



**Third Quarter FY 2014  
Earnings Conference Call**

August 4, 2014

# Agenda

*Promises delivered.*

Wesco Aircraft - Investor Relations

Introduction

**Mark Davidson**  
Head of Investor Relations

Company  
Overview

**Randy Snyder**  
Chief Executive Officer and Chairman

Business Highlights &  
Integration Update

**Thad Fortin**  
Executive Vice President, Chief Strategy Officer

Financial  
Overview

**Greg Hann**  
Executive Vice President, Chief Financial Officer

Questions &  
Answers



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Factors that could cause actual results to differ materially from those in the forward-looking statements include: general economic and industry conditions; conditions in the credit markets; changes in military spending; risks unique to suppliers of equipment and services to the U.S. government; risks associated with the Company's long-term, fixed-price agreements that have no guarantee of future sales volumes; risks associated with the loss of significant customers, a material reduction in purchase orders by significant customers or the delay, scaling back or elimination of significant programs on which the Company relies; the Company's ability to effectively manage its inventory; the Company's ability to successfully integrate the acquired business of Haas Group Inc. in a timely fashion; failure to realize anticipated benefits of the combined operations; risks relating to unanticipated costs of integration; risks associated with the Company's rapid expansion; the Company's suppliers' ability to provide it with the products the Company sells in a timely manner, in adequate quantities and/or at a reasonable cost; the Company's ability to maintain effective information technology systems; the Company's ability to retain key personnel; risks associated with the Company's international operations; fluctuations in the Company's financial results from period-to-period; risks associated with assumptions the Company makes in connection with its critical accounting estimates and legal proceedings; the Company's ability to effectively compete in its industry; environmental risks; risks related to the handling, transportation and storage of chemical products; the Company's dependence on third-party package delivery companies; risks related to the aerospace industry and the regulation thereof; risks related to the Company's indebtedness; and other risks and uncertainties.

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The Company utilizes and discusses Adjusted Net Income, Adjusted Basic EPS, Adjusted Diluted EPS and Adjusted EBITDA, which are non-GAAP measures its management uses to evaluate its business, because the Company believes they assist investors and analysts in comparing its performance across reporting periods on a consistent basis by excluding items that the Company does not believe are indicative of its core operating performance. The Company believes these metrics are used in the financial community, and the Company presents these metrics to enhance investors' understanding of its operating performance. You should not consider Adjusted EBITDA and Adjusted Net Income as an alternative to Net Income, determined in accordance with GAAP, as an indicator of operating performance. Adjusted Net Income, Adjusted Basic EPS, Adjusted Diluted EPS and Adjusted EBITDA are not measurements of financial performance under GAAP, and these metrics may not be comparable to similarly titled measures of other companies. See the Appendix for a reconciliation of Adjusted Net Income, Adjusted Basic EPS, Adjusted Diluted EPS and Adjusted EBITDA to the most directly comparable financial measures calculated and presented in accordance with GAAP.

# Third Quarter FY 2014 Highlights

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- Third quarter revenues of \$395.6 million compared to \$230.2 million in the prior year period, an increase of 72%
  - Organic growth of approximately 11% for year to date
- Third quarter Adjusted EBITDA of \$63.2 million, compared to \$49.7 million for the same period last year
- Adjusted Net Income for the third quarter of \$33.0 million compared to \$29.5 million for the same period last year
  - Adjusted Diluted EPS of \$0.34
- Revising full year fiscal 2014 guidance
  - Revenue expected to be in the range of \$1.350 billion to \$1.380 billion
  - Diluted EPS expected to be in the range of \$1.12 to \$1.15 per share
  - Adjusted Diluted EPS expected to be in the range of \$1.30 to \$1.33 per share



# Third Quarter FY 2014 Financial Results

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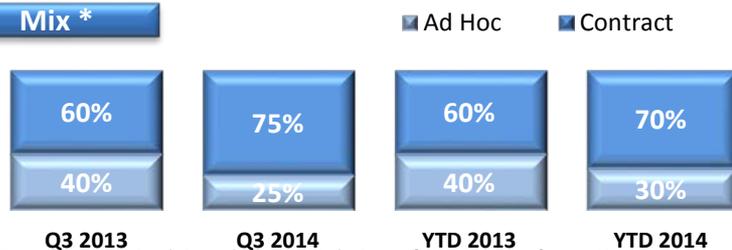
## Revenue (\$M) \*



## Adjusted EBITDA (\$M) \*



## Mix \*



## Adjusted Diluted EPS \*



\* 2014 data year-to-date includes contribution of acquisition of Haas Group Inc.

