# William Blair Growth Conference 2015

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**Chairman & CEO**

# Disclaimers

This presentation contains forward-looking statements within the meaning of the federal securities laws. These statements relate to analyses and other information, which are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to the future prospects, developments and business strategies of CDW.

These forward-looking statements are identified by the use of terms and phrases such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "predict," "project," "will" and similar terms and phrases, Including references to assumptions. However, these words are not the exclusive means of identifying such statements. Although CDW currently believes that its plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, and based on reasonable assumptions, CDW cannot assure you that it will achieve those plans, intentions or expectations and that actual results may differ and that such differences may be material. Important factors that could cause actual results to differ materially from the forward-looking statements made in this presentation include, but are not limited to risks associated with:

- changes in economic conditions;
- decreases in spending on technology products;
- the Company's relationships with vendor partners and availability of their products;
- the Company's ability to partner with new and emerging technological providers;
- continued innovations in hardware, software and services offerings by the Company's vendor partners;
- substantial competition that could reduce the Company's market share;
- the Company's substantial indebtedness and ability to generate sufficient cash to service such indebtedness;
- restrictions imposed by the Company's indebtedness on its operations and liquidity;
- changes in, or the discontinuation of, CDW's share repurchase program or dividend payments;
- the continuing development, maintenance and operation of the Company's information technology ("IT') systems;
- potential breaches of data security;
- potential failures to comply with public segment contracts or applicable laws and regulations;
- potential failures to provide high-quality services to the Company's customers;
- potential losses of any key personnel;
- potential interruptions of the flow of products from suppliers;
- potential adverse occurrences at one of the Company's primary facilities or customer data centers;
- the Company's dependence on commercial delivery services;
- the Company's exposure to accounts receivable and inventory risks;
- future acquisitions or alliances;
- fluctuations in the Company's operating results;
- current and future legal proceedings and audits;
- potential failure to comply with laws and regulations applicable to our operations; and
- potential acceleration of CDW's deferred cancellation of debt income.

The foregoing factors are not exhaustive, and new factors may occur that could materially impact the business of the Company. All forward-looking statements included in this presentation are based on information available to the Company on the date hereof. The Company undertakes no obligations to update or revise publicly or otherwise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

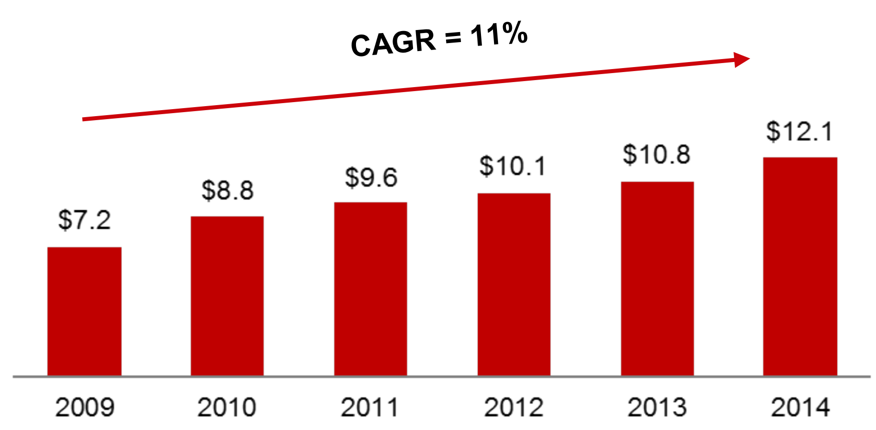
Earnings before interest, taxes and depreciation and amortization ("EBITDA"), adjusted EBITDA, adjusted EBITDA margin, non-GAAP net income, non-GAAP net income per diluted share and return on invested capital ("ROIC") are financial measures that are not based on generally accepted accounting principles in the United States ("non-GAAP"). CDW believes these non-GAAP financial measures provide helpful information with respect to CDW's operating performance and cash flows, including its ability to meet its future debt service, capital expenditures and working capital requirements. CDW also believes that adjusted EBITDA provides helpful information as it is the primary measure used in certain financial covenants contained in CDW's credit agreements, while ROIC provides helpful information as it measures how effectively CDW uses capital to generate operating income.

A reconciliation of each non-GAAP financial measure to the applicable most comparable GAAP financial measure is included in the Appendix to this presentation. Non-GAAP measures used by CDW may differ from similar measures used by other companies, even when similar terms are used to identify such measures.

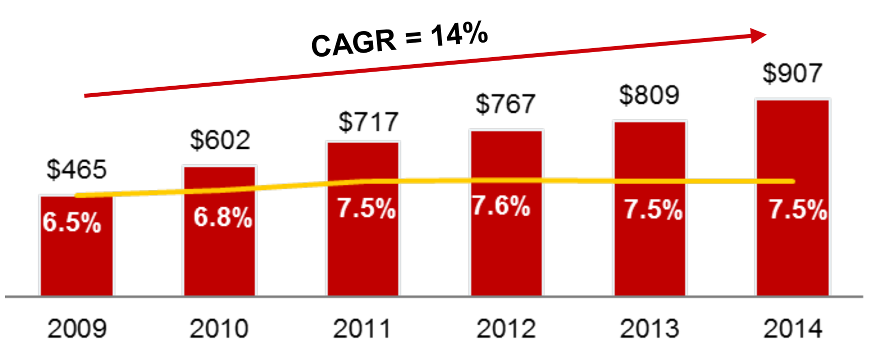
# CDW Overview

- Market-leading provider of integrated technology solutions to business, government, education and healthcare customers for 25+ years
- Based in Vernon Hills, IL, CDW has ~7,200 coworkers with ~2/3 customer-facing
- Full range of technology solutions, including hardware, software and services
- Offers 100,000+ products and services from 1,000+ brands to ~250,000 customers in the U.S. and Canada
- “Sweet spot” is customers with <5,000 employees
- Attractive business model with demonstrated track record of profitable growth

