

# 2017 ANALYST DAY



# TODAY'S AGENDA

WELCOME

Sari Macrie, Vice President, Investor Relations

OUR WINNING FORMULA

Tom Richards, Chairman & CEO

SALES EVOLUTION

Chris Corley, Senior Vice President, Corporate Sales

POWER OF MARKETING

Mark Chong, Senior Vice President, Strategy & Marketing

SMALL BUSINESS OPPORTUNITY

Doug Eckrote, Senior Vice President, Small Business & Ecommerce

SESSION 1 Q&A

Tom, Chris, Mark and Doug

COFFEE BREAK

INTERNATIONAL VALUE CREATION

Chris Leahy, Senior Vice President, International

EVOLVING WITH TECHNOLOGY

Neal Campbell, Senior Vice President, Strategic Solutions & Services

Sadik Al-Abdulla, Director, Security Solutions

Stephen Braat, Vice President, Cloud & Managed Solutions

Tom DeCoster, Vice President, Service Solutions

Andy Eccles, Vice President, International and Chief Technology Officer UK

LUNCH BREAK

FINANCIAL WRAP-UP

Ann Ziegler, Senior Vice President & Chief Financial Officer

SESSION 2 Q&A AND WRAP-UP

Tom, Chris, Neal, Sadik, Stephen, Tom, Andy and Ann





# IMPORTANT DISCLAIMERS

## Forward-Looking Statements

Statements in this document that are not statements of historical fact are forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including without limitation statements regarding the future financial performance of CDW. These statements involve risks and uncertainties that could cause actual results to differ materially from those described in such statements. These risks and uncertainties include, among others, global and regional economic conditions; decreases in spending on technology products; CDW's relationships with vendor partners and availability of their products; continued innovations in hardware, software and services offerings by CDW's vendor partners; substantial competition that could reduce CDW's market share; CDW's substantial indebtedness and ability to generate sufficient cash to service such indebtedness; restrictions imposed by agreements relating to CDW'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 CDW's information technology 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 CDW's customers; potential losses of any key personnel; potential interruptions of the flow of products from suppliers; potential adverse occurrences at one of CDW's primary facilities or customer data centers; CDW's dependence on commercial delivery services; CDW's exposure to accounts receivable and inventory risks; fluctuations in foreign currency; future acquisitions or alliances; fluctuations in CDW's operating results; current and future legal proceedings and audits; potential acceleration of CDW's deferred cancellation of debt income; and other risk factors or uncertainties identified from time to time in CDW's filings with the SEC. Although CDW believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Reference is made to a more complete discussion of forward-looking statements and applicable risks contained under the captions "Forward-Looking Statements" and "Risk Factors" in CDW's Annual Report on Form 10-K for the year ended December 31, 2016 and subsequent filings with the SEC. CDW undertakes no obligation to update or revise any of its forward-looking statements, whether as a result of new information, future events or otherwise unless required by law.

## Non-GAAP Financial Information

EBITDA is defined as consolidated net income before interest expense, income tax expense, depreciation and amortization. Adjusted EBITDA, which is a measure defined in the Company's credit agreements, means EBITDA adjusted for certain items which are described in the financial statement tables on investor.cdw.com ("Non-GAAP Reconciliations"). Non-GAAP net income excludes, among other things, charges related to the amortization of acquisition-related intangible assets, equity-based compensation, acquisition and integration expenses, and gains and losses from the extinguishment of long-term debt. Consolidated net sales growth on a constant currency basis is defined as consolidated net sales growth excluding the impact of foreign currency translation on net sales compared to the prior period.

EBITDA, Adjusted EBITDA, Non-GAAP net income, Non-GAAP net income per diluted share, Non-GAAP net income per diluted share, on a constant currency basis, organic net sales, consolidated and organic net sales growth on a constant currency basis are considered non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company's performance or financial position that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP.

Non-GAAP net income per diluted share on a constant currency basis is defined as Non-GAAP net income per diluted share excluding the impact of foreign currency translation on Non-GAAP net income per share compared to the prior period. Organic net sales growth is defined as net sales growth excluding the impact of acquisitions within the last twelve months. Organic net sales growth on a constant currency basis is defined as organic net sales growth excluding the impact of foreign currency translation on organic sales compared to the prior period. The Company believes these measures provide analysts, investors and management with helpful information regarding the underlying operating performance of the Company's business, as they remove the impact of items that management believes are not reflective of underlying operating performance. The Company uses these measures to evaluate period-over-period performance as management believes they provide a more comparable measure of the underlying business. Additionally, Adjusted EBITDA is a measure in the credit agreement governing our Senior Secured Term Loan Facility ("Term Loan") used to evaluate the Company's ability to make certain investments, incur additional debt and make restricted payments, such as dividends and share repurchases, as well as whether the Company is required to make additional principal prepayments on the Term Loan beyond the quarterly amortization payments.

