, the acquisition date. For the years ended December 31, 2022, December 31, 2023 and 2022, the consolidated statement Consolidated Statements of income includes Income and Comprehensive Income include \$543.9 million and \$111.5 million of net sales, respectively, and an immaterial amount of income from operations for Rahi Systems. The Company has not presented supplemental pro forma revenue and earnings of the combined business as the acquisition of Rahi Systems is not material to Wesco's consolidated financial statements.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

The following table sets forth the preliminary allocation of the purchase consideration to the respective fair values of assets acquired, and liabilities assumed for the acquisition of Rahi Systems:

	(In thousands)
<b>Assets</b>	
Cash and cash equivalents	\$ 68,629
Trade accounts receivable	52,594
Inventories	49,424
Intangible assets <sup>(1)</sup>	105,750
Goodwill	97,426
Other current and noncurrent assets	41,140
<b>Total assets</b>	<b>\$ 414,963</b>
<b>Liabilities</b>	
Accounts payable	\$ 58,029
Operating lease liabilities	20,078
Deferred income taxes	25,025
Other current and noncurrent liabilities	56,415
<b>Total liabilities</b>	<b>\$ 159,547</b>
<b>Fair value of net assets acquired, including goodwill and intangible assets</b>	<b>\$ 255,416</b>

	Preliminary Fair Value Estimates <sup>(1)</sup>	Measurement Period Adjustments	Final Purchase Price Allocation <sup>(1)</sup>
(In millions)			
<b>Assets</b>			
Cash and cash equivalents	\$ 68.6	\$ —	\$ 68.6
Trade accounts receivable	52.6	—	52.6
Inventories	49.4	19.6	69.0
Intangible assets <sup>(2)</sup>	105.8	—	105.8
Goodwill	97.4	0.9	98.3
Other current and noncurrent assets	41.1	6.4	47.5
<b>Total assets</b>	<b>\$ 415.0</b>	<b>\$ 26.9</b>	<b>\$ 441.8</b>
<b>Liabilities</b>			
Accounts payable	\$ 58.0	\$ 28.0	\$ 86.0
Operating lease liabilities	20.1	—	20.1
Deferred income taxes	25.0	(7.2)	17.8
Other current and noncurrent liabilities	56.4	6.1	62.5
<b>Total liabilities</b>	<b>\$ 159.5</b>	<b>\$ 26.9</b>	<b>\$ 186.4</b>
<b>Fair value of net assets acquired, including goodwill and intangible assets</b>	<b>\$ 255.4</b>	<b>\$ —</b>	<b>\$ 255.4</b>

<sup>(1)</sup> The preliminary fair value estimates are as of November 1, 2022. As disclosed above, the Company finalized its purchase price allocation during the measurement period.

<sup>(2)</sup> Consists of a customer relationship intangible asset with an estimated weighted-average useful life of 17 years.

### Anixter International Inc.

On June 22, 2020, Wesco completed its acquisition of Anixter International Inc. ("Anixter"), a Delaware corporation. Pursuant to the terms of the Agreement and Plan of Merger dated January 10, 2020 (the "Merger Agreement") by and among Anixter, Wesco and Warrior Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of Wesco ("Merger Sub"), Merger Sub was merged with and into Anixter (the "Merger"), with Anixter surviving the Merger and continuing as a wholly-owned subsidiary of Wesco. On June 23, 2020, Anixter merged with and into Anixter Inc., with Anixter Inc. surviving to become a wholly-owned subsidiary of Wesco.

The Company used the net proceeds from the issuance of senior unsecured notes, borrowings under its revolving credit and accounts receivable securitization facilities (as described further in Note 9, "Debt"), as well as cash on hand, to finance the acquisition of Anixter and related transaction costs.

At the effective time of the Merger, each outstanding share of common stock of Anixter (subject to limited exceptions) was converted into the right to receive (i) \$72.82 in cash, (ii) 0.2397 shares of common stock of Wesco, par value \$0.01 per share and (iii) 0.6356 depositary shares, each representing a 1/1,000th interest in a share of newly issued fixed-rate reset cumulative perpetual preferred stock of Wesco, Series A, with a \$25,000 stated amount per whole preferred share and an initial dividend rate equal to 10.625%.

Anixter was a leading distributor of network and security solutions, electrical and electronic solutions, and utility power solutions with locations in over 300 cities across approximately 50 countries, and 2019 annual sales of more than \$8 billion. The Merger brought together two companies with highly compatible capabilities and characteristics. The combination of Wesco and Anixter created an enterprise with scale and has afforded the Company the opportunity to digitalize its business and expand its services portfolio and supply chain offerings.

### WESCO INTERNATIONAL, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

The total fair value of consideration transferred for the Merger consisted of the following:

	(In thousands)
Cash portion attributable to common stock outstanding	\$ 2,476,010
Cash portion attributable to options and restricted stock units outstanding	87,375
Fair value of cash consideration	2,563,385
Common stock consideration	313,512
Series A preferred stock consideration	573,786
Fair value of equity consideration	887,298
Extinguishment of Anixter obligations, including accrued and unpaid interest	1,247,653
Total purchase consideration	\$ 4,698,336
Supplemental cash flow disclosure related to acquisitions:	
Cash paid for acquisition	\$ 3,811,038
Less: Cash acquired	(103,463)
Cash paid for acquisition, net of cash acquired	\$ 3,707,575

The Merger was accounted for as a business combination with Wesco acquiring Anixter in accordance with ASC 805, *Business Combinations*. Under the acquisition method of accounting, the purchase consideration was allocated to the identified assets acquired and liabilities assumed based on their respective acquisition date fair value, with any excess allocated to goodwill. The fair value estimates were based on income, market and cost valuation methods using primarily unobservable inputs developed by management, which are categorized as Level 3 in the fair value hierarchy. Specifically, the fair values of the identified trademark and customer relationship intangible assets were estimated using the relief-from-royalty and multi-period excess earnings methods, respectively. Significant inputs used to value these identifiable intangible assets included projected revenues and expected operating margins, customer attrition rates, discount rates, royalty rates, and applicable income tax rates. The excess purchase consideration recorded as goodwill is not deductible for income tax purposes, and has been assigned to the Company's reportable segments based on their relative fair values. The resulting goodwill is primarily attributable to Anixter's workforce, significant cross-selling opportunities in additional geographies, enhanced scale, and other operational efficiencies.

During the second quarter of 2021, the Company finalized its allocation of the purchase consideration to the respective fair values of assets acquired and liabilities assumed in the acquisition of Anixter. As the Company obtained additional information during the measurement period, it recorded adjustments to its preliminary estimates of fair value, which were as of June 30, 2020. As presented in the table below, the net impact of these measurement period adjustments was an increase to goodwill of \$16.4 million.

### WESCO INTERNATIONAL, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

The following table sets forth the allocation of the purchase consideration to the respective fair value of assets acquired and liabilities assumed for the acquisition of Anixter:

	Preliminary Fair Value Estimates <sup>(1)</sup>	Measurement Period Adjustments	Final Purchase Price Allocation <sup>(1)</sup>
	(In thousands)		
<b>Assets</b>			
Cash and cash equivalents	\$ 103,463	\$ —	\$ 103,463
Trade accounts receivable	1,309,894	(8,928)	1,300,966

Other receivables	116,386	—	116,386
Inventories	1,424,768	(14,906)	1,409,862
Prepaid expenses and other current assets	53,462	14,202	67,664
Property, buildings and equipment	215,513	(3,792)	211,721
Operating lease assets	262,238	18,047	280,285
Intangible assets	1,832,700	5,365	1,838,065
Goodwill	1,367,981	16,356	1,384,337
Other assets	114,258	25,589	139,847
<b>Total assets</b>	<b>\$ 6,800,663</b>	<b>\$ 51,933</b>	<b>\$ 6,852,596</b>
<b>Liabilities</b>			
Accounts payable	\$ 920,163	\$ (1,239)	\$ 918,924
Accrued payroll and benefit costs	69,480	—	69,480
Short-term debt and current portion of long-term debt	13,225	—	13,225
Other current liabilities	221,574	12,745	234,319
Long-term debt	77,822	(205)	77,617
Operating lease liabilities	200,286	17,017	217,303
Deferred income taxes	392,165	(15,111)	377,054
Other noncurrent liabilities	207,612	38,726	246,338
<b>Total liabilities</b>	<b>\$ 2,102,327</b>	<b>\$ 51,933</b>	<b>\$ 2,154,260</b>
Fair value of net assets acquired, including goodwill and intangible assets	<b>\$ 4,698,336</b>	<b>\$ —</b>	<b>\$ 4,698,336</b>

(a) The preliminary fair value estimates are as of June 30, 2020. As disclosed above, the Company finalized its purchase price allocation during the measurement period.

The following table sets forth the identifiable intangible assets and their estimated weighted-average useful lives:

Identifiable Intangible Assets	Estimated Fair Value (In thousands)	Weighted-Average Estimated Useful Life	
		in Years	
Customer relationships	\$ 1,098,900		19
Trademarks	735,000		Indefinite
Non-compete agreements	4,165		2
<b>Total identifiable intangible assets</b>	<b>\$ 1,838,065</b>		

The results of operations of Anixter are included in the consolidated financial statements beginning on June 22, 2020, the acquisition date. For the year ended December 31, 2020, the consolidated statement of income includes \$4.5 billion of net sales and \$180.0 million of income from operations for Anixter. For the year ended December 31, 2020, the Company incurred costs related to the Merger of \$132.2 million, which primarily consisted of legal, advisory and other costs. These costs are included in selling, general and administrative expenses for such period.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

**Pro Forma Financial Information**

The following unaudited pro forma financial information presents combined results of operations for the periods presented, as if the Company had completed the Merger on January 1, 2019. The unaudited pro forma financial information includes adjustments to amortization and depreciation for intangible assets and property, buildings and equipment, adjustments to interest expense for the additional indebtedness incurred to complete the acquisition (including the amortization of debt discount and issuance costs), transaction costs, change in control and severance costs, dividends accrued on the Series A preferred stock, compensation expense associated with the Wesco phantom stock unit awards described in Note 13, "Employee Benefit Plans", as well as the respective income tax effects of such adjustments. For the year ended December 31, 2020, adjustments totaling \$7.0 million increased the unaudited pro forma net income attributable to common stockholders. The unaudited pro forma financial information does not reflect any cost savings, operating synergies or revenue enhancements that Wesco may achieve as a result of its acquisition of Anixter, the costs to integrate the operations of Wesco and Anixter or the costs necessary to achieve these cost savings, operating synergies and revenue enhancements. The unaudited pro forma financial information presented below is not necessarily indicative of consolidated results of operations of the combined business had the acquisition occurred at the beginning of the respective periods, nor is it necessarily indicative of future results of operations of the combined company.

(In thousands)	<b>Year Ended</b>
	<b>December 31, 2020</b>
Pro forma net sales	\$ 16,016,902
Pro forma net income attributable to common stockholders	119,839

#### Canadian Divestitures

On August 6, 2020, the Company entered into a Consent Agreement with the Competition Bureau of Canada regarding the merger with **Anixter International Inc.** ("Anixter"). Under the Consent Agreement, the Company was required to divest certain legacy Wesco utility and data communications businesses in Canada, which had total net sales of approximately \$110 million for the year ended December 31, 2020. In February 2021, the Company completed such divestitures for cash consideration totaling \$56.0 million. The Company recognized a net gain from the sale of these businesses of \$8.9 million, which is reported as a component of selling, general and administrative expenses for the year ended December 31, 2021. These dispositions fulfilled the Company's divestiture commitments under the Consent Agreement and the net cash proceeds were used to repay debt.

#### **WESCO INTERNATIONAL, INC. AND SUBSIDIARIES** **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

#### 7. PROPERTY, BUILDINGS AND EQUIPMENT

The following table sets forth the components of property, buildings and equipment:

	As of December 31,		As of December 31, (In millions)
	2022	2021	
	(In thousands)	(In thousands)	
Buildings and leasehold improvements	Buildings and leasehold improvements	\$169,461	\$165,691
Furniture, fixtures and equipment	Furniture, fixtures and equipment	304,650	281,864
Software costs	Software costs	272,569	250,447
	746,680	698,002	
Accumulated depreciation and amortization	Accumulated depreciation and amortization	(425,782)	(365,345)
	320,898	332,657	
Land	Land	24,636	25,600
Construction in progress	Construction in progress	57,140	20,755
	\$402,674	\$379,012	
Property, buildings and equipment, net			

Depreciation expense was \$47.8 million \$56.3 million, \$51.4 million \$47.8 million and \$40.8 million \$51.4 million, and capitalized software amortization was \$38.3 \$36.4 million, \$27.5 million \$38.3 million and \$14.3 million \$27.5 million, in 2023, 2022 2021 and 2020, 2021, respectively. As of December 31, 2022 December 31, 2023 and 2021, 2022, unamortized software costs were \$89.2 million \$78.2 million and \$103.4 million \$89.2 million, respectively. Furniture, fixtures and equipment include finance leases of \$38.8 million \$51.9 million and \$31.9 million \$38.8 million and related accumulated depreciation of \$17.1 million \$19.9 million and \$12.4 million \$17.1 million as of December 31, 2022 December 31, 2023 and 2021, respectively.

#### **WESCO INTERNATIONAL, INC. AND SUBSIDIARIES** **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

The Company capitalizes costs associated with implementing its various cloud computing arrangements. Capitalized implementation costs, which are recorded as a component of other assets in the Consolidated Balance Sheets, were \$104.1 million and \$39.6 million as of December 31, 2022 and 2021, respectively, and the related accumulated

amortization was \$6.1 million and \$2.0 million, 2022, respectively.

## 8. LEASES

Wesco leases substantially all of its real estate, as well as automobiles, trucks, information technology hardware, and other equipment under lease arrangements classified as operating.

The Company's finance leases, which are recorded in the Consolidated Balance Sheets as a component of property, buildings and equipment, current portion of long-term debt and long-term debt, are not material to the consolidated financial statements and notes thereto. Accordingly, finance leases have not been disclosed herein.

The following table sets forth supplemental balance sheet information related to operating leases for the periods presented:

(In thousands)	As of December 31,		As of December 31,	
	2022	2021	2023	2022
(In millions)				
Operating lease assets	Operating assets	\$625,082	\$530,863	
Current operating lease liabilities <sup>(1)</sup>	Current operating liabilities <sup>(1)</sup>	129,545	129,881	
Current operating lease liabilities <sup>(1)</sup>				
Noncurrent operating lease liabilities	Noncurrent operating liabilities	510,433	414,248	
Total operating lease liabilities	Total operating liabilities	\$639,978	\$544,129	

(1) Current operating lease liabilities are recorded as a component of other current liabilities in the Consolidated Balance Sheets.

The following table sets forth the Company's total lease cost, which is recorded as a component of selling, general and administrative expenses, for the periods presented:

(In thousands)	Year Ended December 31,			Year Ended December 31,		
	2022	2021	2020	2023	2022	2021
(In millions)				(In millions)		
Operating lease cost	Operating lease cost	\$175,848	\$169,892	\$127,725		
Short-term lease cost	Short-term lease cost	4,770	3,578	494		
Variable lease cost	Variable lease cost	45,742	49,464	36,230		
Total lease cost	Total lease cost	\$226,360	\$222,934	\$164,449		

## WESCO INTERNATIONAL, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

Variable lease cost consists of the non-lease components described in Note 2, "Accounting Policies", as well as taxes and insurance for Wesco's leased real estate.

The following table sets forth supplemental cash flow information related to operating leases for the periods presented:

(In thousands)	Year Ended December 31,			Year Ended December 31,		
	2022	2021	2020	2023	2022	2021
Year Ended December 31,						
(In millions)				(In millions)		
Operating cash flows from operating leases	Operating cash flows from operating leases					
		\$171,702	\$153,626	\$117,106		
Right-of-use assets obtained in exchange for new operating lease liabilities <sup>(1)</sup>	Right-of-use assets obtained in exchange for new operating lease liabilities <sup>(1)</sup>					
		267,093	157,523	121,207		

<sup>(1)</sup> Includes the year ended December 31, 2022 includes \$20.1 million of operating lease liabilities acquired in the business combination with Rahi Systems, as disclosed in Note 6, "Acquisitions and Disposals".

As of December 31, 2022 December 31, 2023 and 2021 2022, the weighted-average remaining lease term for operating leases was approximately 6 years. The weighted-average discount rate used to measure operating leases was 4.0% 4.3% and 4.2% 4.0% as of December 31, 2022 December 31, 2023 and 2021 2022, respectively.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

The following table sets forth the maturities of the Company's operating lease liabilities and reconciles the respective undiscounted payments to the total operating lease liabilities in the Consolidated Balance Sheet as of December 31, 2022 December 31, 2023:

	(In thousands)		(In millions)
	2023	\$158,550	
	(In millions)		(In millions)
2024	2024	137,728	
2025	2025	106,522	
2026	2026	89,439	
2027	2027	66,835	
2028			
Thereafter	Thereafter	170,921	
Total undiscounted operating lease payments	Total undiscounted operating lease payments	729,995	
Less: imputed interest	Less: imputed interest	(90,017)	
Total operating lease liabilities	Total operating lease liabilities	\$639,978	

Operating lease payments include \$17.5 million \$14.1 million related to options to extend real estate lease terms that are reasonably certain of being exercised. As of December 31, 2022 December 31, 2023, the Company has additional leases related to facilities that have not yet commenced totaling \$45.6 million \$45.7 million. These operating leases, which are not recorded in the Consolidated Balance Sheet as of December 31, 2022 December 31, 2023, will commence in 2023 2024 with lease terms of 5 to 10 years.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

**9. DEBT**

The following table sets forth Wesco's outstanding indebtedness:

	As of December 31,		As of December 31,		2022	
	2022		2023			
	(In thousands)		(In millions)			
International lines of credit	International lines of credit \$	7,088	\$ 7,354			
Accounts Receivable	Accounts Receivable					
Securitization Facility	Securitization Facility	1,535,000	1,270,000			
Revolving Credit Facility	Revolving Credit Facility	1,023,609	596,959			
5.50% Anixter Senior Notes due 2023	5.50% Anixter Senior Notes due 2023	58,636	58,636			
6.00% Anixter Senior Notes due 2025	6.00% Anixter Senior Notes due 2025	4,173	4,173			
7.125% Senior Notes due 2025	7.125% Senior Notes due 2025	1,500,000	1,500,000			
7.250% Senior Notes due 2028, less debt discount of \$6,844 and \$8,088 in 2022 and 2021, respectively	7.250% Senior Notes due 2028, less debt discount of \$6,844 and \$8,088 in 2022 and 2021, respectively	1,318,156	1,316,912			
Finance lease obligations	Finance lease obligations	20,617	18,563			
<b>Total debt</b>	<b>Total debt</b>	<b>5,467,279</b>	<b>4,772,597</b>			
Plus: Fair value adjustments to the Anixter Senior Notes	Plus: Fair value adjustments to the Anixter Senior Notes	264	957			
Less: Unamortized debt issuance costs	Less: Unamortized debt issuance costs	(51,099)	(62,484)			

Less: Short-term debt and current portion of long-term debt <sup>(1)</sup>	Less: Short-term debt and current portion of long-term debt <sup>(1)</sup>	(70,471)	(9,528)
<b>Total long-term debt</b>	<b>Total long-term debt</b>	<b>\$5,345,973</b>	<b>\$4,701,542</b>

<sup>(1)</sup> As of December 31, 2022, short-term debt and current portion of long-term debt includes included the \$58.6 million aggregate principal amount of the Company's 5.50% Anixter Senior Notes due 2023, which matured on March 1, 2023.

#### International Lines of Credit

Certain foreign subsidiaries of Wesco have entered into uncommitted lines of credit, some of which are overdraft facilities, to support local operations. The maximum borrowing limit varies by facility and ranges between \$0.6 million and \$31.0 million. The international lines of credit generally are renewable on an annual basis and certain facilities are fully and unconditionally guaranteed by Wesco Distribution. Accordingly, certain borrowings under these lines directly reduce availability under the Company's revolving credit facility. The applicable interest rate for borrowings under these lines of credit varies by country and is governed by the applicable loan agreement. The average interest rate for these facilities was 0.85% and 4.84% at December 31, 2023 and 3.35% at December 31, 2022 and 2021, respectively.

### WESCO INTERNATIONAL, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

#### Accounts Receivable Securitization Facility

On June 22, 2020, Wesco Distribution amended its accounts receivable securitization facility (the "Receivables Facility") pursuant to the terms and conditions of a Fifth Amended and Restated Receivables Purchase Agreement (the "Receivables Purchase Agreement"), by and among WESCO Receivables Corp. ("Wesco Receivables"), Wesco Distribution, the various purchaser groups from time to time party thereto and PNC Bank, National Association, as Administrator, dated as of June 22, 2020. The Receivables Purchase Agreement amended and restated the receivables purchase agreement entered into on September 24, 2015 (the "Prior Receivables Purchase Agreement").

The As of December 31, 2023, the Receivables Purchase Agreement, among other things, increased the Facility has a purchase limit under the Prior Receivables Purchase Agreement from \$600 million to \$1,025 of \$1,625 million, with the opportunity to exercise an accordion feature that permits increases in the purchase limit up to an aggregate commitment of \$1,400 \$1,750 million, subject to customary conditions, extended the and a maturity date to June 22, 2023 and added and amended certain defined terms. Borrowings under the of March 1, 2025. The Receivables Facility bear interest at the 30-day LIBOR rate, with a LIBOR floor, plus applicable spreads. The has an interest rate spread under the Receivables Purchase Agreement of 1.20% increased from 0.95% under the Prior Receivables Purchase Agreement. The Receivables Facility has 1.05% and a commitment fee of 0.45%.

As of December 31, 2023 and 2022, accounts receivable eligible for securitization totaled \$2,146.9 million and \$2,028.2 million, respectively. The Consolidated Balance Sheets as of December 31, 2023 and 2022 include \$1,550.0 million and \$1,535.0 million, respectively, of senior undivided interests in accounts receivable balances sold to third parties, as well as borrowings for equal amounts. At December 31, 2023, the interest rate for this facility was approximately 6.23%.

### WESCO INTERNATIONAL, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

Under the Receivables Facility, Wesco Distribution sells, on a continuous basis, an undivided interest in all domestic accounts receivable to Wesco Receivables, a wholly-owned special purpose entity (the "SPE"). The SPE sells, without recourse, a senior undivided interest in the receivables to financial institutions for cash while maintaining a subordinated undivided interest in the receivables, in the form of overcollateralization. Since Wesco maintains control of the transferred receivables, the transfers do not qualify for "sale" treatment. As a result, the transferred receivables remain on the Company's balance sheet, and Wesco recognizes the related secured borrowing. Wesco has agreed to continue servicing the receivables for the third-party conduits and financial institutions at market rates; accordingly, no servicing asset or liability has been recorded.

On December 14, 2020 October 31, 2022, Wesco Distribution amended its Receivables Facility pursuant to the terms and conditions of a First Sixth Amendment to the Fifth Amended and Restated Receivables Purchase Agreement (the "First Sixth Receivables Amendment"). The First Sixth Receivables Amendment amended the Receivables Purchase Agreement and permitted an to increase to the its purchase limit from \$1,025 \$1,525 million to \$1,200 \$1,625 million. The maturity date, interest rate spread and commitment fee of the Receivables Facility remained unchanged.

On June 1, 2021 August 2, 2022, Wesco Distribution amended its Receivables Facility pursuant to the terms and conditions of a Third Fifth Amendment to the Fifth Amended and Restated Receivables Purchase Agreement (the "Third Fifth Receivables Amendment"). The Third Fifth Receivables Amendment amended the Receivables Purchase Agreement to, among other things, increased increase the purchase limit under the Receivables Purchase Agreement from \$1,200 million to \$1,300 million, increased the aggregate commitment under the accordion feature Facility from \$1,400 million to \$1,500 \$1,525 million extended the maturity date from June 22, 2023 and to June 21, 2024, decreased the LIBOR floor from 0.50% to 0.00% and decreased decrease the interest rate spread from 1.20% 1.10% to 1.15% 1.05%. The maturity date and commitment fee of the Receivables Facility remained unchanged.

On March 1, 2022, Wesco Distribution amended its Receivables Facility pursuant to the terms and conditions of a Fourth Amendment to Fifth Amended and Restated Receivables Purchase Agreement (the "Fourth Receivables Amendment"). The Fourth Receivables Amendment, among other things, (i) increased the purchase limit under the Receivables Facility from \$1,300 million to \$1,400 million, (ii) increased the aggregate commitment under the accordion feature from \$1,500 million to \$1,750 million, and (iii) extended the maturity date from June 21, 2024 to March 1, 2025. Additionally, the Fourth Receivables Amendment replaced the LIBOR interest rate option with Secured Overnight

Financing Rate-based ("SOFR") interest rate options, including term SOFR and daily simple SOFR, and decreased the interest rate spread from 1.15% to 1.10%. The commitment fee of the Receivables Facility remained unchanged.

On **August 2, 2022** **June 1, 2021**, Wesco Distribution amended its Receivables Facility pursuant to the terms and conditions of a **Fifth** **Third** Amendment to the **Fifth** Amended and Restated Receivables Purchase Agreement (the **"Fifth** **Third** Receivables Amendment"). The **Fifth** **Third** Receivables Amendment, amended the Receivables Purchase Agreement to, among other things, **increase** **increased** the purchase limit under the Receivables Facility Purchase Agreement from \$1,200 million to \$1,300 million, increased the aggregate commitment under the accordion feature from \$1,400 million to **\$1,525** **\$1,500** million, extended the maturity date from June 22, 2023 to June 21, 2024, decreased the LIBOR floor from 0.50% to 0.00% and to **decrease** **decreased** the interest rate spread from **1.10%** **1.20%** to **1.05%** **1.15%**. The **maturity date** and commitment fee of the Receivables Facility remained unchanged.

On **October 31, 2022** **December 14, 2020**, Wesco Distribution amended its Receivables Facility pursuant to the terms and conditions of a **Sixth** **First** Amendment to the **Fifth** Amended and Restated Receivables Purchase Agreement (the **"Sixth** **First** Receivables Amendment"). The **Sixth** **First** Receivables Amendment amended the Receivables Purchase Agreement and permitted an increase to **increase** its the purchase limit from **\$1,525** **\$1,025** million to **\$1,625** **\$1,200** million. The maturity date, interest rate spread, and commitment fee of the Receivables Facility remained unchanged.

Under The Receivables Purchase Agreement, among other things, increased the purchase limit under the Prior Receivables Purchase Agreement from \$600 million to \$1,025 million, with the opportunity to exercise an accordion feature that permits increases in the purchase limit up to an aggregate commitment of \$1,400 million, subject to customary conditions, extended the maturity date to June 22, 2023 and added and amended certain defined terms. Borrowings under the Receivables Facility Wesco Distribution sells, on bear interest at the 30-day LIBOR rate, with a continuous basis, an undivided interest in all domestic accounts receivable to Wesco Receivables, a wholly-owned special purpose entity (the "SPE"). LIBOR floor, plus applicable spreads. The SPE sells, without recourse, a senior undivided interest in the receivables to financial institutions for cash while maintaining a subordinated undivided interest in the receivables, in the form of overcollateralization. Since Wesco maintains control of the transferred receivables, the transfers do not qualify for "sale" treatment. As a result, the transferred receivables remain on the Company's balance sheet, and Wesco recognizes the related secured borrowing. Wesco has agreed to continue servicing the receivables for the third-party conduits and financial institutions at market rates; accordingly, no servicing asset or liability has been recorded.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

As of December 31, 2022 and 2021, accounts receivable eligible for securitization totaled \$2,028.2 million and \$1,728.1 million, respectively. The Consolidated Balance Sheets as of December 31, 2022 and 2021 include \$1,535.0 million and \$1,270.0 million, respectively, of senior undivided interests in accounts receivable balances sold to third parties, as well as borrowings for equal amounts. At December 31, 2022, the interest rate for this facility was approximately 5.20% spread under the Receivables Purchase Agreement of 1.20% increased from 0.95% under the Prior Receivables Purchase Agreement. The Receivables Facility has a commitment fee of 0.45%.

*Revolving Credit Facility*

On June 22, 2020, Wesco, Wesco Distribution and certain other subsidiaries of Wesco entered into a **\$1,100 million** revolving credit facility (the "Revolving Credit Facility") as a replacement of Wesco Distribution's revolving credit facility entered into on September 26, 2019, pursuant to the terms and conditions of a Fourth Amended and Restated Credit Agreement, dated as of June 22, 2020 (the "Revolving Credit Agreement"), among Wesco Distribution, the other U.S. borrowers party thereto (collectively, the "U.S. Borrowers"), WESCO Distribution Canada LP ("Wesco Canada"), the other Canadian borrowers party thereto (collectively, the "Canadian Borrowers"), Wesco, the lenders party thereto and Barclays Bank PLC, as the administrative agent. The

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

As of December 31, 2023, the Revolving Credit Facility contains has revolving commitments of \$1,725 million, a letter of credit sub-facility of up to \$175 million and, an accordion feature allowing Wesco Distribution to request increases to the borrowing commitments under the Revolving Credit Facility of up to **\$500 million** **\$450 million** in the aggregate, subject to customary **conditions**, **conditions**, and a sub-facility for loans denominated in Canadian dollars of \$625 million. The Revolving Credit Facility has a maturity date of March 1, 2027 and permits the Company to declare and pay an aggregate amount of common stock dividends of up to \$80 million per year. The applicable interest rate for borrowings under the Revolving Credit Facility, as amended, includes interest rate spreads based on available borrowing capacity that range from 1.00% to 1.50% for SOFR-based borrowings and from 0.00% to 0.50% for prime rate-based borrowings. At December 31, 2023, the interest rate for this facility was approximately 6.89%.

During 2023, Wesco borrowed \$2,997.2 million under the Revolving Credit Facility and made repayments in the aggregate amount of \$3,067.5 million. During 2022, aggregate borrowings and repayments under the Revolving Credit Facility were \$3,990.0 million and \$3,557.1 million, respectively. Wesco had \$736.0 million available under the Revolving Credit Facility at December 31, 2023, after giving effect to outstanding letters of credit and certain borrowings under the Company's international lines of credit, as compared to \$664.9 million available under the Revolving Credit Facility at December 31, 2022, after giving effect to outstanding letters of credit and certain borrowings under the Company's international lines of credit.

On **December 14, 2020** **October 31, 2022**, Wesco Distribution and certain other subsidiaries of Wesco entered into an amendment to the amended its Revolving Credit Facility pursuant to the terms and conditions of a **First** **Fourth** Amendment to Fourth Amended and Restated Credit Agreement dated as of December 14, 2020 (the "First" **Fourth** Revolver Amendment"), among Wesco Distribution, the other U.S. borrowers party thereto, WESCO Distribution Canada LP, the other Canadian borrowers party thereto, Wesco, the lenders party thereto and Barclays Bank PLC, as administrative agent. The **First** **Fourth** Revolver Amendment increased amended the Revolving Credit Agreement to, among other things, increase the revolving commitments from **\$1,100** **\$1,525** million to **\$1,200** **\$1,725** million, increase the sub-facility for loans denominated in Canadian dollars from \$600 million to \$625 million, decrease the capacity to request increases in the aggregate revolving commitments from \$650 million to \$450 million, and increase the aggregate amount of common stock dividends that the Company may declare and pay from \$50 million per year to \$80 million per year. The maturity date and interest rate spreads of the Revolving Credit Facility remained unchanged.