## Net Sales ($bn)




## Adj. EBITDA[1] ($mm) and Margin[3] (%)




**Strong ROIC: 46%[2]**

[1] Please see Adj. EBITDA reconciliation to net income (loss) on page 20
[2] TTM ended 3/31/15. Please see ROIC calculation on page 22
[3] Defined as Adj. EBITDA/Net Sales. Please see calculations on page 23

# Recent Financial Performance and Targets

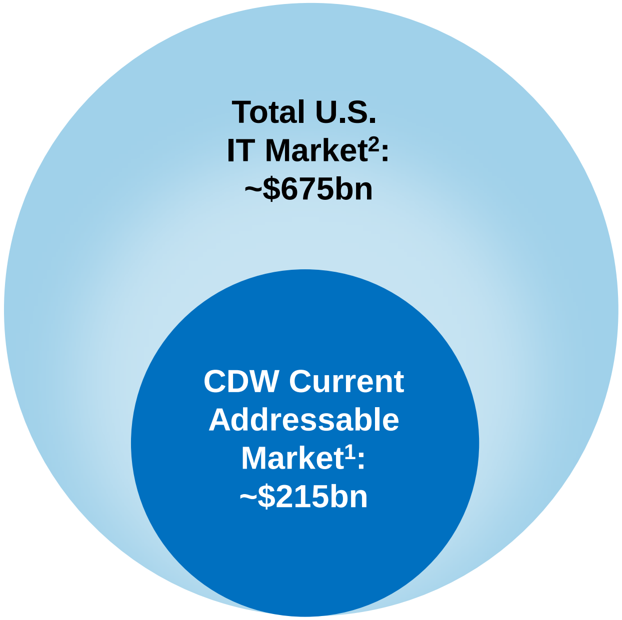
| | LTM as of Q1'15 | Medium-Term Targets |
|---|---|---|
| Average Daily Sales Growth % | 10.6% | U.S. IT growth + 200-300bps |
| Adjusted EBITDA[1] Margin % | 7.6% | Mid-7% |
| Non-GAAP EPS Growth % | 24.9% | Mid-teens |
| Deleveraging | Down 0.5 turns to 3.0x | ~1/3 to 1/2 turn per year to ~ 3X |

✓ **Performance in-line with targets**

[1] Defined as Adj. EBITDA/Net Sales. Please see reconciliation on page 23

# ~$215bn Market Opportunity with Attractive Growth Profile

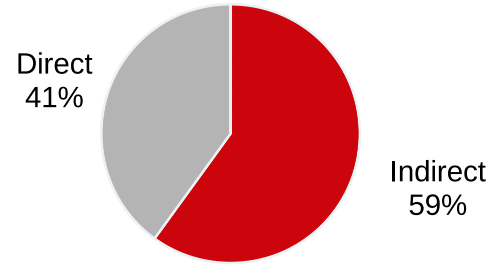
## Large Market Size and Attractive Growth Profile