Our medium term annual targets are provided on a non-GAAP basis because certain reconciling items are dependent on future events that either cannot be controlled, such as refinancing activities, currency impacts or interest rates, or reliably predicted because they are not part of the Company's routine activities, such as acquisition and integration expenses.

The financial statement tables on investor.cdw.com ("Non-GAAP Reconciliations") with this CDW Investor and Analyst Day Meeting presentation include a reconciliation of non-GAAP financial measures to the applicable most comparable GAAP financial measures. Non-GAAP measures used by the Company may differ from similar measures used by other companies, even when similar terms are used to identify such measures.



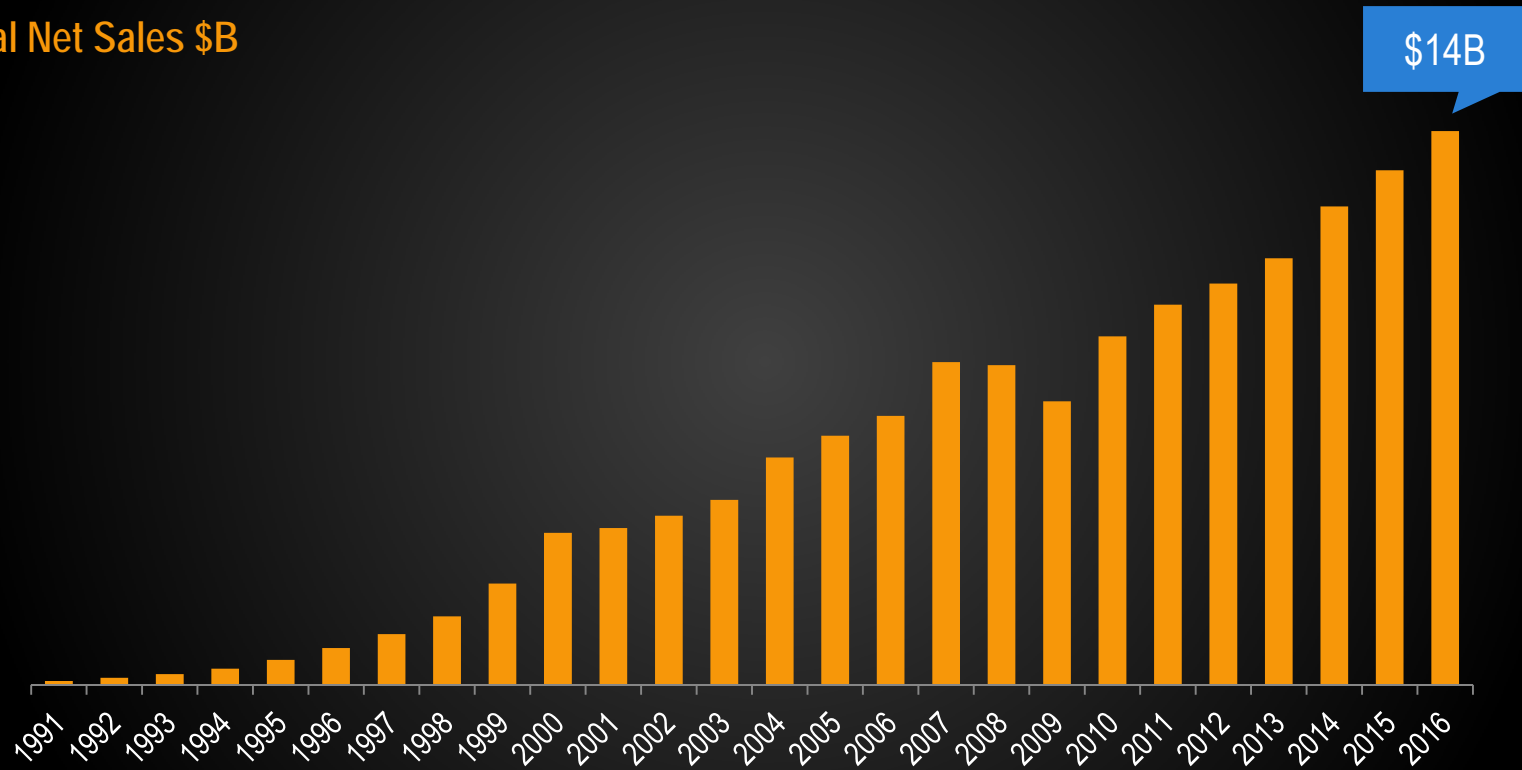
A photograph of three business professionals in a meeting room. A man in a light blue shirt and tie is pointing at a large whiteboard. Two other people, a man and a woman, are looking at the whiteboard. The whiteboard displays several charts, including a bar chart with pink bars and a line graph with blue and green lines. The room is dimly lit with blue ambient lighting.