On August 2, 2022, Wesco Distribution amended certain its Revolving Credit Facility pursuant to the terms and conditions of a Third Amendment to Fourth Amended and Restated Credit Agreement (the "Third Revolver Amendment"). The Third Revolver Amendment amended the Revolving Credit Agreement to, among other defined terms. No other

material terms were changed, things, increase the revolving commitments under the Revolving Credit Facility from \$1,350 million to \$1,525 million and to increase the sub-facility for loans denominated in Canadian dollars from \$550 million to \$600 million. The maturity date and interest rate spreads of the Revolving Credit Facility remained unchanged.

On March 1, 2022, Wesco Distribution amended its Revolving Credit Facility pursuant to the terms and conditions of a Second Amendment to Fourth Amended and Restated Credit Agreement (the "Second Revolver Amendment"). The Second Revolver Amendment, among other things, (i) increased the revolving commitments under the Revolving Credit Facility from \$1,200 million to \$1,350 million, (ii) increased the sub-facility for loans denominated in Canadian dollars from \$500 million to \$550 million, (iii) increased the capacity to request increases in the aggregate revolving commitments from \$400 million to \$650 million, (iv) modified certain negative covenants to provide for additional flexibility, and (v) extended the maturity date from June 22, 2025 to March 1, 2027. Additionally, the Second Revolver Amendment replaced the LIBOR-based interest rate option with SOFR-based interest rate options, including term SOFR and daily simple SOFR.

On August 2, 2022 December 14, 2020, Wesco Distribution amended its and certain other subsidiaries of Wesco entered into an amendment to the Revolving Credit Facility pursuant to the terms and conditions of a Third First Amendment to Fourth Amended and Restated Credit Agreement, dated as of December 14, 2020 (the "Third First Revolver Amendment"), among Wesco Distribution, the other U.S. borrowers party thereto, WESCO Distribution Canada LP, the other Canadian borrowers party thereto, Wesco, the lenders party thereto and Barclays Bank PLC, as administrative agent. The Third First Revolver Amendment amended the Revolving Credit Agreement to, among other things, increase the revolving commitments under the Revolving Credit Facility from \$1,350 million to \$1,525 million and to increase the sub-facility for loans denominated in Canadian dollars from \$550 million to \$600 million. The maturity date and interest rate spreads of the Revolving Credit Facility remained unchanged.

On October 31, 2022, Wesco Distribution amended its Revolving Credit Facility pursuant to the terms and conditions of a Fourth Amendment to Fourth Amended and Restated Credit Agreement (the "Fourth Revolver Amendment"). The Fourth Revolver Amendment amended the Revolving Credit Agreement to, among other things, increase the revolving commitments from \$1,525 million to \$1,725 million, increase the sub-facility for loans denominated in Canadian dollars from \$600 million to \$625 million and increase the aggregate amount of dividends that the Company may declare and pay from \$50 million per year to \$80 million per year. The maturity date and interest rate spreads of the Revolving Credit Facility remained unchanged. amended certain other defined terms. No other material terms were changed.

The obligations of Wesco Distribution and the other U.S. Borrowers under the Revolving Credit Facility have been guaranteed by Wesco and certain of Wesco Distribution's subsidiaries (including certain subsidiaries of Anixter). The obligations of Wesco Canada and the other Canadian Borrowers under the Revolving Credit Facility (including certain subsidiaries of Anixter) have been guaranteed by certain subsidiaries of Wesco Canada and the other Canadian Borrowers. The Revolving Credit Facility is secured by (i) substantially all assets of Wesco Distribution, the other U.S. Borrowers and certain of Wesco Distribution's subsidiaries (including certain subsidiaries of Anixter), other than, among other things, real property and accounts receivable sold or intended to be sold pursuant to the Receivables Facility, and (ii) substantially all assets of Wesco Canada, the other Canadian Borrowers and certain of Wesco Canada's subsidiaries, other than, among other things, real property, in each case, subject to customary exceptions and limitations. The applicable interest rate for borrowings under the Revolving Credit Facility, as amended, includes interest rate spreads based on available borrowing capacity that range from

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

1.00% to 1.50% for SOFR-based borrowings and from 0.00% to 0.50% for prime rate-based borrowings. At December 31, 2022, the interest rate for this facility was approximately 5.37%.

The Revolving Credit Agreement requires compliance with conditions that must be satisfied prior to any borrowing as well as ongoing compliance with certain customary affirmative and negative covenants. The Revolving Credit Agreement contains customary events of default. Upon the occurrence and during the continuance of an event of default, the commitments of the lenders may be terminated, and all outstanding obligations of the loan parties under the Revolving Credit Facility may be declared immediately due and payable.

During 2022, Wesco borrowed \$3,990.0 million under the Revolving Credit Facility and made repayments in the aggregate amount of \$3,557.1 million. During 2021, aggregate borrowings and repayments under the Revolving Credit Facility were \$2,353.4 million and \$2,006.4 million, respectively. Wesco had \$664.9 million available under the Revolving Credit facility at December 31, 2022, after giving effect to outstanding letters of credit and certain borrowings under the Company's international lines of credit, as compared to \$564.8 million available under the Revolving Credit Facility at December 31, 2021, after giving effect to outstanding letters of credit and certain borrowings under the Company's international lines of credit.

5.50% Senior Notes due 2023  
6.00% Senior Notes due 2025

On April 30, 2020, in connection with the Merger, merger with Anixter, Wesco Distribution commenced offers to purchase for cash (each, a "Wesco Tender Offer" and, together the "Wesco Tender Offers") any and all of Anixter Inc.'s outstanding (i) 5.50% Senior Notes due 2023 (the "Anixter 2023 Senior Notes"), \$350.0 million aggregate principal amount, issued under the Indenture, dated as of August 18, 2015 (the "Anixter 2023 Indenture"), by and among Anixter Inc., Anixter and Wells Fargo Bank, National Association, as trustee, and (ii) 6.00% Senior Notes due 2025 (the "Anixter 2025 Senior Notes" and, together with the Anixter 2023 Senior Notes, the "Anixter Senior Notes"), \$250.0 million aggregate principal amount, issued under the Indenture, dated as of November 13, 2018 (the "Anixter 2025 Indenture" and, together with the Anixter 2023 Indenture, the "Anixter Indentures") by and among Anixter Inc., Anixter and Wells Fargo Bank, National Association, as trustee. The Anixter 2023 Senior Notes matured on March 1, 2023, on which date Wesco Distribution repaid the \$58.6 million aggregate principal amount of its Anixter 2023 Senior Notes plus accrued interest up to, but not including, the maturity date. The repayment was funded with borrowings under the Company's Revolving Credit Facility and had no impact on the Company's results of operations. The Anixter 2025 Senior Notes will mature on March 1, 2023 and December 1, 2025, respectively.

Concurrent with the Wesco Tender Offers, Anixter Inc. commenced consent solicitations to amend the definition of "Change of Control" under the applicable Indenture to exclude the Merger merger with Anixter and related transactions and expressly permit a merger between Anixter Inc. and Anixter (the "Anixter Consent Solicitations").

On June 23, 2020 (the "Expiration Date"), following the completion of the Merger, merger with Anixter, the Wesco Tender Offers and Anixter Consent Solicitations expired and settled. Pursuant to the terms of the Offer to Purchase and Consent Solicitation Statement, dated April 30, 2020, holders of the Anixter Senior Notes that validly tendered and did not validly withdraw prior to such date, received total tender offer consideration of \$1,012.50 per \$1,000 principal amount of Anixter Senior Notes, which amount, in each case, included an early tender payment of \$50.00 per \$1,000 principal amount of Anixter Senior Notes. Holders who validly delivered their consents at or prior to the Expiration Date received a consent fee of \$2.50 per \$1,000 principal amount of Anixter Senior Notes.

As of December 31, 2022, \$58.6 million and \$4.2 million aggregate principal amount of the Anixter 2023 Senior Notes and Anixter 2025 Senior Notes, respectively, were outstanding.

7.125% Senior Notes due 2025  
7.250% Senior Notes due 2028

On June 12, 2020, Wesco Distribution issued \$1,500 million aggregate principal amount of 7.125% Senior Notes due 2025 (the "2025 Notes") and \$1,325 million aggregate principal amount of 7.250% Senior Notes due 2028 (the "2028 Notes" and, together with the 2025 Notes, the "Notes"). The 2025 Notes were issued at a price of 100.000% of the aggregate principal amount. The 2028 Notes were issued at a price of 99.244% of the aggregate principal amount. Wesco incurred costs related to the issuance of the 2025 Notes and 2028 Notes totaling \$33.1 million and \$29.3 million, respectively, which were recorded as a reduction to the carrying value of the debt and are being amortized over the respective lives of the notes.

The Notes were issued pursuant to, and are governed by, an indenture (the "Notes Indenture"), dated as of June 12, 2020, between the Company, Wesco Distribution and U.S. Bank National Association, as trustee (the "Trustee"). The Notes and related guarantees were issued in a private transaction exempt from the Securities Act of 1933, as amended (the "Securities Act") and have not been, and will not be, registered under the Securities Act and may not be offered or sold in the U.S. absent registration or an applicable exemption from, or in a transaction not subject to the registration requirements of the Securities Act and other applicable securities laws.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

The Company used the net proceeds from the issuance of the Notes, together with borrowings under its Revolving Credit Facility and Receivables Facility and existing cash on hand, to finance the **Merger merger with Anixter** and the other transactions contemplated by the **Agreement and Plan of Merger Agreement**, dated January 10, 2020 (the "Merger Agreement"). The use of proceeds included (i) paying the cash portion of the **Merger** consideration to stockholders of Anixter, (ii) refinancing certain existing indebtedness of Anixter contemplated by the Merger Agreement, including financing the satisfaction and discharge, defeasance, redemption or other repayment in full of the 5.125% Senior Notes due 2021 of Anixter Inc., a wholly-owned subsidiary of Anixter, and financing payments in connection with the Anixter Consent Solicitations and Wesco Tender Offers, as described above, (iii) refinancing other indebtedness of the Company, and (iv) paying fees, costs and expenses in connection with the foregoing.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

The Notes are unsecured and unsubordinated obligations of Wesco Distribution and are guaranteed on an unsecured, unsubordinated basis by the Company and Anixter Inc. The 2025 Notes accrue interest at a rate of 7.125% per annum, payable semi-annually in arrears on June 15 and December 15 of each year. The 2025 Notes will mature on June 15, 2025. The 2028 Notes accrue interest at a rate of 7.250% per annum, payable semi-annually in arrears on June 15 and December 15 of each year. The 2028 Notes will mature on June 15, 2028.

Wesco Distribution may redeem all or a part of the 2025 Notes at any time between June 15, 2022 and June 14, 2023 at a redemption price equal to 103.563% of the principal amount plus accrued and unpaid interest, if any. Between June 15, 2023 and June 14, 2024, Wesco Distribution may redeem all or a part of the 2025 Notes at a redemption price equal to 101.781% of the principal amount. On and after June 15, 2024, Wesco Distribution may redeem all or a part of the 2025 Notes at a redemption price equal to 100% of the principal amount.

Wesco Distribution may redeem all or a part of the 2028 Notes at any time prior to June 15, 2023 by paying a "make-whole" premium plus accrued and unpaid interest, if any. In addition, at any time prior to June 15, 2023, Wesco Distribution may redeem up to 35% of the 2028 Notes with the net cash proceeds from certain equity offerings. At any time between June 15, 2023 and June 14, 2024, Wesco Distribution may redeem all or a part of the 2028 Notes at a redemption price equal to 103.625% of the principal amount. Between June 15, 2024 and June 14, 2025, Wesco Distribution may redeem all or a part of the 2028 Notes at a redemption price equal to 102.417% of the principal amount. Between June 15, 2025 and June 14, 2026, Wesco Distribution may redeem all or a part of the 2028 Notes at a redemption price equal to 101.208% of the principal amount. On and after June 15, 2026, Wesco Distribution may redeem all or a part of the 2028 Notes at a redemption price equal to 100% of the principal amount.

The Notes Indenture contains certain covenants that, among other things, limit (i) the Company's and its subsidiaries' ability to pay dividends on or repurchase the Company's capital stock, incur liens on assets, engage in certain sale and leaseback transactions or sell certain assets, and (ii) the Company's and any guarantor's ability to sell all or substantially all of its assets to, or merge or consolidate with or into, other persons, in the case of each of the foregoing, subject to certain qualifications and exceptions, including the termination of certain of these covenants upon the Notes receiving investment grade credit ratings.

The Notes Indenture contains certain events of default, including, among other things, failure to make required payments, failure to comply with certain agreements or covenants, failure to pay or acceleration of certain other indebtedness, certain events of bankruptcy and insolvency, and failure to pay certain judgments. An event of default under the Notes Indenture will allow either the Trustee or the holders of at least 25% in aggregate principal amount of the applicable series of the then-outstanding Notes to accelerate, or in certain cases, will automatically cause the acceleration of the amounts due under the applicable series of Notes.

As of December 31, 2022, \$1,500.0 million and \$1,325.0 million aggregate principal amount of the 2025 Notes and 2028 Notes, respectively, were outstanding.

**Debt Issuance Costs**

Wesco capitalizes certain costs associated with the issuance of debt and such costs are amortized over the term of the respective debt instrument on a straight-line basis. Debt issuance costs are presented in the Consolidated Balance Sheets as a direct reduction to the carrying amount of the related debt liability. Upon prepayment of debt, the Company accelerates the recognition of an appropriate amount of the costs as refinancing or extinguishment of debt. As of December 31, 2022 December 31, 2023 and 2021, 2022, unamortized debt issuance costs of \$51.1 million \$37.4 million and \$62.5 million \$51.1 million were recorded in the Consolidated Balance Sheets, respectively.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

#### Covenant Compliance

Wesco's credit agreements contain various restrictive covenants that, among other things, impose limitations on: (i) dividend payments or certain other restricted payments or investments; (ii) the incurrence of additional indebtedness and guarantees; (iii) creation of liens; (iv) mergers, consolidation or sales of substantially all of Wesco's assets; (v) certain transactions among affiliates; (vi) payments by certain subsidiaries to Wesco, and (vii) capital expenditures. In addition, the Revolving Credit Facility and the Receivables Facility require Wesco to meet certain fixed charge coverage tests depending on availability or liquidity, respectively.

Wesco was in compliance with all financial covenants contained in its debt agreements as of December 31, 2022 December 31, 2023.

#### WESCO INTERNATIONAL, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

The following table sets forth the aggregate principal repayment requirements for all indebtedness for the next five years and thereafter, as of December 31, 2022 December 31, 2023:

(In thousands)		(In millions)
2023	\$ 70,471	
		(In millions)
2024	2024	4,936
2025	2025	3,044,678
2026	2026	3,351
2027	2027	1,025,102
2028		
Thereafter	Thereafter	<u>1,325,585</u>
Total payments on debt	Total payments on debt	\$5,474,123
Debt discount	Debt discount	(6,844)
Total debt	Total debt	<u>\$5,467,279</u>

#### 10. STOCKHOLDERS' EQUITY

##### Preferred Stock

There are 20 million shares of preferred stock authorized at a par value of \$0.01 per share; there are no shares issued or outstanding. The Company's Board of Directors has the authority, without further action by the stockholders, to issue all authorized preferred shares in one or more series and to fix the number of shares, designations, voting powers, preferences, optional and other special rights and the restrictions or qualifications thereof. The rights, preferences, privileges and powers of each series of preferred stock may differ with respect to dividend rates, liquidation values, voting rights, conversion rights, redemption provisions and other matters.

##### Series A Preferred Stock

The Company's Board of Directors authorized 25,000 shares of fixed-rate reset cumulative perpetual preferred stock, Series A, with a liquidation preference of \$25,000 per whole preferred share and a par value of \$0.01 per share (the "Series A Preferred Stock"). Depositary shares, each representing a 1/1,000th interest in a share of Series A Preferred Stock, are registered under the Securities Act.

In connection with the Merger, as described in Note 6, "Acquisitions and Disposals", Company's merger with Anixter, the Company issued 21,611,534 depositary shares, representing an interest in approximately 21,612 shares of Series A Preferred Stock.

Holders of shares of the Series A Preferred Stock are entitled to receive, when, as and if declared by the Company's Board of Directors, cumulative cash dividends at an initial rate of 10.625% per annum of the \$25,000 liquidation preference per share. On June 22, 2025, and every five-year period thereafter, the dividend rate on the Series A Preferred Stock resets and will be equal to the Five-year U.S. Treasury Rate plus a spread of 10.325%.

Holders of the Series A Preferred Stock are not entitled to convert or exchange their shares of Series A Preferred stock into shares of any of Wesco's other classes or series of stock or into any other security of Wesco (other than upon a change of control involving the issuance of additional shares of common stock or other change of control transaction, in each case, approved by holders of common stock).

The Series A Preferred Stock has no stated maturity and will not be subject to any sinking fund, retirement fund or purchase fund or any other obligation of Wesco to redeem, repurchase or retire the Series A Preferred Stock.

#### WESCO INTERNATIONAL, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

On June 22, 2025, Wesco may redeem the Series A Preferred Stock, in whole or in part, for cash at a redemption price of \$25,000 per share, plus all accrued and unpaid dividends.

Holders of the Series A Preferred Stock will have limited voting rights, including the right to elect two directors to the Board of Directors of the Company in the event dividends on the Series A Preferred Stock remain unpaid for the equivalent of six or more full quarterly dividend periods.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

**Common Stock**

There are 210 million shares of common stock and 20 million shares of Class B common stock authorized at a par value of \$0.01 per share. The Class B common stock is identical to the common stock, except for voting and conversion rights. The holders of Class B common stock have no voting rights. With certain exceptions, Class B common stock may be converted, at the option of the holder, into the same number of shares of common stock.

The terms of the Revolving Credit Facility, as well as the indentures governing the 2025 Notes and 2028 Notes, place certain limits on the Company's ability to declare or pay dividends and repurchase common stock. These restrictions are based on availability, as defined in the respective credit agreements, as well as Wesco's compliance with certain fixed charge coverage tests. At December 31, 2022 December 31, 2023 and 2021, 2022, no dividends had been declared that remained unpaid and, therefore, no retained earnings were reserved for dividend payments.

**Treasury Stock**

Common stock purchased for treasury is recorded at cost. At the date of subsequent reissue, the treasury stock account is reduced by the cost of such stock, with cost determined on a weighted-average basis.

**Share Repurchase Authorization Repurchases**

On May 31, 2022, the Company's Board of Directors adopted a resolution authorizing the repurchase of up to \$1 billion of the Company's common stock and Series A Preferred Stock. The share repurchase authorization has no expiration date and may be modified, suspended, or terminated at any time without prior notice. The share

During the years ended December 31, 2023 and 2022, the Company entered into spot repurchase transactions through a broker to purchase 504,335 and 87,502 shares, respectively, of its common stock in the open market for cash totaling \$75.0 million and \$11.1 million, respectively. Wesco funded the repurchases made in 2022, as disclosed in Note 12, "Earnings Per Share", with available cash and borrowings under its revolving credit facility and the repurchases were made within the limits described above.

**Dividends**

The Company's dividends on common stock are declared at the discretion of the Board of Directors. During the fiscal year ended December 31, 2023, the Board of Directors declared and the Company paid quarterly cash dividends totaling \$76.6 million to common stockholders.

The following table is a summary of cash dividends declared and paid on the Company's common stock for the year ended December 31, 2023:

Date Declared	Record Date	Payment Date	Amount per share	Dividend Payment
March 3, 2023	March 15, 2023	March 31, 2023	\$ 0.375	\$19.2 million
June 1, 2023	June 15, 2023	June 30, 2023	\$ 0.375	\$19.2 million
August 31, 2023	September 15, 2023	September 29, 2023	\$ 0.375	\$19.1 million
November 30, 2023	December 15, 2023	December 29, 2023	\$ 0.375	\$19.1 million

During 2023, the Company's Board of Directors also declared and the Company paid quarterly cash dividends of \$0.664 per depositary share totaling \$57.4 million.

**11. INCOME TAXES**

The following table sets forth the components of income before income taxes by jurisdiction:

	Year Ended December 31,		
	(In thousands)		
	2022	2021	2020
United States	\$ 859,351	\$ 396,769	\$ 26,031
Foreign	277,300	185,143	96,811
Income before income taxes	<u>\$ 1,136,651</u>	<u>\$ 581,912</u>	<u>\$ 122,842</u>

The following table sets forth the components of the provision for income taxes:

	Year Ended December 31,		
	(In thousands)		
	2022	2021	2020
<b>Current income taxes:</b>			
Federal	\$ 166,126	\$ 107,919	\$ 25,605
State	42,982	30,206	11,322
Foreign	66,657	55,670	19,414
Total current income taxes	<u>275,765</u>	<u>193,795</u>	<u>56,341</u>

Deferred income taxes:			
Federal	(7,535)	(62,302)	(17,913)
State	711	(12,327)	(7,264)
Foreign	5,588	(3,656)	(8,361)
Total deferred income taxes	(1,236)	(78,285)	(33,538)
Provision for income taxes	\$ 274,529	\$ 115,510	\$ 22,803

	Year Ended December 31,		
	2023		2022
	(In millions)		
United States	\$ 739.4	\$ 859.4	\$ 396.8
Foreign	252.6	277.3	185.1
Income before income taxes	\$ 992.0	\$ 1,136.7	\$ 581.9

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

The following table sets forth the components of the provision for income taxes:

	Year Ended December 31,		
	2023		2022
	(In millions)		
Current income taxes:			
Federal	\$ 124.8	\$ 166.1	\$ 107.9
State	34.6	43.0	30.2
Foreign	74.4	66.7	55.7
Total current income taxes	233.8	275.8	193.8
Deferred income taxes:			
Federal	(1.0)	(7.5)	(62.3)
State	2.7	0.7	(12.3)
Foreign	(9.6)	5.6	(3.7)
Total deferred income taxes	(7.9)	(1.2)	(78.3)
Provision for income taxes	\$ 225.9	\$ 274.5	\$ 115.5

The following table sets forth the reconciliation between the federal statutory income tax rate and the effective tax rate:

	Year Ended December 31,		
	2022	2021	2020
	Year Ended December 31,		
	2023		
Federal statutory rate	Federal statutory rate 21.0 % 21.0 % 21.0 %	Federal statutory rate 21.0 %	Federal statutory rate 21.0 %
State income taxes, net of federal income tax benefit	State income taxes, net of federal income tax benefit 3.1 2.0 1.4	State income taxes, net of federal income tax benefit 21.0 %	State income taxes, net of federal income tax benefit 21.0 %
Tax effect of intercompany financing	Tax effect of intercompany financing (1.2) (3.2) (13.4)	Tax effect of intercompany financing 21.0 %	Tax effect of intercompany financing 21.0 %

Unrecognized tax benefits	Unrecognized tax benefits	0.3	2.5	2.1			
Nondeductible expenses	Nondeductible expenses	0.3	0.6	5.7			
Change in valuation allowance	Change in valuation allowance	(0.9)	(2.8)	1.8			
Effect of cross-border tax laws							
Other	Other	1.6	(0.2)	—			
Effective tax rate	Effective tax rate	24.2 %	19.9 %	18.6 %	Effective tax rate	22.8 %	24.2 %
						19.9 %	

On August 16, 2022, the Inflation Reduction Act of 2022 was enacted into U.S. law, which includes implementation of a new corporate alternative minimum tax ("CAMT"), among other provisions. The CAMT imposes a minimum tax of 15% on the adjusted financial statement income ("AFSI") of certain corporations with average annual AFSI over a three-year period in excess of \$1 billion, so-called "applicable corporations". The CAMT is effective for tax years beginning after December 31, 2022. The Company was not subject to CAMT in 2023 and does not expect to be subject to the CAMT in 2023, 2024.

The undistributed earnings of the Company's foreign subsidiaries amounted to approximately \$1,865.4 million \$2,194.1 million as of December 31, 2022 December 31, 2023. Most of these earnings have been taxed in the U.S. under either the one-time transition tax or the GILTI tax regime imposed by the TCJA. Future distributions of previously taxed earnings by the Company's foreign subsidiaries should, therefore, result in minimal U.S. taxation. Wesco has elected to pay the transition tax in installments over an eight year period ending in 2026. As of December 31, 2022 December 31, 2023, the Company's remaining liability for the transition tax was \$58.8 million \$53.8 million, which is recorded as components of other current and noncurrent liabilities in the Consolidated Balance Sheet. The Company continues to assert that the remaining undistributed earnings of its foreign subsidiaries are indefinitely reinvested. The distribution of earnings by Wesco's foreign subsidiaries in the form of dividends, or otherwise, may be subject to additional taxation. The Company estimates that additional taxes of approximately \$91.4 million \$119.3 million would be payable upon the remittance of all previously undistributed foreign earnings as of December 31, 2022 December 31, 2023, based upon the laws in effect on that date. The Company believes that it is able to maintain sufficient liquidity for its domestic operations and commitments without repatriating cash from Wesco's foreign subsidiaries.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

The following table sets forth deferred tax assets and liabilities:

		As of December 31,				As of December 31,			
		2022		2021		2023		2022	
		(In thousands)				(In millions)			
		Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Accounts receivable	Accounts receivable	\$ 20,958	\$ —	\$ 18,612	\$ —				
Inventories	Inventories	23,934	—	13,302	—				
Depreciation of property, buildings and equipment	Depreciation of property, buildings and equipment	—	46,882	—	45,397				
Operating leases	Operating leases	169,347	165,200	142,964	141,686				
Amortization of intangible assets	Amortization of intangible assets	—	575,421	—	549,536				
Employee benefits	Employee benefits	36,548	—	36,410	—				
Stock-based compensation	Stock-based compensation	14,090	—	12,281	—				
Prepaid royalty payments	Prepaid royalty payments	14,009	—	34,866	—				

Disallow'd business interest expense	Disallow'd business interest expense	4,763	—	11,163	—
Tax loss carryforwards		31,956	—	39,876	—
Net operating loss carryforwards					
Foreign tax credit carryforwards	Foreign tax credit carryforwards	52,195	—	51,632	—
Other	Other	37,271	10,488	26,666	8,137
Deferred income taxes before valuation allowance	Deferred income taxes before valuation allowance	405,071	797,991	387,772	744,756
Valuation allowance	Valuation allowance	(33,671)	—	(46,269)	—
Total deferred income taxes	Total deferred income taxes	\$371,400	\$797,991	\$341,503	\$744,756

Wesco had deferred tax assets of \$27.6 million \$31.4 million and \$35.5 million \$27.6 million as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively, related to foreign net operating loss carryforwards. These net operating loss carryforwards expire beginning in 2023 2026 through 2042, 2043, while some may be carried forward indefinitely. The Company has determined that certain foreign net operating loss carryforwards will not be realized before they expire. Accordingly, the Company has recorded a valuation allowance of \$16.7 million \$12.9 million and \$22.1 \$16.7 million against deferred tax assets related to certain foreign net operating loss carryforwards at December 31, 2022 as of December 31, 2023 and 2021, 2022, respectively. Additionally, these foreign jurisdictions had deferred tax assets of \$10.9 million \$6.1 million and \$6.9 million \$10.9 million as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively, related to other future deductible temporary differences. The Company has recorded a full valuation allowance against these amounts as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

As of December 31, 2022 December 31, 2023 and 2021, 2022, Wesco had deferred tax assets of \$3.0 million and \$4.4 million, respectively, related to state net operating loss carryforwards. These net operating loss carryforwards expire beginning in 2024 through 2041, while some may be carried forward indefinitely. The Company has determined that certain state net operating loss carryforwards will not be realized. Accordingly, the Company has recorded a valuation allowance of \$1.0 million against deferred tax assets related to certain state net operating loss carryforwards as of December 31, 2023.

As of December 31, 2023 and 2022, Wesco had deferred tax assets of \$1.9 million and \$4.8 million, respectively, related to disallowed business interest expense as of December 31, 2022 includes \$4.8 million for state income tax purposes, and as of December 31, 2021, includes \$4.7 million and \$6.4 million for Federal and state income tax purposes, respectively, purposes. The carryforward period for disallowed business interest expense is indefinite. The Company has determined that certain state disallowed business interest expense carryforwards will not be realized. Accordingly, the Company has recorded a valuation allowance of \$0.5 million against deferred tax assets related to certain state disallowed business interest expense carryforwards as of December 31, 2023.

As of December 31, 2022 December 31, 2023 and 2021, 2022, Wesco had deferred tax assets of \$52.2 million \$41.1 million and \$51.6 million \$52.2 million, respectively, related to foreign tax credit carryforwards. The foreign tax credit carryforwards expire beginning in 2027 through 2033. The Company has determined that certain foreign tax credit carryforwards will not be realized before they expire. Accordingly, the Company has recorded a valuation allowance of \$6.1 million \$2.9 million and \$17.3 million \$6.1 million against these deferred tax assets at December 31, 2022 as of December 31, 2023 and 2021, 2022, respectively. Wesco's ability to realize its deferred tax assets related to foreign tax credit carryforwards may be impacted by U.S. tax legislation, our ability to generate sufficient foreign source taxable income, and tax planning strategies that the Company may implement. The impact of these items, if any, on Wesco's assessment of the realizability of these deferred tax assets will be recorded as a discrete item in the period in which the Company's assessment changes.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

The Company is under examination by tax authorities in various jurisdictions and remains subject to examination until the applicable statutes of limitation expire. The statutes of limitation for the material jurisdictions in which the Company files income tax returns remain open as follows:

United States — Federal	2019 2020 and forward
United States — Material States	2017 and forward
Canada	2012 and forward
UK	2017 2018 and forward
Australia	2018 and forward

The following table sets forth the reconciliation of gross unrecognized tax benefits:

	As of December 31,			As of December 31,		
	2022 2021 2020			2023 2022 2021		
	(In thousands)			(In millions)		
Beginning balance	Beginning balance					
January 1	January 1	\$107,291	\$ 68,075	\$ 54		
Additions for current year tax positions	Additions for current year tax positions	14,403	39,841	14,009		
Additions for prior year tax positions	Additions for prior year tax positions	871	8,422	—		
Additions for acquired tax positions	Additions for acquired tax positions	5,544	—	68,048		
Reductions for prior year tax positions	Reductions for prior year tax positions	(1,792)	(3,853)	(43)		
Settlements	Settlements	—	(118)	—		
Lapse in statute of limitations	Lapse in statute of limitations	(14,491)	(3,837)	(15,886)		
Foreign currency exchange rate changes	Foreign currency exchange rate changes	(2,558)	(1,239)	1,893		
Ending balance	Ending balance					
December 31	December 31	\$109,268	\$107,291	\$68,075		

The amount of unrecognized tax benefits that would affect the effective tax rate if recognized in the consolidated financial statements for the years ended December 31, 2022 December 31, 2023, 2022 and 2021 and 2020 were \$40.1 million, \$40.6 million, \$36.1 million, and \$29.1 \$36.1 million, respectively. Within the next twelve months, the amount of unrecognized tax benefits is expected to decrease by \$15.6 \$16.5 million due to the expiration of statutes of limitation. Such change would result in a \$6.5 \$7.6 million reduction in income tax expense.

