



CDW Corporation

Webcast Conference Call

May 4, 2016

CDW.com | 800.800.4239

Today's Agenda

- 1st Quarter Results
- Key Performance Drivers and Strategic Progress
- Financial Results
- 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 release, in the comments made during the conference call, and in the risk factors section of the Company's Form 10-K, Form 10-Q and other reports and filings with the Securities and Exchange Commission. The Company does not undertake any duty to update any forward-looking statement.

Record 1st Quarter Financial Performance

- Net sales up 13.1% to \$3.1 billion; Average daily net sales up 11.4%
- Average daily organic net sales on a constant currency basis up 3.5%
- Gross profit up 14.9% to \$525 million
- Adjusted EBITDA up 10.4% to \$233 million
- Non-GAAP net income per diluted share up 18.5% to \$0.67

Highlights Combined Power

- Balanced portfolio of channels
- Broad product and solution suite
- Impact of mix on profitability

Balanced Portfolio Drove Topline

(Unaudited)

(\$ in millions)

| | Three Months Ended March 31, | | | |
|----------------------|------------------------------|------------|----------|---------------------------------------|
| | 2016 | 2015 | % Change | Average Daily % Change ⁽¹⁾ |
| Corporate: | | | | |
| Medium / Large | \$ 1,410.7 | \$ 1,341.9 | 5.1% | 3.5% |
| Small Business | 281.6 | 268.5 | 4.9 | 3.2 |
| Total Corporate | \$ 1,692.3 | \$ 1,610.4 | 5.1% | 3.4% |
| Public: | | | | |
| Government | \$ 339.9 | \$ 294.2 | 15.5% | 13.7% |
| Education | 341.0 | 345.4 | (1.3) | (2.8) |
| Healthcare | 388.5 | 377.6 | 2.9 | 1.3 |
| Total Public | \$ 1,069.4 | 1,017.2 | 5.1% | 3.5% |
| Other ⁽²⁾ | \$ 355.0 | \$ 127.6 | 178.1% | 173.7% |
| Total Net sales | \$ 3,116.7 | 2,755.2 | 13.1% | 11.4% |

(1) There were 64 and 63 selling days for the three months ended March 31, 2016 and 2015, respectively.

(2) Effective January 1, 2016, the CDW Advanced Services business is included in the Company's Corporate and Public segments. Segment information reported in prior periods has been reclassified to conform to the current period presentation.

Our Three-Part Growth Strategy

1

Gain "share of wallet" from existing customers and acquire new customers

2

Expand high-growth, integrated solutions

3

Enhance services capabilities

First Quarter Financial Results

(Unaudited)
(\$ in millions, except per share amounts)

| | Three Months Ended March 31, | | |
|--|------------------------------|------------|----------|
| | 2016 | 2015 | % Change |
| Net sales | \$ 3,116.7 | \$ 2,755.2 | 13.1% |
| <i>Avg Daily Net Sales</i> | \$ 48.7 | \$ 43.7 | 11.4% |
| Gross profit | \$ 524.5 | \$ 456.5 | 14.9% |
| <i>% of Net Sales</i> | 16.8% | 16.6% | |
| SG&A, including advertising | \$ 363.5 | \$ 304.9 | 19.2% |
| Income from operations | \$ 161.0 | \$ 151.6 | 6.2% |
| Adjusted SG&A, including advertising * | \$ 294.0 | \$ 246.8 | 19.1% |
| Adjusted EBITDA * | \$ 232.7 | \$ 210.8 | 10.4% |
| <i>% of Net Sales</i> | 7.5% | 7.7% | |
| Interest expense, net | \$ (38.1) | \$ (44.8) | (14.9)% |
| Non-GAAP net income * | \$ 112.7 | \$ 97.6 | 15.5% |
| Non-GAAP diluted EPS * | \$ 0.67 | \$ 0.56 | 18.5% |

* Adjusted SG&A, including advertising, Adjusted EBITDA, Non-GAAP net income and Non-GAAP Diluted EPS are non-GAAP financial measures. For a reconciliation of 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 May 4, 2016 and in these slides.

