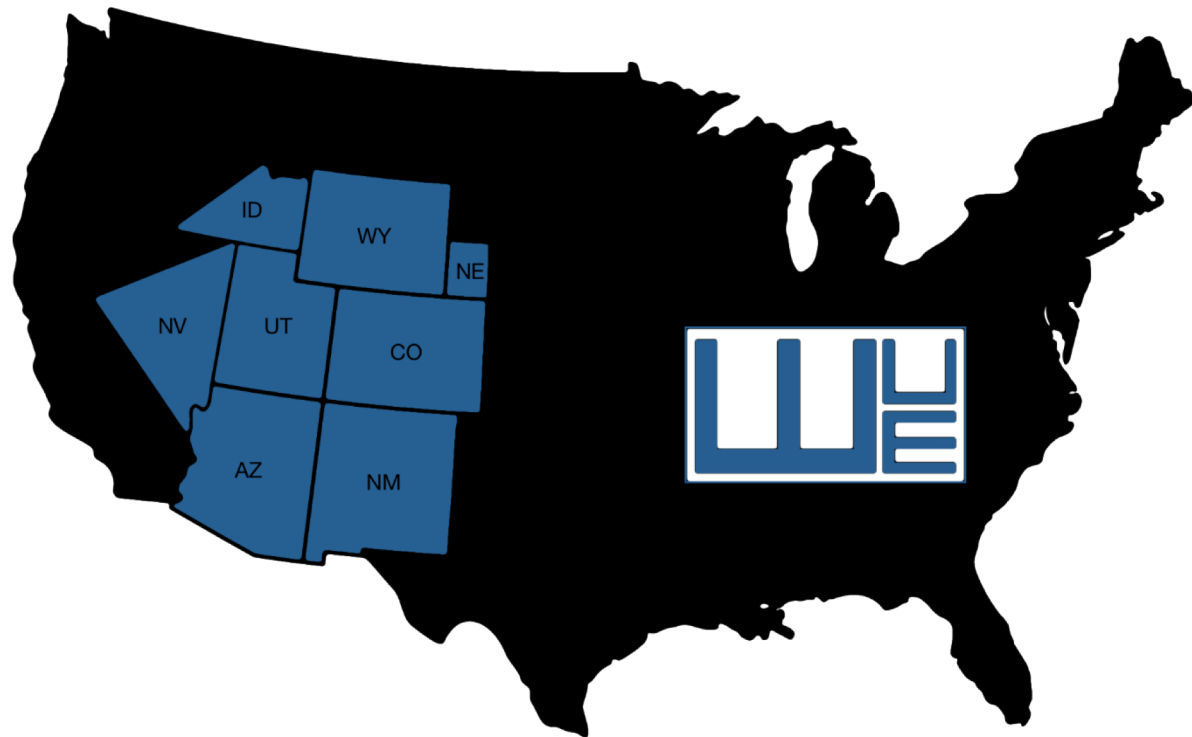


Welcome to the 43rd annual meeting of **Western United Electric Supply Corporation**



Mission Statement

To be the Distributor of Choice for all Electric Utilities in the Rocky Mountain Region



Key Metrics

	FY 2016	FY 2017	FY 2018	FY 2019 YTD (6 mo)
Sales	\$ 99.5 M	\$106.2 M	\$132.8 M*	\$ 68.3M
Margin	\$ 4.75 M	\$ 5.46 M	\$ 7.1 M*	\$ 3.7M

***Highest in WUE history**

WUE Statistics

Through Calendar Year

	Dec-18	Dec-17	Dec-16	Dec-15
●Patronage Extended	\$ 7.1M*	\$ 5.46M	\$ 4.75M	\$ 4.2M
●Patronage Redeemed	\$ 0.72M	\$ 1.70M	\$ 4.14M*	\$ 1.2M
●Total Member Equity	\$ 38.5M*	\$ 33.4M	\$ 29.7M	\$ 29.7M
●Sales Per Employee	\$ 3.2M	\$ 3.0M	\$ 3.0M	\$ 3.2M
●Order Backlog	\$ 21.6M	\$ 21.8M*	\$ 18.1M	\$ 7.9M
●Total Inventory	\$ 19.2*	\$ 16.7M	\$ 13.2M	\$ 11.9M

* Highest in WUE History

Other Key Metrics

	FY2018	FY2017	FY2016	FY2015
Avg Member Patronage (% of sales)	6.60%*	6.60%	6.10%	5.20%
Avg Member Patronage (% of margins returned)	72%*	67%	65%	55%
Sales to Members	81.1%*	78.40%	78.30%	79.40%
Sales to Munis	\$11.7M*	\$10M	\$10M	\$7.0M
Stock Shipments	\$69.5M*	\$60.8M	\$54M	\$52.0M
Sales to Inventory Mgt. Accts	71.7%*	70.50%	68.70%	66.20%
Inventory Turns	3.9	4.1	3.9	3.6
Expenses as a % of Sales	5.80%	6.60%	6.50%	6.40%
Order Fill rate	96.10%	96.00%	96.20%	96.10%

*Highest in WUE History



WUE Purpose

To lower the cost of material supplied to our members, lower internal costs to stock and deliver material, constantly improve our value to customers, increase the margins we return to our members