**TOM RICHARDS**

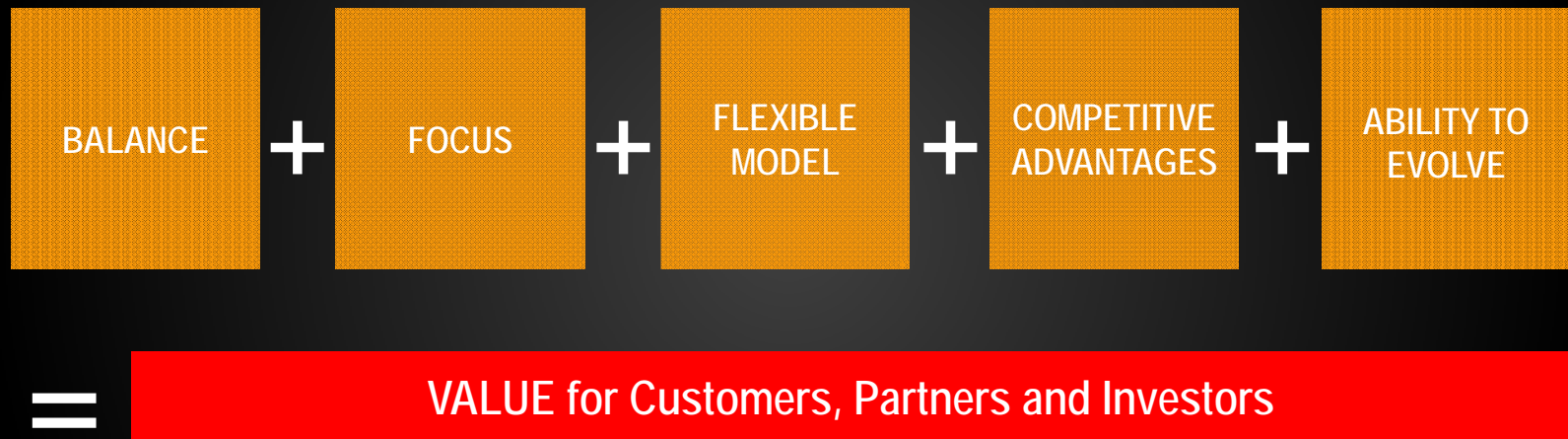
**CHAIRMAN & CHIEF EXECUTIVE OFFICER**

# TRACK RECORD OF SUCCESS

Annual Net Sales \$B



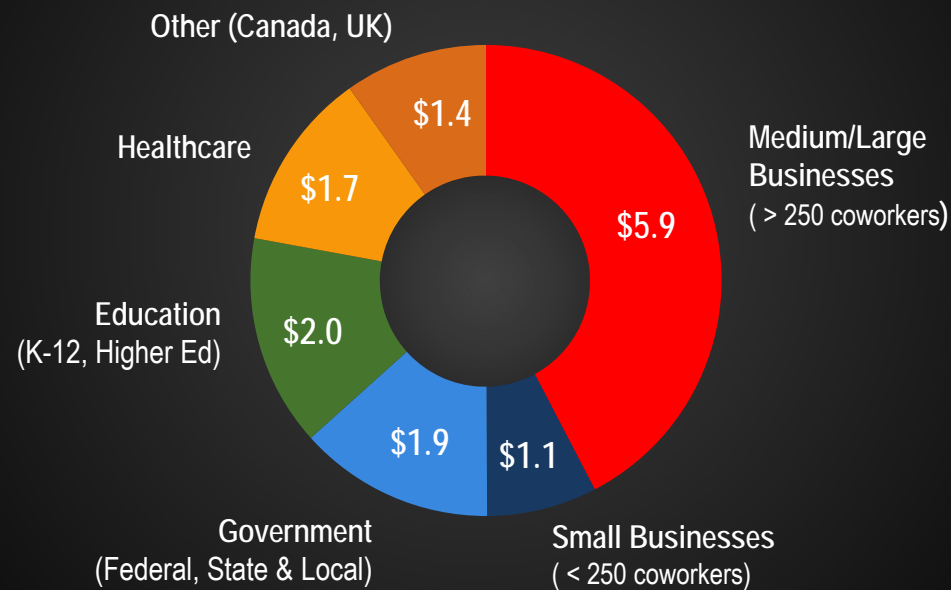
# FORMULA FOR **SUCCESS**





# BALANCE ACROSS END-MARKETS

2016 Net Sales (\$14B)