First Quarter Adjusted SG&A and Adjusted EBITDA

(Unaudited)
(\$ in millions)

| | Three Months Ended March 31, | | |
|---|------------------------------|----------|----------|
| | 2016 | 2015 | % Change |
| Reported SG&A, including advertising | \$ 363.5 | \$ 304.9 | 19.2% |
| <i>Adjustments:</i> | | | |
| Non-cash equity-based compensation | (8.4) | (4.7) | |
| Acquisition and integration expenses | (1.6) | (0.3) | |
| Other expenses ⁽¹⁾ | 2.7 | (1.7) | |
| Depreciation and amortization: | | | |
| Amortization of acquisition-related intangible assets | (47.5) | (40.3) | |
| Other SG&A depreciation and amortization | (14.7) | (11.1) | |
| Total adjustments | (69.5) | (58.1) | |
| Adjusted SG&A, including advertising | \$ 294.0 | \$ 246.8 | 19.1% |
| Adjusted EBITDA | \$ 232.7 | \$ 210.8 | |
| % of Net Sales | 7.5% | 7.7% | |

- (1) Primarily includes the favorable resolution of a local sales tax matter, partially offset by expenses related to the consolidation of office locations north of Chicago and historical retention costs.

Interest, Taxes and Non-GAAP Net Income

(Unaudited)

(\$ in millions, except per share amounts)

| | Three Months Ended March 31, | | |
|-----------------------|------------------------------|-----------|----------|
| | 2016 | 2015 | % Change |
| Interest expense, net | \$ (38.1) | \$ (44.8) | (14.9)% |
| Other income, net | \$ 1.0 | \$ 4.5 | (77.4)% |
| Income tax expense | \$ (46.1) | \$ (32.3) | 42.7% |
| Net income | \$ 77.8 | \$ 54.7 | 42.2% |
| Non-GAAP net income* | \$ 112.7 | \$ 97.6 | 15.5% |
| Non-GAAP diluted EPS* | \$ 0.67 | \$ 0.56 | 18.5% |

* Non-GAAP net income and Non-GAAP diluted EPS are non-GAAP financial measures. For a reconciliation of 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 May 4, 2016.

First Quarter Non-GAAP Net Income

| <i>(Unaudited)</i> <i>(\$ in millions)</i> | Three Months Ended March 31, | |
|--|-------------------------------------|----------------|
| | 2016 | 2015 |
| Net income | \$ 77.8 | \$ 54.7 |
| Amortization of intangibles ⁽¹⁾ | 47.5 | 40.3 |
| Non-cash equity-based compensation | 8.4 | 4.7 |
| Net loss on extinguishments of long-term debt | — | 24.3 |
| Acquisition and integration expenses ⁽²⁾ | 1.6 | 0.3 |
| Other adjustments ⁽³⁾ | (3.1) | 0.6 |
| Aggregate adjustment for income taxes ⁽⁴⁾ | (19.5) | (27.3) |
| Non-GAAP net income ⁽⁵⁾ * | <u>\$ 112.7</u> | <u>\$ 97.6</u> |

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

(2) Comprises expenses related to CDW UK.

(3) Primarily includes the favorable resolution of a local sales tax matter, partially offset by expenses related to the consolidation of office locations north of Chicago.

(4) Based on a normalized effective tax rate of 36.0% and 39.0%, respectively. The decrease in the rate is primarily due to including the incremental impact of CDW UK and differing statutory tax rates in the US and the UK.

(5) Includes the impact of consolidating three months for the quarter-ended March 31, 2016 of CDW UK's financial results.

* Non-GAAP net income is a non-GAAP financial measure. For a reconciliation of 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 May 4, 2016.

Debt and Revolver Availability

(Unaudited)
(\$ in millions)

| | March 31, 2016 | December 31, 2015 | March 31, 2015 |
|---|-------------------|----------------------|-------------------|
| Cash and cash equivalents | \$ 248.2 | \$ 37.6 | \$ 447.4 |
| Total debt ⁽¹⁾ | \$ 3,251.9 | \$ 3,259.7 | \$ 3,180.3 |
| Senior secured debt | \$ 1,577.6 | \$ 1,586.6 | \$ 1,509.7 |
| Net debt (total debt net of cash and cash equivalents) ⁽¹⁾ | \$ 3,003.7 | \$ 3,222.1 | \$ 2,732.9 |
| Outstanding borrowings under revolver | \$ — | \$ — | \$ — |
| Borrowing base under ABL revolver ⁽²⁾ | \$ 1,333.6 | \$ 1,423.1 | \$ 1,224.9 |
| Revolver availability ⁽³⁾ | \$ 979.5 | \$ 916.8 | \$ 942.7 |
| Cash plus revolver availability ⁽³⁾ | \$ 1,227.7 | \$ 954.4 | \$ 1,390.1 |
| Total net leverage ratio ⁽⁴⁾ | 2.8 | 3.0 | 3.0 |