- **Third quarter revenue of \$395.6 million, up 72% year over year**
  - Rest of World external sales increased 72% compared to the prior year period
  - North America external sales increased by 72% compared to the prior year period
- **Adjusted EBITDA for Q3 2014 of \$63.2 million, compared to \$49.7 million in Q3 2013**
- **Q3 2014 ad hoc sales of 25% and contract sales of 75%, with ad hoc sales of 30% and contract of 70% for year to date**
- **Adjusted Net Income for Q3 2014 of \$33.0 million and Adjusted Diluted EPS of \$0.34**



## Full Year FY 2014 Outlook

Previous  
Guidance

Revised  
Guidance

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Revenue forecast :	\$1.330 billion - \$1.380 billion	\$1.350 billion - \$1.380 billion
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Diluted EPS forecast (per share) :	\$1.25 - \$1.31	\$1.12 - \$1.15
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Adjusted Diluted EPS forecast (per share) :	\$1.33 - \$1.38	\$1.30 - \$1.33
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# APPENDIX

“Adjusted Net Income” represents Net Income before: (i) amortization of intangible assets, (ii) amortization or write-off of deferred financing costs and original issue discount, (iii) unusual or non-recurring items and (iv) the tax effect of items (i) through (iii) above calculated using an assumed effective tax rate.

“Adjusted Basic EPS” represents Basic EPS calculated using Adjusted Net Income as opposed to Net Income.

“Adjusted Diluted EPS” represents Diluted EPS calculated using Adjusted Net Income as opposed to Net Income.

“Adjusted EBITDA” represents Net Income before: (i) income tax provision, (ii) net interest expense, (iii) depreciation and amortization, and (iv) unusual or non-recurring items.

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# Non-GAAP Financial Information

Promises delivered.

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**Wesco Aircraft Holdings, Inc.**  
**Non-GAAP Financial Information (UNAUDITED)**  
(In thousands, except for per share data)

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>June 30, 2014</u>	<u>June 30, 2013</u>
<b>EBITDA &amp; Adjusted EBITDA</b>				
Net income	\$28,772	\$27,026	\$77,454	\$74,840
Provision for income taxes	16,128	13,866	41,300	37,504
Interest and other, net	9,354	4,680	19,409	20,748
Depreciation and amortization	6,913	2,775	14,192	8,495
EBITDA	<u>61,167</u>	<u>48,347</u>	<u>152,355</u>	<u>141,587</u>
Unusual or non-recurring items	<u>2,003</u>	<u>1,373</u>	<u>9,783</u>	<u>3,284</u>
Adjusted EBITDA	<u><u>\$63,170</u></u>	<u><u>\$49,720</u></u>	<u><u>\$162,138</u></u>	<u><u>\$144,871</u></u>
<b>Adjusted Net Income</b>				
Net income	\$28,772	\$27,026	\$77,454	\$74,840
Amortization of intangible assets	4,011	1,643	8,099	4,952
Amortization of deferred financing costs	887	791	2,056	7,158
Unusual or non-recurring items	2,003	1,373	9,783	3,284
Adjustments for tax effect	<u>(2,647)</u>	<u>(1,336)</u>	<u>(6,459)</u>	<u>(5,403)</u>
Adjusted Net Income	<u><u>\$33,026</u></u>	<u><u>\$29,497</u></u>	<u><u>\$90,933</u></u>	<u><u>\$84,831</u></u>
<b>Adjusted Basic Earnings Per Share</b>				
Weighted-average number of basic shares outstanding	<u>96,580</u>	<u>93,556</u>	<u>95,675</u>	<u>92,985</u>
Adjusted Net Income Per Basic Shares	<u><u>\$0.34</u></u>	<u><u>\$0.32</u></u>	<u><u>\$0.95</u></u>	<u><u>\$0.91</u></u>
<b>Adjusted Diluted Earnings Per Share</b>				
Weighted-average number of diluted shares outstanding	<u>97,938</u>	<u>95,924</u>	<u>97,511</u>	<u>95,579</u>
Adjusted Net Income Per Diluted Shares	<u><u>\$0.34</u></u>	<u><u>\$0.31</u></u>	<u><u>\$0.93</u></u>	<u><u>\$0.89</u></u>



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