**2013-2017 CAGR**

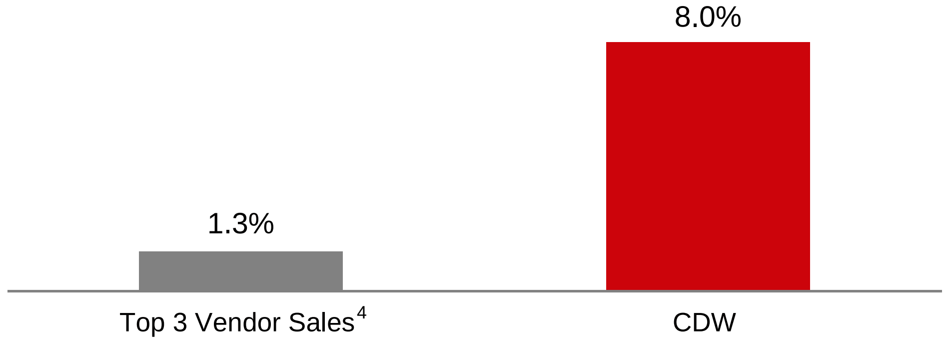
**U.S. IT Spending: 3.2%[2]**

## Vendor Partners Increasingly Reliant on the Indirect Channel




**Increased ~200bps since 2007[3]**

## CDW Grew Faster Than Its Vendor Partners



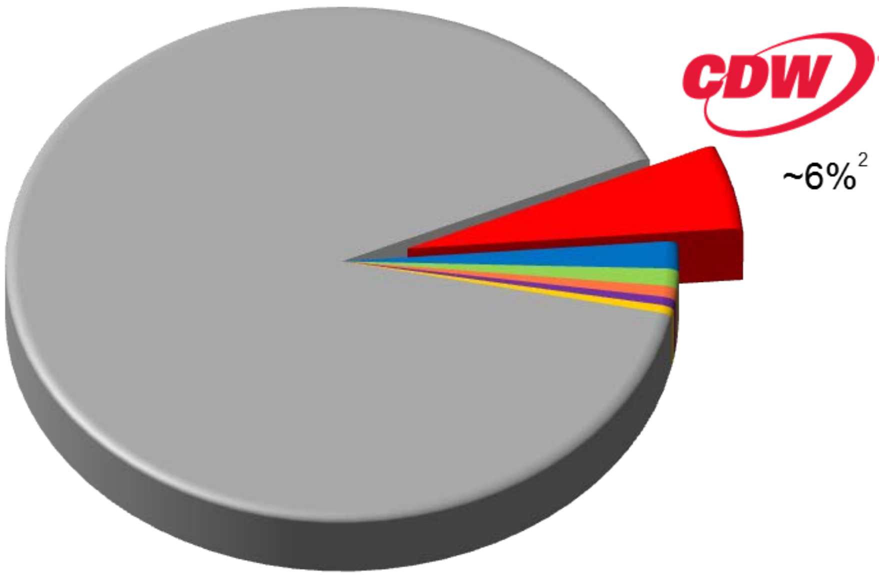

**’11-’14 Sales CAGR in North America**

**CDW’s Addressable Market is Large and Growing**

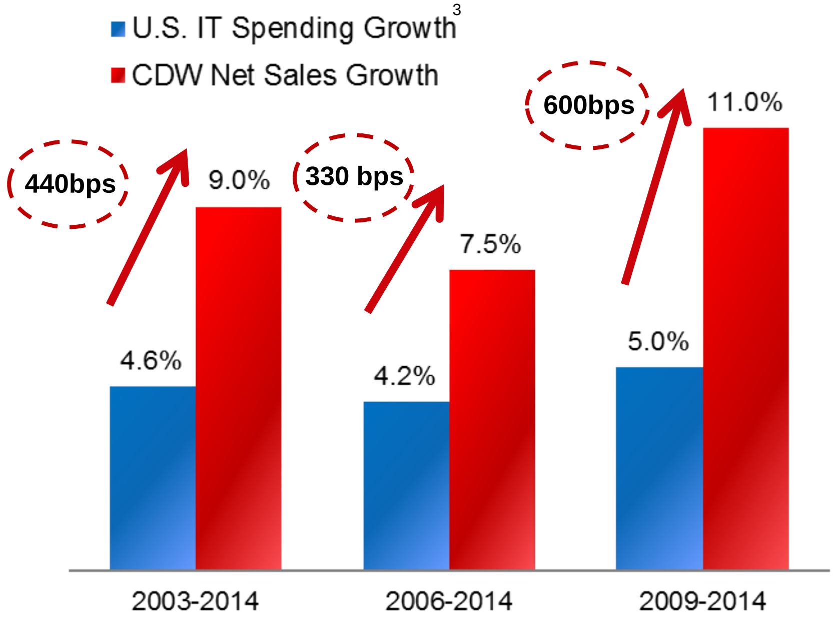
[1] IDC, Company 10-Ks, Wall Street research, VAR500 database, CDW internal estimates as of December 31, 2014
[2] IDC Worldwide Black Book, December 2014
[3] IDC, July 2014
[4] Represents the 2011-2014 CAGR of the combined sales of CDW’s top 3 vendor partners

# Leading Technology Solutions Provider with Sustained Market Share Gains in a Highly Fragmented Market

## Market Share




## Sustained Market Share Gains Through Business Cycles




**Top 6 Providers[5] Represent ~10% of CDW's Addressable Market**

**Vast Majority of the Market is Fragmented Across Thousands of Value-Added Resellers**

[1] IDC, Company 10-Ks, Wall Street research, VAR500 database, CDW internal estimates as of 12/31/2014
[2] CDW's share of addressable market based on 2014 net sales as a percentage of $215 billion
[3] IDC Worldwide Black Book, December 2014
[4] Bureau of Economic Analysis – Real GDP
[5] Includes estimated market share for CDW, Insight North America, PC Connection, PC Mall, Softchoice, and e-Plus

# Uniquely Positioned to Solve Customer and Vendor Partner Challenges


**Value to Vendor Partners:**

- ✓ ~250,000 customers
- ✓ Large and established customer channels
- ✓ Strong distribution and implementation capabilities
- ✓ Customer relationships driving insight into technology roadmaps

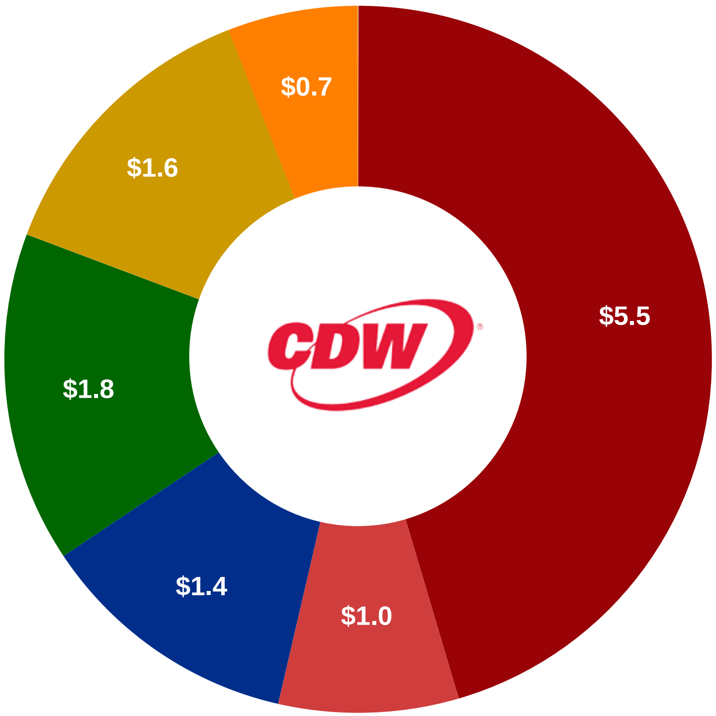
**Value to Customers:**

- ✓ Broad selection of multi-branded IT solutions
- ✓ Value-added services
- ✓ Highly-skilled specialists and engineers
- ✓ Solutions across IT lifecycle