(1) As a result of the adoption of ASU 2015-03 during the second quarter of 2015, total debt outstanding as of March 31, 2015 has been revised to reflect the change in the presentation of deferred financing costs, which are now shown as a reduction of long-term debt, instead of being presented as a separate asset on the Consolidated Balance Sheet. In the third quarter of 2015, the Company adopted ASU 2015-15 which allows companies to present deferred financing costs for line-of-credit arrangements as an asset. The Company retrospectively adjusted the deferred financing costs and long-term debt liability presented as of March 31, 2015 to align it to the current period presentation.

(2) Amount in effect at period-end, applicable to the Company's ABL Revolving Credit Facility.

(3) Amount in effect at period-end, including CDW UK's Revolving Credit Facility, which is a multi-currency revolving credit facility with an aggregate amount of £50 million availability.

(4) Defined in the Company's credit agreement, on a consolidated basis, as the ratio of total debt at period-end, excluding any unamortized discount and/or premium and unamortized deferred financing costs, less cash and cash equivalents, to trailing twelve months (TTM) Adjusted EBITDA, a non-GAAP measure defined in the Company's credit agreement. The Senior Secured Term Loan Facility calculates Adjusted EBITDA on a trailing twelve month basis, which includes twelve months of CDW UK's financial results on a pro forma basis.