# BALANCE ACROSS PARTNERS AND TECHNOLOGIES

## Major Partners



## Emerging Partners

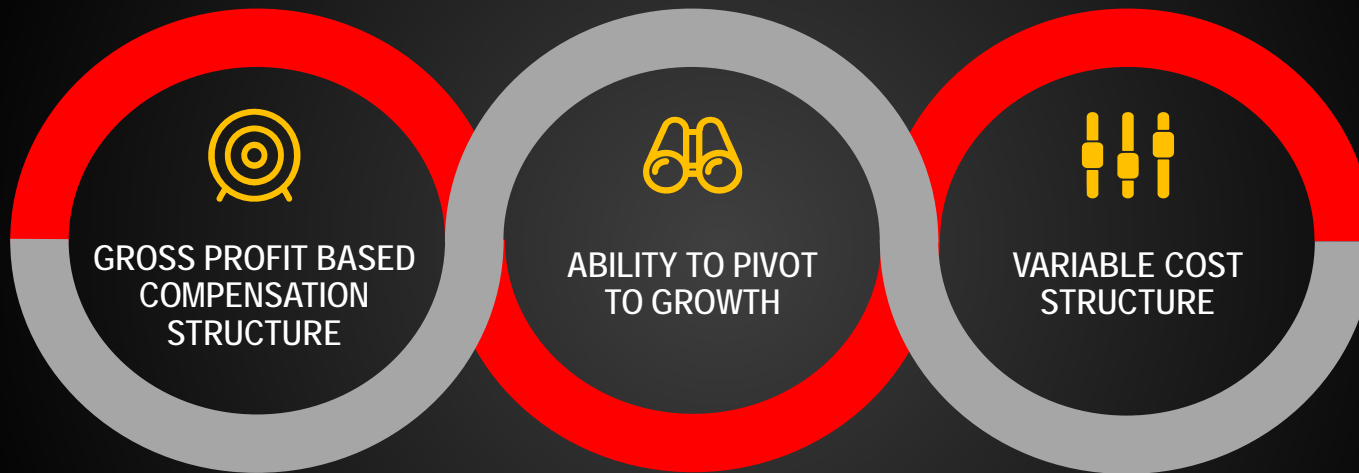


# FOCUS WHERE WE ADD THE GREATEST VALUE

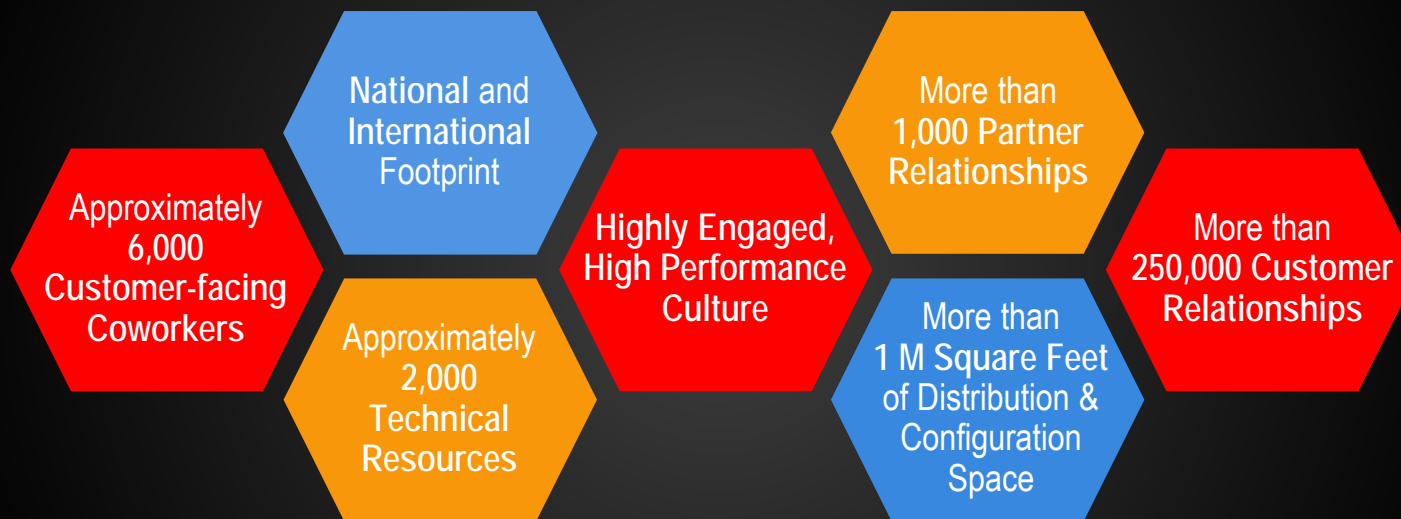




# FLEXIBLE BUSINESS MODEL

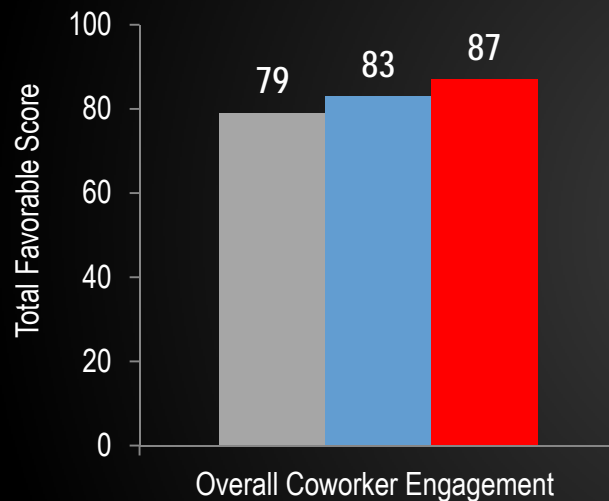