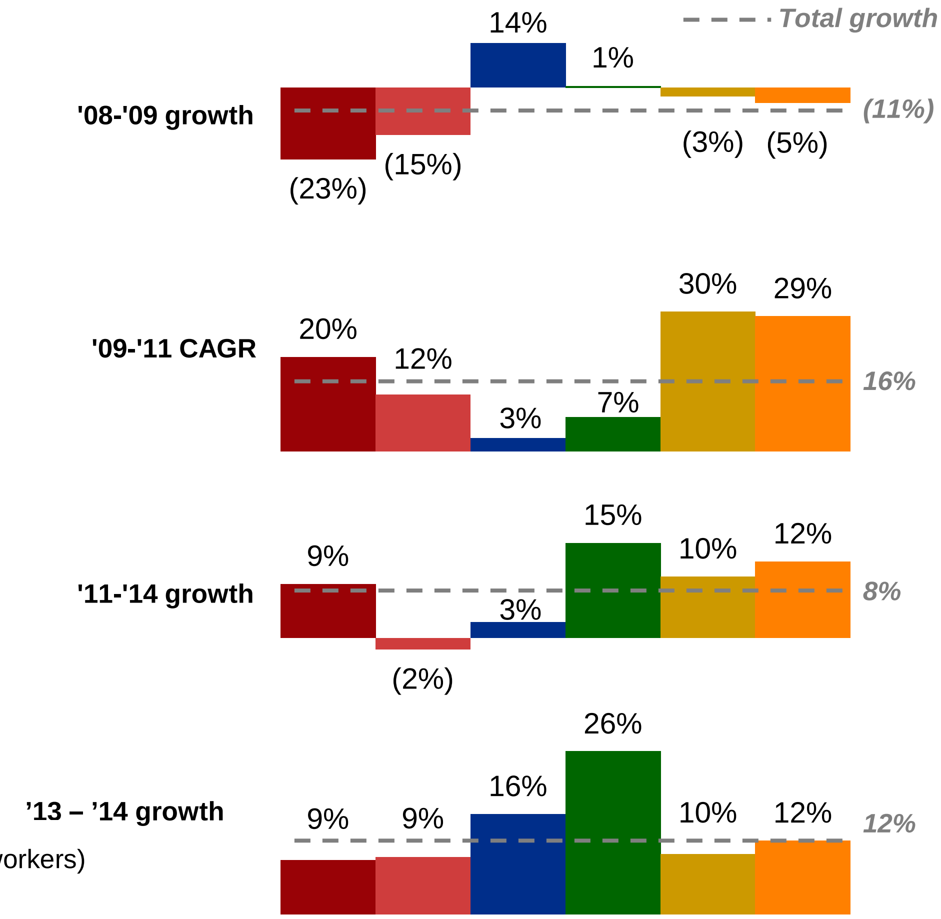
**CDW Sits Between Customers and Vendor Partners Creating Value for Both**

# Balanced Portfolio of Customer Channels

## 2014 Net Sales ($bn)




## Net Sales Growth %




■ Medium / Large Businesses (>100 coworkers) ■ Small Businesses (<100 coworkers)
■ Government (Federal, State & Local) ■ Education
■ Healthcare ■ Other

**Diverse Customer Channels Create Multiple Drivers of Growth and Diversification Against Macro and Exogenous Headwinds**

# Leading Sales Channel for Key Vendor Partners

CDW

**Major Vendor Partners**

Microsoft

lenovo FOR THOSE WHO DO.

intel

Adobe

IBM

APC by Schneider Electric

Authorized Reseller

NetApp

CISCO

Symantec

SAMSUNG

Google

EMC²

hp

vmware

**Emerging Vendor Partners**

NUTANIX

Aerohive NETWORKS

UNITRENDS

drobo

CHRISTIE

box

nimble storage

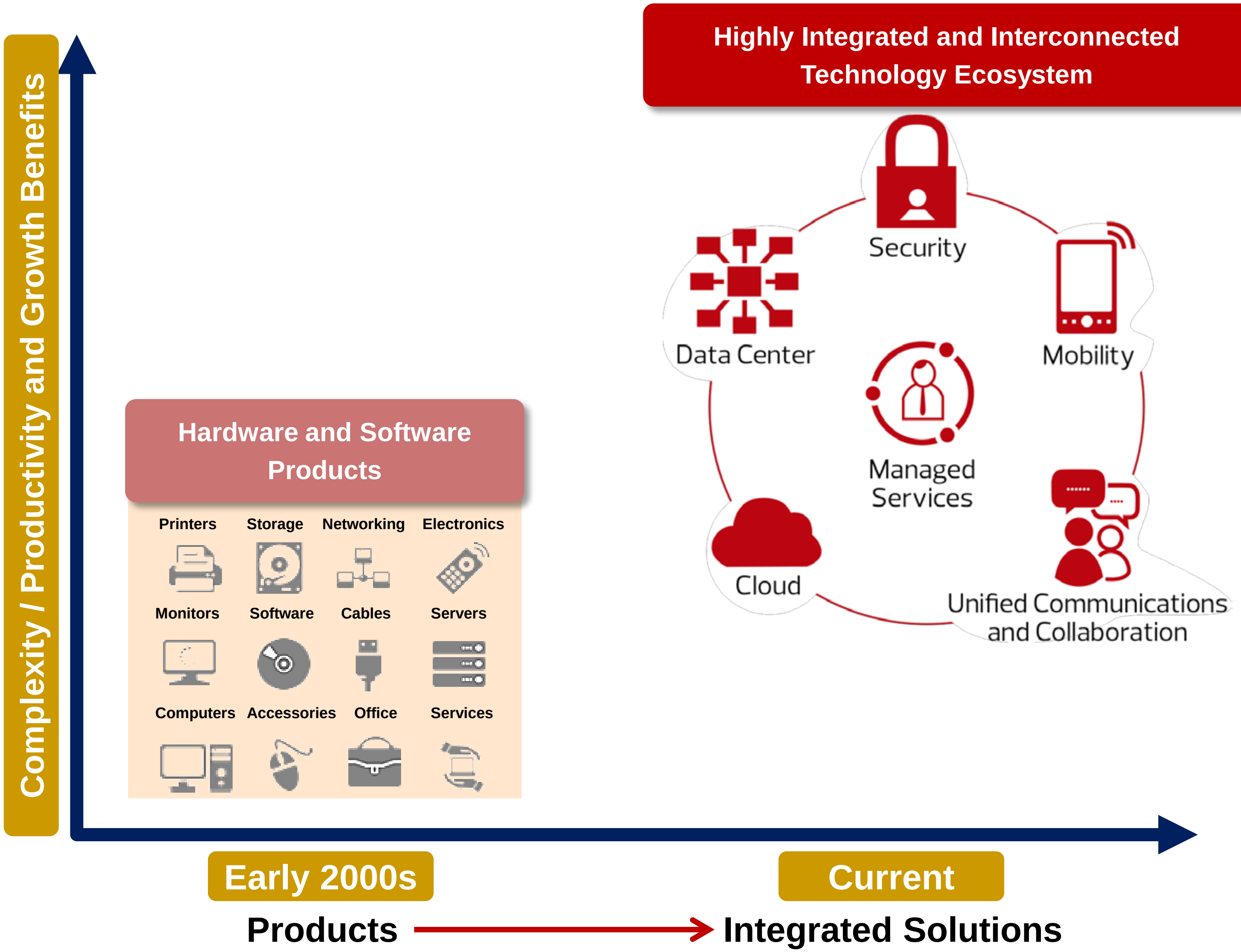
Ruckus Simply Better Wireless.