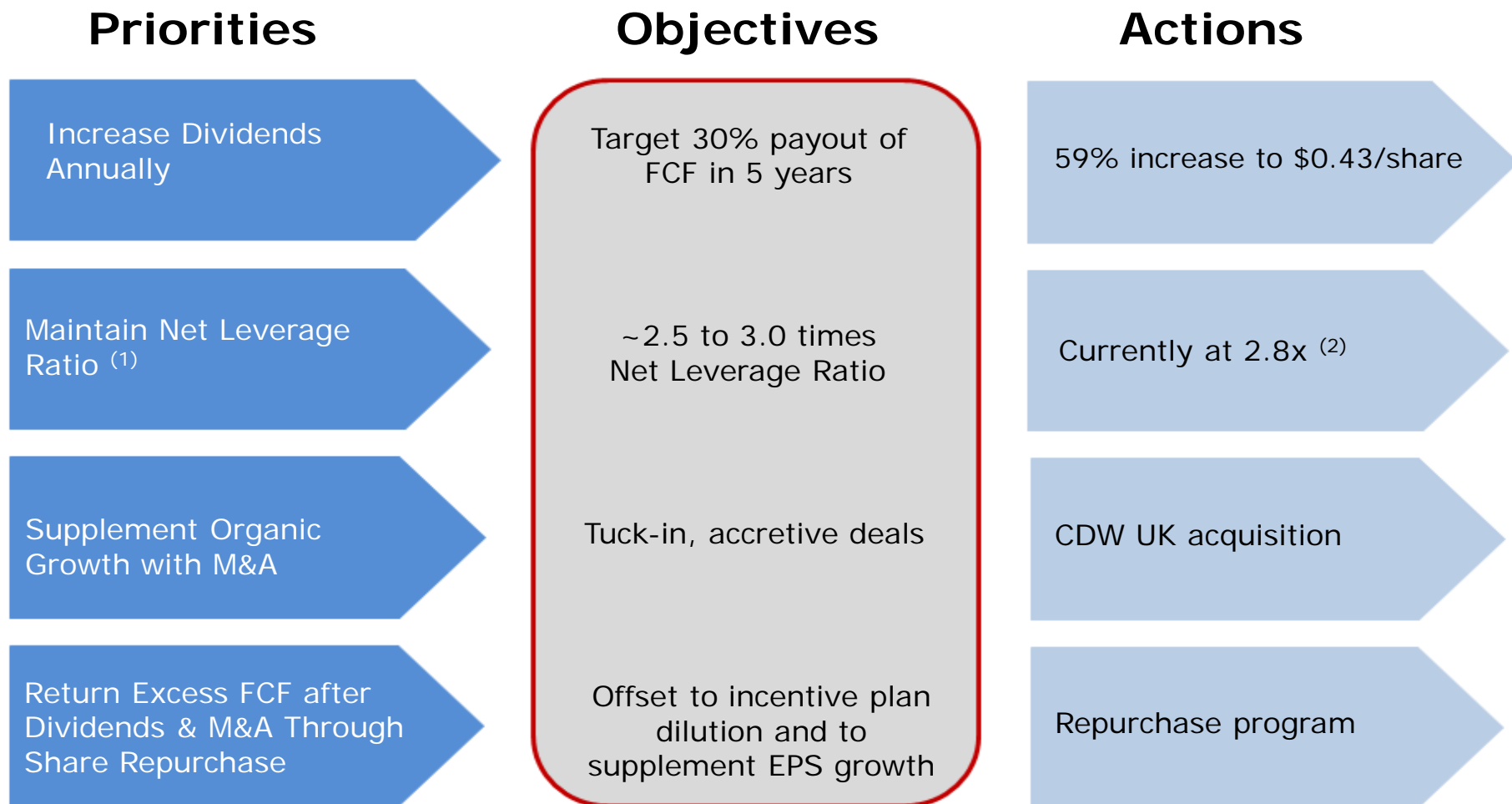
Cash Conversion Cycle

(Unaudited)

| | March 31, 2016 | December 31, 2015 | March 31, 2015 |
|-------------------------------------|---------------------------|------------------------------|---------------------------|
| Days of sales outstanding (DSO) * | 49 | 48 | 45 |
| Days of supply in inventory (DIO) * | 14 | 13 | 13 |
| Days purchases outstanding (DPO) * | (43) | (40) | (37) |
| Cash Conversion Cycle * | 20 | 21 | 21 |

* Based on a rolling three-month average.

Four Capital Allocation Priorities



¹ Defined in our credit agreement as the ratio of total debt at period-end excluding any unamortized discount and/or premium and deferred financing costs, less cash and cash equivalents, to TTM Adjusted EBITDA, which includes TTM Adjusted EBITDA for CDW UK, on a proforma basis. TTM Adjusted EBITDA is a term defined in our credit agreement.

² As of March 31, 2016.

Capital Allocation Priorities Support Medium Term Targets

2016-2018

**Net Sales
Growth**

U.S. IT growth
+200-300bps*

**Adjusted
EBITDA**

Mid-7% Margin

Leverage

Maintain net debt/adj.
EBITDA ratio at ~2.5-3.0x

**Non-GAAP
EPS Growth**

Low double-digits

*Exceed in 2016 due to 7 months incremental CDW UK and a major new partnership

Thoughts on Modeling 2016

For P&L currently look for:

Revenue:

- FY16 organic, constant currency growth within annual medium term target of 200 to 300 basis points above annual US IT market growth
 - Continue to expect 2016 US IT growth of 2-3%, ramping through the year
- Seasonality ~ 48%/52% between 1H/2H
- Dell to add up to 150 basis points of organic growth in 2016
 - Revenues split roughly 40/60% between 1H/2H
- CDW UK first-half contribution nearer to high end of 650-700 bps
- Currency headwinds roughly 70 bps impact throughout 2016

Expenses:

- Gross margin lighter for the balance of the year
- Adjusted SG&A growth faster than consolidated sales
- FY16 Adjusted EBITDA margin to be at the high end of our target range

Thoughts on Modeling 2016

For P&L currently look for:

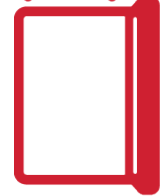
NGNI and EPS:

- Year to go quarterly interest expense, depreciation & amortization and non-cash equity compensation in line with Q1
- Effective tax rate to be between 37-38%
- Share repurchases to offset dilution and contribute to achievement of annual low double-digit earnings per share target
- Roughly \$0.04 to \$0.05 in Q2 from CDW UK, anniversary in Q3