# UNPARALLELED COMPETITIVE ADVANTAGES



# HIGH PERFORMANCE CULTURE, **HIGHLY ENGAGED COWORKERS**

## Record 2016 Coworker Engagement Survey Results

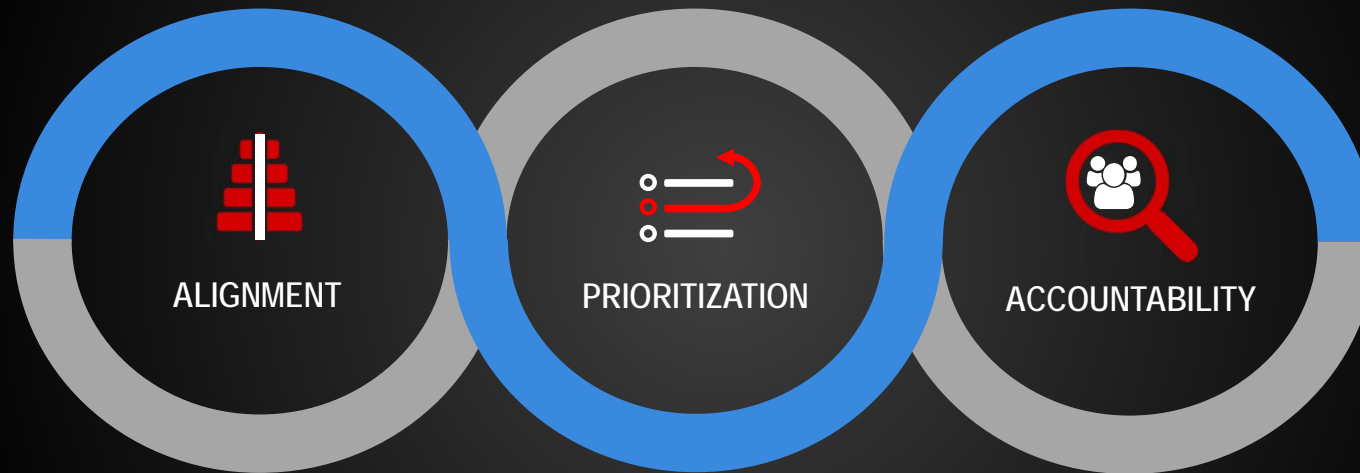


- CDW
- Willis Towers Watson US High Performance Norm
- Willis Towers Watson US National Norm