jive

eGain

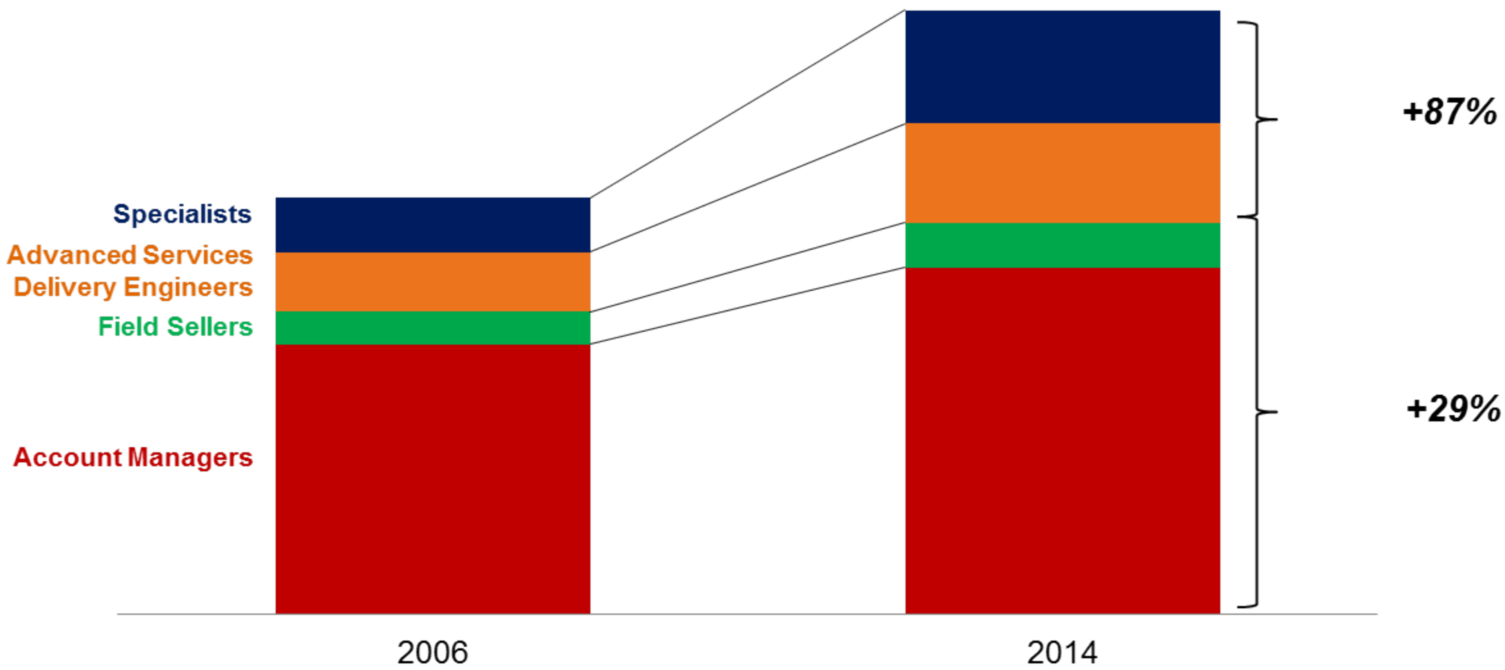
**Mission-Critical for Key Vendors**

# Proven Track Record of Evolving with IT Transformation Trends



# Highly-Skilled Sales and Services Capabilities

Total Coworkers Increased by 32%

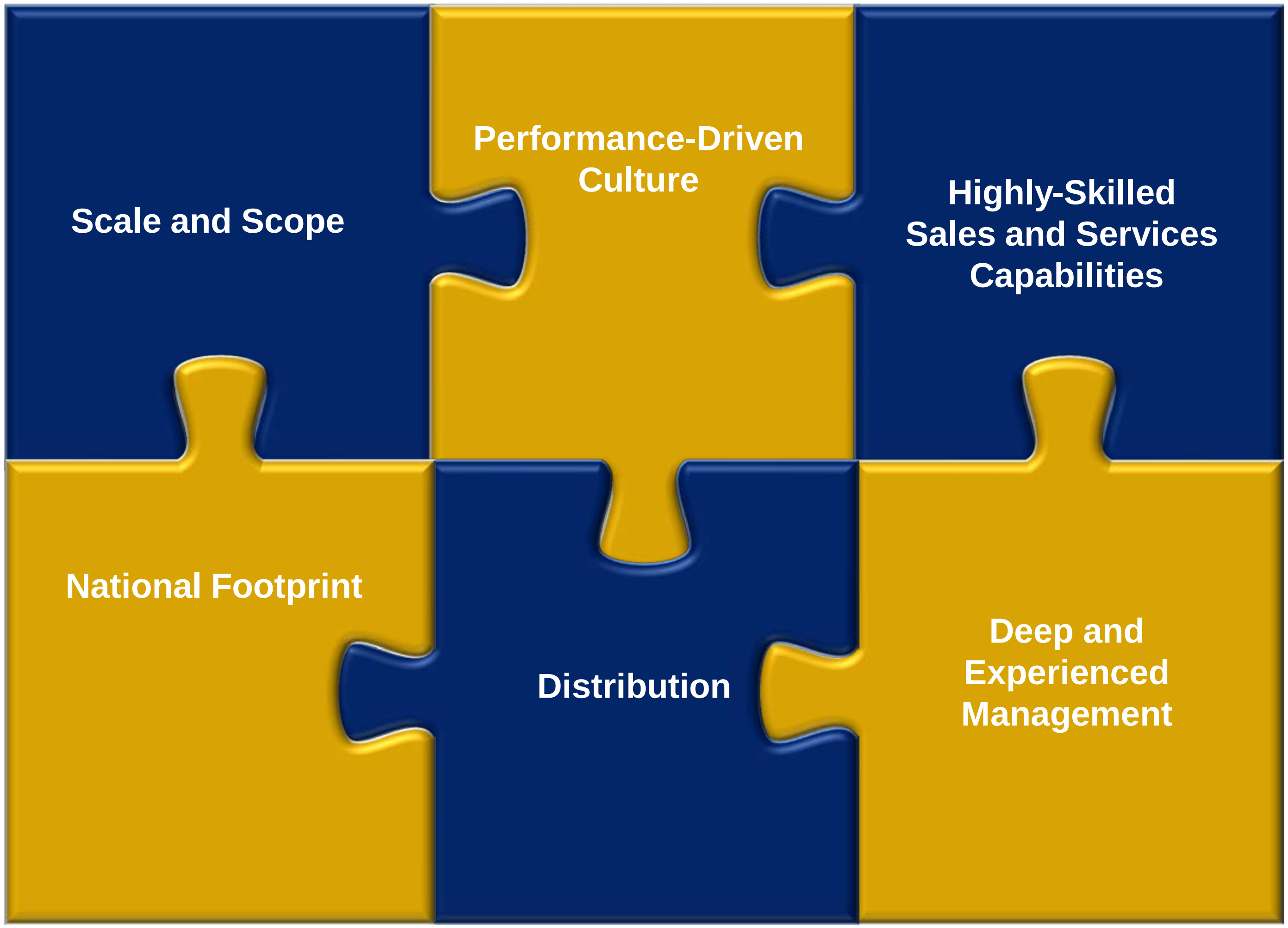



**Specialists and Engineers Allow CDW to Deliver Increasingly Complex IT Solutions**

# Comprehensive Suite of Cloud Solutions

- >200 SaaS, IaaS, and PaaS Offerings
