Q3 2018 Earnings Call Presentation

August 2, 2018

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Information in this presentation should be read in conjunction with Wesco Aircraft's earnings press release and tables for the fiscal 2018 third quarter.

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Overview

Solid Q3 2018 Operating and Financial Results

Strong sales growth; gross profit improvement

Tight expense management; investing in Wesco 2020 for the long term

Net income improvement; adjusted EBITDA margin expansion

Positive operating and free cash flow

Improving operating metrics – continuing to drive change

Significant increase in Wesco 2020 execution

Q3 2018 Results

$410M
Net Sales

60 bps
*Gross Margin Expansion**

$0.11 / $0.20
*Diluted EPS / Adjusted Diluted EPS***

170 bps
*Adjusted EBITDA Margin** Expansion**

$17M
Net Cash Provided by Operating Activities

* Q3 2018 results compared to the same period in fiscal 2017.
** See appendix for reconciliation and information regarding non-GAAP measures.

Business Update

One-time sales benefit of approximately $11 million; solid underlying growth of 10%

Double-digit ad-hoc sales growth – higher customer ordering; robust bookings

Long-term contract increase – new business, higher volumes with existing customers

Maintained tight expense control; SG&A as percent of sales virtually flat

Reduced inventory investment; continued work on inventory management processes

Customer service improving; on-time delivery rates stable at high levels

Wesco Aircraft

Wesco 2020

BUILDING THE FUTURE

Driving Execution of Wesco 2020 Initiatives

Taking steps toward optimization, preparing for inventory transfers

Investing in hubs – building out existing sites, identifying operating consolidation sites

Implemented project management structure; organizational changes made

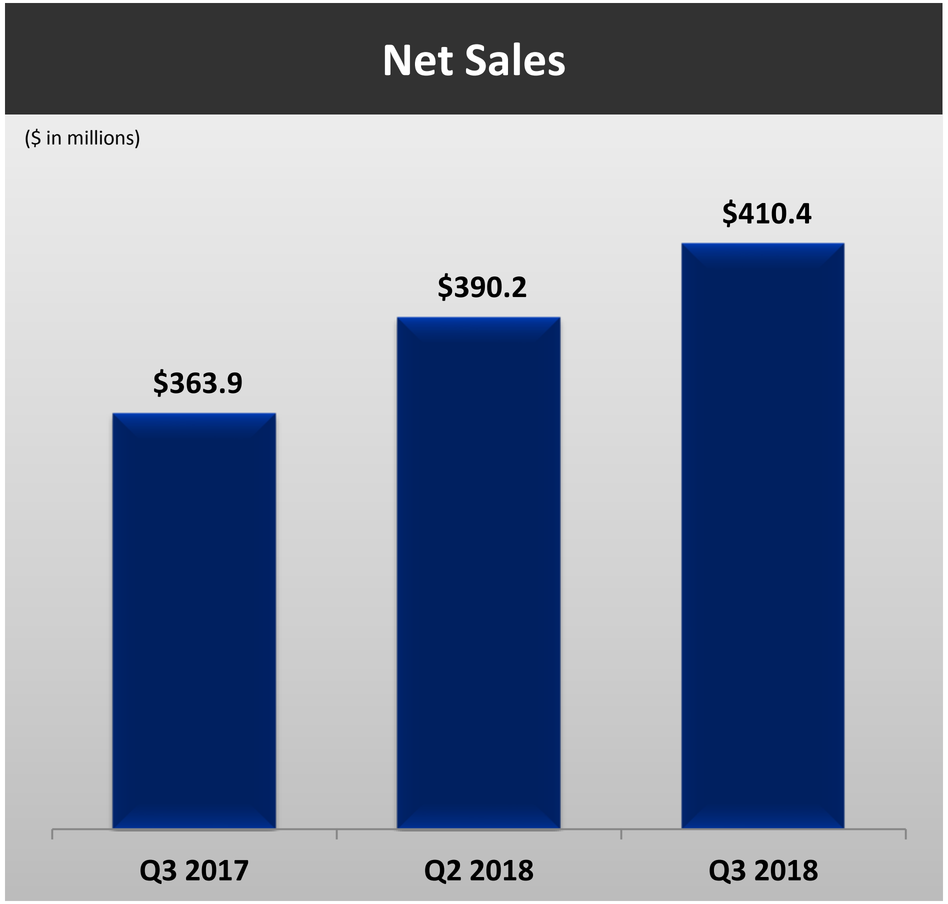
Established global centers of excellence; investing in critical capabilities