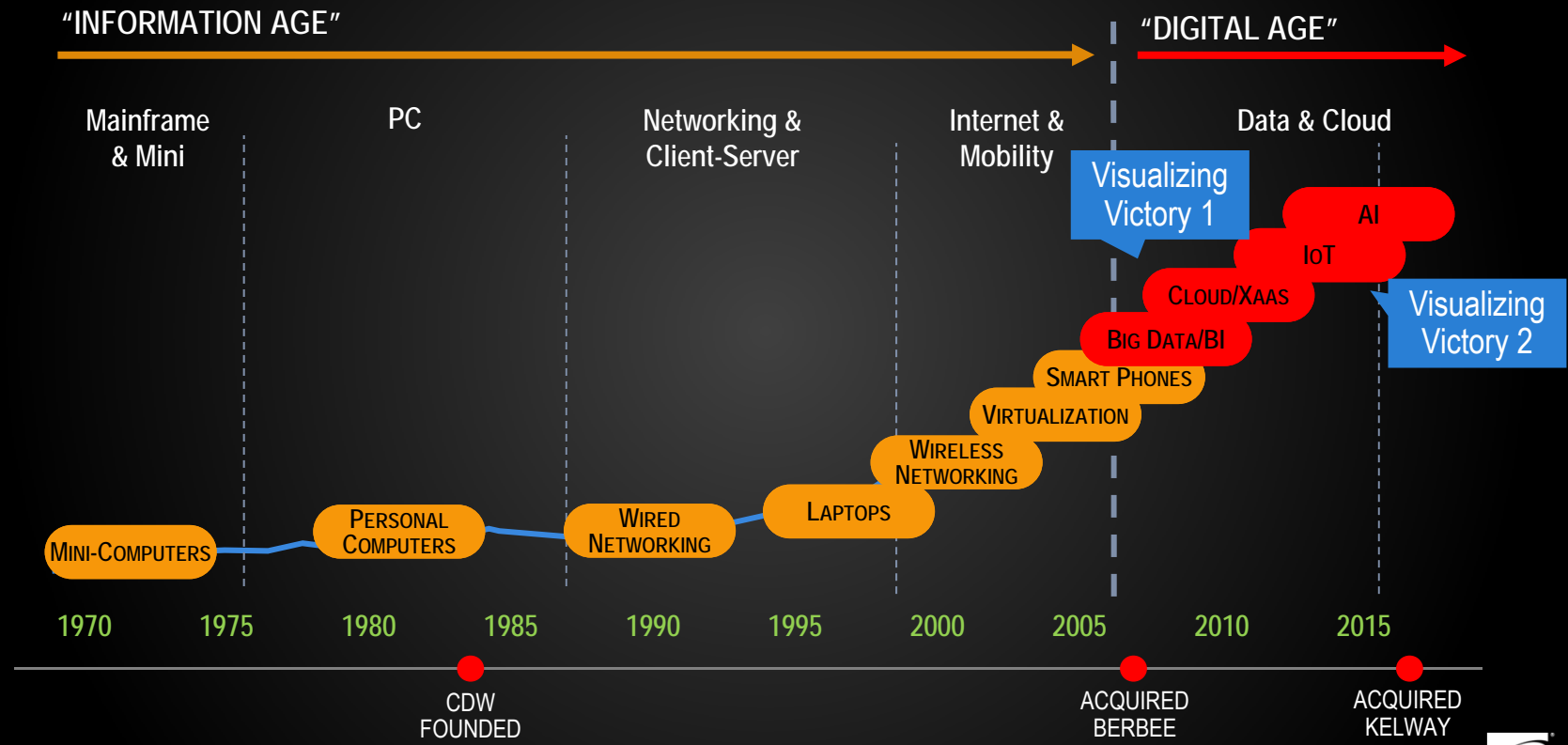
- ▶ **97%** work beyond what is required to help CDW succeed
- ▶ **94%** are proud to be associated with CDW
- ▶ **93%** believe strongly in CDW's goals and objectives
- ▶ **92%** would recommend CDW as a good place to work
- ▶ **92%** believe CDW is truly customer oriented