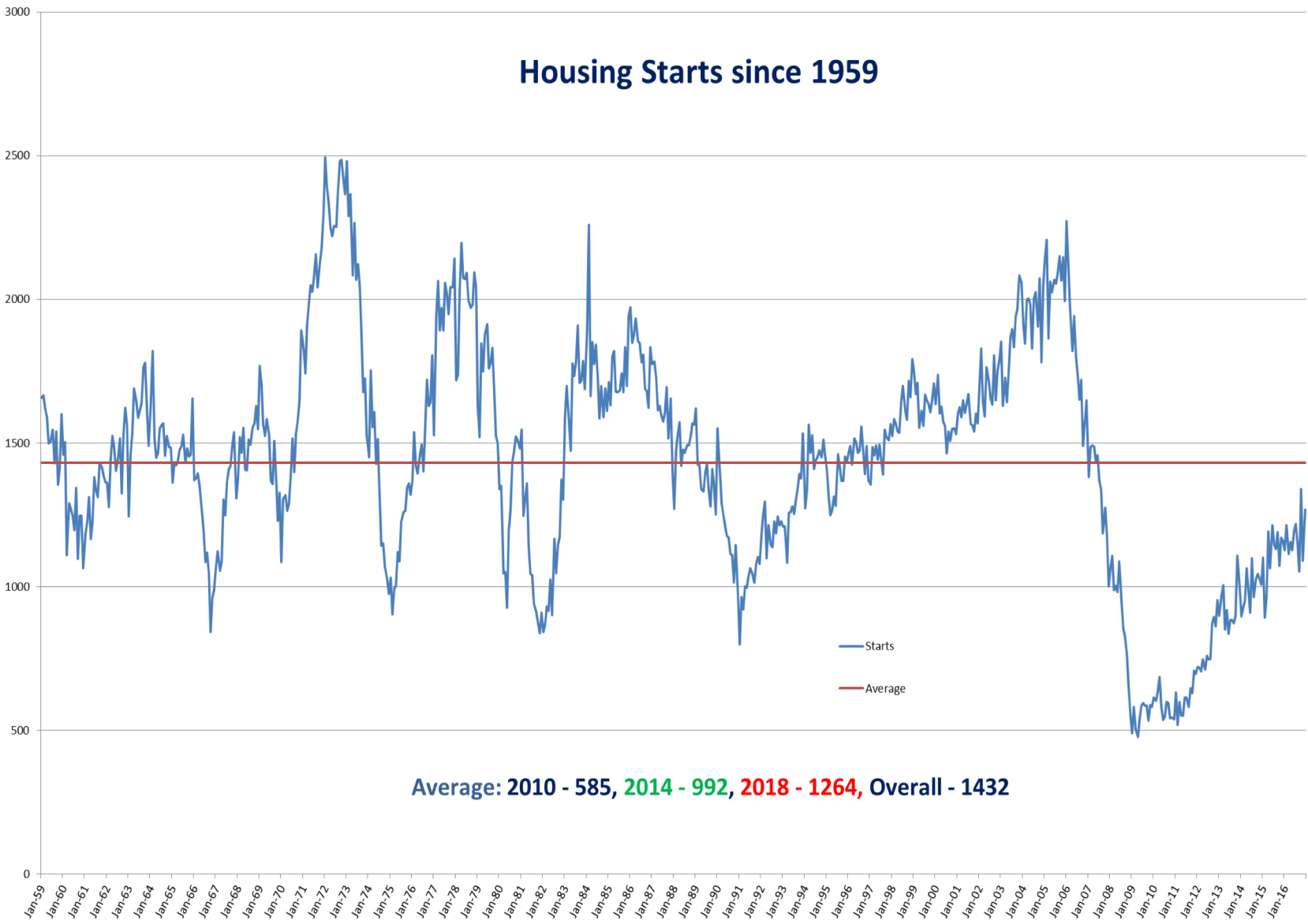
Accomplishments

- **Albuquerque NM Branch: Sales up 45% & Margins up 80%**
- **Brighton CO Branch: Sales up 21% & Margins up 21%**
- **All Municipal Sales up 14%**
- **Test Lab Net Margin Growth of 44% (both sales and service dollars increased)**
- **#3 Distributor in the country for sales per employee (June Electrical Wholesaling magazine)**
- **Zero lost time accidents in calendar year 2018 (also 2017)**
- **Added 5 new members (3-ID, 1-NV, 1-WY) in calendar year 2018. Now 70 members**
- **Expanded Truck Fleet with new enclosed trailer, mule, new additional tractor, trailer, stake truck, large heavy duty fork lift**

Accomplishments

- **Cable cutting equipment delivered**
- **Building addition steel delivered**
- **WEST group (Substation & Transmission) manpower and skill set increased**
- **Purchased new washer, dryer and inflator for the test lab**
- **Expanded test lab customer base to over 100 recurring customers (i.e. wind turbine customers across US, MT coops)**
- **Completed strategic alliances with Solomon and Power & Tel**

Housing Starts since 1959



Average: 2010 - 585, 2014 - 992, 2018 - 1264, Overall - 1432

Focus For the Future

- Presented Strategic Plan:
 - Growth
 - Efficiency
 - Preparedness

Growth:

- Complete Brighton Building addition (25,000 sf) and introduce cable cutting capabilities to customers
- Develop Sales in the oil/gas market in CO and WY
- Expand Test Lab Customer Base
- Add new product lines to support member strategic plans

Focus For the Future

◦ Efficiency:

- **Implement new enterprise software (P21) by July 1st**
- **Wireless Warehouse**
 - **bar coding, warehouse layout, process changes in all warehouses to improve productivity and accuracy**

Preparedness (both Threats and Opportunities)

- **Threats**
 - **Recession**
 - **Monitor Indicators**
- **Opportunities**
 - **Employee Development**
 - **Product & System Training**
 - **No lost time accidents**

Unlike our competitors

WUE is in Business for a Purpose

Not for a Profit



*Thank You for Attending
the 43rd Annual Meeting of
Western United Electric Supply*

