



CDW Corporation

Webcast Conference Call

February 10, 2015

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Today's Agenda

- 4th Quarter and Full Year Results
- Key Performance Drivers
- Strategic Progress
- Outlook
- Q&A

Disclaimers

This presentation contains forward-looking statements, which are any predications, projections, or other statements about future events. These statements are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could materially differ because of factors discussed in today's earnings press release, in the comments made during the conference call, and in the risk factors section of our Form 10-K, Form 10-Q's and other reports and filings with the Securities and Exchange Commission. We do not undertake any duty to update any forward-looking statement.

Excellent Financial Performance

Full Year 2014:

- Net sales up 12.1% to \$12.1 billion
- Adjusted EBITDA up 12.2% to \$907.0 million
- Non-GAAP Net Income Per Diluted Share up 29.7% to \$2.37

Fourth Quarter 2014:

- Net sales up 12.4% to \$3.05 billion
- Adjusted EBITDA up 11.1% to \$223.6 million
- Non-GAAP Net Income Per Diluted Share up 8.6% to \$0.59

Results Demonstrate Strength of Model

Highlight power of:

- Balanced portfolio of channels
- Diverse product suite
- Variable cost structure

Balanced Portfolio Drove Topline

(Unaudited)

(\$ in millions)

	Three Months Ended December 31,			Year Ended December 31,		
	2014	2013	% Change *	2014	2013	% Change **
Corporate:						
Medium / Large	\$ 1,440.3	\$ 1,322.3	8.9%	\$ 5,485.4	\$ 5,052.7	8.6%
Small Business	250.7	230.7	8.7	990.1	907.4	9.1
Total Corporate ^{(a)(b)}	\$ 1,691.0	\$ 1,553.0	8.9	\$ 6,475.5	\$ 5,960.1	8.6
Public:						
Government	\$ 440.8	\$ 327.3	34.7	\$ 1,449.4	\$ 1,250.6	15.9
Education	342.6	282.8	21.2	1,824.0	1,449.0	25.9
Healthcare	385.7	380.4	1.4	1,606.0	1,464.9	9.6
Total Public	\$ 1,169.1	\$ 990.5	18.0	\$ 4,879.4	\$ 4,164.5	17.2
Other	\$ 190.0	\$ 169.8	11.8	\$ 719.6	\$ 644.0	11.7
Total Net Sales	\$ 3,050.1	\$ 2,713.3	12.4%	\$ 12,074.5	\$ 10,768.6	12.1%

* There were 63 selling days for both the three months ended December 31, 2014 and 2013.

** There were 254 selling days for both the years ended December 31, 2014 and 2013.

(a) Net sales of \$40.7 for the three months ended December 31, 2013 have been reclassified from the Small Business customer channel to the Medium / Large customer channel to conform to the current presentation.

(b) Net sales of \$150.1 for the year ended December 31, 2013 have been reclassified from the Small Business customer channel to the Medium / Large customer channel to conform to the current presentation.

Excellent Strategic Progress in 2014

1

Increase "share of wallet" from existing customers and sales from new customers

2

Enhance ability to deliver high-growth, integrated solutions

3

Expand services capabilities

Fourth Quarter Financial Results

(Unaudited)

(\$ in millions, except per share amounts)

	Three Months Ended December 31,		% Chg
	2014	2013	
Net Sales	\$ 3,050.1	\$ 2,713.3	12.4%
<i>Avg Daily Net Sales</i>	\$ 48.4	\$ 43.1	12.4
Gross Profit	\$ 491.9	\$ 448.3	9.7
<i>% of Net Sales</i>	16.1%	16.5%	
SG&A/Advertising	\$ 327.6	\$ 306.3	7.0
Income from Operations	\$ 164.3	\$ 142.0	15.6
Adjusted SG&A, including advertising *	\$ 269.3	\$ 248.1	8.5
Adjusted EBITDA *	\$ 223.6	\$ 201.2	11.1
<i>% of Net Sales</i>	7.3%	7.4%	
Interest Expense, net	\$ (48.6)	\$ (51.5)	(5.5)
Non-GAAP Net Income *	\$ 102.2	\$ 93.6	9.3
Non-GAAP EPS	\$ 0.59	\$ 0.54	8.6%

* Adjusted SG&A, including advertising, adjusted EBITDA, and non-GAAP net income are non-GAAP financial measures. See Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 10, 2015, for a reconciliation of non-GAAP financial measures.