The Company classifies interest related to unrecognized tax benefits as a component of interest expense, net in the Consolidated Statements of Income and Comprehensive Income. The Company recognized interest income on unrecognized tax benefits of \$1.1 million for the year ended December 31, 2023. The Company recognized interest expense on unrecognized tax benefits of \$2.3 million, and \$0.9 million and \$0.3 million for the years ended December 31, 2022, and 2021, and 2020, respectively. As of December 31, 2022 December 31, 2023 and 2021, 2022, Wesco had a liability of \$9.6 \$8.9 million and \$6.4 million \$9.6 million, respectively, for interest expense related to unrecognized tax benefits. The Company classifies penalties related to unrecognized tax benefits as part of income tax expense. For the year ended December 31, 2021, penalties recorded in income tax expense were \$3.4 million. Penalties recorded in income tax expense for the years ended December 31, 2022 December 31, 2023, 2022 and 2020 2021 were immaterial. As of December 31, 2022 December 31, 2023 and 2021, 2022, Wesco had a liability of \$4.8 million \$4.7 million and \$4.9 million \$4.8 million, respectively, for penalties related to unrecognized tax benefits.

On October 22, 2021, one of the Company's Mexican affiliates received a tax assessment from the Mexican tax authorities in the amount of approximately \$26.0 million related to its 2012 income tax return. This amount, updated for adjustments required under Mexican law, was approximately \$29.8 \$33.0 million as of December 31, 2022 December 31, 2023. The Company believes the assessment is without merit and has filed an annulment lawsuit in the Mexican Federal Court of Administrative Justice. The Company expects to prevail in this litigation and, accordingly, has not recorded recognized a reserve liability for this assessment in its consolidated financial statements.

In July 2022, one of the Company's Canadian affiliates received tax assessments from the Canada Revenue Agency ("CRA" "CRA") totaling approximately \$11.0 million, including tax and interest, related to its 2012 through 2014 income tax returns. The Company's Canadian affiliate received a related penalty assessment of approximately \$2.7 million in May 2023. The Company believes these assessments are without merit and has filed objections with appealed to the Appeals Division Tax Court of the CRA, Canada. The Company intends to avail itself of all available administrative and judicial remedies avenues to appeal, as necessary to overturn the assessments and expects to prevail. Therefore, the Company has not recorded recognized a reserve liability for these assessments in its consolidated financial statements. The CRA continues to audit the 2015 and 2016 tax years of Wesco's Canadian affiliates and has made inquiries into their 2017 through 2019 income tax returns. The Company expects to eventually receive similar assessments for these tax years.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

**12. EARNINGS PER SHARE**

Basic earnings per share is computed by dividing net income attributable to common stockholders by the weighted-average number of common shares outstanding during the periods. Diluted earnings per share is computed by dividing net income attributable to common stockholders by the weighted-average common shares and common share equivalents outstanding during the periods. The dilutive effect of common share equivalents is considered in the diluted earnings per share computation using the treasury stock method, which includes consideration of equity awards.

The following table sets forth the details of basic and diluted earnings per share:

	Year Ended December 31,			Year Ended December 31,		
	2022	2021	2020	2023	2022	2021
(In thousands, except per share data)						
(In millions, except per share data)						
Net income attributable to WESCO International, Inc.	Net income attributable to WESCO International, Inc.	\$860,471	\$465,382	\$100,560		
Less: Preferred stock dividends	Less: Preferred stock dividends	57,408	57,408	30,139		
Net income attributable to common stockholders	Net income attributable to common stockholders	\$803,063	\$407,974	\$ 70,421		
Weighted-average common shares outstanding used in computing basic earnings per share	Weighted-average common shares outstanding used in computing basic earnings per share	50,734	50,300	46,174		
Common shares issuable upon exercise of dilutive equity awards	Common shares issuable upon exercise of dilutive equity awards	1,661	1,730	451		

Weighted-average common shares outstanding and common share equivalents used in computing diluted earnings per share	Weighted-average common shares outstanding and common share equivalents used in computing diluted earnings per share	52,395	52,030	46,625
Earnings per share attributable to common stockholders	Earnings per share attributable to common stockholders			
Basic	Basic	\$ 15.83	\$ 8.11	\$ 1.53
Diluted	Diluted	\$ 15.33	\$ 7.84	\$ 1.51

The computation of diluted earnings per share attributable to common stockholders excludes stock-based awards that would have had an antidilutive effect on earnings per share. For the years ended December 31, 2022, December 31, 2023 and 2022, there were 87,490 approximately 0.2 million and 0.1 million antidilutive shares, stock-based awards, respectively. For the year ended December 31, 2021, there were no antidilutive stock-based awards, and for the year ended December 31, 2020, there were approximately 1.8 million antidilutive shares.

As described in Note 10, "Stockholders' Equity", the Company's Board of Directors has authorized the repurchase of up to \$1 billion of the Company's common stock and Series A Preferred Stock. During the year ended December 31, 2022, the Company entered into spot repurchase transactions through a broker to purchase 87,502 shares of its common stock in the open market for cash totaling \$11.1 million. Wesco funded the repurchases with available cash and borrowings under its revolving credit facility.

### 13. EMPLOYEE BENEFIT PLANS

#### Defined Contribution Plans

Wesco Distribution sponsors a defined contribution retirement savings plan for the majority of its U.S. employees (the "WESCO Distribution, Inc. Retirement Savings Plan"), which provides employer matching contributions. Contributions are made in cash and employees have the option to transfer balances allocated to their accounts into any of the available investment options. Prior to January 1, 2022, the Company could also make, subject to the Board of Directors' approval, a discretionary contribution to the WESCO Distribution, Inc. Retirement Savings Plan if certain predetermined profit levels were attained. The amendments to the WESCO Distribution, Inc. Retirement Savings described below eliminated the discretionary employer contributions. Discretionary employer contribution charges of \$13.1 million were incurred for the year ended December 31, 2021 and there were no discretionary contributions for the year ended December 31, 2020.

Anixter Inc. sponsored a defined contribution plan that covered all of its non-union U.S. employees (the "Anixter Inc. Employee Savings Plan"). The employer match for the Anixter Inc. Employee Savings Plan was equal to 50% of a participant's contribution up to 5% of the participant's compensation. Anixter Inc. also made an annual contribution to the Anixter Inc. Employee Savings Plan on behalf of each active participant who was hired or rehired on or after July 1, 2015, or was not participating in the Anixter Inc. Pension Plan. The amount of the employer annual contribution was equal to either 2% or 2.5% of the participant's compensation, as determined by the participant's years of service. This contribution was in lieu of being eligible for the Anixter Inc. Pension Plan. Certain of Anixter Inc.'s foreign subsidiaries also have defined contribution plans. Contributions to these plans are based upon various levels of employee participation and legal requirements.

#### WESCO INTERNATIONAL, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

Effective January 1, 2022, the Anixter Inc. Employee Savings Plan was merged with and into the WESCO Distribution, Inc. Retirement Savings Plan (the "U.S. Defined Contribution Plan Merger"). On December 31, 2021, participant account balances were transferred from the Anixter Inc. Employee Savings Plan to the WESCO Distribution, Inc. Retirement Savings Plan. In connection with the U.S. Defined Contribution Plan Merger, the WESCO Distribution, Inc. Retirement Savings plan was amended to change the employer matching contribution from an amount equal to 50% of participants' total monthly contributions up to 6% of eligible compensation to an amount equal to 100% of a participant's eligible elective deferrals up to 3% of the participant's eligible compensation and 50% of the next 4% of eligible compensation, and to eliminate the discretionary employer contributions.

WESCO Distribution Canada LP, a wholly-owned subsidiary of the Company, sponsors a defined contribution plan covering the current full-time employees of WESCO Distribution Canada LP and part-time employees meeting certain requirements for continuous service, earnings and minimum hours of employment (the "Wesco Canadian Defined Contribution Plan"). Prior to January 1, 2022, the Company made contributions in amounts ranging from 3% to 5% of participants' eligible compensation based on years of continuous service. For employees having completed between 20 and 25 or more years of service as of January 1, 2015, the Company's contribution ranged from 5% to 7% of the respective participants' eligible compensation.

Anixter Canada Inc. sponsored a defined contribution plan for certain employees of Anixter Canada Inc. and Anixter Power Solutions Canada Inc. (the "Anixter Canadian Defined Contribution Plan"), which provided for core employer contributions in amounts ranging from 3% to 4% of participants' eligible compensation based on years of continuous service, plus a matching contribution equal to 25% of a participant's elective contributions up to 6% of eligible compensation (for a maximum total employer contribution equal to 5.5%).

Effective January 1, 2022, the Anixter Canadian Defined Contribution Plan was merged with and into an amended Wesco Canadian Defined Contribution Plan. During the first quarter of 2022, participant account balances were transferred from the Anixter Canadian Defined Contribution Plan to the amended Wesco Canadian Defined Contribution Plan. The amended Wesco Canadian Defined Contribution Plan provides a core employer contribution of 3% of a participant's eligible compensation, plus a matching contribution equal to 50% of a participant's elective contributions up to 4% of eligible compensation (for a maximum total employer contribution equal to 5%). The amended Wesco Canadian Defined Contribution Plan also requires employees of EECOL Electric Corp. hired on or after January 1, 2022 to join this defined contribution plan, and permits enrollment for those not participating in the defined benefit plan described below.

Wesco incurred charges of ~~\$58.2 million~~ \$73.4 million, ~~\$54.7 million~~ \$58.2 million, and ~~\$18.3 million~~ \$54.7 million for the years ended ~~December 31, 2022~~ December 31, 2023, ~~2021~~ 2022 and ~~2020~~ 2021, respectively, for all defined contribution plans.

#### **Deferred Compensation Plans**

Wesco Distribution sponsors a non-qualified deferred compensation plan (the "Wesco Deferred Compensation Plan") that permits select employees to make pre-tax deferrals of salary and bonus. Employees have the option to transfer balances allocated to their accounts in the Wesco Deferred Compensation Plan into any of the available investment options. The Wesco Deferred Compensation Plan is an unfunded plan. As of ~~December 31, 2022~~ December 31, 2023 and ~~2021~~, the Company's obligation under the Wesco Deferred Compensation Plan was ~~\$20.3 million~~ \$27.4 million and ~~\$20.9 million~~ \$20.3 million, respectively, which is included in other noncurrent liabilities in the Consolidated Balance Sheet.

Anixter Inc. sponsored a non-qualified deferred compensation plan (the "Anixter Deferred Compensation Plan") that permitted select employees to make pre-tax deferrals of salary and bonus. Interest was accrued monthly on the deferred compensation balances based on the average ten-year Treasury note rate for the previous three months times a factor of 1.4, and the rate was further adjusted if certain financial goals were achieved. In the fourth quarter of 2020, the Company terminated the Anixter Deferred Compensation Plan and settled it in the second quarter of 2021 by making lump sum payments of \$42.8 million directly to participants. The Company used the proceeds from liquidating certain assets held in a Rabbi Trust arrangement of approximately \$39.7 million, plus available cash, to fund the settlement of the Anixter Deferred Compensation Plan.

#### **Defined Benefit Plans**

Wesco sponsors a contributory defined benefit plan covering substantially all Canadian employees of EECOL Electric Corp., a wholly-owned subsidiary of the Company (the "EECOL Plan"). The EECOL Plan provides retirement benefits based on earnings and credited service, and participants contribute 2% of their earnings to the EECOL Plan. Participants become 100% vested after two years of continuous service or, if earlier, at the participant's normal retirement age.

#### **WESCO INTERNATIONAL, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

Wesco also sponsors a Supplemental Executive Retirement Plan for certain executives of EECOL Electric Corp. (the "EECOL SERP"), which provides additional pension benefits based on earnings and credited service. Effective January 1, 2013, the EECOL SERP was closed to new participants and existing participants became 100% vested. Participants of the EECOL SERP now contribute 4% of their earnings to the EECOL Plan.

Anixter Inc. sponsors the Anixter Inc. Pension Plan, which was closed to entrants first hired or rehired on or after July 1, 2015, and various defined benefit pension plans covering employees of foreign subsidiaries in Canada and Europe (together with the EECOL Plan and the EECOL SERP, the "Foreign Plans"). The majority of the Company's defined benefit pension plans are non-contributory, and with the exception of the U.S. and Canada, cover substantially all full-time employees in their respective countries. Retirement benefits are provided based on compensation as defined in each of the plan agreements.

The Anixter Inc. Pension Plan is funded as required by the Employee Retirement Income Security Act of 1974 ("ERISA") and the Internal Revenue Service. With the exception of the EECOL SERP, which is an unfunded plan, the Foreign Plans are funded as required by applicable foreign laws.

Anixter Inc. also sponsored the Anixter Inc. Executive Benefit Plan and the Supplemental Executive Retirement Plan (the "Anixter SERP") (together with the Anixter Inc. Pension Plan, the "Domestic Plans"). In the fourth quarter of 2020, the Company terminated both the Anixter Inc. Executive Benefit Plan and the Anixter SERP. During the year ended December 31, 2021, the Company settled its liabilities for these plans by making lump sum payments directly to participants totaling \$17.9 million.

During the fourth quarter of 2021, the Company adopted certain plan amendments to: (i) freeze the benefits provided under the Anixter Inc. Pension Plan effective December 31, 2021, (ii) close participation in the EECOL Plan effective December 31, 2021, and (iii) freeze the benefit accruals under the Pension Plan for Employees of Anixter Canada Inc., the EECOL Plan and the EECOL SERP effective December 31, 2023. These amendments required the Company to remeasure the projected benefit obligations associated with these plans, resulting in a gain from curtailment totaling \$36.6 million, which is recorded as a component recognized during the fourth quarter of other non-operating income in the Consolidated Statement of Income and Comprehensive Income for the year ended December 31, 2021.

During the fourth quarter of 2022, the Company terminated the Anixter Inc. Pension Plan effective December 31, 2022. Accordingly, certain estimates that reflect the pending settlement of this plan were incorporated into the assumptions used to measure the respective projected benefit obligation as of ~~December 31, 2022~~ December 31, 2023 and ~~2022~~. As the Anixter Inc. Pension Plan had previously been frozen, its termination did not result in any curtailment gain or loss for the ~~years~~ years ended ~~December 31, 2022~~ December 31, 2023 or ~~2022~~. The benefit obligation associated with this plan ~~will be~~ was partially settled in future periods during the fourth quarter of 2023 by making lump sum cash payments to participants ~~or~~ totaling \$110.9 million and the Company recognized settlement cost of \$4.7 million.

On February 12, 2024, the remaining benefit obligation of the Anixter Inc. Pension Plan was settled through the purchase of single premium annuity contracts for total cash of \$138.8 million. The purchase was funded entirely by purchasing annuity contracts, the assets of the plan. The final remeasurement of the plan will occur in the first quarter of 2024. Unrealized gains or losses currently reported as components of other comprehensive income (loss) related to the benefit obligation of the Anixter Inc. Pension Plan will be recognized upon the respective future settlements. The Company anticipates in a final settlement charge at that the assets held by this plan are sufficient to satisfy all benefit obligations upon settlement time.

#### **WESCO INTERNATIONAL, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

The following table presents the changes in benefit obligations, plan assets and funded status for the defined benefit plans:

(In thousands)	Domestic Plans		Foreign Plans		Total		(In millions)	Domestic Plans		
	2022	2021	2022	2021	2022	2021		2023	2022	2023
<b>Domestic Plans</b>										
(In millions)							(In millions)			
<b>Change in Projected Benefit Obligation</b>	<b>Change in Projected Benefit Obligation</b>									
Beginning balance	Beginning balance	\$ 301,783	\$ 332,484	\$ 424,096	\$ 486,855	\$ 725,879	\$ 819,339	\$ 253.5	\$ 301.8	\$ 267.3
Service cost	Service cost	—	3,033	8,317	12,140	8,317	15,173	Service cost	—	4.7
Interest cost	Interest cost	8,696	8,219	9,503	9,801	18,199	18,020	Interest cost	10.4	8.7
Participant contributions	Participant contributions	—	—	881	846	881	846	Participant contributions	—	1.0
Actuarial (gain) loss, including assumption changes	Actuarial (gain) loss, including assumption changes	(47,137)	(10,649)	(133,872)	(35,483)	(181,009)	(46,132)	Actuarial (gain) loss, including assumption changes	2.6	(47.1)
Benefits paid from plan assets	Benefits paid from plan assets	(9,842)	(8,988)	(11,133)	(11,343)	(20,975)	(20,331)	Benefits paid from plan assets	(8.1)	(9.8)
Benefits paid from Company assets	Benefits paid from Company assets	—	(527)	(454)	(461)	(454)	(988)	Benefits paid from Company assets	—	—
Curtailment	Curtailment	—	(3,900)	—	(32,680)	—	(36,580)			
Plan amendment	Plan amendment	—	—	(26)	(104)	(26)	(104)			
Settlement	Settlement	—	(17,889)	(241)	(219)	(241)	(18,108)	Settlement	(110.9)	(4.2)
Foreign currency exchange rate changes	Foreign currency exchange rate changes	—	—	(29,813)	(5,256)	(29,813)	(5,256)	Foreign currency exchange rate changes	—	10.1
Ending balance	Ending balance	\$ 253,500	\$ 301,783	\$ 267,258	\$ 424,096	\$ 520,758	\$ 725,879	Ending balance	\$ 147.5	\$ 253.5
<b>Change in Plan Assets at Fair Value</b>	<b>Change in Plan Assets at Fair Value</b>									
Beginning balance	Beginning balance									
Beginning balance	Beginning balance	\$ 370,731	\$ 355,287	\$ 381,781	\$ 365,718	\$ 752,512	\$ 721,005	\$ 285.1	\$ 370.7	\$ 267.6
Actual return on plan assets	Actual return on plan assets	(75,770)	24,432	(87,740)	19,661	(163,510)	44,093	Actual return on plan assets	12.0	(75.8)
Participant contributions	Participant contributions	—	—	881	846	881	846	Participant contributions	—	1.0
Employer contributions	Employer contributions	—	17,889	11,254	10,240	11,254	28,129	Employer contributions	—	10.2

Benefits paid	Benefits paid	(9,842)	(8,988)	(11,133)	(11,343)	(20,975)	(20,331)	Benefits paid	(8.1)	(9.8)	(12.2)
Settlement	Settlement	—	(17,889)	(241)	(218)	(241)	(18,107)	Settlement	(110.9)	—	(4.2)
Foreign currency exchange rate changes	Foreign currency exchange rate changes	—	—	(27,228)	(3,123)	(27,228)	(3,123)	Foreign currency exchange rate changes	—	—	9.2
Ending balance	Ending balance	\$ 285,119	\$ 370,731	\$ 267,574	\$ 381,781	\$ 552,693	\$ 752,512	Ending balance	\$ 178.1	\$ 285.1	\$ 295.7
<b>Funded Status</b>	<b>Funded Status</b>	<b>\$ 31,619</b>	<b>\$ 68,948</b>	<b>\$ 316</b>	<b>\$ (42,315)</b>	<b>\$ 31,935</b>	<b>\$ 26,633</b>		<b>\$ 30.6</b>	<b>\$ 31.6</b>	<b>\$ (13.4)</b>
Amounts Recognized in the Consolidated Balance Sheets	Amounts Recognized in the Consolidated Balance Sheets										
Other assets	Other assets	\$ 31,619	\$ 68,948	\$ 28,350	\$ 4,818	\$ 59,969	\$ 73,766	\$ 30.6	\$ 31.6	\$ 18.0	
Other current liabilities	Other current liabilities	—	—	(406)	(437)	(406)	(437)	Other current liabilities	—	—	
Other noncurrent liabilities	Other noncurrent liabilities	—	—	(27,628)	(46,696)	(27,628)	(46,696)	Other noncurrent liabilities	—	—	(31.0)
Net amount recognized	Net amount recognized	\$ 31,619	\$ 68,948	\$ 316	\$ (42,315)	\$ 31,935	\$ 26,633	Net amount recognized	\$ 30.6	\$ 31.6	\$ (13.4)
Weighted Average Assumptions Used to Determine Benefit Obligations	Weighted Average Assumptions Used to Determine Benefit Obligations										
Weighted Average Assumptions Used to Determine Benefit Obligations	Weighted Average Assumptions Used to Determine Benefit Obligations										
Discount rate	Discount rate	4.4	% 2.9	% 4.8	% 2.4	% 4.6	% 2.6	% 4.5	% 4.4	% 4.4	%
Rate of compensation increase	Rate of compensation increase	—	% —	% 3.4	% 3.4	% 3.4	% 3.4	% increase	—	%	3.3

The measurement date for all plans is December 31st. Accordingly, at the end of each fiscal year, the Company determines the discount rate to measure the plan liabilities at their present value. The discount rate reflects the current rate at which the pension liabilities could effectively be settled at the measurement date. This rate was estimated at the end

of 2022 2023 and 2021 2022 using a yield curve based on corporate bond data, which the Company concluded was consistent with observable market conditions and industry standards for developing spot rate curves.

At December 31, 2022 and 2021, the consolidated weighted-average discount rate of all plans was 4.6% and 2.6%, respectively. These rates were used to measure the projected benefit obligation at each respective year-end. At December 31, 2022 and 2021, the consolidated net funded status was \$31.9 million and \$26.6 million, respectively.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

The Company had 7 nine plans at December 31, 2022 December 31, 2023 and 9 seven plans at December 31, 2021 December 31, 2022 for which the projected benefit obligation was in excess of the fair value of plan assets. For these plans, the aggregate projected benefit obligation was \$119.0 \$215.0 million and \$214.5 million \$119.0 million, respectively, and the aggregate fair value of plan assets was \$91.0 million \$183.8 million and \$167.4 million \$91.0 million, respectively.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

At December 31, 2022 December 31, 2023 and 2021, 2022, the Company's accumulated benefit obligation was \$253.5 million \$147.5 million and \$301.8 million \$253.5 million, respectively, for the Domestic Plans and \$253.2 million \$302.5 million and \$390.8 million \$253.2 million, respectively, for the Foreign Plans. The Company had 7 nine plans at December 31, 2022 December 31, 2023 and 9 seven plans at December 31, 2021 December 31, 2022 for which the accumulated benefit obligation was in excess of the fair value of plan assets. For these plans, the aggregate accumulated benefit obligation was \$113.7 \$208.6 million and \$194.6 million \$113.7 million, respectively, and the aggregate fair value of plan assets was \$91.0 million \$183.8 million and \$167.4 million \$91.0 million, respectively.

The following tables set forth the components of net periodic pension cost (benefit) cost for the Company's defined benefit plans:

(In thousands)	Domestic Plans <sup>(1)</sup>			Foreign Plans <sup>(1)</sup>			Total		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
<b>Components of Net Periodic Pension Cost (Benefit) Cost</b>									
<b>Service cost</b>									
Service cost	\$ —	\$ 3,033	\$ 1,763	\$ 8,317	\$ 12,140	\$ 9,029	\$ 8,317	\$ 15,173	\$ 10,792
Interest cost	8,696	8,219	4,787	9,503	9,801	7,162	18,199	18,020	11,949
Expected return on plan assets	(14,394)	(17,097)	(8,395)	(17,599)	(17,834)	(11,659)	(31,993)	(34,931)	(20,054)
Recognized actuarial (loss) gain	—	—	—	(889)	90	—	(889)	90	—
Curtailment	—	(3,900)	—	—	(32,680)	—	—	(36,580)	—
Settlement	—	290	—	(148)	(59)	(144)	(148)	231	(144)
<b>Net periodic pension (benefit) cost</b>	<b>\$ (5,698)</b>	<b>\$ (9,455)</b>	<b>\$ (1,845)</b>	<b>\$ (816)</b>	<b>\$ (28,542)</b>	<b>\$ 4,388</b>	<b>\$ (6,514)</b>	<b>\$ (37,997)</b>	<b>\$ 2,543</b>

<sup>(1)</sup> The Company assumed the Domestic Plans and certain foreign plans in connection with the acquisition of Anixter on June 22, 2020, as disclosed in Note 6, "Acquisitions and Disposals". The Company began recognizing the associated net periodic pension (benefit) cost as of the acquisition date.

(In millions)	Domestic Plans			Foreign Plans			Total		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
<b>Components of Net Periodic Pension Cost (Benefit)</b>									
<b>Service cost</b>									
Service cost	\$ —	\$ —	\$ 3.0	\$ 4.7	\$ 8.3	\$ 12.1	\$ 4.7	\$ 8.3	\$ 15.2
Interest cost	10.4	8.7	8.2	12.9	9.5	9.8	23.3	18.2	18.0
Expected return on plan assets	(9.6)	(14.4)	(17.1)	(14.0)	(17.6)	(17.8)	(23.6)	(32.0)	(34.9)
Recognized actuarial (loss) gain	—	—	—	(2.3)	(0.9)	0.1	(2.3)	(0.9)	0.1
Curtailment	—	—	(3.9)	—	—	(32.7)	—	—	(36.6)
Settlement	4.7	—	0.3	(1.9)	(0.1)	(0.1)	2.8	(0.1)	0.2
<b>Net periodic pension cost (benefit)</b>	<b>\$ 5.5</b>	<b>\$ (5.7)</b>	<b>\$ (9.5)</b>	<b>\$ (0.6)</b>	<b>\$ (0.8)</b>	<b>\$ (28.5)</b>	<b>\$ 4.9</b>	<b>\$ (6.5)</b>	<b>\$ (38.0)</b>

Service cost is reported as a component of selling, general and administrative expenses. The other components of net periodic pension cost (benefit) totaling net cost totaling of \$0.2 million for the year ended December 31, 2023 and net benefits of \$14.8 million and \$53.2 million and \$8.2 million for the years ended December 31, 2022, and 2021, and 2020, respectively, are presented as components of other non-operating expense (income) ("other expense (income), net").

The following weighted-average actuarial assumptions were used to determine net periodic pension cost (benefit) cost:

	Domestic Plans <sup>(1)</sup>			Foreign Plans <sup>(1)</sup>			Total		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Discount rate	2.9 %	2.6 %	2.9 %	2.4 %	2.0 %	2.2 %	2.6 %	2.3 %	2.5 %

Expected return on plan assets	4.3 %	5.3 %	5.5 %	5.0 %	4.9 %	5.2 %	4.6 %	5.1 %	5.3 %
Rate of compensation increase	— %	3.8 %	3.8 %	3.4 %	3.2 %	3.4 %	3.4 %	3.4 %	3.5 %

<sup>(1)</sup> As described above, the Company assumed the Domestic Plans and certain foreign plans in connection with the acquisition of Anixter on June 22, 2020. The Company began using the related assumptions as of the acquisition date.

	Domestic Plans			Foreign Plans			Total		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Discount rate	4.4 %	2.9 %	2.6 %	4.8 %	2.4 %	2.0 %	4.6 %	2.6 %	2.3 %
Expected return on plan assets	4.8 %	4.3 %	5.3 %	5.5 %	5.0 %	4.9 %	5.1 %	4.6 %	5.1 %
Rate of compensation increase	— %	— %	3.8 %	3.4 %	3.4 %	3.2 %	3.4 %	3.4 %	3.4 %

The expected long-term rate of return on plan assets reflects the average rate of earnings expected on the invested assets and future assets to be invested to provide for the benefits included in the projected benefit obligation. The Company uses historical plan asset returns combined with current market conditions to estimate the rate of return. The weighted-average expected long-term rate of return on plan assets used in the determination of net periodic pension cost for 2022 was 4.6%.

As a result of the combined effect of valuation changes in both the equity and bond markets, the plan assets produced an actual loss/gain of 25.1%/-7.0% in 2022/2023. The difference between the expected return and actual return on plan assets is amortized into expense over the service lives of the plan participants. These amounts are reflected on the balance sheet through charges to accumulated other comprehensive (income) loss.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

The following table sets forth the changes and the end of year components of accumulated other comprehensive (income) loss for the defined benefit plans:

		Year Ended December 31,			
(In thousands)		2022	2021		
Year Ended December 31,				Year Ended December 31,	
(In millions)		(In millions)		2023	2022
<b>Changes to</b>	<b>Changes to</b>				
<b>Balance:</b>	<b>Balance:</b>				
Beginning balance,	Beginning balance,				
before tax effect	before tax effect				
		\$ (58,788)	\$ (3,062)		
Prior service credit arising in current year		(13)	(100)		
Net actuarial loss (gain) arising in current year		14,494	(93,064)		
Recognized actuarial loss (gain)		889	(90)		
Curtailment		—	36,580		
Beginning balance, before tax effect					
Beginning balance, before tax effect					
Net actuarial loss arising in current year					
Recognized actuarial loss					
Settlement	Settlement	148	(231)		
Foreign currency exchange rate changes	Foreign currency exchange rate changes	2,637	1,179		

Ending balance, before tax effect	Ending balance, before tax effect		
		<b>As of December 31,</b>	
(In thousands)		2022	2021
		<b>As of December 31,</b>	
		<b>As of December 31,</b>	
		<b>As of December 31,</b>	
(In millions)		(In millions)	
<b>Components of Balance:</b>	<b>Components of Balance:</b>		
Prior service credit			
Prior service credit			
Prior service credit	Prior service credit	\$ (150)	\$ (137)
Net actuarial gain	Net actuarial gain	(40,483)	(58,651)
Ending balance, before tax effect	Ending balance, before tax effect	(40,633)	(58,788)
Tax effect	Tax effect	10,193	13,605
Ending balance, after tax effect	Ending balance, after tax effect	<u>\$ (30,440)</u>	<u>\$ (45,183)</u>

The following benefit payments, which reflect expected future service, are expected to be paid as follows:

(In thousands)	Domestic Plans		Foreign Plans		Total
	Plans	Plans	Plans	Plans	
2023	\$143,195	\$9,580	\$152,775		
(In millions)					
2024	2024	120,735	9,446	130,181	
2025	2025	—	9,927	9,927	
2026	2026	—	10,493	10,493	
2027	2027	—	11,941	11,941	
2028 to 2032		—	86,586	86,586	
2028					
2029					
to 2033					

The Company expects to contribute approximately \$7.0 million to its Foreign Plans in 2023, 2024. The Company does not expect to make a contribution to its domestic qualified pension plan in 2023, 2024 due to its overfunded status, status and anticipated settlement in the first quarter of 2024, as described above.