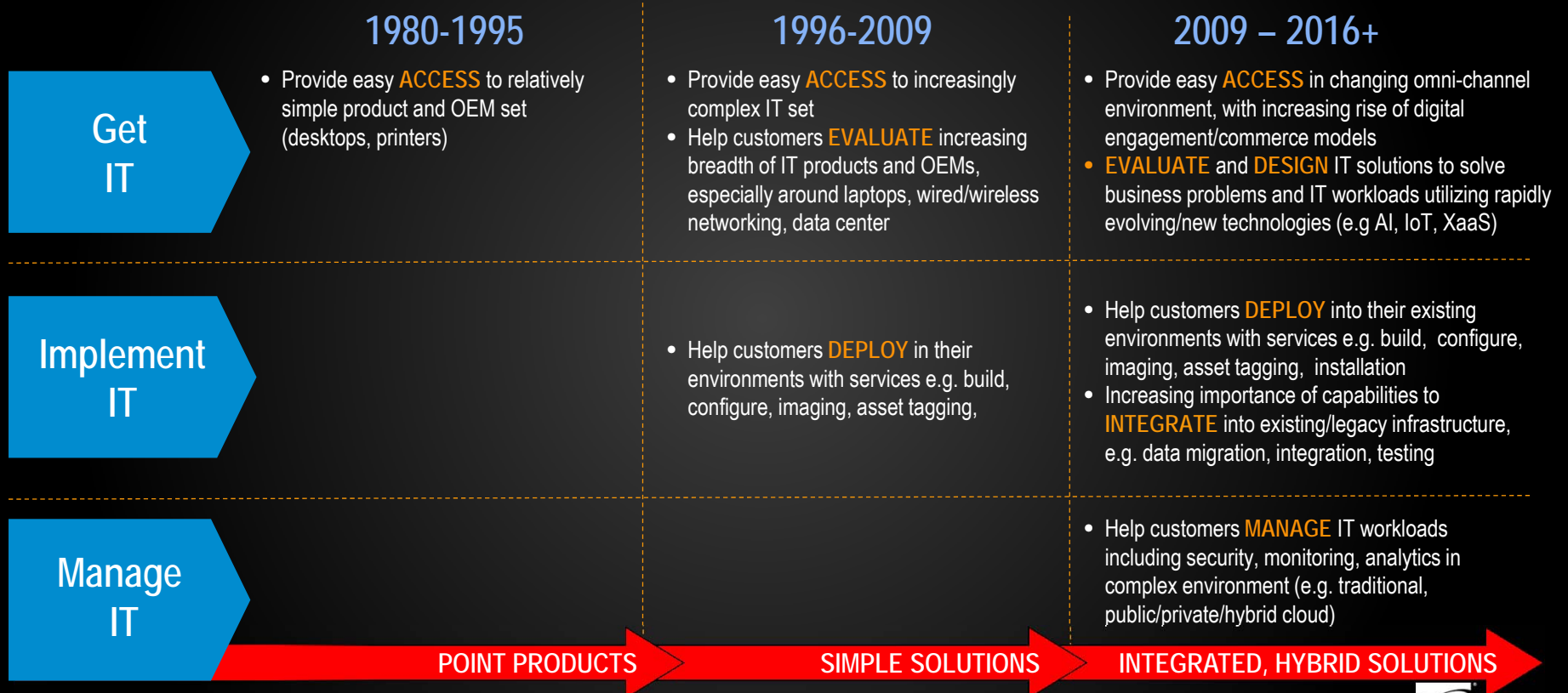
# RIGOR AND DISCIPLINE DRIVES PERFORMANCE