Fourth Quarter Adjusted SG&A

(Unaudited)
(\$ in millions)

	Three Months Ended December 31,		% Chg
	2014	2013	
Reported SG&A, including advertising:	\$ 327.6	\$ 306.3	
<i>Adjustments:</i>			
IPO- and secondary-offering-related expenses	(0.2)	(0.7)	
Non-cash equity-based compensation	(4.9)	(2.2)	
Other expenses ⁽¹⁾	(2.2)	0.1	
Litigation, net ⁽²⁾	—	(4.1)	
Depreciation and amortization:			
Amortization of acquisition-related intangible assets	(40.4)	(40.7)	
Other SG&A depreciation and amortization	(10.6)	(10.6)	
Total adjustments	(58.3)	(58.2)	
Adjusted SG&A, including advertising	\$ 269.3	\$ 248.1	8.5%

(1) Primarily includes certain historical retention costs reported within selling and administrative expenses.

(2) Relates to unusual, non-recurring litigation matters.

Adjusted EBITDA

(Unaudited)
(\$ in millions)

	Three Months Ended December 31,	
	2014	2013
Adjusted EBITDA *	\$ 223.6	\$ 201.2
Adjustments to reconcile Adjusted EBITDA to income from operations ⁽¹⁾ :		
Depreciation and amortization ⁽²⁾	(52.0)	(51.9)
Non-cash equity-based compensation	(4.9)	(2.2)
IPO- and secondary-offering-related expenses	(0.2)	(0.7)
Litigation, net ⁽³⁾	—	(4.1)
Other adjustments ⁽⁴⁾	(2.2)	(0.3)
Total adjustments	(59.3)	(59.2)
Income from operations	\$ 164.3	\$ 142.0

⁽¹⁾ Amounts historically reported within selling and administrative expenses unless otherwise indicated.

⁽²⁾ Includes depreciation expense of (\$1.0) and (\$0.6) for the three months ended December 31, 2014 and 2013, respectively, historically reported within cost of sales.

⁽³⁾ Relates to unusual, non-recurring litigation matters.

⁽⁴⁾ Primarily includes certain historical retention costs reported within selling and administrative expenses.

* Adjusted EBITDA is a non-GAAP financial measure. See Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 10, 2015, for a reconciliation of non-GAAP financial measures.

Interest, Taxes and Non-GAAP Net Income

(Unaudited)

(\$ in millions, except per share amounts)

	Three Months Ended December 31,		% Chg
	2014	2013	
Interest expense, net	\$ (48.6)	\$ (51.5)	(5.5)%
Other income, net	\$ 1.3	\$ 0.6	162.7%
Income tax expense	\$ (28.3)	\$ (22.6)	24.8%
Net income	\$ 51.8	\$ 60.0	(13.8)%
Non-GAAP net income*	\$ 102.2	\$ 93.6	9.3%
Non-GAAP EPS*	\$ 0.59	\$ 0.54	8.6%

* Non-GAAP net income is a non-GAAP financial measure. See Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 10, 2015, for a reconciliation of non-GAAP financial measures.

Non-GAAP Net Income

(Unaudited)
(\$ in millions)

	Three Months Ended December 31,	
	2014	2013
Net income	\$ 51.8	\$ 60.0
Amortization of intangibles ⁽¹⁾	40.4	40.7
Non-cash equity-based compensation	4.9	2.2
Litigation, net ⁽²⁾	—	4.1
Net loss on extinguishments of long-term debt	36.9	8.5
Interest expense adjustment related to extinguishments of long-term debt ⁽³⁾	—	(2.1)
IPO- and secondary-offering-related expenses	0.2	0.7
Aggregate adjustment for income taxes ⁽⁴⁾	(32.0)	(20.5)
Non-GAAP net income *	<u>\$ 102.2</u>	<u>\$ 93.6</u>

(1) Includes amortization expense for acquisition-related intangible assets, primarily customer relationships and trade names.

(2) Relates to unusual, non-recurring litigation matters.

(3) Reflects adjustments to interest expense resulting from debt extinguishments. Represents the difference between interest expense previously recognized under the effective interest method and actual interest paid.