- Public, Private, Hybrid
- 30+ Categories
- 45+ Partners

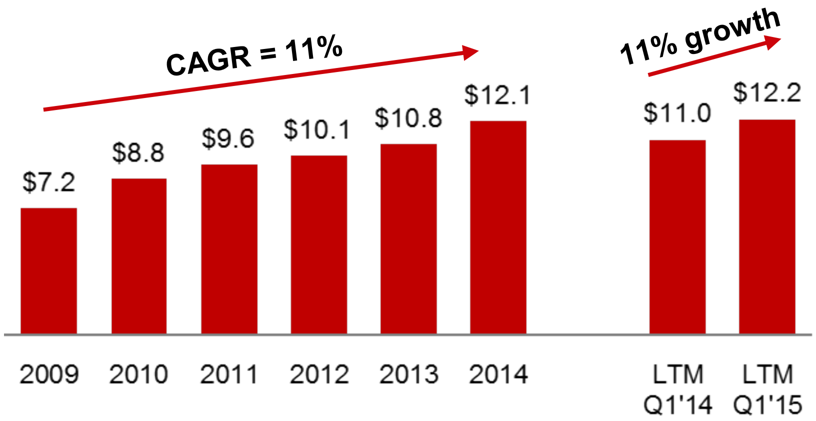
# CDW's Winning Formula Provides Sustainable Competitive Advantages



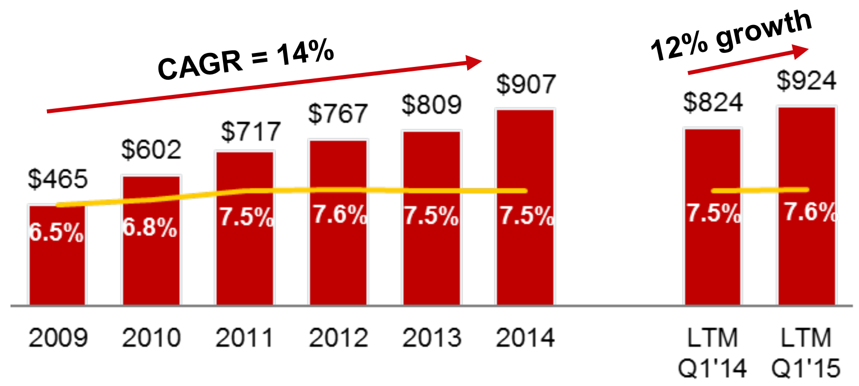

**Superior Value** | **Differentiated Growth** | **Strong ROIC**

# Strong Financial Performance

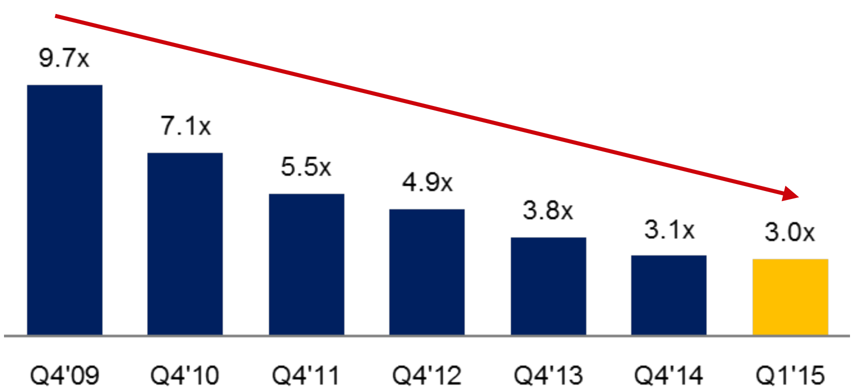
## Net Sales ($bn)