The assets of the various defined benefit plans are held in separate independent trusts and managed by independent third party advisors. The investment objective for the defined benefit plans is to ensure an adequate level of assets is available to fund the benefits owed to employees and their beneficiaries when they become payable. In meeting this objective, the Company seeks to achieve a level of absolute investment return consistent with a prudent level of portfolio risk. The Company's risk preference is to refrain from exposing the plans to higher volatility in pursuit of potential higher returns.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

The asset mixes and the asset allocation guidelines for the Domestic Plans and Foreign Plans are summarized as follows:

**Domestic Plans**

		Allocation Guidelines			
December		31, 2022	Min	Target	Max
<b>Domestic Plans</b>					
Allocation Guidelines					
December 31,		Allocation Guidelines			
2023		Allocation Guidelines			
Equities	Equities	2.1 %	— %	2 %	35 %
Debt securities:	Debt securities:				
Domestic treasuries	Domestic treasuries	5.5	—	5	—
Domestic treasuries	Domestic treasuries				
Corporate bonds	Corporate bonds	22.4	—	22	—
Other		7.6	—	8	35
Total debt securities	Total debt securities	35.5		35	
Property/real estate		13.5	—	14	35
Cash equivalents	Cash equivalents	48.9	—	49	—
		100.0 %		100 %	
Cash equivalents	Cash equivalents				
		100.0			
<b>Foreign Plans</b>					
Allocation Guidelines					
December		Allocation Guidelines			
31, 2022		Min	Target	Max	
<b>Foreign Plans</b>					
Allocation Guidelines					
December 31,		Allocation Guidelines			
2023		Allocation Guidelines			
Equities	Equities	27.3 %	19 %	30 %	38 %
Debt securities:	Debt securities:				
Domestic treasuries	Domestic treasuries	0.2	—	—	—
Corporate bonds	Corporate bonds	4.0	1	1	29
Pooled investment funds and other	Pooled investment funds and other	52.6	36	54	67
Total debt securities	Total debt securities	56.8		55	

Property/real estate	Property/real estate	4.0	2	4	7
Property/real estate					
Property/real estate					
Insurance products	Insurance products	6.9	7	7	7
Other	Other	5.0	4	4	11
	100.0 %		100 %		
	100.0				

Domestic Plans

Allocation

Guidelines

December

31, 2021 Min Target Max

Domestic Plans						Domestic Plans					
						Allocation Guidelines					
December 31,						December 31, 2022					
								Min	Target		Max
Equities	Equities	10.8 %	5 %	10 %	15 %	Equities	2.1 %	— %	2 %	35 %	
Debt securities:	Debt securities:										
Domestic treasuries											
Domestic treasuries											
Domestic treasuries	Domestic treasuries	36.1	—	34	—						
Corporate bonds	Corporate bonds	25.7	—	40	—						
Other	Other	7.6	3	7	13						
Total debt securities	Total debt securities	69.4		81							
Property/real estate	Property/real estate	19.0	3	8	13						
Other		0.8	—	1	—						
	100.0 %		100 %								
Property/real estate											
Property/real estate											
Cash equivalents											
	100.0										

WESCO INTERNATIONAL, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

Foreign Plans

Allocation

Guidelines

December

31, 2021 Min Target Max

Foreign Plans						Foreign Plans					
						Allocation Guidelines					

The plans' pension committees meet regularly to assess investment performance relative to asset allocation guidelines. The Company periodically rebalances its asset portfolios to be in line with its allocation guidelines.

For 2022, 2023, the investment policy guidelines of the Domestic Plans were as follows:

- Each asset class is managed by one or more active and passive investment managers
- Each asset class may be invested in a commingled fund, mutual fund, or separately managed account
- Investment in Exchange Traded Funds ("ETFs") is permissible
- Each manager is expected to be "fully invested" with minimal cash holdings
- Derivative instruments such as futures, swaps and options may be used on a limited basis; for funds that employ derivatives, the loss of invested capital to the Trust trust should be limited to the amount invested in the fund
- The equity portfolio is diversified by sector and geography
- The real assets portfolio is invested in Real Estate Investment Trusts ("REITs") and private real estate
- The fixed income is invested in U.S. Treasuries, investment grade corporate debt (denominated in U.S. dollars), and other credit investments including below investment grade rated bonds and loans, securitized credit, and emerging market debt

The investment policies for the Foreign Plans are the responsibility of the various trustees. Generally, the investment policy guidelines are as follows:

- Make sure that the obligations to the beneficiaries of the plan can be met
- Maintain funds at a level to meet the minimum funding requirements
- The investment managers are expected to provide a return, within certain tracking tolerances, close to that of the relevant market's indices

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

The following tables set forth the fair value of assets by asset category for the Domestic Plans and Foreign Plans:

December 31, 2022						December 31, 2023
(In thousands)	Level 1	Level 2	Level 3	NAV <sup>(1)</sup>	Total	December 31, 2023

(In millions)		(In millions)		Level 1	Level 2	Level 3	NAV <sup>(1)</sup>	Total
<b>Domestic</b>	<b>Domestic</b>							
<b>Plans</b>	<b>Plans</b>							
Equities								
Equities								
Equities	Equities	\$ —	\$ —	\$ —	\$ 5,894	\$ 5,894		
Debt securities:	Debt securities:							
Domestic treasuries	Domestic treasuries	—	—	—	15,601	15,601		
Domestic treasuries								
Domestic treasuries								
Corporate bonds	Corporate bonds	—	—	—	63,824	63,824		
Other		—	—	—	21,694	21,694		
Property/real estate		—	—	—	38,701	38,701		
Cash equivalents	Cash equivalents	139,405	—	—	—	—	139,405	
Total investments in Domestic Plans	Total investments in Domestic Plans	\$ 139,405	\$ —	\$ —	\$ 145,714	\$ 285,119		
<b>Foreign</b>	<b>Foreign</b>							
<b>Plans</b>	<b>Plans</b>							
Foreign Plans								
Foreign Plans								
Equities								
Equities								
Equities	Equities	\$ —	\$ —	\$ —	\$ 73,072	\$ 73,072		
Debt securities:	Debt securities:							
Domestic treasuries	Domestic treasuries	—	—	—	405	405		
Domestic treasuries								
Domestic treasuries								
Corporate bonds	Corporate bonds	—	—	—	10,731	10,731		
Pooled investment funds and other	Pooled investment funds and other	—	—	—	140,966	140,966		
Property/real estate	Property/real estate	—	—	—	10,637	10,637		
Insurance products	Insurance products	—	18,489	—	—	18,489		
Other	Other	3,651	—	—	9,623	13,274		
Total investments in Foreign Plans	Total investments in Foreign Plans	\$ 3,651	\$ 18,489	\$ —	\$ 245,434	\$ 267,574		
<b>Total</b>	<b>Total</b>							
<b>Total</b>								
Equities								

Equities							
Equities	Equities	\$	—	\$	—	\$	—
Debt securities:	Debt securities:					\$ 78,966	\$ 78,966
Domestic treasuries							
Domestic treasuries							
Domestic treasuries	Domestic treasuries	—	—	—	—	16,006	16,006
Corporate bonds	Corporate bonds	—	—	—	—	74,555	74,555
Pooled investment funds and other	Pooled investment funds and other	—	—	—	—	162,660	162,660
Property/real estate	Property/real estate	—	—	—	—	49,338	49,338
Insurance products	Insurance products	—	18,489	—	—	—	18,489
Cash equivalents	Cash equivalents	139,405	—	—	—	—	139,405
Other	Other	3,651	—	—	—	9,623	13,274
Total investments	Total investments	\$ 143,056	\$ 18,489	\$ —	\$ 391,148	\$ 552,693	

(1) Investments measured at fair value using the **net asset value ("NAV")** per share practical expedient have not been classified in the fair value hierarchy. The amounts presented in the tables above are intended to reconcile the fair value hierarchy to the total fair value of plan assets.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

		December 31, 2021					December 31, 2022						
		Level					Level						
(In thousands)		Level 1	Level 2	3	NAV (1)	Total	(In millions)		Level 1	Level 2	Level 3	NAV (1)	Total
		December 31, 2022					Level						
(In millions)							Level 1	Level 2	Level 3	NAV (1)	Total		
Domestic	Domestic												
Plans	Plans												
Equities	Equities	\$ —	\$ —	\$ —	\$ 40,102	\$ 40,102							
Equities	Equities												
Debt securities:	Debt securities:												
Domestic treasuries	Domestic treasuries	—	—	—	133,672	133,672							
Corporate bonds	Corporate bonds	—	—	—	95,198	95,198							
Other	Other	—	—	—	28,246	28,246							
Property/real estate	Property/real estate	—	—	—	70,648	70,648							
Other	2,865	—	—	—	—	2,865							
Cash equivalents													

Total investments in Domestic Plans	Total investments in Domestic Plans	\$2,865	\$ —	\$367,866	\$370,731
<b>Foreign Plans</b>					
<b>Foreign Plans</b>					
Equities					
Equities	Equities	\$ —	\$ —	\$149,707	149,707
Debt securities:	Debt securities:				
Domestic treasuries					
Domestic treasuries					
Domestic treasuries					
Corporate bonds	Corporate bonds	—	—	17,328	17,328
Pooled investment funds and other	Pooled investment funds and other	—	—	165,863	165,863
Property/real estate	Property/real estate	—	—	16,632	16,632
Insurance products	Insurance products	—	18,781	—	18,781
Other	Other	1,248	—	12,222	13,470
Total investments in Foreign Plans	Total investments in Foreign Plans	\$1,248	\$18,781	\$ —	\$361,752
<b>Total</b>	<b>Total</b>				\$381,781
<b>Total</b>					
<b>Total</b>					
Equities					
Equities	Equities	\$ —	\$ —	\$189,809	\$189,809
Debt securities:	Debt securities:				
Domestic treasuries					
Domestic treasuries					
Domestic treasuries	Domestic treasuries	—	—	133,672	133,672
Corporate bonds	Corporate bonds	—	—	112,526	112,526
Pooled investment funds and other	Pooled investment funds and other	—	—	194,109	194,109
Property/real estate	Property/real estate	—	—	87,280	87,280
Insurance products	Insurance products	—	18,781	—	—
Cash equivalents					18,781

Other	Other	4,113	—	—	12,222	16,335
Total investments	Total investments	\$4,113	\$18,781	\$ —	\$729,618	\$752,512

(a) Investments measured at fair value using the NAV per share practical expedient have not been classified in the fair value hierarchy. The amounts presented in the tables above are intended to reconcile the fair value hierarchy to the total fair value of plan assets.

The assets of the Domestic Plans and Foreign Plans are measured at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets and liabilities are classified in the fair value hierarchy based on the lowest level of any input that is significant to the measurement of fair value. Investments for which fair value is measured using the net asset value (NAV) per share practical expedient are not classified in the fair value hierarchy. The majority of pension assets are comprised of common/collective/pool funds (i.e., mutual funds). These funds are valued at the net asset value of shares held in the underlying funds.

The fair value methods described above may not be indicative of net realizable value or reflective of future fair values. Additionally, while the Company believes the valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

**Other Benefits**

Prior to its acquisition by Wesco on June 22, 2020, Anixter granted restricted stock units in the ordinary course of business to its employees and directors. These awards, for which vesting did not accelerate solely as a result of the Company's merger with Anixter, were converted into cash-only settled Wesco phantom stock units, which **vested** ratably over a 3-year period. As of December 31, 2022 December 31, 2023, these awards had **fully vested** and 2021, have **no remaining fair value or liability**. As of December 31, 2022, the estimated fair value of these awards was \$8.1 million \$8.1 million and \$22.7 million, respectively.

As of December 31, 2022, the Company's liability for these awards was \$8.0 million, which is included in accrued payroll and benefit costs in the Consolidated Balance Sheet. As of December 31, 2021, the Company's liability for these awards was \$17.3 million, of which \$10.9 million was included in accrued payroll and benefit costs and \$6.4 million was a component of other noncurrent liabilities in the Consolidated Balance Sheet.

The Company recognized compensation expense associated with these awards of \$0.1 million, \$2.6 million, \$13.6 million and \$9.2 \$13.6 million for the years ended December 31, 2022 December 31, 2023, 2021 2022, and 2020, 2021, respectively, which is reported as a component of selling, general and administrative expenses.

**14. STOCK-BASED COMPENSATION**

Wesco sponsors a stock-based compensation plan. On May 27, 2021, the Company's stockholders approved the WESCO International, Inc. 2021 Omnibus Incentive Plan (the "2021 Plan"). The 2021 Plan is administered by the Compensation Committee of the Company's Board of Directors.

The 2021 Plan was designed to be the successor plan to all prior stock-based compensation plans. Accordingly, no new awards may be granted under the Company's 1999 Long-Term Incentive Plan, as amended and restated (the "1999 Plan") or any other prior plan. Awards outstanding under any such prior plans will remain in full force and effect under such plans according to their respective terms. To the extent that any such award is forfeited, terminates, expires or lapses without being exercised, or is settled for cash, the shares subject to such award not delivered will again be available for awards under the 2021 Plan.

The maximum number of shares of the Company's common stock that may be granted pursuant to awards under the 2021 Plan is 2,150,000, less any shares issued under the 1999 Plan between March 31, 2021 and May 27, 2021. If any award granted under the 2021 Plan is forfeited, terminates, expires or lapses instead of being exercised, or is settled for cash, the shares subject to such award will again be available for grant under the 2021 Plan. Shares delivered by participants or withheld by the Company to pay all or a portion of the exercise price or withholding taxes with respect to stock option or stock appreciation right awards will not again be available for issuance. Shares delivered by participants or withheld by the Company to satisfy applicable tax withholding obligations with respect to restricted shares or restricted stock units will again be available for grant under the 2021 Plan. As of December 31, 2022 December 31, 2023, 1,992,652 1,877,701 shares of common stock were reserved under the 2021 Plan for future equity award grants.

Stock-based compensation awards outstanding under Wesco's plans are comprised of comprise stock options, stock-settled stock appreciation rights, restricted stock units and performance-based awards. Compensation cost for all stock-based awards is measured at fair value on the date of grant and compensation cost is recognized, net of estimated forfeitures, over the service period for awards expected to vest. The fair value of stock options and stock-settled stock appreciation rights is determined using the Black-Scholes model. The fair value of restricted stock units and performance-based awards with performance conditions is determined by the grant-date closing price of Wesco's common stock. The forfeiture assumption is based on Wesco's historical participant behavior that is reviewed on at least an annual basis. **No dividends are assumed**. For stock options and stock-settled stock appreciation rights that are exercised, and for restricted stock units and performance-based awards that vest, shares are issued out of Wesco's outstanding common stock.

Stock options and stock-settled stock appreciation rights vest ratably over a three-year period and terminate on the tenth anniversary of the grant date unless terminated sooner under certain conditions. Restricted stock unit awards that were granted in February 2020 and prior under the 1999 Plan vest based fully on a minimum time period the third anniversary of three years. The date of grant, except for the special award described below, vests which vested in tranches. Restricted stock units awarded in 2022 and under the 2021 Plan vest ratably over a three-year period on each of the first, second and third anniversaries of the grant date. Vesting of performance-based awards is based on a three-year performance period, and the number of shares earned, if any, depends on the attainment of certain performance levels, as described below. Outstanding awards would vest upon the consummation of a change in control transaction with performance-based awards vesting at the target level.

On July 2, 2020, a special award of restricted stock units was granted to certain officers of the Company. These awards vest in tranches of 30% on each of the first and second anniversaries of the grant date and 40% on the third anniversary of the grant date, subject in each case, to continued employment through the applicable anniversary date.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

Performance-based awards granted in 2022, 2021 and 2020 are based on two equally-weighted performance measures: the three-year average growth rate of Wesco's net income attributable to common stockholders and the three-year cumulative return on net assets. These awards are

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

accounted for as awards with performance conditions; compensation cost is recognized over the performance period based upon Wesco's determination of whether it is probable that the performance targets will be achieved.

Wesco recognized \$46.4 million \$48.1 million, \$30.8 million \$46.4 million and \$19.3 million \$30.8 million of non-cash stock-based compensation expense for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively, which is included in selling, general and administrative expenses for all such periods. As of December 31, 2022 December 31, 2023, there was \$51.8 million \$50.2 million of total unrecognized compensation expense related to non-vested stock-based compensation arrangements for all awards previously made, of which approximately \$32.8 million is expected to be recognized in 2023, \$16.8 million in 2024 and \$2.2 million in 2025, as follows:

For the year ending December 31,	(In millions)
2024	\$ 32.2
2025	16.1
2026	1.9

The aggregate intrinsic value of awards exercised during the years ended December 31, 2022 December 31, 2023, 2022, and 2021 and 2020 was \$172.8 million, \$68.3 million, \$69.7 million, and \$8.8 million \$69.7 million, respectively. The gross deferred income tax benefit associated with the exercise of stock-based awards totaled \$15.8 million \$40.8 million, \$16.8 million \$15.8 million, and \$2.0 million \$16.8 million in 2023, 2022, 2021, and 2020, 2021, respectively.

During the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, Wesco granted the following stock options, stock-settled stock appreciation rights, restricted stock units, and performance-based awards at the following weighted-average fair values:

	Year Ended December 31,			Year Ended December 31,		
	2022	2021	2020	2023	2022	2021
Stock options granted	Stock options granted	92,799	—	—		
Weighted-average fair value	Weighted-average fair value	\$ 57.15	n/a	n/a	Weighted-average fair value	\$ 76.69
Stock-settled stock appreciation rights granted	Stock-settled stock appreciation rights granted	—	139,592	262,091	\$ 57.15	n/a
Stock-settled stock appreciation rights granted						n/a
Weighted-average fair value	Weighted-average fair value	n/a	\$ 33.19	\$ 13.86		
Restricted stock units granted	Restricted stock units granted	234,800	314,480	656,717		
Restricted stock units granted						
Restricted stock units granted						

Weighted-average fair value	\$122.13	\$ 77.81	\$ 37.44
Performance-based awards granted	83,991	122,812	158,756
Weighted-average fair value	\$122.09	\$ 76.76	\$ 49.56

(1) As described further below, the year ended December 31, 2023 includes performance-based awards granted in February 2020 for which actual achievement levels were certified in February 2023, as well as performance-based awards granted during the year ended December 31, 2023.

The fair values of stock options and stock-settled stock appreciation rights, as disclosed in the table above, were estimated using the following weighted-average assumptions in the respective periods:

Year Ended December 31,				Year Ended December 31,			
				2023	2022	2021	
Year Ended December 31,							
Risk free interest rate	Risk free interest rate	2.0%	0.8%	1.4%	Risk free interest rate	4.1%	2.0%
Expected life (in years)	Expected life (in years)	7	7	5	Expected life (in years)	5	7
Expected volatility	Expected volatility	43%	41%	30%	Expected volatility	50%	43%
Expected dividend yield					Expected dividend yield	0.89%	n/a

The risk-free interest rate is based on the U.S. Treasury Daily Yield Curve rate as of the grant date. The expected life is based on historical exercise experience, and the expected volatility is based on the volatility of the Company's daily stock price over the expected life preceding the grant date of the award, and the expected dividend yield is based on the calculated yield on the Company's common stock at date of grant using the current year projected dividend distribution rate. The Company did not pay dividends to holders of its common stock during the years ended December 31, 2022 and 2021.

#### WESCO INTERNATIONAL, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

The following table sets forth a summary of stock options and related information for the period periods presented:

Year Ended December 31,				Year Ended December 31,			
				2023	2022	2021	
Weighted-Average	Weighted-Average	Intrinsic					
Average	Remaining	Value					
Exercise	Contractual	(In					
Awards	Price	Life	thousands)				

				Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in millions)		Weighted-Average Exercise Price
	Awards			Awards			Awards	
Beginning of year	Beginning of year	—	\$ —					
Granted	Granted	92,799	121.58					
Exercised	Exercised	—	—					
Forfeited	Forfeited	(5,452)	122.09					
End of year	End of year	87,347	121.55	9.1	\$ 319			
Exercisable at end of year	Exercisable at end of year	879	\$ 122.09	0.6	\$ 3			

For the year ended December 31, 2023, the aggregate intrinsic value of stock options exercised during such period was not material.

The following table sets forth a summary of stock-settled stock appreciation rights and related information for the periods presented:

	Year Ended December 31,							
	2023				2022		2021	
	Awards	Weighted-Average Exercise Price	Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in millions)	Awards	Weighted-Average Exercise Price	Awards	Weighted-Average Exercise Price
Beginning of year	1,248,115	\$ 62.02			1,370,388	\$ 62.09	2,161,556	\$ 60.48
Granted	—	—			—	—	139,592	77.05
Exercised	(428,500)	66.70			(113,382)	61.90	(916,906)	60.70
Forfeited	(1,331)	74.57			(8,891)	73.35	(13,854)	54.42
End of year	818,284	59.55	5.0	\$ 93.6	1,248,115	62.02	1,370,388	62.09
Exercisable at end of year	777,479	\$ 58.64	4.9	\$ 89.6	1,083,320	\$ 61.91	1,001,708	\$ 62.79

	Year Ended December 31,							
	2022				2021		2020	
	Awards	Weighted-Average Exercise Price	Remaining Contractual Life	Aggregate Intrinsic Value (in thousands)	Awards	Weighted-Average Exercise Price	Awards	Weighted-Average Exercise Price
Beginning of year	1,370,388	\$ 62.09			2,161,556	\$ 60.48	2,337,049	\$ 59.72
Granted	—	—			139,592	77.05	262,091	48.32
Exercised	(113,382)	61.90			(916,906)	60.70	(391,339)	47.11
Forfeited	(8,891)	73.35			(13,854)	54.42	(46,245)	65.93
End of year	1,248,115	62.02	5.2	\$ 78,850	1,370,388	62.09	2,161,556	60.48
Exercisable at end of year	1,083,320	\$ 61.91	4.9	\$ 68,567	1,001,708	\$ 62.79	1,630,891	\$ 62.72

For the year ended December 31, 2023, the aggregate intrinsic value of stock-settled appreciation rights exercised during such period was \$40.2 million.

The following table sets forth a summary of restricted stock units and related information for the periods presented:

	Year Ended December 31,					
	2022		2021		2020	
	Weighted-Average Fair Value	Awards	Weighted-Average Fair Value	Awards	Weighted-Average Fair Value	Awards
	Year Ended December 31,					
	2023		2022		2021	
	Awards		Awards		Awards	
	Year Ended December 31,					
	2023		2022		2021	
	Awards		Awards		Awards	

Unvested	Unvested						
at	at						
beginning	beginning						
of year	of year	974,162	\$ 53.48	921,495	\$ 43.15	363,729	\$ 60.00
Granted	Granted	234,800	122.13	314,480	77.81	656,717	37.44
Vested	Vested	(393,194)	53.13	(232,152)	44.10	(83,253)	69.17
Forfeited	Forfeited	(41,535)	66.30	(29,661)	63.86	(15,698)	56.79
Unvested	Unvested						
at end of	at end of						
year	year	774,233	\$ 73.79	974,162	\$ 53.48	921,495	\$ 43.15

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
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The following table sets forth a summary of performance-based awards and related information for the periods presented:

Year Ended December 31,									
2022		2021		2020					
	Weighted-Average		Weighted-Average		Weighted-Average				
	Fair		Fair		Fair				
Awards	Value	Awards	Value	Awards	Value				
Year Ended December 31,									
2023		2023		2022		2021			
				Weighted-Average		Weighted-Average			
				Fair		Fair			
Awards				Awards	Value	Awards	Value		
Unvested	Unvested								
at	at								
beginning	beginning								
of year	of year	380,819	\$ 59.23	305,269	\$ 52.61	195,305	\$ 60.24		
Granted		83,991	122.09	122,812	76.76	158,756	49.56		
Granted <sup>(1)</sup>									
Vested	Vested	(115,394)	54.64	(22,371)	62.80	(25,909)	78.04		
Forfeited	Forfeited	(14,087)	60.75	(24,891)	61.26	(22,883)	69.39		
Unvested	Unvested								
at end of	at end of								
year	year	335,329	\$ 75.26	380,819	\$ 59.23	305,269	\$ 52.61		

<sup>(1)</sup>Includes 63,098 performance-based awards granted in February 2023 with a fair value of \$171.96 and three-year performance period ending December 31, 2025, and 144,697 of additional performance-based awards related to awards originally granted in February 2020 with a fair value of \$48.32 and three-year performance period ended December 31, 2022 for which actual achievement levels were certified in February 2023. Also includes 3,074, 662, and 549 performance-based awards granted during the three months ended June 30, 2023, September 30, 2023, and December 31, 2023, respectively, with weighted-average fair values of \$150.32, \$115.04, and \$115.21, respectively, and three-year performance periods ending December 31, 2025.

## 15. COMMITMENTS AND CONTINGENCIES

From time to time, a number of lawsuits and claims have been or may be asserted against the Company relating to the conduct of its business, including litigation relating to commercial, product and employment matters (including wage and hour). The outcome of any litigation cannot be predicted with certainty, and some lawsuits may be determined adversely to Wesco. However, management does not believe that the ultimate outcome of any such pending matters is likely to have a material adverse effect on Wesco's financial condition or liquidity, although the resolution in any fiscal period of one or more of these matters may have a material adverse effect on Wesco's results of operations for that period.

As of December 31, 2022 December 31, 2023, the Company had \$53.1 \$60.9 million in outstanding letters of credit and guarantees.

## 16. BUSINESS SEGMENTS

The Company has operating segments comprising three strategic business units consisting of EES, CSS and UBS. These operating segments are equivalent to the Company's reportable segments. The Company's chief operating decision maker evaluates the performance of its operating segments based primarily on net sales, adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA"), and adjusted EBITDA margin percentage.

The Company incurs corporate costs primarily related to treasury, tax, information technology, legal and other centralized functions. The Company also has various corporate assets. Segment assets may not include jointly used assets, but segment results include depreciation expense or other allocations related to those assets. Interest expense and

other non-operating items are either not allocated to the segments or reviewed on a segment basis. Corporate expenses and assets not directly identifiable with a reportable segment are reported in the tables below to reconcile the reportable segments to the consolidated financial statements.

The following is a description of each of the Company's reportable segments and their business activities.

*Electrical & Electronic Solutions*

The EES segment, with approximately 7,000 6,800 employees supporting customers in more than 50 countries, supplies a broad range of products and solutions primarily to the construction, industrial and original equipment manufacturer ("OEM") markets. The product portfolio in this business includes a broad range of electrical equipment and supplies, automation and connected devices (the "Internet of Things" or "IoT"), security, lighting, wire and cable, safety, and maintenance, repair and operating ("MRO") products from industry-leading manufacturing partners. The EES service portfolio includes contractor solutions to improve project execution, direct and indirect manufacturing supply chain optimization programs, lighting and renewables advisory services, and digital and automation solutions to improve safety and productivity.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

*Communications & Security Solutions*

The CSS segment, with over 4,600 approximately 4,400 employees supporting customers in more than 50 countries, is a global leader in the network infrastructure and security markets. CSS sells products directly to end-users or through various channels including data communications contractors, security, network, professional audio/visual and systems integrators. In addition to the core network infrastructure and security portfolio, CSS has a broad offering of safety and energy management solutions. CSS products are often combined with supply chain services to increase efficiency and productivity, including installation enhancement, project deployment, advisory, and IoT and digital services.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

*Utility & Broadband Solutions*

The UBS segment, with over 2,700 approximately 2,900 employees supporting customers primarily in the U.S. and Canada, provides products and services to investor-owned utilities, public power companies, including municipalities, as well as global service providers, wireless providers, broadband operators and the contractors that service these customers. The UBS segment also includes Wesco's integrated supply business, which provides products and services to large industrial and commercial end-users to support their MRO spend. The products sold into the utility and broadband markets include wire and cable, transformers, transmission and distribution hardware, switches, protective devices, connectors, lighting, conduit, fiber and copper cable, connectivity products, pole line hardware, racks, cabinets, safety and MRO products, and point-to-point wireless devices. The UBS segment also offers a complete set of service solutions to improve customer supply chain efficiencies.

The following tables set forth financial information by reportable segment for the periods presented:

(In thousands)	Year Ended December 31, 2022					Total
	EES	CSS	UBS	Corporate		
Net sales	\$ 8,823,331	\$ 6,401,468	\$ 6,195,317	\$ —	\$ 21,420,116	
Adjusted EBITDA	851,266	599,000	677,255	(401,939)	1,725,582	
Adjusted EBITDA Margin %	9.6 %	9.4 %	10.9 %	8.1 %		
Supplemental information:						
Depreciation and amortization	\$ 42,621	\$ 68,448	\$ 23,251	\$ 44,694	\$ 179,014	
Capital expenditures	9,065	4,793	9,193	76,361	99,412	
Year Ended December 31, 2021						
(In thousands)	EES					Total
	EES	CSS	UBS	Corporate		
Net sales	\$ 7,621,263	\$ 5,715,238	\$ 4,881,011	\$ —	\$ 18,217,512	
Adjusted EBITDA	604,461	480,820	428,367	(337,965)	1,175,683	
Adjusted EBITDA Margin %	7.9 %	8.4 %	8.8 %	6.5 %		
Supplemental information:						
Depreciation and amortization	\$ 55,998	\$ 82,870	\$ 22,447	\$ 37,239	\$ 198,554	
Capital expenditures	4,469	3,197	5,207	41,873	54,746	
Year Ended December 31, 2020						
(In thousands)	EES					Total
	EES	CSS	UBS	Corporate		
Net sales	\$ 5,479,760	\$ 3,323,264	\$ 3,522,971	\$ —	\$ 12,325,995	
Adjusted EBITDA	308,327	280,656	265,593	(194,259)	660,317	
Adjusted EBITDA Margin %	5.6 %	8.4 %	7.5 %	5.4 %		
Supplemental information:						

Depreciation and amortization	\$ 35,811	\$ 37,765	\$ 22,380	\$ 25,644	\$ 121,600
Capital expenditures	7,081	1,495	12,834	35,261	56,671

Year Ended December 31, 2023					
(In millions)	EES	CSS	UBS	Total	
Net sales	\$ 8,610.3	\$ 7,152.2	\$ 6,622.7	\$ 22,385.2	
Year Ended December 31, 2022					
(In millions)	EES	CSS	UBS	Total	
Net sales	\$ 8,823.3	\$ 6,401.5	\$ 6,195.3	\$ 21,420.1	
Year Ended December 31, 2021					
(In millions)	EES	CSS	UBS	Total	
Net sales	\$ 7,621.3	\$ 5,715.2	\$ 4,881.0	\$ 18,217.5	

Year Ended December 31, 2023					
(In millions)	EES	CSS	UBS		
Adjusted EBITDA	\$ 727.4	\$ 683.8	\$ 739.3		
Adjusted EBITDA margin %	8.4 %	9.6 %	11.2 %		
Year Ended December 31, 2022					
(In millions)	EES	CSS	UBS		
Adjusted EBITDA	\$ 851.3	\$ 599.0	\$ 677.3		
Adjusted EBITDA margin %	9.6 %	9.4 %	10.9 %		
Year Ended December 31, 2021					
(In millions)	EES	CSS	UBS		
Adjusted EBITDA	\$ 604.5	\$ 480.8	\$ 428.4		
Adjusted EBITDA margin %	7.9 %	8.4 %	8.8 %		

The following tables set forth supplemental information by reportable segment for the periods presented:

Year Ended December 31, 2023					
(In millions)	EES	CSS	UBS	Corporate	Total
Depreciation and amortization	\$ 43.3	\$ 71.7	\$ 25.0	\$ 41.3	\$ 181.3
Capital expenditures	10.3	7.9	19.5	54.6	92.3

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

Year Ended December 31, 2022					
(In millions)	EES	CSS	UBS	Corporate	Total
Depreciation and amortization	\$ 42.6	\$ 68.4	\$ 23.3	\$ 44.7	\$ 179.0
Capital expenditures	9.1	4.8	9.2	76.4	99.4
Year Ended December 31, 2021					
(In millions)	EES	CSS	UBS	Corporate	Total
Depreciation and amortization	\$ 56.0	\$ 82.9	\$ 22.4	\$ 37.2	\$ 198.6
Capital expenditures	4.5	3.2	5.2	41.9	54.7

The following table sets forth total assets by reportable segment for the periods presented:

As of					
December 31, 2022					
(In thousands)	EES	CSS	UBS	Corporate <sup>(1)</sup>	Total
As of					As of

December 31, 2023						December 31, 2023										
(In millions)		(In millions)				EES	CSS	UBS	Corporate(1)	Total						
Total	Total															
assets assets \$4,480,336 \$5,503,971 \$3,827,439 \$ 999,940 \$14,811,686																
As of December 31, 2021																
(In thousands)		EES	CSS	UBS	Corporate(1)	Total										
As of December 31, 2022																
(In millions)		(In millions)				EES	CSS	UBS	Corporate(1)	Total						
Total	Total															
assets assets \$4,098,335 \$4,601,132 \$3,266,231 \$ 652,001 \$12,617,699																

(1) Total assets for Corporate primarily consist of cash and cash equivalents, deferred income taxes, **fixed assets**, **property, buildings and equipment**, **capitalized cloud computing arrangement costs**, **right-of-use operating lease assets**, **associated with operating leases**, and pension assets.