(4) Based on a normalized effective tax rate of 39.0%.

* Non-GAAP net income is a non-GAAP financial measure. See Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 10, 2015, for a reconciliation of non-GAAP financial measures.

Full Year Financial Results

(Unaudited)

(\$ in millions, except per share amounts)

	Year Ended December 31,		% Chg
	2014	2013	
Net Sales	\$ 12,074.5	\$ 10,768.6	12.1%
<i>Avg Daily Net Sales</i>	\$ 47.5	\$ 42.4	12.1
Gross Profit	\$ 1,921.3	\$ 1,760.3	9.1
<i>% of Net Sales</i>	15.9%	16.3%	
SG&A/Advertising	\$ 1,248.3	\$ 1,251.7	(0.3)
Income from Operations	\$ 673.0	\$ 508.6	32.3
Adjusted SG&A, including advertising *	\$ 1,018.0	\$ 955.2	6.6
Adjusted EBITDA *	\$ 907.0	\$ 808.5	12.2
<i>% of Net Sales</i>	7.5%	7.5%	
Interest Expense, net	\$ (197.3)	\$ (250.1)	(21.1)
Non-GAAP Net Income *	\$ 409.9	\$ 314.3	30.4
Non-GAAP EPS	\$ 2.37	\$ 1.83	29.7%

* Adjusted SG&A, including advertising, adjusted EBITDA, and non-GAAP net income are non-GAAP financial measures. See Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 10, 2015, for a reconciliation of non-GAAP financial measures.

Debt and ABL Availability

(Unaudited)
(\$ in millions)

	<u>12/31/2014</u>	<u>9/30/2014</u>	<u>12/31/2013</u>
Cash and Cash Equivalents	\$ 344.5	\$ 357.8	\$ 188.1
Total Debt	\$ 3,190.0	\$ 3,161.7	\$ 3,251.2
Senior Secured Debt	\$ 1,513.5	\$ 1,517.4	\$ 1,853.9
Net Debt (Total Debt net of Cash and Cash Equivalents)	\$ 2,845.5	\$ 2,803.9	\$ 3,063.1
Outstanding Borrowings under ABL Revolver	\$ —	\$ —	\$ —
Borrowing Base under ABL Revolver*	\$ 1,253.4	\$ 1,408.1	\$ 1,065.5
ABL Revolver Availability	\$ 935.6	\$ 955.3	\$ 641.1
Cash plus ABL Revolver Availability	\$ 1,280.1	\$ 1,313.1	\$ 829.2
TTM Adjusted EBITDA **	\$ 907.0	\$ 884.7	\$ 808.5
Total Net Leverage Ratio ***	3.1	3.2	3.8

* Amount in effect at period-end.

** Adjusted EBITDA is a non-GAAP financial measure. See Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 10, 2015, for a reconciliation of non-GAAP financial measures.

*** Defined as the ratio of total debt at period-end excluding any unamortized discount and/or premium, less cash and cash equivalents, to trailing twelve months (TTM) Adjusted EBITDA.