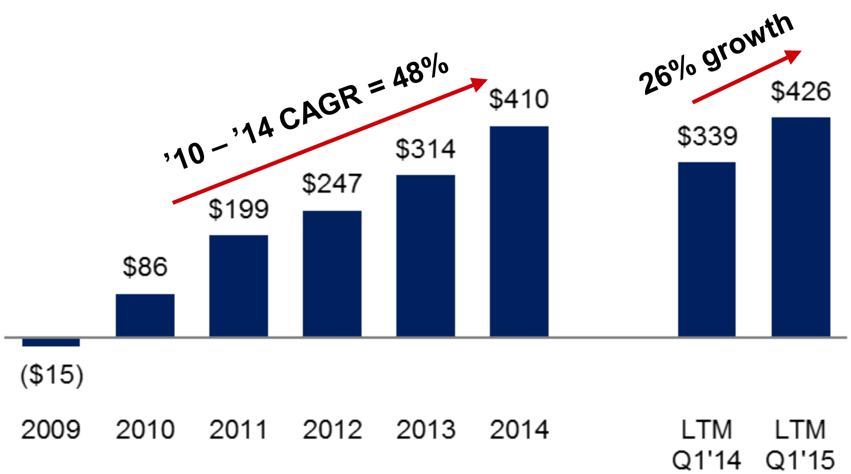

## Adj. EBITDA[1] ($mm) and Margin[2] (%)




## Net Leverage Ratio[3]




## Non-GAAP Net Income [4] ($mm)




[1] Please see Adj. EBITDA reconciliation to net income (loss) on page 20

[2] Defined as Adj. EBITDA/Net Sales. Please see reconciliation on page 23

[3] 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

[4] Please see Non-GAAP Net Income reconciliation to net income (loss) on www.investor.cdw.com/financials.cfm

# Four Capital Allocation Priorities

| Priorities | Objectives | Actions |
|---|---|---|
| Increase Dividends Annually | Target 30% payout of FCF in 5 years | 59% increase to $0.27/share |
| Maintain Net Leverage [1] | ~2.5 to 3.0 times Net Leverage | Currently at 3.0x [2] |
| Supplement Organic Growth with M&A | Tuck-in, accretive deals | Minority investment in Kelway |
| Return Excess FCF after Dividends & M&A Through Share Repurchase | Offset to incentive plan dilution and to supplement EPS growth | $500MM repurchase program |

[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 Q1 2015

# Capital Allocation Priorities Support Refreshed Medium Term Targets

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

[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] Please see non-GAAP net income reconciliation to GAAP net income on page 21

# Investment Highlights

- ✓ ~$215bn market opportunity with attractive growth profile
- ✓ Clear leader with sustained market share gains in a highly fragmented market
- ✓ Proven ability to evolve and capitalize on IT trends, including Cloud and mobility
- ✓ Flexible and nimble performance-driven culture generating a strong financial track record
- ✓ Attractive business model with sustainable competitive advantages
- ✓ Multiple levers for growth and creation of shareholder value

# Q&A

For a copy of this presentation, please access CDW's investor relations website at:  http://investor.cdw.com/

# Appendix

# Adjusted EBITDA Reconciliation

($mm)

| | 2010 | 2011 | 2012 | 2013 | 2014 | LTM Q1'15 |
|---|---|---|---|---|---|---|
| Net income (loss) | $ (29.2) | $ 17.1 | $ 119.0 | $ 132.8 | $ 244.9 | $ 248.7 |
| Depreciation and amortization | 209.4 | 204.9 | 210.2 | 208.2 | 207.9 | 208.4 |
| Income tax expense (benefit) | (7.8) | 11.2 | 67.1 | 62.7 | 142.8 | 145.2 |
| Interest expense, net | 391.9 | 324.2 | 307.4 | 250.1 | 197.3 | 192.0 |
| **EBITDA** | **564.3** | **557.4** | **703.7** | **653.8** | **792.9** | **794.3** |
| Adjustments: | | | | | | |
| Non-cash equity-based compensation | 11.5 | 19.5 | 22.1 | 8.6 | 16.4 | 17.8 |
| Sponsor fee | 5.0 | 5.0 | 5.0 | 2.5 | - | - |
| Consulting and debt-related professional fees | 15.1 | 5.1 | 0.6 | 0.1 | - | - |
| Net loss (gain) on extinguishments of long-term debt | (2.0) | 118.9 | 17.2 | 64.0 | 90.7 | 109.6 |
| IPO and secondary-offering related expenses [1] | - | - | - | 75.0 | 1.4 | 1.0 |
| Litigation, net [2] | - | - | 4.3 | (4.1) | (0.9) | (0.6) |
| Other adjustments [3] | 7.9 | 11.4 | 13.7 | 8.6 | 6.5 | 2.0 |
| **Adjusted EBITDA** | **$ 601.8** | **$ 717.3** | **$ 766.6** | **$ 808.5** | **$ 907.0** | **$ 924.1** |
| **Net Sales** | **$ 8,801.2** | **$ 9,602.4** | **$ 10,128.2** | **$ 10,768.6** | **$ 12,074.5** | **$ 12,177.4** |
| **Adjusted EBITDA Margin [4]** | **6.8%** | **7.5%** | **7.6%** | **7.5%** | **7.5%** | **7.6%** |

[1] 2013 includes IPO related expenses of $74.3mm, consisting of (1) acceleration charge for certain equity awards and related employer payroll taxes ($40.7mm); (2) RDU Plan cash retention pool accrual ($7.5mm); (3) management services agreement termination fee ($24.4mm); and (4) other expenses ($1.7mm). 2013 also includes $0.7mm of secondary-offering related expenses. 2014 and 2015 include various secondary offerings completed during that time.

[2] Relates to unusual, non-recurring litigation matters.

[3] Other adjustments include certain retention costs, equity investment income and expenses related to consolidating leased buildings for our operations north of Chicago.

[4] Defined as Adjusted EBITDA divided by Net Sales.