The following table sets forth tangible long-lived assets, which include property, buildings and equipment, and operating lease assets, by geographic area:

As of December 31,				As of December 31,			
		2022	2021				
(In thousands)							
As of December 31,							
	2023			2023	2022		
(In millions)		(In millions)					
United States	United States	\$ 790,120	\$ 698,942				
Canada	Canada	166,965	141,380				
Other	Other						
International(1)	International(1)	70,671	69,553				
Total	Total	\$1,027,756	\$909,875				

(1) No individual other international country's tangible long-lived assets are material.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

The following tables reconcile net income attributable to common stockholders to adjusted EBITDA and adjusted EBITDA margin % by segment, which are non-GAAP financial measures, for the periods presented:

Year Ended December 31, 2022					
(In thousands)	EES	CSS	UBS	Corporate	Total
Net income attributable to common stockholders	\$ 801,283	\$ 526,985	\$ 648,478	\$ (1,173,683)	\$ 803,063
Net income attributable to noncontrolling interests	158	—	—	1,493	1,651
Preferred stock dividends	—	—	—	57,408	57,408
Provision for income taxes	—	—	—	274,529	274,529
Interest expense, net	—	—	—	294,420	294,420
Depreciation and amortization	42,621	68,448	23,251	44,694	179,014
Other (income) expense, net	(2,022)	(1,292)	1,992	8,336	7,014
Stock-based compensation expense(1)	9,226	4,859	3,534	23,418	41,037
Merger-related and integration costs	—	—	—	67,446	67,446
<b>Adjusted EBITDA</b>	<b>\$ 851,266</b>	<b>\$ 599,000</b>	<b>\$ 677,255</b>	<b>\$ (401,939)</b>	<b>\$ 1,725,582</b>
<b>Adjusted EBITDA margin %</b>	<b>9.6 %</b>	<b>9.4 %</b>	<b>10.9 %</b>		<b>8.1 %</b>

<sup>(1)</sup> Stock-based compensation expense in the calculation of adjusted EBITDA for the year ended December 31, 2022 excludes \$5.4 million as such amount is included in merger-related and integration costs.

(In thousands)	Year Ended December 31, 2021					Total
	EES	CSS	UBS	Corporate		
Net income attributable to common stockholders	\$ 543,633	\$ 394,031	\$ 412,698	\$ (942,388)	\$ 407,974	
Net income attributable to noncontrolling interests	298	—	—	722	1,020	
Preferred stock dividends	—	—	—	57,408	57,408	
Provision for income taxes	—	—	—	115,510	115,510	
Interest expense, net	—	—	—	268,073	268,073	
Depreciation and amortization	55,998	82,870	22,447	37,239	198,554	
Other (income) expense, net <sup>(1)</sup>	(1,872)	1,312	42	(47,594)	(48,112)	
Stock-based compensation expense <sup>(2)</sup>	6,404	2,607	2,107	14,581	25,699	
Merger-related and integration costs	—	—	—	158,484	158,484	
Net gain on divestitures	—	—	(8,927)	—	(8,927)	
<b>Adjusted EBITDA</b>	<b>\$ 604,461</b>	<b>\$ 480,820</b>	<b>\$ 428,367</b>	<b>\$ (337,965)</b>	<b>\$ 1,175,683</b>	
<b>Adjusted EBITDA margin %</b>	<b>7.9 %</b>	<b>8.4 %</b>	<b>8.8 %</b>			<b>6.5 %</b>

<sup>(1)</sup> Corporate other non-operating income in the calculation of adjusted EBITDA for the year ended 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.

<sup>(2)</sup> Stock-based compensation expense in the calculation of adjusted EBITDA for the year ended December 31, 2021 excludes \$5.1 million as such amount is included in merger-related and integration costs.

(In millions)	Year Ended December 31, 2023					Total
	EES	CSS	UBS	Corporate		
Net income attributable to common stockholders	\$ 668.7	\$ 531.1	\$ 712.5	\$ (1,204.2)	\$ 708.1	
Net (loss) income attributable to noncontrolling interests	(0.5)	1.6	—	(0.5)	0.6	
Preferred stock dividends	—	—	—	57.4	57.4	
Provision for income taxes <sup>(1)</sup>	—	—	—	225.9	225.9	
Interest expense, net <sup>(1)</sup>	—	—	—	389.3	389.3	
Depreciation and amortization	43.3	71.7	25.0	41.3	181.3	
Other expense (income), net	10.1	74.2	(1.4)	(57.8)	25.1	
Stock-based compensation expense <sup>(2)</sup>	5.8	5.2	3.2	31.3	45.5	
Merger-related and integration costs <sup>(3)</sup>	—	—	—	55.4	55.4	
Restructuring costs <sup>(4)</sup>	—	—	—	16.7	16.7	
<b>Adjusted EBITDA</b>	<b>\$ 727.4</b>	<b>\$ 683.8</b>	<b>\$ 739.3</b>	<b>\$ (445.2)</b>	<b>\$ 1,705.3</b>	
<b>Adjusted EBITDA margin %</b>	<b>8.4 %</b>	<b>9.6 %</b>	<b>11.2 %</b>			

<sup>(1)</sup> The reportable segments do not incur income taxes and interest expense as these costs are centrally controlled through the Corporate tax and treasury functions.

<sup>(2)</sup> Stock-based compensation expense in the calculation of adjusted EBITDA for the year ended December 31, 2023 excludes \$2.6 million that is included in merger-related and integration costs.

<sup>(3)</sup> Merger-related and integration costs include integration and professional fees associated with the integration of Wesco and Anixter, including digital transformation costs, as well as advisory, legal, and separation costs associated with the merger between the two companies.

<sup>(4)</sup> Restructuring costs include severance costs incurred pursuant to an ongoing restructuring plan.

(In millions)	Year Ended December 31, 2022					Total
	EES	CSS	UBS	Corporate		
Net income attributable to common stockholders	\$ 801.3	\$ 527.0	\$ 648.5	\$ (1,173.7)	\$ 803.1	
Net income attributable to noncontrolling interests	0.2	—	—	1.5	1.7	
Preferred stock dividends	—	—	—	57.4	57.4	
Provision for income taxes <sup>(1)</sup>	—	—	—	274.5	274.5	
Interest expense, net <sup>(1)</sup>	—	—	—	294.4	294.4	

Depreciation and amortization	42.6	68.4	23.3	44.7	179.0
Other (income) expense, net	(2.0)	(1.3)	2.0	8.3	7.0
Stock-based compensation expense <sup>(2)</sup>	9.2	4.9	3.5	23.4	41.0
Merger-related and integration costs <sup>(3)</sup>	—	—	—	67.4	67.4
<b>Adjusted EBITDA</b>	<b>\$ 851.3</b>	<b>\$ 599.0</b>	<b>\$ 677.3</b>	<b>\$ (401.9)</b>	<b>\$ 1,725.6</b>
<b>Adjusted EBITDA margin %</b>	<b>9.6 %</b>	<b>9.4 %</b>	<b>10.9 %</b>		

<sup>(1)</sup> The reportable segments do not incur income taxes and interest expense as these costs are centrally controlled through the Corporate tax and treasury functions.

<sup>(2)</sup> Stock-based compensation expense in the calculation of adjusted EBITDA for the year ended December 31, 2022 excludes \$5.4 million that is included in merger-related and integration costs.

<sup>(3)</sup> Merger-related and integration costs include integration and professional fees associated with the integration of Wesco and Anixter, including digital transformation costs, as well as advisory, legal, and separation costs associated with the merger between the two companies.

**WESCO INTERNATIONAL, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)**

(In thousands)	Year Ended December 31, 2020				
	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
Other (income) expense, net	(1,780)	(48)	24	(591)	(2,395)
Stock-based compensation expense <sup>(1)</sup>	4,080	1,403	1,336	9,895	16,714
Merger-related and integration costs	—	—	—	132,236	132,236
Merger-related fair value adjustments	15,411	22,000	6,282	—	43,693
Out-of-period adjustment	12,634	2,325	3,893	—	18,852
Gain on sale of asset	(19,816)	—	—	—	(19,816)
<b>Adjusted EBITDA</b>	<b style="text-align: right;">\$ 308,327</b>	<b style="text-align: right;">\$ 280,656</b>	<b style="text-align: right;">\$ 265,593</b>	<b style="text-align: right;">\$ (194,259)</b>	<b style="text-align: right;">\$ 660,317</b>
<b>Adjusted EBITDA margin %</b>	<b style="text-align: right;">5.6 %</b>	<b style="text-align: right;">8.4 %</b>	<b style="text-align: right;">7.5 %</b>		<b style="text-align: right;">5.4 %</b>

<sup>(1)</sup> Stock-based compensation expense in the calculation of adjusted EBITDA for the year ended December 31, 2020 excludes \$2.6 million as such amount is included in merger-related and integration costs.

(In millions)	Year Ended December 31, 2021				
	EES	CSS	UBS	Corporate	Total
Net income attributable to common stockholders	\$ 543.6	\$ 394.0	\$ 412.7	\$ (942.4)	\$ 408.0
Net income attributable to noncontrolling interests	0.3	—	—	0.7	1.0
Preferred stock dividends	—	—	—	57.4	57.4
Provision for income taxes <sup>(1)</sup>	—	—	—	115.5	115.5
Interest expense, net <sup>(1)</sup>	—	—	—	268.1	268.1
Depreciation and amortization	56.0	82.9	22.4	37.2	198.6
Other (income) expense, net <sup>(2)</sup>	(1.9)	1.3	—	(47.6)	(48.1)
Stock-based compensation expense <sup>(3)</sup>	6.4	2.6	2.1	14.6	25.7
Merger-related and integration costs <sup>(4)</sup>	—	—	—	158.5	158.5
Net gain on divestitures	—	—	(8.9)	—	(8.9)
<b>Adjusted EBITDA</b>	<b style="text-align: right;">\$ 604.5</b>	<b style="text-align: right;">\$ 480.8</b>	<b style="text-align: right;">\$ 428.4</b>	<b style="text-align: right;">\$ (338.0)</b>	<b style="text-align: right;">\$ 1,175.7</b>
<b>Adjusted EBITDA margin %</b>	<b style="text-align: right;">7.9 %</b>	<b style="text-align: right;">8.4 %</b>	<b style="text-align: right;">8.8 %</b>		

<sup>(1)</sup> The reportable segments do not incur income taxes and interest expense as these costs are centrally controlled through the Corporate tax and treasury functions.

(2) Corporate other non-operating income in the calculation of adjusted EBITDA for the year ended 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.

(3) Stock-based compensation expense in the calculation of adjusted EBITDA for the year ended December 31, 2021 excludes \$5.1 million that is included in merger-related and integration costs.

(4) Merger-related and integration costs include integration and professional fees associated with the integration of Wesco and Anixter, including digital transformation costs, as well as advisory, legal, and separation costs associated with the merger between the two companies.

Note: 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. Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization before other non-operating expenses (income), non-cash stock-based compensation expense, merger-related and integration costs, restructuring costs, and fair value adjustments, an out-of-period adjustment related to inventory cost absorption accounting, and a net gains gain on the divestiture of Wesco's legacy utility and data communications businesses in Canada and sale of an operating branch in the U.S. Canada. Adjusted EBITDA margin % is calculated by dividing Adjusted EBITDA by net sales.

#### **Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.**

None.

#### **Item 9A. Controls and Procedures.**

##### **Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures**

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)). Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

##### **Management's Report on Internal Control Over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the updated framework in *Internal Control — Integrated Framework (2013)* (2013 Framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission on May 14, 2013. Based on our evaluation under the 2013 Framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2022 December 31, 2023.

As permitted by Securities and Exchange Commission guidance, management excluded Rahi Systems from its assessment of internal control over financial reporting, which was acquired on November 1, 2022, and accounted for approximately 2% of consolidated total assets and less than 1% of consolidated net sales as of and for the year ended December 31, 2022.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2022 December 31, 2023 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report, which is included herein.

##### **Changes in Internal Control Over Financial Reporting**

During the last fiscal quarter of 2022, 2023, there were no changes in the Company's internal control over financial reporting identified in connection with management's evaluation of the effectiveness of the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

#### **Item 9B. Other Information.**

None.

#### **Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.**

None.

## **PART III**

#### **Item 10. Directors, Executive Officers and Corporate Governance.**

The information set forth under the captions "Board of Directors" and "Executive Officers" in our definitive Proxy Statement for our 2023, 2024 Annual Meeting of Stockholders is incorporated herein by reference.

##### **Codes of Business Conduct**

We have adopted a Code of Business Conduct ("Code of Conduct") that applies to our Directors, officers and employees that is available on our website at [www.wesco.com](http://www.wesco.com) by selecting the "Our Company" tab followed by the "Leadership" heading. Any amendment or waiver of the Code of Conduct for our officers or Directors will be disclosed promptly at that location on our website.

We also have adopted a Code of Principles for Senior Financial Executives ("Senior Financial Executive Code") that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing these functions. The Senior Financial Executive Code is also available at that same location on our website. We intend to timely disclose any amendment or waiver of the Senior Financial Executive Code on our website and will retain such information on our website as required by applicable SEC rules.

A copy of the Code of Conduct and/or Senior Financial Executive Code may also be obtained upon request by any stockholder, without charge, by writing to us at WESCO International, Inc., 225 West Station Square Drive, Suite 700, Pittsburgh, Pennsylvania 15219, Attention: Corporate Secretary.

The information required by Item 10 that relates to our Directors and executive officers, including the Audit Committee and its financial expert, required by this item, is incorporated by reference from the information appearing under the captions "Corporate Governance," "Board and Committee Meetings" and "Security Ownership" in our definitive Proxy Statement for our [2023](#)[2024](#) Annual Meeting of Stockholders that is to be filed with the SEC pursuant to the Exchange Act within 120 days of the end of our fiscal year on [December 31, 2022](#)[December 31, 2023](#).

#### **Item 11. Executive Compensation.**

The information set forth under the captions "Compensation Discussion and Analysis" and "Director Compensation" in our definitive Proxy Statement for our [2023](#)[2024](#) Annual Meeting of Stockholders is incorporated herein by reference.

#### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.**

The information set forth under the caption "Security Ownership" in our definitive Proxy Statement for our [2023](#)[2024](#) Annual Meeting of Stockholders is incorporated herein by reference.

The following table provides information as of [December 31, 2022](#)[December 31, 2023](#) with respect to the shares of our common stock that may be issued under our existing equity compensation plans:

Plan Category	Plan Category and rights	Number of securities to be issued upon exercise of options, warrants		Weighted-average exercise price of warrants	Number of securities remaining available for future issuance under equity compensation plans
		Weighted-average exercise price of options, warrants	Number of securities available for future issuance under equity compensation plans		
Equity compensation plans approved by security holders	Equity compensation plans approved by security holders	2,445,024	\$ 36.01	1,992,652	
Equity compensation plans not approved by security holders	Equity compensation plans not approved by security holders	—	—	—	
<b>Total</b>	<b>Total</b>	<b>2,445,024</b>	<b>\$ 36.01</b>	<b>1,992,652</b>	

#### **Item 13. Certain Relationships and Related Transactions, and Director Independence.**

The information set forth under the captions "Transactions with Related Persons" and "Corporate Governance" in our definitive Proxy Statement for our [2023](#)[2024](#) Annual Meeting of Stockholders is incorporated herein by reference.

#### **Item 14. Principal Accountant Fees and Services.**

The information set forth under the caption "Independent Registered Public Accounting Firm Fees and Services" in our definitive Proxy Statement for our [2023](#)[2024](#) Annual Meeting of Stockholders is incorporated herein by reference.

## **PART IV**

#### **Item 15. Exhibits and Financial Statement Schedule.**

The financial statements, financial statement schedule and exhibits listed below are filed as part of this annual report:

(a) **(1) Financial Statements**

*The list of financial statements required by this item is set forth in Item 8, "Financial Statements and Supplementary Data," and is incorporated herein by reference.*

**(2) Financial Statement Schedule**

*Schedule II — Valuation and Qualifying Accounts*

(b) **Exhibits**

Exhibit No.	Description of Exhibit	Prior Filing or Sequential Page Number
2.1	<a href="#">Agreement and Plan of Merger, dated as of January 10, 2020, by and among WESCO International, Inc., Warrior Merger Sub, Inc. and Anixter International Inc.</a>	Incorporated by reference to Exhibit 2.1 to Wesco's Current Report on Form 8-K, dated January 13, 2020
3.1	<a href="#">Restated Certificate of Incorporation of WESCO International, Inc.</a>	Incorporated by reference to Exhibit 3.1 to Wesco's Registration Statement on Form S-4, dated September 28, 2001 (No. 333-70404)
3.2	<a href="#">Certificate of Amendment of Certificate of Incorporation to Restated Certificate of Incorporation of WESCO International, Inc.</a>	Incorporated by reference to Exhibit 3.1 to Wesco's Current Report on Form 8-K, dated May 29, 2014
3.3	<a href="#">Amended and Restated By-laws of WESCO International, Inc., effective as of May 29, 2014 December 16, 2022</a>	Incorporated by reference to Exhibit 3.2 to <a href="#">Wesco's Current Report on Form 8-K, dated May 29, 2014 December 16, 2022</a>
3.4	<a href="#">Certificate of Designations with respect to the Series A Preferred Stock, dated June 22, 2020</a>	Incorporated by reference to Exhibit 3.1 to Wesco's Current Report on Form 8-K, dated June 22, 2020
3.5	<a href="#">Certificate of Designations of Series B Junior Participating Preferred Stock of WESCO International, Inc.</a>	Incorporated by reference to Exhibit 3.1 to Wesco's Current Report on Form 8-K, dated July 17, 2020
3.6	<a href="#">Amended and Restated By-laws of WESCO International, Inc., effective as of December 16, 2022</a>	Incorporated by reference to Exhibit 3.1 to Wesco's Current Report on Form 8-K, dated December 16, 2022
4.1	<a href="#">Indenture, dated November 26, 2013, among WESCO Distribution, Inc. and U.S. Bank National Association, as trustee</a>	Incorporated by reference to Exhibit 4.1 to Wesco's Current Report on Form 8-K, dated November 27, 2013
4.2	<a href="#">Form of 5.375% Unrestricted Note due 2021</a>	Incorporated by reference to Exhibit A-2 to Exhibit 4.1 to Wesco's Current Report on Form 8-K, dated November 27, 2013
4.3	<a href="#">Indenture, dated June 15, 2016, among WESCO Distribution, Inc. and U.S. Bank National Association, as trustee</a>	Incorporated by reference to Exhibit 4.1 to Wesco's Current Report on Form 8-K, dated June 15, 2016
4.4	<a href="#">Form of 5.375% Unrestricted Note due 2024</a>	Incorporated by reference to Exhibit A-2 to Exhibit 4.1 to Wesco's Current Report on Form 8-K, dated June 15, 2016
4.5	<a href="#">Indenture, dated June 12, 2020, between WESCO International, Inc., WESCO Distribution, Inc. and U.S. Bank National Association, as trustee</a>	Incorporated by reference to Exhibit 4.1 to Wesco's Current Report on Form 8-K, dated June 12, 2020
4.6	<a href="#">Form of 7.125% Senior Note due 2025</a>	Incorporated by reference to Exhibit A-1 to Exhibit 4.1 to Wesco's Current Report on Form 8-K, dated June 12, 2020
4.7	<a href="#">Form of 7.250% Senior Note due 2028</a>	Incorporated by reference to Exhibit A-2 to Exhibit 4.1 to Wesco's Current Report on Form 8-K, dated June 12, 2020

Exhibit No.	Description of Exhibit	Prior Filing or Sequential Page Number
4.8	<a href="#"><u>Deposit Agreement, dated as of June 19, 2020, among WESCO International, Inc., Computershare Inc. and Computershare Trust Company, N.A., jointly as the Depositary, and the holders from time to time of the Depositary Receipts described therein</u></a>	Incorporated by reference to Exhibit 4.2 to Wesco's Registration Statement on Form 8-A, dated June 19, 2020
4.9	<a href="#"><u>Form of Depositary Receipt</u></a>	Incorporated by reference to Exhibit A to Exhibit 4.2 to Wesco's Registration Statement on Form 8-A, dated June 19, 2020
4.10	<a href="#"><u>Rights Agreement, dated as of July 17, 2020, between WESCO International, Inc. and Computershare Trust Company, N.A., as rights agent, which includes the form of Certificate of Designations as Exhibit A, the form of Right Certificate as Exhibit B and the Summary of Rights to Purchase Preferred Shares as Exhibit C</u></a>	Incorporated by reference to Exhibit 4.1 to Wesco's Current Report on Form 8-K, dated July 17, 2020
4.11	<a href="#"><u>Description of WESCO International, Inc.'s securities</u></a>	Incorporated by reference to Exhibit 4.11 to Wesco's Annual Report on Form 10-K for the year ended December 31, 2020 Filed herewith
10.1	<a href="#"><u>1999 Deferred Compensation Plan for Non-Employee Directors, as amended and restated September 20, 2007</u></a>	Incorporated by reference to Exhibit 10.5 to Wesco's Annual Report on Form 10-K for the year ended December 31, 2011
10.2	<a href="#"><u>Form of Stock Appreciation Rights Agreement for Employees</u></a>	Incorporated by reference to Exhibit 10.7 to Wesco's Annual Report on Form 10-K for the year ended December 31, 2011
10.3	<a href="#"><u>Amended and Restated Employment Agreement, dated as of September 1, 2009, between WESCO International Inc. and John J. Engel</u></a>	Incorporated by reference to Exhibit 10.2 to Wesco's Quarterly Report on Form 10-Q for the quarter ended September 30, 2009
10.4	<a href="#"><u>1999 Long-Term Incentive Plan, as restated effective as of May 30, 2013</u></a>	Incorporated by reference to Appendix A to the Proxy Statement filed on Schedule 14A on April 16, 2013
10.5	<a href="#"><u>Form of Stock Appreciation Rights Agreement for Employees</u></a>	Incorporated by reference to Exhibit 10.33 to Wesco's Annual Report on Form 10-K for the year ended December 31, 2014
10.6	<a href="#"><u>Fourth Amended and Restated Receivables Purchase Agreement, dated as of September 24, 2015, by and among WESCO Receivables Corp., WESCO Distribution, Inc., the various Purchaser Groups from time to time party thereto and PNC Bank, National Association, as Administrator</u></a>	Incorporated by reference to Exhibit 10.2 to Wesco's Current Report on Form 8-K, dated September 24, 2015
10.7	<a href="#"><u>Form of Director and Officer Indemnification Agreement, entered among WESCO International, Inc. and certain of its executive officers and directors listed on a schedule attached thereto</u></a>	Incorporated by reference to Exhibit 10.24 to Wesco's Annual Report on Form 10-K for the year ended December 31, 2015
10.8	<a href="#"><u>First Amendment to Fourth Amended and Restated Receivables Purchase Agreement, dated as of December 18, 2015</u></a>	Incorporated by reference to Exhibit 10.1 to Wesco's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016
10.9	<a href="#"><u>Second Amendment to Fourth Amended and Restated Receivables Purchase Agreement, dated as of April 19, 2016</u></a>	Incorporated by reference to Exhibit 10.2 to Wesco's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016
10.10	<a href="#"><u>Third Amendment to Fourth Amended and Restated Receivables Purchase Agreement, dated as of May 10, 2016</u></a>	Incorporated by reference to Exhibit 10.3 to Wesco's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016
10.11	<a href="#"><u>Fourth Amendment to Fourth Amended and Restated Receivables Purchase Agreement, dated as of May 27, 2016</u></a>	Incorporated by reference to Exhibit 10.4 to Wesco's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016
10.12	<a href="#"><u>Fifth Amendment to Fourth Amended and Restated Receivables Purchase Agreement, dated as of November 8, 2017</u></a>	Incorporated by reference to Exhibit 10.1 to Wesco's Current Report on Form 8-K, dated November 8, 2017

Exhibit No.	Description of Exhibit	Prior Filing or Sequential Page Number
10.13	<a href="#"><u>Sixth Amendment to Fourth Amended and Restated Receivables Agreement, dated as of December 29, 2017</u></a>	Incorporated by reference to Exhibit 10.22 to Wesco's Annual Report on Form 10-K for the year ended December 31, 2017

Exhibit No.	Description of Exhibit	Prior Filing or Sequential Page Number
10.14	<a href="#">Form of Non-Employee Director Restricted Stock Unit Agreement</a>	Incorporated by reference to Exhibit 10.23 to Wesco's Annual Report on Form 10-K for the year ended December 31, 2017
10.15	<a href="#">Form of Restricted Stock Unit Agreement for Employees</a>	Incorporated by reference to Exhibit 10.24 to Wesco's Annual Report on Form 10-K for the year ended December 31, 2017
10.16	<a href="#">Form of Stock Appreciation Rights Agreement for Employees</a>	Incorporated by reference to Exhibit 10.25 to Wesco's Annual Report on Form 10-K for the year ended December 31, 2017
10.17	<a href="#">Form of Notice of Performance Share Award Under the WESCO International, Inc. 1999 Long-Term Incentive Plan, as amended May 31, 2017</a>	Incorporated by reference to Exhibit 10.26 to Wesco's Annual Report on Form 10-K for the year ended December 31, 2017
10.18	<a href="#">1999 Long-Term Incentive Plan, as restated effective as of May 31, 2017</a>	Incorporated by reference to Appendix A to the Proxy Statement filed on Schedule 14A on April 17, 2017
10.19	<a href="#">Seventh Amendment to Fourth Amended and Restated Receivables Agreement, dated as of April 23, 2018</a>	Incorporated by reference to Exhibit 10.1 to Wesco's Quarterly Report on Form 10-Q for the quarter ended September 30, 2018
10.20	<a href="#">Eighth Amendment to Fourth Amended and Restated Receivables Agreement, dated as of December 21, 2018</a>	Incorporated by reference to Exhibit 10.30 to Wesco's Annual Report on Form 10-K for the year ended December 31, 2018
10.21	<a href="#">Third Amended and Restated Credit Agreement, dated as of September 26, 2019 among WESCO Distribution, Inc., the other U.S. Borrowers party thereto, WESCO Distribution Canada LP, the other Canadian Borrowers party thereto, WESCO International, Inc., the Lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and JPMorgan Chase Bank, N.A., Toronto Branch, as Canadian Administrative Agent</a>	Incorporated by reference to Exhibit 10.1 to Wesco's Current Report on Form 8-K, dated September 30, 2019
10.22	<a href="#">Ninth Amendment to Fourth Amended and Restated Receivables Purchase Agreement, dated as of September 26, 2019</a>	Incorporated by reference to Exhibit 10.2 to Wesco's Current Report on Form 8-K, dated September 30, 2019
10.23	<a href="#">Fourth Amended and Restated Credit Agreement, dated as of June 22, 2020, by and among WESCO Distribution, Inc., the other U.S. borrowers party thereto, WESCO Distribution Canada LP, the other Canadian borrowers party thereto, WESCO International, Inc., the lenders party thereto and Barclays Bank PLC., as administrative agent</a>	Incorporated by reference to Exhibit 10.1 to Wesco's Current Report on Form 8-K, dated June 24, 2020
10.24	<a href="#">Fifth Amended and Restated Receivables Purchase Agreement, dated as of June 22, 2020, by and among WESCO Receivables Corp., WESCO Distribution, Inc., the various purchaser groups from time to time party thereto and PNC Bank, National Association, as administrator</a>	Incorporated by reference to Exhibit 10.2 to Wesco's Current Report on Form 8-K, dated June 24, 2020
10.25	<a href="#">Form of Restricted Stock Unit Award Agreement (Special Awards)</a>	Incorporated by reference to Exhibit 10.1 to Wesco's Current Report on Form 8-K, dated June 25, 2020
10.26	<a href="#">WESCO International, Inc. Change in Control Severance Plan</a>	Incorporated by reference to Exhibit 10.2 to Wesco's Current Report on Form 8-K, dated June 25, 2020
10.27	<a href="#">Agreement, dated June 22, 2020, memorializing terms of employment of David Schulz by WESCO International, Inc.</a>	Incorporated by reference to Exhibit 10.1 to Wesco's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020
10.28	<a href="#">Agreement, dated June 22, 2020, memorializing terms of employment of Nelson Squires by WESCO International, Inc.</a>	Incorporated by reference to Exhibit 10.2 to Wesco's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020

Exhibit No.	Description of Exhibit	Prior Filing or Sequential Page Number
10.29	<a href="#">Agreement, dated June 22, 2020, memorializing terms of employment of Christine Wolf by WESCO International, Inc.</a>	Incorporated by reference to Exhibit 10.3 to Wesco's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020