For Cash Flow currently look for:

- Capital expenditures ~0.5% of net sales on an annual basis
- Annual Free Cash Flow near the high-end of 2½-3% of net sales
- Maintain Cash Conversion Cycle in low to mid 20's
- Cash tax rate of approximately 37%, to be applied to pretax operating income before intangibles amortization of ~\$47.5MM/quarterly PLUS \$20MM of annual CODI payments

Questions and Answers



**PEOPLE
WHO
GET IT™**

Adjusted EBITDA to Net Income Reconciliation

(Unaudited)

(\$ in millions)

| | Three Months Ended March 31, | | | |
|---|------------------------------|----------------|-----------------|----------------|
| | 2016 | % of Net Sales | 2015 | % of Net Sales |
| Net income | \$ 77.8 | | \$ 54.7 | |
| Depreciation and amortization ⁽¹⁾ | 64.0 | | 52.5 | |
| Income tax expense | 46.1 | | 32.3 | |
| Interest expense, net | 38.1 | | 44.8 | |
| EBITDA | <u>226.0</u> | 7.3% | <u>184.3</u> | 6.7% |
| Adjustments: | | | | |
| Non-cash equity-based compensation | 8.4 | | 4.7 | |
| Net loss on extinguishments of long-term debt | — | | 24.3 | |
| Income from equity investments | (0.6) | | (4.5) | |
| Acquisition and integration expenses ⁽²⁾ | 1.6 | | 0.3 | |
| Other adjustments ⁽³⁾ | <u>(2.7)</u> | | <u>1.7</u> | |
| Total adjustments | 6.7 | | 26.5 | |
| Adjusted EBITDA ^{(4)*} | <u>\$ 232.7</u> | 7.5% | <u>\$ 210.8</u> | 7.7% |

(1) Includes depreciation expense of \$2 million and \$1 million for the three months ended March 31, 2016 and 2015, respectively, historically reported within Cost of sales.

(2) Comprises expenses related to CDW UK.

(3) Primarily includes the favorable resolution of a local sales tax matter, partially offset by expenses related to the consolidation of office locations north of Chicago and historical retention costs.

(4) Includes the impact of consolidating three months for the quarter-ended March 31, 2016 of CDW UK's financial results.

* 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 May 4, 2016, for a discussion of non-GAAP financial measures.

First Quarter Free Cash Flow

(Unaudited)
(\$ in millions)

| | Three Months Ended March 31, | | |
|--|------------------------------|----------|----------|
| | 2016 | 2015 | % Change |
| Net cash provided by operating activities | \$ 427.6 | \$ 177.8 | |
| Capital expenditures | (11.0) | (10.0) | |
| Net change in accounts payable - inventory financing | (66.5) | (42.3) | |
| Free Cash Flow | \$ 350.1 | \$ 125.5 | 179.0% |

Organic Net Sales Growth and Organic Net Sales Growth on a Constant Currency Basis

(Unaudited)

(\$ in millions)

| | Three Months Ended March 31, | | | |
|--|------------------------------|------------|----------|---------------------------------------|
| | 2016 | 2015 | % Change | Average Daily % Change ⁽¹⁾ |
| Net sales, as reported | \$ 3,116.7 | \$ 2,755.2 | 13.1% | 11.4% |
| Impact of acquisition ⁽²⁾ | (232.1) | — | | |
| Organic net sales* | \$ 2,884.6 | \$ 2,755.2 | 4.7% | 3.1% |
| Foreign currency translation ⁽³⁾ | — | (11.7) | | |
| Organic net sales, on a constant currency basis* | \$ 2,884.6 | \$ 2,743.5 | 5.1% | 3.5% |

(1) There were 64 and 63 selling days for the three months ended March 31, 2016 and 2015, respectively.

(2) Represents three months for the quarter-ended March 31, 2016 of CDW UK's financial results.

(3) Represents the effect of translating the prior year results of CDW Canada at the average exchange rates applicable in the current year.

* Organic net sales growth and organic net sales growth on a constant currency basis are non-GAAP financial measures. For a discussion of 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 May 4, 2016.