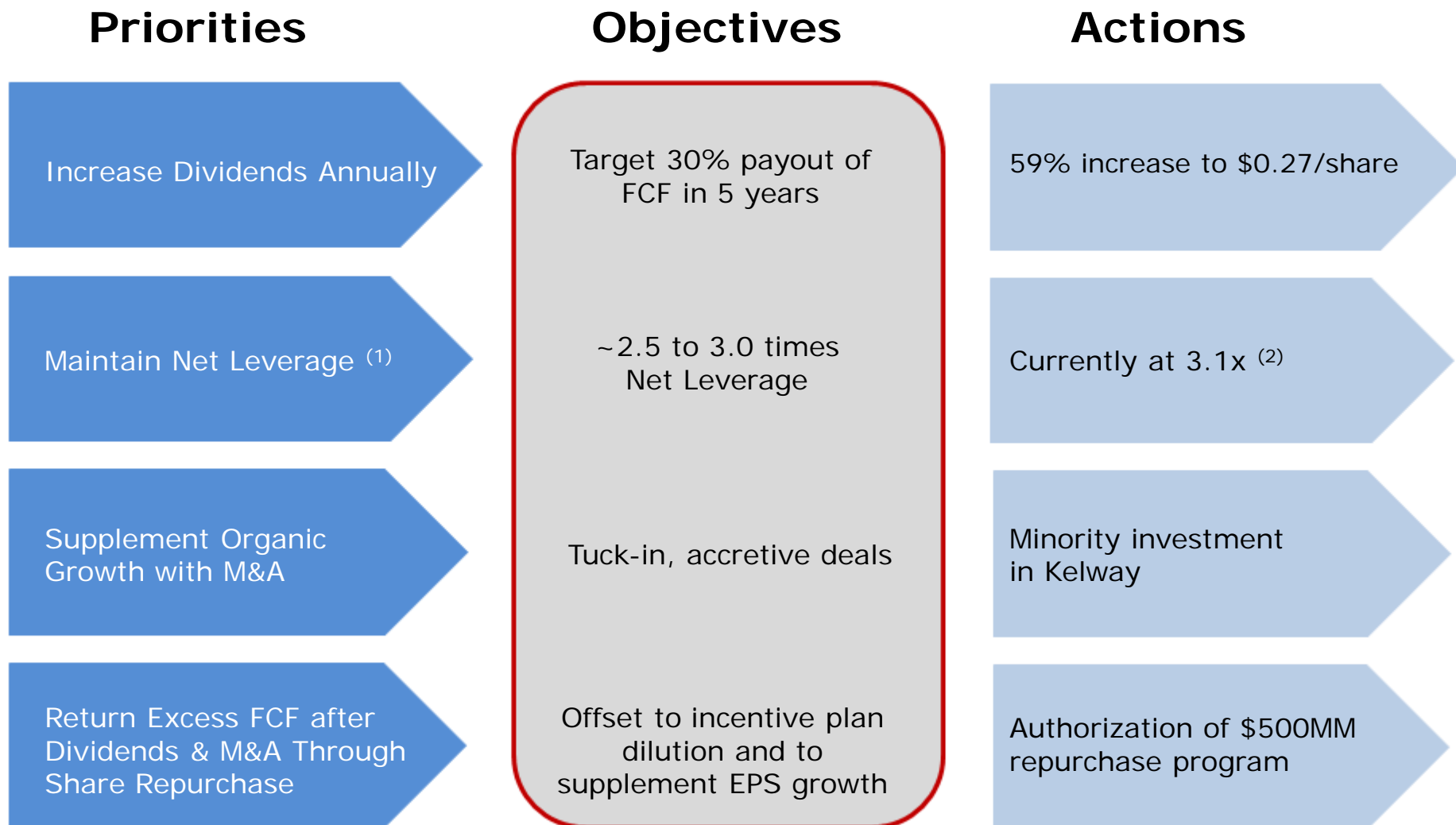
Cash Conversion Cycle

(Unaudited)

	<u>12/31/2014</u>	<u>9/30/2014</u>	<u>12/31/2013</u>
Days of sales outstanding (DSO) *	42	42	44
Days of supply in inventory (DIO) *	13	14	14
Days purchases outstanding (DPO) *	<u>(34)</u>	<u>(36)</u>	<u>(35)</u>
Cash Conversion Cycle *	<u>21</u>	<u>20</u>	<u>23</u>

* Based on a rolling three-month average. Prior periods have been revised to conform to the current definition.

Four Capital Allocation Priorities



¹ Defined as the ratio of total debt at period-end excluding any unamortized discount and/or premium, less cash and cash equivalents, to TTM Adjusted EBITDA.

² As of December 31, 2014.

Capital Allocation Priorities Support Refreshed Medium Term Targets

	<u>Through 2015</u>	<u>2016-2018</u>
Net Sales Growth	U.S. IT growth + 200-300bps	U.S. IT growth + 200-300bps
Adjusted EBITDA	Mid-7% Margin	Mid-7% Margin
Leverage	Deleverage ~1/3 to 1/2x per year until 3.0x	Maintain net debt/adj. EBITDA ratio at ~2.5-3.0x
Non-GAAP EPS Growth	Mid-teens	Low double-digits

Thoughts on Modeling 2015

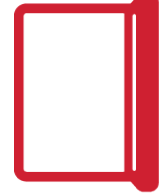
For P&L currently look for:

- First half EPS growth rate to be below full year growth rate due to:
 - Adjusted SG&A as a percentage of sales higher in 1st half
 - Q1 sales typically sequentially lower than Q4
 - 1st half sales typically lower than 2nd half
 - More balanced mix of solutions and transactional sales
 - Q1 Adjusted EBITDA margin below full year target range
 - Additional interest savings beginning in Q2
- Book interest in the range of \$160MM and \$170MM
- Book tax rate in the range of 37% to 38%

For Cash Flow currently look for:

- Q1 FCF to be lighter than usual due to pull forward in Q4 and full year FCF to be below 2014
- CapEx ~ 0.7% of net sales, above "rule of thumb" 0.5% primarily due to investment in office consolidation
- CCC within our target range of low to mid-20's
- Cash tax rate of approximately 39%, to be applied to pretax operating income before intangibles amortization of ~\$160MM/annually and \$20-21MM of annual CODI payments

Questions and Answers



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Adjusted EBITDA to Net Income Reconciliation

(Unaudited)
(\$ in millions)

	Three Months Ended December 31,		Year Ended December 31,	
	2014	2013	2014	2013
Net income	\$ 51.8	\$ 60.0	\$ 244.9	\$ 132.8
Depreciation and amortization	52.0	51.9	207.9	208.2
Income tax expense	28.3	22.6	142.8	62.7
Interest expense, net	48.6	51.5	197.3	250.1
EBITDA	180.7	186.0	792.9	653.8
Adjustments:				
Non-cash equity-based compensation	4.9	2.2	16.4	8.6
Sponsor fee	—	—	—	2.5
Net loss on extinguishments of long-term debt	36.9	8.5	90.7	64.0
Litigation, net ⁽¹⁾	—	4.1	(0.9)	(4.1)
IPO- and secondary-offering-related expenses	0.2	0.7	1.4	75.0
Other adjustments ⁽²⁾	0.9	(0.3)	6.5	8.7
Total adjustments	42.9	15.2	114.1	154.7
Adjusted EBITDA *	\$ 223.6	\$ 201.2	\$ 907.0	\$ 808.5

(1) Relates to unusual, non-recurring litigation matters.

(2) Other adjustments primarily include certain retention costs and equity investment income.

* Adjusted EBITDA is a non-GAAP financial measure. See Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 10, 2015, for a discussion of non-GAAP financial measures.

Full Year Adjusted SG&A

(Unaudited)
(\$ in millions)

	Year Ended December 31,		% Chg
	2014	2013	
Reported SG&A, including advertising:	\$ 1,248.3	\$ 1,251.7	
<i>Adjustments:</i>			
IPO- and secondary-offering-related expenses	(1.4)	(75.0)	
Non-cash equity-based compensation	(16.4)	(8.6)	
Other expenses ⁽¹⁾	(9.2)	(9.7)	
Sponsor fee	—	(2.5)	
Litigation, net ⁽²⁾	0.9	4.1	
Depreciation and amortization:			
Amortization of acquisition-related intangible assets	(161.2)	(161.2)	
Other SG&A depreciation and amortization	(43.0)	(43.6)	
Total adjustments	(230.3)	(296.5)	
Adjusted SG&A, including advertising	\$ 1,018.0	\$ 955.2	6.6%

(1) Primarily includes certain historical retention costs reported within selling and administrative expenses.

(2) Relates to unusual, non-recurring litigation matters.

Verticals Realignment

(Unaudited)
(\$ in millions)

	Q1 2013		Q2 2013		Q3 2013		Q4 2013		Full Year 2013	
	Revised	Previous	Revised	Previous	Revised	Previous	Revised	Previous	Revised	Previous
Medium / Large	\$ 1,180.5	\$ 1,146.2	\$ 1,308.5	\$ 1,271.4	\$ 1,241.3	\$ 1,203.4	\$ 1,322.3	\$ 1,281.6	\$ 5,052.7	\$ 4,902.6
Small Business	223.4	257.7	228.9	266.0	224.5	262.4	230.7	271.4	907.4	1,057.5
Total Corporate*	\$ 1,403.9	\$ 1,403.9	\$ 1,537.4	\$ 1,537.4	\$ 1,465.8	\$ 1,465.8	\$ 1,553.0	\$ 1,553.0	\$ 5,960.1	\$ 5,960.1

*No change at segment level, reflects move from Small Business to Medium/Large business.