Exhibit No.	Description of Exhibit	
10.30	<a href="#">Agreement, dated June 22, 2020, memorializing terms of employment of Diane Lazzaris by WESCO International, Inc.</a>	Incorporated by reference to Exhibit 10.4 to Wesco's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020
10.31	<a href="#">First Amendment to Fourth Amended and Restated Credit Agreement, dated as of December 14, 2020, among WESCO Distribution, the other U.S. borrowers party thereto, WESCO Distribution Canada LP, the other Canadian borrowers party thereto, WESCO, the lenders party thereto and Barclays Bank PLC, as administrative agent.</a>	Incorporated by reference to Exhibit 10.40 to Wesco's Annual Report on Form 10-K for the year ended December 31, 2020
10.32	<a href="#">First Amendment to Fifth Amended and Restated Receivables Purchase Agreement, dated December 14, 2020 (the "Receivables Amendment"), by and among WESCO Receivables Corp., WESCO Distribution, the various purchaser groups from time to time party thereto and PNC Bank, National Association, as administrator.</a>	Incorporated by reference to Exhibit 10.41 to Wesco's Annual Report on Form 10-K for the year ended December 31, 2020
10.33	<a href="#">WESCO International, Inc. 2021 Omnibus Incentive Plan</a>	Incorporated by reference to Appendix A to the Proxy Statement on Schedule 14A, filed on April 12, 2021
10.34	<a href="#">Agreement, dated May 28, 2020, memorializing terms of employment of Theodore Dosch by WESCO International, Inc.</a>	Incorporated by reference to Exhibit 10.1 to Wesco's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021
10.35	<a href="#">Second Amendment to Fifth Amended and Restated Receivables Purchase Agreement</a>	Incorporated by reference to Exhibit 10.2 to Wesco's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021
10.36	<a href="#">Form of WESCO International, Inc. 2021 Omnibus Incentive Plan Restricted Stock Unit Award Agreement (for employees)</a>	Incorporated by reference to Exhibit 10.2 to Wesco's Current Report on Form 8-K, dated May 27, 2021
10.37	<a href="#">Form of WESCO International, Inc. 2021 Omnibus Incentive Plan Restricted Stock Unit Award Agreement (for non-employee directors)</a>	Incorporated by reference to Exhibit 10.3 to Wesco's Current Report on Form 8-K, dated May 27, 2021
10.38	<a href="#">Form of WESCO International, Inc. 2021 Omnibus Incentive Plan Stock Appreciation Right Award Agreement</a>	Incorporated by reference to Exhibit 10.4 to Wesco's Current Report on Form 8-K, dated May 27, 2021
10.39	<a href="#">Third Amendment to Fifth Amended and Restated Receivables Purchase Agreement, dated as of June 1, 2021 (the "Receivables Amendment"), by and among WESCO Receivables Corp., WESCO Distribution, Inc., the various purchaser groups from time to time party thereto, and PNC Bank, National Association, as administrator</a>	Incorporated by reference to Exhibit 10.1 to Wesco's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021
10.40	<a href="#">Form of WESCO International, Inc. 2021 Omnibus Incentive Plan Nonqualified Stock Option Award Agreement</a>	Incorporated by reference to Exhibit 10.1 to Wesco's Current Report on Form 8-K, dated February 16, 2022
10.41	<a href="#">Form of WESCO International, Inc. 2021 Omnibus Incentive Plan Performance Share Unit Award Agreement</a>	Incorporated by reference to Exhibit 10.2 to Wesco's Current Report on Form 8-K, dated February 16, 2022
10.42	<a href="#">Second Amendment to Fourth Amended and Restated Credit Agreement, dated as of March 1, 2022, by and among WESCO Distribution, Inc., the other U.S. borrowers party thereto, WESCO Distribution Canada LP, the other Canadian borrowers party thereto, WESCO International, Inc., the lenders party thereto and Barclays Bank PLC, as administrative agent</a>	Incorporated by reference to Exhibit 10.1 to Wesco's Current Report on Form 8-K, dated March 1, 2022

Exhibit No.	Description of Exhibit	Prior Filing or Sequential Page Number
10.43	<a href="#"><u>Fourth Amendment to Fifth Amended and Restated Receivables Purchase Agreement, dated as of March 1, 2022, by and among WESCO Distribution, Inc., WESCO Receivables Corp., the various purchaser groups party thereto and PNC Bank, National Association, as administrator</u></a>	Incorporated by reference to Exhibit 10.2 to Wesco's Current Report on Form 8-K, dated March 1, 2022
10.44	<a href="#"><u>Agreement, dated May 28, 2020, memorializing terms of employment of William Geary by WESCO International, Inc.</u></a>	Incorporated by reference to Exhibit 10.1 to Wesco's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022
10.45	<a href="#"><u>Third Amendment to Fourth Amended and Restated Credit Agreement, dated as of August 2, 2022, by and among WESCO Distribution, Inc., the other U.S. borrowers party thereto, WESCO Distribution Canada LP, the other Canadian borrowers party thereto, WESCO International, Inc., the lenders party thereto and Barclays Bank PLC., as administrative agent</u></a>	Incorporated by reference to Exhibit 10.1 to Wesco's Current Report on Form 8-K, dated August 2, 2022
10.46	<a href="#"><u>Fifth Amendment to Fifth Amended and Restated Receivables Purchase Agreement, dated as of August 2, 2022, by and among WESCO Distribution, Inc., WESCO Receivables Corp., the various purchaser groups party thereto and PNC Bank, National Association, as administrator</u></a>	Incorporated by reference to Exhibit 10.2 to Wesco's Current Report on Form 8-K, dated August 2, 2022
10.47	<a href="#"><u>Fourth Amendment to Fourth Amended and Restated Credit Agreement, dated as of October 31, 2022, by and among WESCO Distribution, Inc., the other U.S. borrowers party thereto, WESCO Distribution Canada LP, the other Canadian borrowers party thereto, WESCO International, Inc., the lenders party thereto and Barclays Bank PLC., as administrative agent</u></a>	Incorporated by reference to Exhibit 10.1 to Wesco's Current Report on Form 8-K, dated October 31, 2022
10.48	<a href="#"><u>Sixth Amendment to Fifth Amended and Restated Receivables Purchase Agreement, dated as of October 31, 2022, by and among WESCO Distribution, Inc., WESCO Receivables Corp., the various purchaser groups party thereto and PNC Bank, National Association, as administrator</u></a>	Incorporated by reference to Exhibit 10.2 to Wesco's Current Report on Form 8-K, dated October 31, 2022
10.49	<a href="#"><u>WESCO International, Inc. Non-Employee Directors' Deferred Compensation Plan, effective as of December 8, 2022</u></a>	Filed herewith Incorporated by reference to Exhibit 10.49 to Wesco's Annual Report on Form 10-K for the year ended December 31, 2022
10.50	<a href="#"><u>Agreement, dated October 20, 2020, memorializing terms of employment of Akash Khurana by WESCO International, Inc.</u></a>	Incorporated by reference to Exhibit 10.1 to Wesco's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023

Exhibit No.	Description of Exhibit	Prior Filing or Sequential Page Number
21.1	<a href="#">Subsidiaries of WESCO International, Inc.</a>	Filed herewith
23.1	<a href="#">Consent of Independent Registered Public Accounting Firm</a>	Filed herewith
31.1	<a href="#">Certification of Chief Executive Officer pursuant to Rule 13a-14(a) promulgated under the Exchange Act</a>	Filed herewith
31.2	<a href="#">Certification of Chief Financial Officer pursuant to Rule 13a-14(a) promulgated under the Exchange Act</a>	Filed herewith
32.1	<a href="#">Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>	Furnished herewith
32.2	<a href="#">Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>	Furnished herewith
97	<a href="#">WESCO International, Inc. Compensation Recovery Policy</a>	Filed herewith
101	Interactive Data File	Filed herewith
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)	Filed herewith

The registrant hereby agrees to furnish supplementally to the Commission, upon request, a copy of any omitted schedule to any of the agreements contained herein.

Copies of exhibits may be retrieved electronically at the U.S. Securities and Exchange Commission's home page at [www.sec.gov](http://www.sec.gov). Exhibits will also be furnished without charge by writing to David S. Schulz, Executive Vice President and Chief Financial Officer, 225 West Station Square Drive, Suite 700, Pittsburgh, Pennsylvania 15219. Requests may also be directed to (412) 454-2200.

#### Schedule II—Valuation and Qualifying Accounts

	Allowance for expected credit losses	Charged				Allowance for expected credit losses	Charged to				Balance at end of period
		Balance at beginning	Charged to	to other	Balance at end of period		Balance at beginning	Charged to	to other		
		of period	earnings	accounts <sup>(1)</sup>	Deductions <sup>(2)</sup>		of period	earnings	accounts <sup>(1)</sup>	Deductions <sup>(2)</sup>	
Year Ended December 31, 2023	Allowance for expected credit losses	(In thousands)				Allowance for expected credit losses	(In millions)				
Year Ended December 31, 2022	31,202	\$41,722	\$18,047	\$ —	\$ (13,244)	\$46,525					
Year Ended December 31, 2021	31,202	23,909	12,944	13,669	(8,800)	41,722					
Year Ended December 31, 2020	25,443	11,701	5,160	(18,395)	23,909						

<sup>(1)</sup> For the years year ended December 31, 2021 and 2020, the amount charged to other accounts primarily relates to the acquisition of Anixter.

<sup>(2)</sup> Includes a reduction in the allowance for expected credit losses due to the write-off of trade accounts receivable.

	Balance at beginning of period	Charged				Balance at end of period
		of period	Charged earnings	to accounts <sup>(1)</sup>	Deductions <sup>(2)</sup>	
Allowance for deferred tax assets	Allowance for deferred tax assets					
Year Ended December 31, 2023	Year Ended December 31, 2022	(In thousands)				Allowance for deferred tax assets (In millions)
Year Ended December 31, 2022	Year Ended December 31, 2022	\$46,269	\$5,794	\$ —	\$ (18,392)	\$33,671
Year Ended December 31, 2021	Year Ended December 31, 2021	60,629	1,115	1,791	(17,266)	46,269
Year Ended December 31, 2020		5,854	1,900	52,875	—	60,629

(1) For the year ended December 31, 2020 December 31, 2023, deductions primarily relate to a decrease in the amount charged valuation allowance recorded against deferred tax assets related to other accounts includes \$59.3 million that was recorded in connection with the acquisition of Anixter.

(2) certain foreign jurisdictions. For the years ended December 31, 2022 and 2021, deductions primarily relate to a decrease in the valuation allowance recorded against deferred tax assets related to foreign tax credit carryforwards.

#### Item 16. Form 10-K Summary.

Not applicable.

#### SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WESCO INTERNATIONAL, INC.

By: /s/ JOHN J. ENGEL

Name: John J. Engel

Title: Chairman, President and Chief Executive Officer

Date: February 21, 2023 20, 2024

## WESCO INTERNATIONAL, INC.

By: /s/ DAVID S. SCHULZ

Name: David S. Schulz

Title: Executive Vice President and Chief Financial Officer

Date: February 21, 2023 20, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ JOHN J. ENGEL</u> John J. Engel	Chairman, President and Chief Executive Officer (Principal Executive Officer)	February 21, 2023 20, 2024
<u>/s/ DAVID S. SCHULZ</u> David S. Schulz	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 21, 2023 20, 2024
<u>/s/ MATTHEW S. KULASA</u> Matthew S. Kulasa	Senior Vice President, Corporate Controller, and Chief Accounting Officer (Principal Accounting Officer)	February 21, 2023 20, 2024
<u>/s/ GLYNIS A. BRYAN</u> Glynis A. Bryan	Director	February 20, 2024
<u>/s/ ANNE M. COONEY</u> Anne M. Cooney	Director	February 21, 2023 20, 2024
<u>/s/ MATTHEW J. ESPE</u> Matthew J. Espe	Director	February 21, 2023 20, 2024
<u>/s/ BOBBY J. GRIFFIN</u> Bobby J. Griffin	Director	February 21, 2023 20, 2024
<u>/s/ SUNDARAM NAGARAJAN</u> Sundaram Nagarajan	Director	February 21, 2023 20, 2024
<u>/s/ STEVEN A. RAYMUND</u> Steven A. Raymund	Director	February 21, 2023 20, 2024
<u>/s/ JAMES L. SINGLETON</u> James L. Singleton	Director	February 21, 2023 20, 2024
<u>/s/ EASWARAN SUNDARAM</u> Easwaran Sundaram	Director	February 21, 2023 20, 2024
<u>/s/ LAURA K. THOMPSON</u> Laura K. Thompson	Director	February 21, 2023 20, 2024

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## Exhibit 4.11

### DESCRIPTION OF WESCO'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

*The following description of the material terms of WESCO INTERNATIONAL, INC. capital stock is a summary only and is not a complete description of such terms. For a complete description of the terms and provisions of the Company's capital stock, refer to WESCO's restated certificate of incorporation, dated May 11, 1999, as amended on May 29, 2014 (the "WESCO charter"), WESCO's amended and restated bylaws, dated December 16, 2022, and the certificate of designation with respect to the WESCO Series A preferred stock, dated June 22, 2020, each of which is incorporated by reference into this Annual Report on Form 10-K.*

**NON-EMPLOYEE DIRECTORS' DEFERRED COMPENSATION PLAN** Under the WESCO charter, WESCO's authorized capital stock consists of 210,000,000 shares of common stock, \$0.01 par value per share, 20,000,000 shares of Class B nonvoting convertible common stock, \$0.01 par value per share, and 20,000,000 shares of preferred stock, \$0.01 par value per share, including 25,000 shares designated as Series A preferred stock, \$0.01 par value per share. As of February 16, 2024, there were no shares of WESCO Class B common stock outstanding, and 21,612 shares of WESCO Series A preferred stock outstanding. All outstanding shares of WESCO common stock and WESCO Series A preferred stock are duly authorized, validly issued, fully paid and non-assessable.

#### **Effective Common Stock**

Holders of WESCO common stock are entitled to one vote per share on all matters to be voted on by WESCO stockholders. Holders of WESCO common stock do not have cumulative rights, so that holders of a majority of the shares of WESCO common stock present at a meeting at which a quorum is present are able to elect all of WESCO directors eligible for election in a given year. The holders of a majority of the voting power of the issued and outstanding WESCO common stock constitute a quorum.

When and as dividends are declared by the WESCO Board, whether such dividends are payable in cash, property or securities of December 8, 2022 WESCO, the holders of WESCO common stock and the holders of WESCO Class B common stock will be entitled to share ratably in such dividends. If dividends are declared which are payable in shares of WESCO common stock or shares of WESCO Class B common stock, the dividends payable in shares of WESCO common stock will be payable to holders of WESCO common stock, and the dividends payable in shares of WESCO Class B common stock will be payable to the holders of WESCO Class B common stock. The WESCO Board may declare dividends at any regular or special meeting of the WESCO Board out of funds legally available therefor, subject to the preferential rights of any holder of preferred stock that may from time to time be outstanding.

The rights, preferences and privileges of holders of WESCO common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of preferred stock that WESCO may designate and issue in the future.

***Listing.*** WESCO common stock is listed on the NYSE under the symbol "WCC."

***Transfer Agent and Registrar.*** The transfer agent and registrar for WESCO common stock is Computershare Trust Company.

#### **Preferred Stock**

The WESCO Board is authorized to provide by resolution or resolutions from time to time for the issue of preferred stock in one or more series, the shares of each of which series may have such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereon, as is permitted under the Delaware General Corporation

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## Exhibit 4.11

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## ARTICLE 1

### INTRODUCTION

1.1 **Establishment.** WESCO International, Inc. (the "Company") Law ("DGCL") established this Non-Employee Directors' Deferred Compensation Plan (the "Plan") and as is stated in the resolution or resolutions providing for those members of the Company's Board of Directors who are not employees of the Company or any of its subsidiaries or affiliates. The Plan allows such Eligible Directors to defer the receipt of their Director Fees and to receive settlement of the right to receive payment issue of such amounts stock adopted by the WESCO Board pursuant to the authority expressly vested in the form of an issuance of Company Shares. Capitalized terms used in the Plan have the definitions set forth in Article 12. **WESCO Board.**

1.2 **Purpose.** This Plan is intended to advance the interests of the Company and its stockholders by providing a means to attract and retain qualified persons to serve as Eligible Directors and to promote Company equity ownership by Eligible Directors, thereby aligning such Eligible Directors' interests more closely with the interests of the stockholders of the Company.

1.3 **Effective Date.** This Plan is effective as of December 8, 2022 (the "Effective Date").

## ARTICLE 2

### ELIGIBILITY

2.1 **Effective Date Eligibility.** Each person who was an Eligible Director on the Effective Date became eligible to participate in the Plan on the Effective Date.

2.2 **Initial Board Appointment Eligibility.** Each person who becomes an Eligible Director following the Effective Date shall become eligible on the date of his or her initial appointment to the Board.

2.3 **Change in Employment Status.** If any Participant subsequently becomes an employee of the Company or any of its subsidiaries or affiliates such Participant shall not be eligible to defer any Director Fees earned during any calendar year that commences following such change in status, if applicable. Such change in status shall not otherwise impact the Participant's Stock Unit Account, which will continue to be administered in accordance with Depending upon the terms of the Plan preferred stock established by the WESCO Board, any or all series of preferred stock could have preferences over the WESCO common stock

and WESCO Class B common stock with respect to dividends and other distributions and upon liquidation or could have voting or conversion rights that could adversely affect the holders of the outstanding common stock.

*Dividend Rights.* The preferred stock will be preferred over the WESCO common stock and the Participant's Deferral Election.

## ARTICLE 3

### DEFERRAL ELECTIONS

**3.1 *Deferral Elections.*** Each Eligible Director may elect WESCO Class B common stock as to defer a whole percentage (in increments of 1%) dividends. Before any dividends or distributions (other than dividends or distributions payable in common stock) on the WESCO common stock will be declared and set apart for payment or paid, the holders of up to 100% of shares of each series of preferred stock will be entitled to receive dividends when, as and if declared by the WESCO Board. WESCO will pay those dividends either in cash, shares of his or her common stock or her Cash Director Fees and/or preferred stock or Stock Director Fees by submitting a completed Deferral Election form to otherwise, at the Administrator in accordance with rate and on the procedures date or dates set forth in this Article 3. the applicable terms of the series of preferred stock. With respect to each series of preferred stock, the dividends on each share of the series will be cumulative from the date of issue of the share unless another date is set forth in the applicable terms of the series of preferred stock. Accruals of dividends will not bear interest.

**3.2 *Rights Upon Liquidation. Timing*** The preferred stock will be preferred over the WESCO common stock and the WESCO Class B common stock as to assets so that the holders of Deferral Election. An Eligible Director may make a Deferral Election within thirty (30) days after each series of preferred stock will be entitled to be paid, upon WESCO's voluntary or involuntary liquidation, dissolution or winding up and before any distribution is made to the date on which he or she initially becomes eligible to participate holders of such common stock, the amount set forth in the Plan (the "applicable terms of the series of preferred stock. However, in this case the holders of preferred stock will not be entitled to any other or further payment. If upon any liquidation, dissolution or winding up WESCO's net assets are insufficient to permit the payment in full of the respective amounts to which the holders of all outstanding preferred stock are entitled, WESCO's entire remaining net assets will be distributed among the holders of each series of preferred stock in amounts proportional to the full amounts to which the holders of each series are entitled.

**Redemption. Initial Election Period** All shares of any series of preferred stock will be redeemable to the extent set forth in the applicable terms of the series of preferred stock. All shares of any series of preferred stock will be convertible into shares of WESCO's common stock or into shares of any other series of preferred stock to the extent set forth in the applicable terms of the series of preferred stock.

**Voting Rights.** Except as indicated in the applicable terms of the series of preferred stock, the holders of preferred stock will be entitled to one vote for each share of preferred stock held by them on all matters properly presented to stockholders. The holders of the WESCO common stock, WESCO Class B common stock (if the WESCO Class B common stock is entitled to vote by applicable law) and the holders of all series of preferred stock will vote together as one class.

#### Description of WESCO Series A Preferred Stock

*The following summary describes the material provisions of the WESCO Series A preferred stock and the certificate of designations with respect to the Series A preferred stock, dated June 22, 2020. An Eligible Director who makes a Deferral Election within the time period to be complete and is subject to, and qualified in its entirety by reference to, the Initial Election Period may make a Deferral Election in accordance with administrative procedures established by provisions of the Administrator's certificate of designations.*

**3.3 General. Effect** WESCO has issued fractional interests in shares of WESCO Series A preferred stock represented by depositary shares. Each depositary share represents a 1/1,000th interest in a share of WESCO Series A preferred stock. WESCO entered into a deposit agreement, dated as of June 19, 2020, among (i) WESCO, (ii) Computershare Inc. and (iii) the holders from time to time of Director Fees earned after the date such election is made and is irrevocable consistent with the requirements of Section 409A. Any Deferral Election made within the Initial Election Period will be irrevocable upon expiration time of the Initial Election Period and will apply to any Director Fees earned depositary receipts evidencing the depositary shares. Depositary shares are evidenced by depositary

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during calendar quarters that commence following expiration of such Initial Election Period, including calendar quarters in any subsequent calendar year. Any Deferral Election made after expiration Exhibit 4.11

receipts issued pursuant to the deposit agreement. Subject to the terms of the Initial Election Period deposit agreement, each owner of a depositary receipt is entitled, in proportion to the fractional interest in the share of WESCO Series A preferred stock represented by the related depositary share, to all the rights, preferences and privileges of, and is subject to all of the limitations and restrictions on, the WESCO Series A preferred stock represented by the depositary receipt, including dividend, voting, redemption, conversion and liquidation rights, as described below and set forth in greater detail in the certificate of designations.

All issued depositary shares representing an interest in the WESCO Series A preferred stock, are validly issued, fully paid and nonassessable. The depositary shares representing an interest in the WESCO Series A preferred stock will not be convertible into, or exchangeable for, shares of any of WESCO's other class or series of stock or WESCO's other securities (other than upon a WESCO change of control involving the issuance of additional shares of WESCO common stock or other WESCO change of control transaction, in each case, approved by holders of WESCO common stock, as described below). The WESCO Series A preferred stock has no stated maturity and will not be subject to any sinking fund, retirement fund or purchase fund or any other obligation of WESCO to redeem, repurchase or retire the WESCO Series A preferred stock.

**Dividends.** Dividends on the WESCO Series A preferred stock, when, as and if declared by the WESCO Board or any duly authorized committee of the WESCO Board, will be irrevocable as payable in cash on the liquidation preference amount of \$25,000 per whole share of WESCO Series A preferred stock, on a cumulative basis, quarterly in arrears on the last day of March, June, September and December 31<sup>st</sup> of each year. If any scheduled dividend payment date is not a business day, then the calendar year in which it was made and will apply to any Director Fees earned in any subsequent calendar year. To the extent prescribed by the Administrator in a Deferral Election form, Deferral Elections shall be evergreen so that they will continue in effect and payment will be applicable made on the next succeeding business day and no additional dividends or interest will accumulate as a result of that postponement. Dividends on the WESCO Series A preferred stock will accumulate daily and be cumulative from, and including, the original issue date. "Business Day" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in New York City are authorized or required by law, regulation or executive order to Director Fees earned in all subsequent calendar years, unless and until such Deferral Election is modified close.

Each date on which dividends are payable, subject to adjustment as provided in Section 3.4.

3.4 **Modifications to Deferral Elections.** To the extent above, if a Participant has previously submitted an evergreen Deferral Election, such Participant may revoke or modify the prior Deferral Election by submitting a new Deferral Election to the Administrator at such time before the first day of any subsequent calendar year in accordance with procedures established by the Administrator. Any modified Deferral Election will commence effectiveness with respect to such subsequent calendar year "dividend payment date," and will evergreen and remain effective dividends for calendar years commencing thereafter.

3.5 **Form of Deferral Election.** A Deferral Election shall be made in a form approved by the Administrator.

## ARTICLE 4

### DEFERRED COMPENSATION ACCOUNTS

4.1 **Establishment of Stock Unit Account.** The Company shall establish a Stock Unit Account for each Participant. All Director Fees deferred pursuant to Article 3 shall be converted to Stock Units which are credited to the Participant's Stock Unit Account on the Deferral Date. Stock Director Fees deferred under the Plan will have the number of Shares subject to such deferral election converted into an equivalent number of Stock Units credited to the Participant's Stock Unit Account. With respect to any Cash Director Fees deferred under the Plan, the number of Stock Units credited to a Participant's Stock Unit Account as of a Deferral Date shall equal the amount of the deferred Director Fees divided by the Fair Market Value of a Share on such Deferral Date, with fractional Stock Units calculated to three decimal places. Fractional Stock Units shall be credited cumulatively, but any fractional Stock Unit credited to a Participant's Stock Unit Account at the time of a distribution under Article 5 shall be converted into the right to receive a cash amount equal to the Fair Market Value of a corresponding fractional Share on the date of distribution.

4.2 **Crediting of Dividend Equivalents.** As of each dividend payment date are payable with respect to Shares, if any, each Participant shall have credited to his or her Stock Unit Account a dollar amount equal to the amount of cash dividends that would have been paid dividend period (or portion thereof) ending on the number day preceding such dividend payment date, in each case to holders of Shares equal to the number of Stock Units credited to the Participant's Stock Unit Account as of record at the close of business on the record date fixed by the WESCO Board, which date may not be more than 35 days nor fewer than 10 days preceding such dividend payment date. Dividend record dates will apply regardless of whether a particular dividend record date is a business day.

Holders of WESCO Series A preferred stock are entitled to receive, when, as and if declared by WESCO Board, cumulative cash dividends at an initial rate of 10.625% per annum of the \$25,000 liquidation preference per share. The dividend rate on the WESCO Series A preferred stock for each reset period will be equal to the five-year U.S. Treasury rate as of the most recent reset dividend determination date plus a spread equal to the difference between (a) the initial dividend rate on the WESCO Series A preferred stock and (b) the five-year U.S. Treasury rate for either (i) the date of pricing with respect to the issuance of the unsecured notes or (ii) the date three business days prior to the closing date of the merger in the event bridge loans have been incurred under the unsecured bridge facility. On June 22, 2025, and every five-year period thereafter, the dividend rate on the Series A Preferred Stock resets and will be equal to the five-year U.S. Treasury Rate plus a spread of 10.325%.

The applicable dividend rate for each reset period will be determined by the calculation agent as of the applicable reset dividend determination date. Promptly upon such determination, the calculation agent will notify WESCO of the dividend rate for the reset period. The calculation agent's determination of any dividend rate, and its calculation of the amount of dividends for any dividend period beginning on or after the first call date will be on file at WESCO's principal offices, will be made available to any holder of WESCO Series A preferred stock upon request and will be final and binding in the absence of manifest error.

Exhibit 4.11

WESCO will give notice of the relevant five-year U.S. Treasury rate as soon as practicable to the transfer agent and the holders of the WESCO Series A preferred stock.

The amount of the dividend per share of WESCO Series A preferred stock will be calculated for each dividend period (or portion thereof) on the basis of a 360-day year consisting of twelve 30-day months.

Dividends on the WESCO Series A preferred stock will be cumulative (i) whether or not WESCO has earnings, (ii) whether or not there are funds legally available for the payment of such dividends and (iii) whether or not such dividends are declared. Accordingly, if the WESCO Board or any duly authorized committee of the WESCO Board does not declare a dividend on the WESCO Series A preferred stock payable in respect of any dividend period before the related dividend payment date, such dividend shall accumulate and an amount equal to such accrued dividend shall become payable out of funds legally available therefor upon WESCO's liquidation, dissolution or winding-up (or earlier redemption of such shares of WESCO Series A preferred stock), to the extent not paid prior to such liquidation, dissolution or winding-up or earlier redemption, as the case may be. No interest, or sum of money in lieu of interest, will be payable on any dividend payment that may be in arrears on the WESCO Series A preferred stock.

WESCO will not declare or pay, or set aside for payment, full dividends on the WESCO Series A preferred stock or any parity stock for any dividend period unless the full cumulative dividends have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside) on the WESCO Series A preferred stock and any parity stock through the most recently completed dividend period for each such security.

When dividends are not paid in full (or a sum sufficient for such dividend. Such dollar full payment is not so set apart) on the WESCO Series A preferred stock or any shares of any other class or series of parity stock of WESCO, all dividends declared on the WESCO Series A preferred stock and all such parity stock shall be declared pro rata so that the amount of dividends declared per share of WESCO Series A Preferred Stock and such parity stock shall then in all cases bear to each other the same ratio that accrued dividends per share on the WESCO Series A Preferred Stock and such parity stock (which shall not include any accrual in respect of unpaid dividends on such parity stock for prior dividend periods if such parity stock does not have a cumulative dividend) bear to each other. Any portion of such dividends not paid (or declared and a sum sufficient for payment thereof set aside) that are payable upon the WESCO Series A preferred stock and such parity stock shall accumulate, and an amount equal to such accrued but unpaid dividends (whether or not declared) shall become payable out of funds legally available for the payment of dividends upon liquidation, dissolution or winding-up of WESCO's affairs (or earlier redemption of such shares of WESCO Series A preferred stock and such parity stock), to the extent not paid prior to such liquidation, dissolution or winding-up or earlier redemption.

During any dividend period, so long as any WESCO Series A preferred stock remains outstanding, unless full cumulative dividends have been declared and paid (or declared and a sum sufficient for the payment thereof has been set aside) on the WESCO Series A preferred stock for all past dividend periods:

- no dividend shall be declared and paid or declared and set aside for payment on shares of WESCO common stock or any other shares of junior stock (other than (i) a dividend payable solely in shares of junior stock or (ii) a dividend declared or paid in connection with any stockholders' rights plan, or the issuance of rights, stock or other property under any stockholders' rights plan, or the redemption or repurchase of rights pursuant to the plan); and
- no junior stock shall be purchased, redeemed or otherwise acquired for consideration, nor shall any funds be paid or made available for a sinking fund for the redemption, purchase or other acquisition of such shares, and no other distribution of cash or other property may be made, directly or indirectly by WESCO

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(other than (i) by reclassification, conversion or exchange into or for other shares of junior stock, (ii) by redemption, purchase or other acquisition of shares of junior stock made for the purposes of and in compliance with (x) an employee incentive, benefit or share purchase plan, or other similar arrangement with or for the benefit of one or more employees, officers, directors, consultants or independent contractors, of WESCO or any subsidiary, (y) a dividend reinvestment or stockholder stock purchase plan, or (z) the satisfaction of WESCO's obligations pursuant to any contract outstanding at the original issue date requiring such purchase, redemption or other acquisition, (iii) by redemption, purchase or other acquisition of fractional interests in shares of junior stock pursuant to the conversion or exchange provisions of junior stock or the security being converted or exchanged, or (iv) through the use of the proceeds of a substantially contemporaneous sale of shares of junior stock).

The WESCO Series A preferred stock will rank junior as to payment of dividends to any class or series of senior stock of WESCO. If at any time WESCO has failed to pay, on the applicable payment date, accrued dividends on any class or series of senior stock, WESCO may not pay any dividends on the outstanding WESCO Series A preferred stock or redeem or otherwise repurchase any shares of WESCO Series A preferred stock until WESCO has paid or set aside for payment the full amount of the unpaid dividends on the senior stock that must, under the terms of such securities, be paid before WESCO may pay dividends on, or redeem or repurchase, the WESCO Series A preferred stock.