Planning underway for increased use of automation and business tools

On-track with previously communicated completion dates and financial goals

FOOTPRINT OPTIMIZATION	ALIGN
FACILITY INVESTMENT	ALIGN
ORGANIZATIONAL STRUCTURE	REFINE
GLOBAL CENTERS OF EXCELLENCE	REFINE
AUTOMATION	INVEST
BUSINESS TOOLS	INVEST

Net Sales Summary



Net sales increase of 10% year/year, excluding one-time sales benefit of $11M related to contract claims

- **Long-term contract increase of 7% due to:**
  - **Growth in chemical and hardware volumes**
  - **Ramp-up of new business wins**
- **Ad-hoc increase of 18% – ability to service broad-based increase in orders**

Sequential sales increase of 2%, excluding one-time sales

Income Statement Summary

(Dollars in Millions, Except Per Share Data)	Q3 2017	Q2 2018	Q3 2018
Net sales	$363.9	$390.2	$410.4
(Loss) income from operations	$(287.2)	$33.2	$29.3
Operating margin	(78.9%)	8.5%	7.1%
Net (loss) income	$(229.6)	$15.0	$10.8
Diluted (loss) earnings per share	$(2.32)	$0.15	$0.11
Adjusted net income*	$10.0	$22.2	$20.1
Adjusted diluted earnings per share*	$0.10	$0.22	$0.20
Adjusted EBITDA*	$33.0	$45.0	$44.5
Adjusted EBITDA margin*	9.1%	11.5%	10.8%

* See appendix for reconciliation and information regarding non-GAAP measures.

Third Quarter Commentary

Income from operations improved year/year due to increase in gross profit and prior year goodwill impairment, offset by higher SG&A

Gross profit/margin higher year/year, reflecting higher sales volume

Gross profit/margin lower sequentially primarily due to E&O provision and inventory adjustments; product margins higher sequentially

SG&A increase primarily due to consulting fees and other costs associated with Wesco 2020

Interest expense year/year increase reflects higher LIBOR rates

Higher income tax expense reflects increase in income in higher tax jurisdictions and discrete items

Effective tax rate for fiscal 2018 estimated to be 29-30% (excluding $9.1M U.S. tax legislation impact in Q1 2018 and other discrete items)

Balance Sheet Summary

At Period End	June 30, 2017	Sept 30, 2017	Dec 31, 2017	March 31, 2018	June 30, 2018
($ in millions)					
Cash and cash equivalents	$57.1	$61.6	$41.9	$35.9	$45.6
Accounts receivable, net	264.0	256.3	253.6	287.1	302.1
Net inventory	802.7	827.9	856.3	889.3	893.5
Accounts payable	175.8	184.3	161.7	194.1	192.9
Total debt	861.1	863.8	877.7	880.7	877.2
Stockholders' equity	687.8	649.7	652.4	672.1	682.3

Cash Flow Summary

Wesco Aircraft

Quarter Ended	June 30, 2017	Sept 30, 2017	Dec 31, 2017	March 31, 2018	June 30, 2018
($ in millions)					
Net (loss) income	$(229.6)	$(38.3)	$(0.4)	$15.0	$10.8
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities	261.8	56.3	15.7	11.8	16.3
Changes in assets and liabilities	(31.3)	(12.1)	(45.2)	(32.8)	(10.3)
Net cash provided by (used in) operating activities	0.9	5.9	(29.9)	(6.0)	16.8
Purchase of property and equipment	(2.6)	(2.1)	(1.3)	(1.6)	(1.1)
Free cash flow	(1.7)	3.8	(31.2)	(7.6)	15.7

Closing Remarks

Continue to execute across the business – good operating and financial performance

Strong sales growth – new business, increase in existing business volume, higher ad-hoc

Improved operating metrics; substantially lower inventory investment

Improvement in net income and adjusted EBITDA, positive cash flow performance

Increased pace of Wesco 2020 execution – creating value for long term

On track with previously communicated Wesco 2020 goals

APPENDIX

Non-GAAP Financial Information

‘‘Adjusted Net Income’’ represents Net Income (Loss) before: (i) amortization of intangible assets, (ii) amortization or write-off of deferred issuance costs, (iii) special items and (iv) the tax effect of items (i) through (iii) above calculated using an estimated effective tax rate.