# Non-GAAP Net Income Reconciliation

## ($mm)

| | 2010 | 2011 | 2012 | 2013 | 2014 | LTM Q1'15 |
|---|---|---|---|---|---|---|
| Net income (loss) | $ (29.2) | $ 17.1 | $ 119.0 | $ 132.8 | $ 244.9 | $ 248.7 |
| **Non-GAAP adjustments:** | | | | | | |
| Amortization of intangibles [1] | 166.8 | 165.7 | 163.7 | 161.2 | 161.2 | 161.2 |
| Non-cash equity-based compensation | 11.5 | 19.5 | 22.1 | 8.6 | 16.4 | 17.8 |
| Net loss (gain) on extinguishments of long-term debt | (2.0) | 118.9 | 17.2 | 64.0 | 90.7 | 109.6 |
| Interest expense adjustment related to extinguishments of long-term debt [2] | (0.7) | (19.4) | (3.3) | (7.5) | (1.1) | (0.5) |
| Debt-related refinancing costs [3] | 5.6 | 3.8 | - | - | - | - |
| IPO and secondary-offering related expenses [4] | - | - | - | 75.0 | 1.4 | 1.0 |
| Litigation, net [5] | - | - | - | (6.3) | (0.6) | (0.6) |
| Other adjustments [6] | - | - | - | - | - | 0.9 |
| Aggregate adjustment for income taxes [7] | (66.3) | (106.8) | (71.6) | (113.5) | (103.0) | (111.7) |
| **Non-GAAP net income (loss)** | **$ 85.7** | **$ 198.8** | **$ 247.1** | **$ 314.3** | **$ 409.9** | **$ 426.4** |

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

[2] 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.

[3] Represents fees and costs expensed related to the December 2010 and March 2011 amendments to CDW's prior term loan facility.

[4] 2013 includes IPO related expenses of $74.3mm, consisting of (1) acceleration charge for certain equity awards and related employer payroll taxes ($40.7mm); (2) RDU Plan cash retention pool accrual ($7.5mm); (3) management services agreement termination fee ($24.4mm); and (4) other expenses ($1.7mm). 2013 also includes $0.7mm of secondary-offering related expenses. 2014 and 2015 include various secondary offerings completed during that time.

[5] Relates to unusual, non-recurring litigation matters.

[6] Primarily includes expenses related to consolidating leased buildings for our operations north of Chicago.

[7] Based on a normalized effective tax rate of 39.0%.

# Return on Invested Capital (ROIC) Reconciliation

## ($mm)

| | 2010 | 2011 | 2012 | 2013 | 2014 | LTM Q1'15 |
|---|---|---|---|---|---|---|
| *Numerator:* | | | | | | |
| Income from operations | $ 352.7 | $ 470.7 | $ 510.6 | $ 508.6 | $ 673.0 | $ 688.8 |
| Amortization of intangibles [1] | 166.8 | 165.7 | 163.7 | 161.3 | 161.2 | 161.2 |
| Debt-related refinancing costs [2] | 5.6 | 3.8 | - | - | - | - |
| Non-cash equity-based compensation | 11.5 | 19.5 | 22.1 | 8.6 | 16.4 | 17.8 |
| Other one-time items as incurred [3] | - | - | - | 68.7 | 0.8 | 1.2 |
| **Adjusted NOPBT** | **536.6** | **659.7** | **696.4** | **747.2** | **851.4** | **869.0** |
| Taxes [4] | (209.3) | (257.3) | (271.6) | (291.4) | (332.0) | (339.0) |
| **Adjusted NOPAT** | **$ 327.3** | **$ 402.4** | **$ 424.8** | **$ 455.8** | **$ 519.4** | **$ 530.0** |
| | | | | | | |
| *Denominator:* | | | | | | |
| Trailing 5-point avg. AR (incl. misc. rec.) | $ 1,210.7 | $ 1,352.5 | $ 1,400.1 | $ 1,502.0 | $ 1,625.9 | $ 1,634.7 |
| Trailing 5-point avg. Inventory | 286.9 | 317.4 | 330.3 | 357.5 | 395.4 | 391.2 |
| Trailing 5-point avg. AP | (500.4) | (712.0) | (831.2) | (906.7) | (1,016.9) | (1,030.9) |
| Trailing 5-point avg. Net P&E | 173.7 | 178.5 | 180.0 | 177.7 | 180.9 | 182.4 |
| **Working Capital + Net P&E** | **1,170.9** | **1,136.4** | **1,079.2** | **1,130.5** | **1,185.3** | **1,177.4** |
| | | | | | | |
| **Return on Invested Capital (ROIC)** | **28.0%** | **35.4%** | **39.4%** | **40.3%** | **43.8%** | **45.0%** |

[1] Includes amortization expense for acquisition-related intangible assets, primarily customer relationships and trade names.
[2] Represents fees and costs expensed related to the December 2010 and March 2011 amendments to CDW's prior term loan
[3] Includes IPO and secondary-offering related expenses, litigation items and expenses related to consolidating leased buildings for our operations north of Chicago
[4] Based on a normalized effective tax rate of 39.0%.

# Adjusted EBITDA Margin Reconciliation

## ($mm)

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | LTM Q1'14 | LTM Q1'15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Net Sales | $4,664.6 | $5,737.8 | $6,291.8 | $6,785.5 | $8,144.5 | $8,071.2 | $7,162.6 | $8,801.2 | $9,602.4 | $10,128.2 | $10,768.6 | $12,074.5 | $11,009.2 | $12,177.4 |
| Adjusted EBITDA | 321.2 | 412.4 | 439.1 | 471.4 | 581.9 | 570.6 | 465.4 | 601.8 | 717.3 | 766.6 | 808.5 | 907.0 | 823.6 | 924.1 |
| Adjusted EBITDA Margin | 6.9% | 7.2% | 7.0% | 6.9% | 7.1% | 7.1% | 6.5% | 6.8% | 7.5% | 7.6% | 7.5% | 7.5% | 7.5% | 7.6% |

# Maturity Profile

## Debt Maturity Profile ($MM) – 3/31/15

Weighted average rate: 4.5%

Weighted average maturity: 7.0 years