Subject to the foregoing, dividends (payable in cash, stock or otherwise) as may be determined by the WESCO Board or any duly authorized committee of the WESCO Board may be declared and paid on WESCO common stock, WESCO Class B common stock and any other junior stock from time to time out of any funds legally available for such payment, and the WESCO Series A preferred stock shall not be entitled to participate in any such dividend.

**Ranking.** The WESCO Series A preferred stock will, with respect to rights to payments of dividends and distributions upon WESCO's voluntary or involuntary liquidation, dissolution or winding-up, rank:

- senior to all classes or series of junior stock of WESCO, including WESCO common stock;
- on parity with any class or series of parity stock of WESCO;
- junior to any class or series of senior stock of WESCO; and
- junior to all existing and future debt obligations of WESCO.

The shares of WESCO Series A preferred stock are equity interests in WESCO, do not constitute indebtedness, and unlike WESCO's indebtedness, will not give rise to a claim for payment of a principal amount at a particular date. As such, the WESCO Series A preferred stock is subordinated to all of WESCO's existing and future indebtedness. The WESCO Series A preferred stock would also rank junior to any class or series of senior stock of WESCO.

Parity stock with respect to the WESCO Series A preferred stock may include series of WESCO preferred stock that have different dividend rates, redemption or conversion features, mechanics, dividend periods (e.g., semi-annual rather than quarterly), payment of dividends (whether cumulative or non-cumulative), payment dates or record dates than the WESCO Series A preferred stock.

**Liquidation Rights.** Upon any voluntary or involuntary liquidation, dissolution or winding-up of WESCO, holders of the WESCO Series A preferred stock are entitled to receive out of WESCO's assets legally available for

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distribution to stockholders, after satisfaction of all liabilities and obligations to WESCO's creditors, if any, and subject to the rights of holders of senior stock in respect of distributions upon WESCO's liquidation, dissolution or winding-up, and before any distribution of assets is made to or set aside for holders of common stock and any other junior stock, a liquidation preference of \$25,000 per whole share of WESCO Series A preferred stock, plus all accrued and unpaid dividends (whether or not declared), if any, up to, but excluding, the date of payment. Holders of the WESCO Series A preferred stock will not be entitled to any other amounts from WESCO after they have received their full liquidation preference.

In any such distribution, if WESCO's assets are not sufficient to pay the liquidation preferences in full to all holders of the WESCO Series A preferred stock and all holders of any parity stock, the amounts paid to the holders of the WESCO Series A preferred stock and to the holders of such parity stock will be paid pro rata in accordance with the respective aggregate liquidation preferences of those holders. If the liquidation preference has been paid in full to all holders of the WESCO Series A preferred stock and holders of parity stock, the holders of WESCO's other stock shall be entitled to receive all of its remaining assets according to their respective rights and preferences.

The certificate of designations does not contain any provision requiring funds to be set aside to protect the liquidation preference of the WESCO Series A preferred stock even though it is substantially in excess of the par value thereof.

**Optional Redemption.** The WESCO Series A preferred stock is not subject to any mandatory redemption, sinking fund, retirement fund, purchase fund or other similar provisions. WESCO may redeem the WESCO Series A preferred stock at its option:

- in whole or in part, from time to time, on the first call date or on any subsequent reset date at a redemption price in cash equal to \$25,000 per whole share; or
- in whole but not in part, at any time within 120 days after the conclusion of any review or appeal process instituted by WESCO following the occurrence of a ratings event, at a redemption price in cash equal to \$25,500 per whole share.

plus, in each case, all accrued and unpaid dividends (whether or not declared) to, but excluding, such redemption date, without interest, to the extent WESCO has funds legally available therefor.

Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the dividend record date for a dividend period will not constitute a part of, or be paid to, the holder entitled to receive the redemption price on the redemption date, but rather will be paid to the holder of record of the redeemed shares on the dividend record date relating to such dividend payment date.

Holders of the WESCO Series A preferred stock will not have the right to require the redemption or repurchase of the WESCO Series A preferred stock. In addition, no shares of WESCO Series A preferred stock may be redeemed by WESCO if, following such redemption, less than \$100 million of liquidation preference of WESCO Series A preferred stock would remain outstanding.

**Special Optional Redemption.** In addition to the optional redemption right described above, WESCO may redeem the WESCO Series A preferred stock, at its option, in whole or in part, upon the occurrence of a WESCO change of control, within 120 days after the first date on which such change of control occurred, at a redemption price in cash equal to \$25,000 per whole share plus accrued and unpaid dividends, if any, to, but excluding, the redemption date. If, prior to the change of control conversion date (as defined under "—Conversion Rights" below), WESCO has provided or provides notice of redemption with respect to all of the WESCO Series A preferred stock

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as described under “—Optional Redemption” or this section, the holders of depositary shares or shares of WESCO Series A preferred stock will not have the conversion right described below.

**Conversion Rights.** The shares of WESCO Series A preferred stock are generally not convertible into or exchangeable for any other property or securities of WESCO. However, upon the occurrence of a WESCO change of control involving the issuance of additional shares of WESCO common stock or other WESCO change of control transaction, in each case, approved by holders of WESCO common stock, each holder of the WESCO Series A preferred stock will have the right, unless, prior to the change of control conversion date (as defined herein), WESCO has provided or provides notice of its election to redeem the WESCO Series A preferred stock as described under “—Optional Redemption” or “—Special Optional Redemption,” to convert some or all of the WESCO Series A preferred stock held by such holder (the “change of control conversion right”) on the change of control conversion date into a number of shares of WESCO common stock per WESCO Series A preferred stock to be converted (the “common stock conversion consideration”) equal to the lesser of:

- the quotient obtained by dividing (i) the sum of (x) the \$25,000 liquidation preference per share of WESCO Series A preferred stock to be converted plus (y) the amount of any accrued and unpaid dividends to, but not including, the change of control conversion date (unless the change of control conversion date is after a dividend record date and prior to the corresponding dividend payment date, in which case no additional amount for such accrued and unpaid dividends will be included in such sum) by (ii) the WESCO common stock price; and
- the share cap, which will be determined at the closing date of the merger based on conversion at a WESCO common stock price per share of WESCO common stock equal to 50% of the average of the closing sales prices per share of WESCO common stock for the 10 consecutive trading days immediately preceding, but not including, the date immediately prior to the effective time, subject to the adjustments in the immediately succeeding paragraph.

The share cap is subject to pro rata adjustments for any share splits (including those effected pursuant to a distribution of WESCO common stock) with respect to WESCO common stock as follows: the adjusted share cap as the result of a share split will be the number of shares of WESCO common stock that is equivalent to the product obtained by multiplying (i) the share cap in effect immediately prior to such share split by (ii) a fraction, the numerator of which is the number of shares of WESCO common stock outstanding after giving effect to such share split and the denominator of which is the number of shares of common stock outstanding immediately prior to such share split.

In the case of a WESCO change of control pursuant to which shares of WESCO common stock will be converted into the alternative form consideration, a holder of shares of WESCO Series A preferred stock will receive upon conversion of such shares of WESCO Series A preferred stock the kind and amount of alternative form consideration which such holder would have owned or been entitled to receive upon the WESCO change of control had such holder held a number of shares of WESCO common stock equal to the common stock conversion consideration immediately prior to the effective time of the WESCO change of control (the “alternative conversion consideration”; and the common stock conversion consideration or the alternative conversion consideration, as may be applicable to a WESCO change of control, is referred to as the “conversion consideration”).

In the event that holders of WESCO common stock have the opportunity to elect the form of consideration to be received in the WESCO change of control, the conversion consideration will be deemed to be the kind and amount of consideration actually received by holders of a majority of WESCO common stock that voted for such an election (if electing between two types of consideration) or holders of a plurality of WESCO common stock that voted for

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such an election (if electing between more than two types of consideration), as the case may be, and will be subject to any limitations to which all holders of WESCO common stock are subject, including, without limitation, pro rata reductions applicable to any portion of the consideration payable in the WESCO change of control.

WESCO will not issue fractional shares of WESCO common stock upon the conversion of WESCO Series A preferred stock. Instead, WESCO will pay the cash value of such fractional shares based on WESCO common stock price.

Within 15 days following the occurrence of a WESCO change of control, WESCO will provide to record holders of the WESCO Series A preferred stock a notice of occurrence of the WESCO change of control that describes the resulting change of control conversion right. No failure to give such notice or any defect thereto or

in the mailing thereof will affect the validity of the proceedings for the conversion of any WESCO Series A preferred stock except as to the holder to whom notice was defective or not given.

WESCO will issue a press release for publication on the Dow Jones & Company, Inc., Business Wire, PR Newswire or Bloomberg Business News (or, if these organizations are not in existence at the time of issuance of the press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public), or post notice on WESCO's website, in any event prior to the opening of business on the first business day following any date on which WESCO provides the notice described above to the holders of the WESCO Series A preferred stock.

In order to exercise the change of control conversion right, the holder of the WESCO Series A preferred stock will be required to deliver, on or before the close of business on the change of control conversion date, any certificates evidencing the shares of WESCO Series A preferred stock to be converted, duly endorsed for transfer, together with a written conversion notice completed, to WESCO's transfer agent. Holders of the WESCO Series A preferred stock may withdraw any notice of exercise of a change of control conversion right (in whole or in part) by a written notice of withdrawal delivered to WESCO's transfer agent prior to the close of business on the business day prior to the change of control conversion date.

Notwithstanding the foregoing, if the WESCO Series A preferred stock are held in global form, the conversion notice and/or the notice of withdrawal, as applicable, must comply with applicable procedures of the depository trust company.

The WESCO Series A preferred stock as to which the change of control conversion right has been properly exercised and for which the conversion notice has not been properly withdrawn will be converted into the applicable conversion consideration in accordance with the change of control conversion right on the change of control conversion date, unless prior to the change of control conversion date WESCO has provided or provides notice of its election to redeem such WESCO Series A preferred stock, whether pursuant to its optional redemption right or its special optional redemption right. If WESCO elects to redeem WESCO Series A preferred stock that would otherwise be converted into the applicable conversion consideration on a WESCO change of control conversion date, such WESCO Series A preferred stock will not be so converted and the holders of such shares will be entitled to receive on the applicable redemption date \$25,000 per share, plus any accrued and unpaid dividends thereon to, but not including, the redemption date. WESCO will deliver amounts owing upon conversion no later than the third business day following the change of control conversion date.

**Voting Rights.** Except as provided below or as otherwise required by applicable law, the holders of the WESCO Series A preferred stock will have no voting rights.

*Right to Elect Two Directors Upon Dividend Default* – Whenever dividends on any WESCO Series A preferred stock have not been paid, and remain unpaid, for the equivalent of six or more full quarterly dividend periods, whether or not for consecutive dividend periods (a "preferred dividend default"), the holders of such WESCO Series

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A preferred stock (voting together as a single class with all other classes or series of preferred stock of WESCO upon which like voting rights have been conferred and are exercisable ("parity preferred")) will be entitled to vote for the election of two additional directors of WESCO (the "preferred directors") and the number of directors constituting the entire WESCO Board will be increased by two directors, until all accrued and unpaid dividends on the WESCO Series A preferred stock have been paid in full through the most recently completed dividend period following a preferred dividend default; provided, however, as a qualification for election of an such preferred director, the election of any such preferred directors shall not cause WESCO to violate the corporate governance requirement of the NYSE (or any other securities exchange or other trading facility on which WESCO's securities may then be listed or traded) that listed or traded companies must have a majority of independent directors. In no circumstances will there be more than two preferred directors. The preferred directors will be elected at a special meeting called at the request of the holders of record of at least 10% of the aggregate outstanding WESCO Series A preferred stock and parity preferred.

These voting rights will continue until full accrued and unpaid dividends payable on the WESCO Series A preferred stock have been paid in full through the most recently completed dividend period following a preferred dividend default (subject to re-vesting in the event of each subsequent preferred dividend default). If such voting rights have terminated, the term of office of each preferred director so elected will terminate and the number of directors on the WESCO Board will automatically decrease by two.

Any preferred director may be removed at any time with or without cause by the vote of, and will not be removed otherwise than by the vote of, the holders of record of a majority of the outstanding WESCO Series A preferred stock and parity preferred (voting together as a single class) when they have the voting rights described above. So long as a preferred dividend default continues, any vacancy in the office of a preferred director may be filled by the written consent of the preferred director remaining in office, or, if none remains in office, by a vote of the holders of record of a majority of the outstanding WESCO Series A preferred stock (voting as a single class with the parity preferred) when they have the voting rights described above. The preferred directors will each be entitled to one vote per director on any matter.

*Other Voting Rights* – So long as any WESCO Series A preferred stock remains outstanding, WESCO will not, without the affirmative vote or consent of the holders of at least two-thirds of the outstanding WESCO Series A preferred stock and each other class or series of parity preferred, given in person or by proxy, either in writing or at a meeting (voting together as a single class without regard to series):

- authorize or create, or increase the number of authorized or issued shares of, any class or series of capital stock ranking senior to the WESCO Series A preferred stock with respect to payment of dividends or the distribution of assets upon WESCO's voluntary or involuntary liquidation, dissolution or winding up or reclassify any authorized shares of capital stock of WESCO into such capital stock, or create, authorize or issue any obligation or security convertible into or evidencing the right to purchase any such capital stock;
- amend, alter or repeal the provisions of the WESCO charter or the certificate of designations so as to adversely affect the rights, preferences, privileges or voting powers of the WESCO Series A preferred stock, taken as a whole; provided, however, that holders of shares of WESCO Series A preferred stock will not be entitled to vote with respect to (A) any increase in the total number of authorized shares of WESCO common stock or WESCO preferred stock, or (B) any increase in the number of authorized shares of WESCO Series A preferred stock or the creation or issuance of any other class or series of capital stock, or (C) any increase in the number of authorized shares of any other class or series of capital stock, in each case referred to in clause (A), (B) or (C) above, ranking on parity with or junior to the

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WESCO Series A preferred stock with respect to the payment of dividends and the distribution of assets upon WESCO's voluntary or involuntary liquidation, dissolution or winding up; or

- consummate a binding share exchange or reclassification involving the WESCO Series A preferred stock, or a merger or consolidation of WESCO with another corporation or other entity, unless in each case (x) the shares of WESCO Series A preferred stock remain outstanding or, in the case of any such merger or consolidation with respect to which WESCO is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (y) such WESCO Series A preferred stock remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not less favorable, taken as a whole, to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the WESCO Series A preferred stock immediately prior to such consummation, taken as a whole.

If an amendment, alteration, repeal, share exchange, reclassification, merger or consolidation described above would materially and adversely affect the WESCO Series A preferred stock and one or more, but not all, series of WESCO Series A preferred stock and parity preferred, then only the series adversely affected by such event and entitled to vote will vote on the matter to the exclusion of all other series of parity preferred. If all series of such parity preferred are not equally affected by the proposed amendment, alteration, repeal, share exchange, reclassification, merger or consolidation described above, there shall be required a two-thirds approval of each series that will have a diminished status.

So long as any shares of WESCO Series A preferred stock remain outstanding, the holders of shares of WESCO Series A preferred stock will also have the exclusive right to vote on any amendment, alteration or repeal of the provisions of the WESCO charter or the certificate of designations of the WESCO Series A preferred stock or the terms of the WESCO Series A preferred stock on which holders of WESCO Series A preferred stock are otherwise entitled to vote pursuant to the above that would alter only the contract rights, as expressly set forth in the WESCO charter or the certificate of designations of the WESCO Series A Preferred Stock, Units and the holders of any other classes or series of the capital stock of WESCO will not be entitled to vote on such an amendment, alteration or repeal.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding WESCO Series A preferred stock shall have been redeemed or called for redemption upon proper notice, sufficient funds shall have been set aside by WESCO in trust for the benefit of the holders of the WESCO Series A preferred stock to effect such redemption, and irrevocable instructions have been given to pay the redemption price and all accrued and unpaid dividends.

**Transfer Agent and Registrar.** Computershare Trust Company, N.A. will be the transfer agent and registrar and Computershare Inc. will be the dividend disbursing agent and redemption agent, for the depository shares representing an interest in the WESCO Series A preferred stock.

**Calculation Agent.** Unless WESCO has validly called all shares of WESCO Series A preferred stock for redemption on the first call date, WESCO will appoint a banking institution or trust company as calculation agent for the WESCO Series A preferred stock prior to the reset dividend determination date preceding the first call date. If WESCO is unable to appoint a calculation agent using commercially reasonable efforts, WESCO may appoint itself or one of its affiliates as calculation agent.

### Description of the Depositary Shares

*The following is a brief description of the material terms of the depositary shares representing an interest in the WESCO Series A preferred stock and does not purport to be complete in all respects. This description is subject to and qualified in its entirety by reference to the WESCO charter, the WESCO bylaws, the certificate of designations with respect to the Series A preferred stock, dated June 22, 2020, and the deposit agreement, dated as of June 19, 2020, each of which is incorporated herein by reference.*

**General.** WESCO issued fractional interests in shares of WESCO Series A preferred stock in the form of depositary shares. Each depositary share represents a 1/1,000th interest in a share of WESCO Series A preferred stock and is evidenced by a depositary receipt. The WESCO Series A preferred stock represented by depositary shares were deposited under a deposit agreement among (i) WESCO, (ii) Computershare Inc. and Computershare Trust Company, N.A., acting jointly as the depositary, and (iii) the holders from time to time of the depositary receipts evidencing the depositary shares. Subject to the terms of the deposit agreement, each holder of a depositary share is entitled, through the depositary, in proportion to the applicable fraction of a share of the WESCO Series A represented by such depositary shares, to all the rights and preferences of the WESCO Series A represented thereby (including dividend, voting, redemption, conversion and liquidation rights).

**Dividends and Other Distributions.** Each dividend on a depositary share will be in an amount equal to 1/1,000th of the dividend declared on the related share of the WESCO Series A preferred stock. The depositary will distribute any cash dividends or other cash distributions received in respect of the deposited Series A preferred stock to the record holders of depositary shares relating to the underlying WESCO Series A preferred stock in proportion to the number of whole and fractional Shares that could have been purchased with such dollar amount at Fair Market Value depositary shares held by each holder on the dividend payment relevant record date.

**4.3 Adjustment Provisions.** In the event of a reorganization, recapitalization, stock split, stock dividend, spin off, combination, corporate exchange, merger, consolidation or other change in the Shares that does not qualify as a Change in Control, or The depositary will distribute any distribution to holders of Shares property received by it other than cash dividends or any transaction determined in good faith by the Administrator to be similar to the foregoing but, the Administrator shall make appropriate equitable changes record holders of depositary shares entitled to those distributions in the number of Stock Units credited to the Participant's Stock Unit Account.

## ARTICLE 5

### DISTRIBUTION OF DEFERRED COMPENSATION

**5.1 Share Settlement and Source of Shares.** Settlement of a Participant's Stock Unit Account will be effected by delivering to the Participant a number of Shares equal proportion to the number of whole Stock Units credited depositary shares held by each such holder, unless it determines, after consultation with WESCO, that the distribution cannot be made proportionally among those holders or that it is not feasible to make such distribution. In that event, the depositary may, with WESCO's approval, adopt such method deemed equitable and practicable by WESCO for the purpose of effecting such distribution, including the sale (at public or private sale) of such property received by it and the distribution of the net proceeds from the sale to the Participant's Stock Unit Account. holders of the depositary shares entitled to such distribution in proportion to the number of depositary shares they hold.

Record dates for the payment of dividends and other matters relating to the depositary shares will be the same as the corresponding record dates for the WESCO Series A preferred stock.

The source amounts distributed to holders of depositary shares will be reduced by any amounts required to be withheld by the depositary or by WESCO on account of taxes or other governmental charges.

**Redemption of Depositary Shares distributed.** If WESCO redeems the WESCO Series A preferred stock represented by the depositary shares, in whole or in part, a corresponding number of depositary shares will be redeemed from the proceeds received by the depositary resulting from the redemption of the WESCO Series A preferred stock held by the depositary. The redemption price per depositary share will be equal to 1/1,000th of the redemption price per share payable with respect to the WESCO Series A preferred stock, plus an amount equal to any dividends thereon that, pursuant to the provisions of the certificate of designations are payable upon redemption. Whenever WESCO redeems shares of the WESCO Series A preferred stock held by the depositary, the depositary will redeem, as of the same redemption date, the number of depositary shares representing shares of the WESCO Series A so redeemed.

In case of any redemption of less than all of the outstanding depositary shares, the depositary shares to be redeemed will be selected by the depositary either pro rata or by lot or in such other manner as the depositary may determine to be fair and equitable, and provided that such methodology is consistent with any applicable stock exchange rules.

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The depositary will provide notice of redemption by any authorized method to holders of the depositary shares not less than 30 and not more than 60 days prior to the date fixed for redemption of the WESCO Series A preferred stock and the related depositary shares.

After the date fixed for redemption, the depositary shares called for redemption will no longer be deemed to be outstanding, and all rights of the holders of those shares will cease, except the right to receive the amount payable and any other property to which the holders were entitled upon the redemption. To receive this amount or other property, the holders must surrender the depositary receipts evidencing their depositary shares to the depositary.

**Voting the Shares.** Because each depositary share represents a 1/1,000th interest in a share of the WESCO Series A preferred stock, holders of depositary shares will be entitled to a 1/1,000th of a vote per depositary share under those limited circumstances in which holders of the WESCO Series A preferred stock are entitled to a vote.

When the depositary receives notice of any meeting at which the holders of the WESCO Series A preferred stock are entitled to vote, the depositary will mail (or otherwise transmit by an authorized method) the information contained in the notice to the record holders of the depositary shares relating to the WESCO Series A preferred stock. Each record holder of the depositary shares on the record date, which will be the same date as the record date for the WESCO Series A preferred stock, may instruct the depositary to vote the amount of the WESCO Series A preferred stock represented by the holder's depositary shares. Although each depositary share is entitled to 1/1,000th of a vote, the depositary can only vote whole shares of WESCO Series A preferred stock. To the extent possible, the depositary will vote the amount of the WESCO Series A preferred stock represented by depositary shares in accordance with the instructions it receives. WESCO will agree to take all reasonable actions that may be deemed necessary to enable the depositary to vote as instructed. If the depositary does not receive specific instructions from the holders of any depositary shares representing the WESCO Series A preferred stock, it will not vote the amount of the WESCO Series A preferred stock represented by such depositary shares.

**Preemptive and Conversion Rights.** Holders of the depositary shares will not have any preemptive right to subscribe to any additional issue of shares of any class or series of WESCO or to any securities of WESCO convertible into such shares. Additionally, the depositary shares will not be convertible into, or exchangeable for, shares of any of WESCO's other class or series of stock or WESCO's other securities (other than upon a WESCO change of control involving the issuance of additional shares of WESCO common stock or other WESCO change of control transaction, in each case, approved by holders of WESCO common stock, as described in "Description of WESCO Series A Preferred Stock—Conversion Rights," above).

**Listing.** The depositary shares are listed on the NYSE under the symbol "WCC PR A". There is no separate trading market for the shares of the WESCO Series A preferred stock except as represented by the depositary shares.

**Amendment and Termination of the Deposit Agreement.** WESCO may amend the form of depositary receipt evidencing the depositary shares and any provision of the deposit agreement at any time and from time to time by agreement in writing with the depositary. However, any amendment that materially and adversely alters the rights of the holders of depositary receipts will not be effective unless such amendment has been approved by the holders of depositary receipts representing at least a two-thirds majority of the depositary shares then outstanding. WESCO will make no amendment that impairs the right of any holder of depositary shares to receive WESCO Series A preferred stock and any money or other property represented by those depositary shares, except in order to comply with mandatory provisions of applicable law. Holders who retain or acquire their depositary receipts after an amendment becomes effective will be deemed to have agreed to the amendment and will be bound by the amended deposit agreement. As condition to the depositary executing an amendment, WESCO will deliver a certificate from an appropriate officer of WESCO which states that the proposed amendment is in compliance with the terms of the deposit agreement. No amendment to the deposit agreement will be effective unless duly executed by the depositary.

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The deposit agreement may be terminated by WESCO or the depositary only if:

- all outstanding depositary shares have been redeemed;
- a final distribution in respect of the WESCO Series A preferred stock has been made to the holders of depositary shares in connection with any liquidation, dissolution or winding-up of WESCO; or
- they have obtained the consent of holders of depositary receipts representing in the aggregate not less than two-thirds of the depositary shares outstanding.

**Charges of Depositary, Taxes and Other Governmental Charges.** WESCO will pay the fees, charges and expenses of the depositary provided in the deposit agreement to be payable by WESCO. Holders of depositary receipts will pay any taxes and governmental charges and any charges provided in the deposit agreement to be payable by them. If the depositary incurs fees, charges or expenses for which it is not otherwise liable at the election of a holder of a depositary receipt or other person, that holder or other person will be liable for those fees, charges and expenses. WESCO agreed to pay to the depositary reasonable compensation for all services rendered by it under the deposit agreement with a fee schedule to be mutually agreed upon and, from time to time, on demand of the depositary, to reimburse the depositary for all of its reasonable expenses and counsel fees and other disbursements incurred in the preparation, delivery, negotiation, amendment, administration and execution of the deposit agreement and incident to the exercise and performance of its duties thereunder.

**Resignation and Removal of Depository.** The depositary at any time may resign and be discharged of its duties under the deposit agreement by giving WESCO 60 days' written notice, and WESCO may at any time remove or replace the depositary by giving the depositary 30 days' written notice.

In the event that the depositary resigns or is removed, WESCO must, within 60 days after the delivery of any notice of resignation and within 30 days after the delivery of any notice of removal, as the case may be, appoint a successor depositary, which must be a bank or trust company having its principal office in the United States and having a combined capital and surplus, along with its affiliates, of at least \$50,000,000. If no successor depositary has been so appointed and accepted the appointment within the applicable period prescribed by the preceding sentence, the resigning or removed depositary may petition any court of competent jurisdiction for the appointment of a successor depositary. Every successor depositary must execute and deliver to its predecessor and to WESCO an instrument in writing accepting its appointment as depositary, and thereupon such successor depositary, without any further action, will become fully vested with all the rights, powers, duties and obligations of its predecessor and for all purposes shall be the Company's 2021 Omnibus Incentive Plan depositary under the deposit agreement, and such predecessor, upon payment of all sums due it and on WESCO's written request, must promptly execute and deliver an instrument transferring to such successor depositary all rights and powers of such predecessor under the deposit agreement, must assign, transfer and deliver all right, title and interest in the Series A preferred stock and any money or property held pursuant to the deposit agreement to such successor, and must deliver to such successor a list of the holders of all outstanding depositary shares and the records, books and other information in its possession relating to the depositary shares. Any successor depositary must promptly send notice of its appointment to the record holders of the depositary shares at WESCO's sole expense.

**Reports to Holders.** WESCO will deliver all required reports and communications to holders of the WESCO Series A to the depositary. At WESCO's expense, the depositary will forward those reports and communications to the holders of depositary shares.

**Limitation on Liability of the Depository.** The depositary will not be liable if it is prevented or delayed by law or any successor equity incentive plan adopted circumstances beyond its control in performing its obligations under the deposit agreement. None of the depositary, the depositary's agents or WESCO assumes any obligation or will be subject to any liability under the

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Exhibit 4.11

deposit agreement to holders of the depositary shares (or, in the case of the depositary and any of its agents, to any other person), other than for its gross negligence, willful misconduct or bad faith (each as determined by the Company. Any fractional Stock Units credited to a Participant's Stock Unit Account at the time final non-appealable judgement, order, decree or ruling of a distribution shall be paid in cash at the time court of such distribution.

**5.2 Timing and Form of Distribution.** The Participant shall specify on the Deferral Election form the timing of distribution in settlement of the Participant's Stock Unit Account as specified on the Deferral Election form, which may commence on any of the following permissible distribution events, with such distribution to be made in either (i) a lump sum, or (ii) substantially equal annual installments over a period not to exceed five (5) years:

- (a) The Participant's Separation from Service; or
- (b) A Specified Date.

**5.3 Default Form of Distribution.** If a Participant submits a Deferral Election form but fails to specify a distribution event or form of distribution on the Deferral Election form, the Participant's Stock Unit Account will be distributed in a single lump sum within 60 days following the Participant's Separation from Service.

**5.4 Change in Control/competent jurisdiction.** Notwithstanding anything in the Plan or a Deferral Election deposit agreement to the contrary, except in the event of a Change in Control that occurs prior to the distribution or commencement of distribution of a Participant's Stock Unit Account, such Participant's Stock Unit Account will be distributed in a single lump sum upon such Change in Control.

**5.5 Specified Employee Delay in Distribution Upon Separation from Service.** The provisions of this Section 5.5 shall apply to the extent necessary to avoid adverse tax consequences to a Participant under Section 409A cases of the Code. If a Participant is a Specified Employee no distribution to such Participant which is triggered by a Separation from Service will be made any earlier than six months and one day following depositary's gross negligence, willful misconduct or bad faith, the date aggregate liability of the Separation from Service. If a Participant is a Specified Employee depositary and is scheduled to receive payments in the form any of annual installments upon a Separation from Service, the first annual installment payment will be made six months and one day following the date of the Separation from Service, and the remaining annual installment payments shall be made as originally scheduled.

**5.6 Distribution upon Death.** In the event of a Participant's death at any time prior to distribution of the Participant's entire Stock Unit Account, whether before or after such distribution had commenced, as soon as administratively feasible after the Participant's death the entire balance of the Participant's Stock Unit Account shall be immediately settled in an issuance of Shares with a cash payment for any fractional Stock Unit to the beneficiary designated by the Participant under Article 7.

5.7 **Unforeseeable Emergency.** In the event the Participant experiences an unforeseeable emergency as defined in Treas. Reg. § 1.409A-3(i)(3), the Administrator may, at the request of the Participant, make a distribution from the Participant's Stock Unit Account equivalent to the amount reasonably necessary to satisfy the emergency need. The balance of the Stock Unit Account will not be distributed until the occurrence of the earliest distribution event as provided in the Participant's Deferral Election. Unforeseeable emergency distributions will be administered in manner compliant with the requirements of Section 409A.

5.8 **Specified Date Distribution Downstream Election Changes.** A Participant who had elected to receive distribution in settlement of his or her Stock Unit Account on a Specified Date is permitted to elect to delay a distribution or change the form of a distribution in accordance with procedures established by the Administrator so long as the following conditions are met:

- (a) Such election does not take effect until at least twelve (12) months after the date on which the election is made;
- (b) Such election must defer the distribution for a period of at least five (5) years from the date such distribution would otherwise have been made; and

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- (c) If the distribution is scheduled to begin at specified time or pursuant to a fixed schedule, then such election must be made no less than twelve (12) months before the date the distribution is scheduled to be made.

Any subsequent deferral election shall become irrevocable as of the last permissible date for making such subsequent deferral election.

## ARTICLE 6

### UNFUNDED STATUS

6.1 **General.** The interest of each Participant in any Director Fees deferred its agents under the Plan (and any Stock Units or Stock Unit Account relating thereto) shall be that of a general creditor of the Company. Stock Unit Accounts, and Stock Units credited thereto, shall at all times be maintained by the Company as bookkeeping entries evidencing unfunded and unsecured general obligations of the Company. Except as provided in Section 6.2, no money or other assets shall be set aside for any Participant.