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

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

‘‘Adjusted EBITDA’’ represents Net Income (Loss) before: (i) income tax provision, (ii) net interest expense, (iii) depreciation and amortization and (iv) special items; “Adjusted EBITDA Margin” represents Adjusted EBITDA divided by Net Sales.

“Free Cash Flow” represents net cash provided by (used in) operating activities less purchases of property and equipment.

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

Non-GAAP Financial Information

Wesco Aircraft Holdings, Inc.
Non-GAAP Financial Information - Adjusted Net Income and Adjusted Earnings Per Share (UNAUDITED)
(Dollars in thousands, except share data)

	Three Months Ended		
	June 30, 2017	**March 31, 2018**	**June 30, 2018**
Net Sales	$ 363,907	$ 390,183	$ 410,359
Adjusted Net Income			
Net (loss) income	(229,608)	$ 15,000	$ 10,754
Amortization of intangible assets	3,743	3,713	3,714
Amortization of deferred financing costs	1,013	1,403	1,389
Goodwill impairment	311,114	-	-
Special items (1)	1,490	4,591	7,574
Adjustments for tax effect (2)	(77,763)	(2,495)	(3,283)
Adjusted net income	$ 9,989	$ 22,212	$ 20,148
Adjusted Basic Earnings Per Share			
Weight-average number of basic share outstanding	98,869,675	99,136,015	99,180,632
Adjusted net incomer per basic share	$ 0.10	$ 0.22	$ 0.20
Adjusted Diluted Earnings Per Share			
Weight-average number of diluted shares outstanding	98,869,675	99,519,925	99,739,217
Adjusted net income per diluted share	$ 0.10	$ 0.22	$ 0.20

(1) Special items in the third quarter of fiscal 2017 consisted of business realignment and other expenses of $1.5 million. Special items in the second quarter of fiscal 2018 consisted of consulting fees associated with the company's improvement activities of $4.2 million, settlement of litigation and related fees of $0.1 million and other expenses of $0.3 million. Special items in the third quarter of fiscal 2018 consisted of consulting fees associated with the company's improvement activities of $7.1 million, restructuring costs of $0.4 million and settlement of litigation and related fees of $0.1 million.

(2) The adjustments for tax effect in the third quarter of fiscal 2017 included a valuation allowance of $10.6 million on deferred tax assets.

Non-GAAP Financial Information

Wesco Aircraft

Wesco Aircraft Holdings, Inc.
Non-GAAP Financial Information - EBITDA and Adjusted EBITDA (UNAUDITED)
(Dollars In thousands)

	Three Months Ended		
	June 30, 2017	**March 31, 2018**	**June 30, 2018**
EBITDA & Adjusted EBITDA			
Net (loss) income	$ (229,608)	$ 15,000	$ 10,754
Provision for Income taxes	(66,969)	6,123	6,096
Interest expense, net	9,614	11,965	12,717
Depreciation and amortization	7,340	7,285	7,368
EBITDA	(279,623)	40,373	36,935
Goodwill impairment	311,114	-	-
Special items (1)	1,490	4,591	7,574
Adjusted EBITDA	$ 32,981	$ 44,964	$ 44,509
Adjusted EBITDA margin	9.1%	11.5%	10.8%

(1) Special items in the third quarter of fiscal 2017 consisted of business realignment and other expenses of $1.5 million. Special items in the second quarter of fiscal 2018 consisted of consulting fees associated with the company's improvement activities of $4.2 million, settlement of litigation and related fees of $0.1 million and other expenses of $0.3 million. Special items in the third quarter of fiscal 2018 consisted of consulting fees associated with the company's improvement activities of $7.1 million, restructuring costs of $0.4 million and settlement of litigation and related fees of $0.1 million.

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