6.2 **Trust.** To the extent determined by the Board, the Company may, but shall not be required to, transfer funds necessary to fund all or part of the payments under the Plan to a trust; provided, the assets held in such trust shall remain at all times subject to the claims of the general creditors of the Company. No participant or beneficiary shall have any interest in the assets held in such trust or in the general assets of the Company other than as a general, unsecured creditor. Accordingly, the Company shall not grant a security interest in the assets held by the trust in favor of any Participant, beneficiary or creditor.

## ARTICLE 7

### DESIGNATION OF BENEFICIARY

7.1 **Beneficiary Designation.** Each Participant may designate one or more beneficiaries to receive settlement of the Participant's Stock Unit Account in the event of such Participant's death. The Company may rely upon the beneficiary designation filed with the Administrator, provided that such form was executed by the Participant or his or her legal representative and filed with the Administrator prior to the Participant's death. If a Participant has not designated a beneficiary, or if the designated beneficiary is not surviving when a payment is to be made to such person under the Plan, the beneficiary deposit agreement with respect to, such payment shall be the Participant's surviving spouse, arising from or if there is no surviving spouse, the Participant's estate.

## ARTICLE 8

### ADMINISTRATION

8.1 **Administrator.** The Plan shall be administered by a committee of one or more persons appointed by the Board, which is referred to as the Administrator. Unless the Board determines otherwise, the Administrator shall be the Compensation Committee of the Board. The Administrator shall have the authority to make all determinations it deems necessary or advisable for administering the Plan, subject to the express provisions of the Plan, and to delegate its authority to one or more Company employees.

8.2 **Binding Effect of Decisions.** The decision or action of the Administrator with respect to any question arising out of or in connection with the administration, interpretation, deposit agreement, or from all services provided or omitted to be provided under the deposit agreement, whether in contract, tort, or otherwise, is limited to, and application will not exceed, three times the amount of annual fees, not including reimbursable expenses paid by WESCO to the depositary during the 12 months immediately preceding the event for which recovery from the depositary is being sought. The depositary may rely upon written advice of counsel or accountants, upon information provided by holders of the Plan and the rules and regulations promulgated hereunder shall be final and conclusive and binding upon the Participants and any depositary shares or other persons having any interest in the Plan.

8.3 **Indemnification of Administrator.** The Company shall indemnify and hold harmless the Administrator, and any Company employee to whom the duties of the Administrator are delegated,

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against any and all claims, losses, damages, expenses or liabilities arising from any action or failure to act with respect to this Plan, except in the case of willful misconduct.

## ARTICLE 9

### TAXES

9.1 **Withholding Taxes.** By electing to make a deferral under this Plan, to the extent applicable, each Participant authorizes any required withholding from, at the Company's election, distributions and any other amounts payable to the Participant, and the Participant otherwise agrees to make adequate provision for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company if any, which arise in connection with payments or distributions from this Plan. Unless the tax withholding obligations of the Company are satisfied, the Company shall have no obligation to make distributions under this Plan. Any tax withholding obligation triggered by a distribution of Shares will be satisfied by an automatic reduction in the number of Shares issued to the Participant or the Participant's beneficiary by a number of Shares having a Fair Market Value equal to such tax withholding obligation.

9.2 **409A Savings.** This Plan is intended to comply with the requirements of Section 409A of the Code. The Administrator shall interpret the Plan provisions in a manner consistent with the requirements of Section 409A of the Code. To the extent one or more provisions of this Plan do not comply with Section 409A of the Code, such provision shall be automatically and immediately voided, and shall be amended as soon as administratively feasible and shall be administered to so comply. Notwithstanding the foregoing or anything else to the contrary in the Plan, the Company shall have no liability to any Participant should any provision of the Plan fail to satisfy the requirements of Section 409A.

## ARTICLE 10

### SECURITIES LAWS COMPLIANCE

10.1 **Action by Administrator.** With respect to any Participant who is then subject to Section 16 of the Exchange Act, notwithstanding anything to the contrary set forth herein, any function of the Administrator under the Plan relating to such Participant shall be performed solely by the Board or its Compensation Committee, if and to the extent required to ensure the availability of an exemption under Section 16 of the Exchange Act for any transaction relating to such Participant under the Plan.

10.2 **Compliance with Section 16.** Notwithstanding any other provision of the Plan or any rule, instruction, election form or other form, the Plan and any such rule, instruction or form shall be subject to any additional conditions or limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent permitted by applicable law, such provision, rule, instruction or form shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

## ARTICLE 11

### GENERAL PROVISIONS

11.1 **No Stockholder Rights Conferred.** Nothing contained in the Plan will confer upon any Participant or beneficiary any rights of a stockholder of the Company, unless and until Shares are in fact issued or transferred to such Participant or beneficiary in accordance with Article 5.

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**11.2 *Changes to The Plan.*** The Administrator may amend, alter, suspend, discontinue, extend, or terminate the Plan without the consent of Participants; provided, no action taken without the consent of an affected Participant may materially impair the rights of such Participant with respect to any Stock Units credited to his or her Stock Unit Account at the time of such change or termination except that the Administrator may without the consent of any Participant terminate the Plan and distribute Shares in settlement of Stock Units then credited to Participant's Stock Unit Account in connection with a Change in Control.

**11.3 *Compliance With Laws and Obligations.*** The Company will not be obligated to issue or deliver Shares in connection with the Plan in a transaction subject to the registration requirements of the Securities Act of 1933, as amended, or any other federal or state securities law, any requirement under any listing agreement between the Company and any national securities exchange or automated quotation system or any other laws, regulations, or contractual obligations of the Company, until the Company is satisfied that such laws, regulations and other obligations of the Company have been complied with in full. Certificates representing Shares delivered under the Plan will be subject to such restrictions as may be applicable under such laws, regulations and other obligations of the Company.

**11.4 *Limitations on Transferability.*** Stock Units and other rights under the Plan may not be pledged, mortgaged, hypothecated or otherwise encumbered, and shall not be subject to the claims of creditors of any Participant. Stock Units and other rights under the Plan may be transferred only if such transfer is (i) permitted by Section 409A without triggering adverse tax consequences to the Participant (e.g., a gratuitous transfer), and (ii) approved by the Administrator.

**11.5 *Governing Law.*** The validity, construction and effect of the Plan and any agreement hereunder will be determined in accordance with laws of the State of Delaware.

**11.6 *Plan Termination.*** The Administrator reserves the right to terminate the Plan at any time to the extent such termination is in compliance with the requirements of Section 409A. Unless earlier terminated by action of the Board, the Plan will remain in effect until such time as the Company and the Participants have no further rights or obligations under the Plan.

**11.7 *Acceleration of Plan Distributions.*** The Administrator reserves the right to accelerate the distribution of Shares in settlement of Stock Unit Accounts to the extent compliant with the requirements of Section 409A, including any accelerated distribution permitted by Treas. Reg. § 1.409A-3(j)(4).

## ARTICLE 12

### DEFINITIONS

Wherever used herein, the following terms shall have the meanings set forth below:

**"Administrator"** means the committee appointed to administer the Plan under Article 8.

**"Applicable Exchange"** means the New York Stock Exchange or such other securities exchange as may at the applicable time be the principal market for the Shares.

**"Board"** means the Board of Directors of the Company.

**"Cash Director Fees"** means all or part of any annual or quarterly retainer or meeting fees payable in cash to a Non-Employee Director as consideration for services provided as a Director in the form of cash.

**"Change in Control"** means a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company, as defined in Section 409A(a)(2)(A)(v) of the Code. Whether a Change in Control has occurred will be determined in manner consistent with the requirements of Section 409A.

**"Code"** means the Internal Revenue Code of 1986, as amended.

**"Company"** means WESCO International, Inc., a Delaware corporation, or any successor thereto.

**"Deferral Date"** means the date Director Fees would otherwise have been paid to the Participant in the absence of a Deferral Election. With respect to bad faith, gross negligence or willful misconduct to Stock Director Fees, be competent and upon documents believed to be genuine.

**Transfer Agent and Registrar**

Computershare Trust Company, N.A. is the Deferral Date means transfer agent and registrar, and Computershare Inc. is the date on which dividend disbursing agent and redemption agent, for the applicable award would otherwise vest and settle in depositary shares representing an interest in the absence of a Deferral Election.

**"Deferral Election"** means a written election by a Participant to defer Director Fees under the Plan in such form as the Administrator shall determine from time to time.

**"Director"** means any individual who is a member of the Board.

**"Director Fees"** means Cash Director Fees and/or Stock Director Fees. Director Fees shall not include any expenses paid directly or through reimbursement.

**"Eligible Director"** means a Director who is not an employee of the Company or any of its subsidiaries or affiliates.

**"Exchange Act"** means the Securities Exchange Act of 1934, as amended.

**"Fair Market Value"** means the closing price of a Share on the Applicable Exchange on the date of measurement or, if Shares were not traded on the Applicable Exchange on such measurement date, then on the immediately preceding date on which Shares were traded on the Applicable Exchange, as reported by such source as the Administrator may select. If there is no regular public trading market for Shares, the Fair Market Value of a Share shall be determined by the Administrator in good faith and, to the extent applicable, such determination shall be made in a manner that satisfies Sections 409A.

**"Participant"** means an Eligible Director who elects to defer Director Fees under the Plan.

**"Section 409A"** shall mean Section 409A of the Code and the regulations and other legally binding guidance promulgated thereunder.

**"Separation from Service"** means the termination of an individual's service with the Company for any reason within the meaning of Treas. Reg. § 1.409A-1(h). Whether a Separation from Service has occurred will be determined in manner consistent with the requirements of Section 409A.

**"Shares"** means shares of the Company's common stock, par value \$0.01 per share, or, in the event that the outstanding shares of the Company's common stock are recapitalized, converted into or exchanged for different stock or securities of the Company, such other stock or securities.

**"Specified Date"** means the date elected by the Participant on the Deferral Form for commencement of distribution of Shares in settlement of the Participant's Stock Unit Account.

**"Specified Employee"** means a "specified employee" as defined in Treas. Reg. § 1.409A-1(i).

**"Stock Director Fees"** means all or part of any award providing for an issuance of Shares granted to a Non-Employee Director as consideration for services provided as a Director, but excluding any stock option.

**"Stock Unit Account"** means the bookkeeping account established by the Company pursuant to Section 4.1.

**"Stock Units"** means the credits made to a Participant's Stock Unit Account under Article 4 of the Plan. Each Stock Unit represents the right to receive one Share upon settlement of the Stock Unit Account. WESCO Series A preferred stock.

## SUBSIDIARIES OF WESCO INTERNATIONAL, INC.

Company Name	Jurisdiction of Incorporation
1502218 Alberta Ltd.	Alberta
Accu-Tech Corporation	Georgia
Allnet Technologies Pty Ltd.	Australia
Anixter Inc.	Delaware
Anixter Argentina S.A.	Argentina
Anixter Asia Holdings Limited	Hong Kong
Anixter Australia Pty Ltd	Australia
Anixter Austria GmbH	Austria
Anixter (Barbados) SRL	Barbados
Anixter Belgium BVBA BV	Belgium
Anixter Cables y Manufacturas, S.A. de C.V.	Mexico
Anixter Canada Inc.	Canada
Anixter Canadian Holdings ULC	Canada
Anixter Czech a.s.	Czech Republic
Anixter Chile S.A.	Chile
Anixter (CIS) LLC	Russia
Anixter Colombia S.A.S.	Colombia
Anixter Communications (Malaysia) Sdn Bhd	Malaysia
Anixter Communications (Shanghai) Co., Ltd.	China
Anixter Costa Rica S.A.	Costa Rica
Anixter Danmark A/S	Denmark
Anixter de Mexico, S.A. de C.V.	Mexico
Anixter Deutschland GmbH	Germany
Anixter do Brasil Ltda.	Brazil
Anixter Distribuidor de Soluciones Empresariales E Industriales S.A.	Uruguay
Anixter Distribution Ireland Limited	Ireland
Anixter Dominicana, SRL	Dominican Republic
Anixter Egypt LLC	Egypt
Anixter Ellas Systhmeta Network Etaipia Pepiwpismenhs Eyqynhs	Greece
Anixter España S.L.	Spain
Anixter Eurotwo Holdings BV	Netherlands
Anixter Fasteners Deutschland GmbH	Germany
Anixter Financial Inc.	Delaware
Anixter France SARL	France
Anixter Guatemala y Compañía LTDA.	Guatemala
Anixter Holdings, Inc. LLC	Delaware
Anixter Holdings Mexico LLC	Delaware
Anixter Hong Kong Limited	Hong Kong
Anixter Magyarország Elektronikus Hálózati Rendszer Kereskedelmi és Szolgáltató Kft	Hungary
Anixter India Private Limited	India
Anixter Information Systems LLC	Illinois
Anixter Italia S.r.l.	Italy
Anixter Jamaica Limited	Jamaica
Anixter Japan KK	Japan

<u>Company Name</u>	<u>Jurisdiction of Incorporation</u>
Anixter Japan KK	Japan
Anixter Jorvex SAC	Peru
Anixter Limited	United Kingdom
Anixter Iletisim Sistemleri Pazarlama ve Ticaret A.S.	Turkey
Anixter Logistica do Brasil LTDA	Brazil
Anixter Logistica y Servicios S.A. de C.V.	Mexico
Anixter Mid Holdings B.V.	Netherlands
Anixter Middle East FZE	United Arab Emirates
Anixter Morocco Sarl AU	Morocco
Anixter Nederland B.V.	Netherlands
Anixter New Zealand Limited	New Zealand
Anixter Norge A.N.S.	Norway
Anixter Operaciones y Logistica s De RL De CV	Mexico
Anixter Panama, S.A.	Panama
Anixter Pension Trustees Limited	United Kingdom
Anixter Pension Scheme Trustees Limited	United Kingdom
Anixter Peru S.A.C.	Peru
Anixter Philippines Inc.	Delaware
Anixter Poland Sp.z.o.o.	Poland
Anixter Portugal S.A.	Portugal
Anixter Power Solutions Canada Inc.	Ontario
Anixter Power Solutions Inc.	Michigan
Anixter Procurement Corporation	Illinois
<b>Wesco</b> Anixter Puerto Rico, Inc.	Delaware
Anixter Real-Estate LLC	Illinois
Anixter Saudi Arabia Limited	Saudi Arabia
Anixter Singapore Pte Ltd	Singapore
Anixter Slovakia s.r.o.	Slovak Republic
Anixter Sub Holdings BV	Netherlands
Anixter Sverige AB	Sweden
Anixter (Switzerland) Sàrl	Switzerland
Anixter Thailand Inc.	Delaware
Anixter (U.K.) Limited	United Kingdom
Anixter U.S. LLC	Delaware
Anixter Venezuela Inc. <b>Wesco</b> General Trading LLC	Delaware United Arab Emirates
Atlanta Electrical Distributors, LLC	Delaware
Atlas Gentech (NZ) Ltd	New Zealand
Auream Arbor SAS	Argentina
AXE Distribution Solutions Trinidad Limited	Trinidad
B.E.L. Corporation	Delaware
Calvert Wire & Cable Corporation	Delaware
Carlton-Bates Company	Arkansas
Carlton-Bates Company de Mexico, S.A. de C.V.	Mexico
Carlton-Bates Company of Texas GP, Inc	Texas
CBC LP Holdings, LLC	Delaware
<b>CDW Holdco, LLC</b>	Delaware
Central Security Distribution Pty Ltd	Australia

Company Name	Jurisdiction of Incorporation
CDW Holdco, LLC	Delaware
Central Security Distribution Pty Ltd	Australia
Communications Supply Corporation	Connecticut
Computer Maintenance Agency	India
Conney Investment Holdings, LLC	Delaware
Conney Safety Products, LLC	Delaware
Distribuidora Materiales Electricos E-Supply Limitada	Chile
EECOL Electric Corp.	Alberta
EECOL Electric Peru S.A.C.	Peru
EECOL Industrial Electric Limitada	Chile
EECOL Industrial Electric (SudAmerica) Limitada	Chile
EECOL Power S.A.	Chile
EECOL Properties Corp	Alberta
Enconnex B.V.	Netherlands
Enconnex LLC	Nevada
Enconnex Solutions India Pvt Limited	India
Eurinvest BV	Netherlands
Eurinvest Cooperatief U.A.	Netherlands
Haden Drysis S.A.	Spain
Hazmasters, Inc.	Ontario
Herpin Communication Engineering Co. Ltd.	Taiwan
Hi-Line Utility Supply Company, LLC	Illinois
Hill Country Electric Supply, L.P.	Texas
HMH Pension Trustees Limited	United Kingdom
iConnect Systems Pty Limited	Australia
Index Technologies Limited	Hong Kong
Infast Group Limited	United Kingdom
Inner Range Pty Ltd	Australia
Itel Container Ventures Inc.	Delaware
Itel Rail Holdings Corporation	Delaware
Liberty Wire & Cable, Inc.	Delaware
M&M Power Products LP	California
Needham Electric Supply, LLC	Delaware
OBRAS Y Servicios Sunpark S.A.C. (OS Sunpark)	Peru
PiTek Pty Ltd	Australia
Pro Canadian Holdings I, ULC	Nova Scotia
PT Anixter Indonesia	Indonesia
PT Rahi Systems Indonesia	Indonesia
Rahi Bilgi Sistemleri Dis Ticaret Limited Sirketi	Turkey
Rahi Global Technologies, Inc.	Philippines
Rahi Holdings B.V.	Netherlands
Rahi IT Infrastructure LLC	United Arab Emirates
Rahi Systems Australia Pty Ltd	Australia
Rahi Systems Brasil Comercio E Servicos De Technologia Da Informacao Ltda.	Brazil
Rahi Systems Canada Inc.	Canada

<u>Company Name</u>	<u>Jurisdiction of Incorporation</u>
Rahi Systems Chile SPA	Chile
<b>Rahi Systems Colombia SAS</b>	<b>Colombia</b>
Rahi Systems Europe B.V.	Netherlands
Rahi Systems GmbH	Germany
Rahi Systems Holdings US, Inc.	Delaware
Rahi Systems Inc.	California
Rahi Systems Inc.	Philippines

Company Name	Jurisdiction of Incorporation
Rahi Systems Japan KK LLC	Japan
Rahi Systems Korea LLC Inc.	South Korea
Rahi Systems Limited	United Kingdom
Rahi Systems Limited	Hong Kong
Rahi Systems NZ Limited	New Zealand
Rahi Systems México, S.A. de C.V.	Mexico
Rahi Systems Pte. Ltd.	Singapore
Rahi Systems Pvt Limited	India
Rahi Systems SASU	France
Rahi Systems Sdn Bhd	Malaysia
Rahi Systems SADC (Pty) Ltd	South Africa
Rahi Systems (Thailand) Co., Ltd.	Thailand
Rahi Systems Vietnam Company Limited	Vietnam
Rahi Technologies Limited	Ireland
SASK Alta Holdings S.A.	Chile
Serro, LLC	California
Services Voice, Video and Data Distribution de Mexico, S. de R.L. de C.V.	Mexico
Servicios Anixter, S.A. de C.V.	Mexico
Signal Capital Corporation	Delaware
Stone Eagle Electrical Supply GP Inc.	Alberta
Stone Eagle Electrical Supply Limited Partnership	Alberta
Thresher Communications & Productivity, Inc.	California
Tri-Ed Puerto Rico Ltd. Inc.	Puerto Rico
TVC Communications, L.L.C.	Delaware
TVC Espana Distribucion y Venta De Equipos, S.L.	Spain
TVC International Holding, L.L.C.	Delaware
TVC UK Holdings Limited	United Kingdom
Voice, Video and Data Distribution de Mexico, S. de R.L. de C.V.	Mexico
WDC Holding Inc.	Delaware
WDCH, LP	Pennsylvania
WDCH US LP	Delaware
WDI - Angola, LDA	Angola
WDI Wesco Anixter USVI, LLC	Delaware
WDINESCO B.V.	Netherlands
WDINESCO II B.V.	Netherlands
WDINESCO III B.V.	Netherlands
WEAS Company, Srl S. de R.L. de C.V.	Mexico
WESCO – Anixter Israel Ltd	Israel

<u>Company Name</u>	<u>Jurisdiction of Incorporation</u>
WESCO (Suzhou) Trading Co., Ltd.	China
WESCO Australia Pty Ltd	Australia
WESCO Canada GP Inc.	Ontario
WESCO DC Holding I LP	Ontario
WESCO DC Holding II LP	Ontario
WESCO DC Holding III LP	Ontario
WESCO DC Holding IV LP	Ontario
Wesco Digital Solutions (Ireland) Limited	Ireland
WESCO Distribution Canada Co.	Nova Scotia
WESCO Distribution Canada LP	Ontario

Company Name	Jurisdiction of Incorporation
WESCO Distribution de Mexico, Srl	Mexico
WESCO Distribution HK Limited	Hong Kong
WESCO Distribution II ULC	Nova Scotia
WESCO Distribution III ULC	Nova Scotia
WESCO Distribution, Inc.	Delaware
WESCO Distribution-International, Ltd.	United Kingdom
WESCO Distribution Ireland Limited	Ireland
WESCO DISTRIBUTION - INTERNATIONAL LIMITED - organizační složka	Czech Republic
WESCO Distribution NL B.V.	Netherlands
WESCO Distribution Pte Ltd.	Singapore
WESCO Enterprises, Inc.	Delaware
WESCO Equity Corporation	Delaware
Wesco Integrated Supply Germany GmbH	Germany
Wesco Integrated supply (UK) Limited	United Kingdom
WESCO Integrated Supply, Inc.	Delaware
WESCO Integrated Supply Polska sp. z o.o.	Poland
WESCO Nevada, Ltd.	Nevada
WESCO Netherlands B.V.	Netherlands
WESCO Nigeria, Inc.	Delaware
WESCO Procurement Canada ULC	Alberta
WESCO Real Estate I, LLC	Delaware
WESCO Real Estate II, LLC	Delaware
WESCO Real Estate III, LLC	Delaware
WESCO Real Estate IV, LLC	Delaware
WESCO Receivables Corp.	Delaware
WESCO Services, LLC	Delaware
WESCO TLD Holdings Co., Ltd.	Thailand
WireXpress XpressConnect Supply Canada, Ltd.	Canada
WND Nigeria Limited	Nigeria
XpressConnect Holdings BV	Netherlands
XpressConnect International BV	Netherlands
XpressConnect Supply BVBA BV	Belgium
XpressConnect Supply do Brasil Ltda	Brazil
XpressConnect Supply Colombia S.A.S.	Colombia
Xpress Connect Supply Hong Kong Limited	Hong Kong
XpressConnect Supply, Inc. LLC	Delaware
XpressConnect Supply Mexico S.A. de C.V.	Mexico

### Exhibit 23.1

#### CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No's., Nos. 333-257748, 333-249125, 333-188979, 333-188978, 333-172531, 333-91187, 333-81841, 333-81847, 333-81857 and 333-218541) of WESCO International, Inc. of our report dated February 21, 2023 February 20, 2024 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

**Exhibit 31.1**  
CERTIFICATION

I, John J. Engel, certify that:

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended **December 31, 2022** **December 31, 2023**, of WESCO International, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 21, 2023 20, 2024

By: /s/ John J. Engel

John J. Engel  
Chairman, President and Chief Executive Officer

**Exhibit 31.2**  
CERTIFICATION

I, David S. Schulz, certify that:

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended **December 31, 2022** **December 31, 2023**, of WESCO International, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 21, 2023

By: /s/ David S. Schulz

David S. Schulz

Executive Vice President and Chief Financial Officer

#### Exhibit 32.1

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of WESCO International, Inc. (the "Company") on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: February 21, 2023

By: /s/ John J. Engel

John J. Engel

Chairman, President and Chief Executive Officer

#### Exhibit 32.2

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of WESCO International, Inc. (the "Company") on Form 10-K for the fiscal year ended **December 31, 2022**, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: February 21, 2023

By: /s/ David S. Schulz

David S. Schulz

Executive Vice President and Chief Financial Officer

WESCO INTERNATIONAL, INC.  
COMPENSATION RECOVERY POLICY

1. **Purpose.** This Policy sets forth the terms on which the Company may recover erroneously awarded compensation to its executive officers. This Policy is intended to comply with Section 10D of the Exchange Act and Section 303A.14 of the NYSE Listed Company Manual.
2. **Definitions.** Unless the context otherwise requires, the following terms used in this Policy shall have the following meanings:
  - (a) **"Board"** means the Board of Directors of the Company.
  - (b) **"Committee"** means the Compensation Committee of the Board.
  - (c) **"Company"** means WESCO International, Inc.
  - (d) **"Exchange"** means the New York Stock Exchange.
  - (e) **"Exchange Act"** means the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto.
  - (f) **"erroneously awarded compensation"** has the meaning set forth in Section 3(c).
  - (g) **"executive officer"** means the Company's president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the Company. Executive officers of the Company's parent(s) or subsidiaries are deemed executive officers of the Company if they perform such policy-making functions for the Company. Policy-making function is not intended to include policy-making functions that are not significant. An "executive officer" for purposes of this Policy includes the executive officers identified pursuant to Item 401(b) of SEC Regulation S-K.
  - (h) **"financial reporting measures"** means measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return are also financial reporting measures.
  - (i) **"incentive-based compensation"** means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a financial reporting measure.
  - (j) **"Policy"** means this WESCO International, Inc. Compensation Recovery Policy, as in effect from time to time.

(k) "received" has the following meaning: incentive-based compensation is deemed received in the Company's fiscal period during which the financial reporting measure specified in the incentive-based compensation award is attained, even if the payment or grant of the incentive-based compensation occurs after the end of that period.

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(l) "SEC" means the U.S. Securities and Exchange Commission.

3. **Recovery of Erroneously Awarded Compensation.** The Company shall recover reasonably promptly the amount of erroneously awarded incentive-based compensation in the event that the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

(a) **Scope of Policy.** This Policy shall apply to all incentive-based compensation received by a person:

- (i) After beginning service as an executive officer;
- (ii) Who served as an executive officer at any time during the performance period for that incentive-based compensation;
- (iii) While the Company has a class of securities listed on a national securities exchange or a national securities association; and
- (iv) During the three completed fiscal years immediately preceding the date that the Company is required to prepare an accounting restatement as described in the first paragraph of this Section 3. The Company's obligation to recover erroneously awarded compensation is not dependent on if or when the restated financial statements are filed.

(b) **Date of Accounting Restatement.** The date that the Company is required to prepare an accounting restatement as described in the first paragraph of this Section 3 is the earlier to occur of:

- (i) the date on which the Board, a committee thereof or the Company's officer(s) authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an accounting restatement as described in the first paragraph of this Section 3; and
- (ii) the date a court, regulator or other legally authorized body directs the Company to prepare an accounting restatement as described in the first paragraph of this Section 3.

(c) **Amount Subject to Recovery.** The amount of incentive-based compensation subject to this Policy ("erroneously awarded compensation") is the amount of incentive-based compensation received that exceeds the amount of incentive-based compensation that otherwise would have been received had it been determined based on the restated amounts and shall be computed without regard to any taxes paid. For incentive-based compensation based on stock price or total shareholder return, where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in an accounting restatement: (i) the amount shall be based on a reasonable estimate of the effect of the accounting restatement on the stock price or total shareholder return upon which the incentive-based compensation was received; and (ii) the

Company shall maintain documentation of the determination of that reasonable estimate and provide such documentation to the Exchange.

(d) **Impracticability of Recovery.** The Company shall recover erroneously awarded compensation in compliance with this Policy except to the extent that the conditions of clauses (i), (ii) or (iii) below are met, and the Committee (or in the absence thereof, a majority of the independent directors serving on the Board) has made a determination that recovery would be impracticable.

- (i) The direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered. Before concluding that it would be impracticable to recover any amount of erroneously awarded compensation based on expense of enforcement, the Company shall make a reasonable attempt to recover such erroneously awarded compensation, document such reasonable attempt(s) to recover, and provide that documentation to the Exchange.
- (ii) Recovery would violate home country law where that law was adopted prior to November 28, 2022. Before concluding that it would be impracticable to recover any amount of erroneously awarded compensation based on violation of home country law, the Company shall obtain an opinion of home country counsel, acceptable to the Exchange, that recovery would result in such a violation, and shall provide such opinion to the Exchange.
- (iii) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

(e) **Prohibition on Indemnification.** The Company shall not indemnify any current or former executive officer against the loss of erroneously awarded compensation.

(f) **Method of Recovery.** The Committee shall determine, in its sole and exclusive discretion, the method or methods for recovering any erroneously awarded compensation, which methods need not be the same, or applied in the same manner, to each executive officer, provided that any such method shall provide for reasonably prompt recovery and otherwise comply with any requirements of the Exchange.

4. **Disclosure.** The Company shall file all disclosures with respect to this Policy in accordance with the requirements of the Federal securities laws, including the disclosure required by the applicable rules of the SEC.

#### 5. **Administration.**

(a) **Effective Date.** This Policy shall take effect on October 2, 2023 and shall supplement the WESCO International, Inc. Clawback Policy, dated April 11, 2013 (the "Existing Policy").

(b) **Authority of Committee.** This Policy shall be administered and interpreted by the Committee in accordance with Section 303A.14 of the NYSE Listed Company Manual, Section 10D of the Exchange Act and other applicable Federal securities laws and regulations. Except as limited by applicable law, and subject to the

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provisions of this Policy, the Committee shall have full power, authority and sole and exclusive discretion to construe, interpret and administer this Policy, and to delegate its authority pursuant to this Policy. In addition, the Committee shall have full and exclusive power to adopt such rules, regulations and guidelines for carrying out this Policy and to amend this Policy, in each case, as it may deem necessary or proper. Subject to Section 3(d), this Policy also may be administered by the Board, and references in this Policy to the "Committee" shall be understood to refer to the full Board. Before the Committee determines to seek recovery pursuant to this Policy, it shall provide, where feasible, the executive officer or former executive officer with written notice and the opportunity to be heard, at a meeting of the Committee (which may be in-person or telephonic, as determined by the Committee).

(c) **Decisions Binding.** In making any determination or in taking or not taking any action under this Policy, the Committee may obtain and rely on the advice of experts, including employees of, and professional advisors to, the Company. Any action taken by, or inaction of, the Committee or its delegates relating to or pursuant to this Policy that are taken or made in good faith shall be within the absolute

discretion of the Committee or its delegates. Such action or inaction of the Committee or its delegates shall be conclusive and binding on the Company and any current or former executive officer affected by such action or inaction.

(d) **Policy Not Exclusive.** Any right of recovery under this Policy is in addition to, and not in lieu of, any other remedies or rights of recovery, recoupment, forfeiture or offset that may be available to the Company pursuant to the terms of any other applicable Company policy (including the Existing Policy), compensation or benefit plan, agreement or arrangement or other agreement or applicable law; provided, however, that there shall be no duplication of recovery under this Policy, the Existing Policy or any other remedies or rights.

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#### DISCLAIMER

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