# EVOLUTION OF THE IT INDUSTRY



# CDW'S CORE VALUE PROPOSITION IS SERVICE

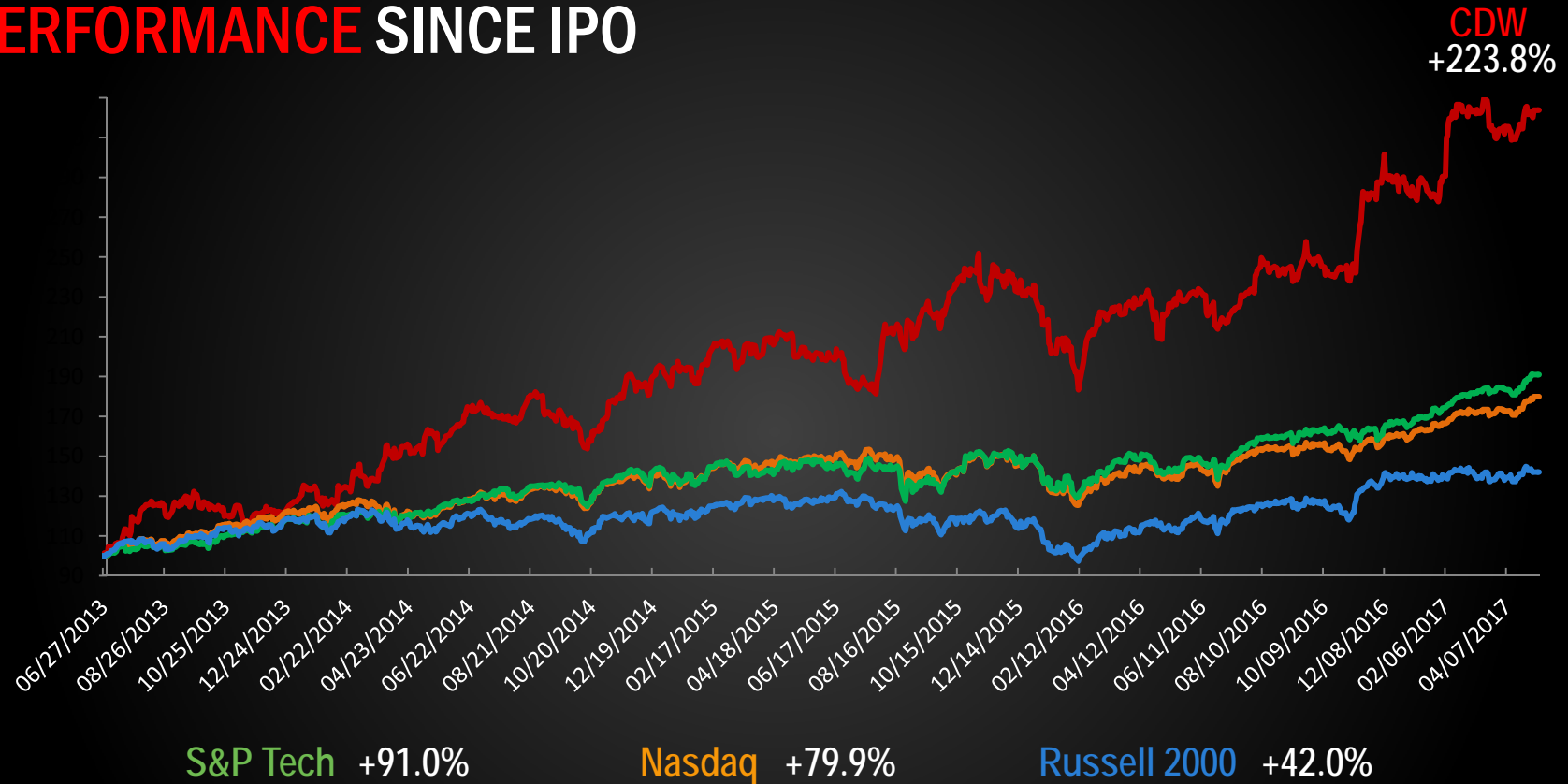




# TECHNOLOGY EVOLVES, VALUE ENDURES



# PERFORMANCE SINCE IPO



As of 5/9/17







**CHRIS CORLEY**

**SENIOR VICE PRESIDENT, CORPORATE SALES**

# DELIVERING VALUE AS THE INDUSTRY EVOLVES

"INFORMATION AGE"

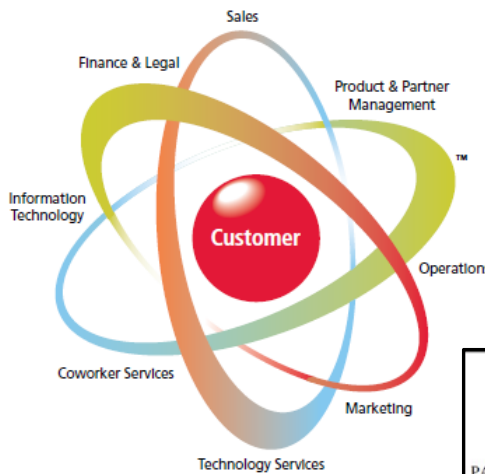
Charlotte M. Conley  
 Chairman, Vice President  
 Chief Financial Officer

PC



Everything we do revolves around the customer™

## CDW Circle of Service



CDW Everything we do revolves around the customer™

"DIGITAL AGE"

Data & Cloud

- AI
- IoT
- CLOUD/XAAS
- BIG DATA/BI
- SMART PHONES

MINI-COMPUTERS

PERSONAL COMPUTERS

1970

1975

1980

CDW Number \_\_\_\_\_

Date: \_\_\_\_\_

PAY TO THE ORDER OF \_\_\_\_\_ \$ \_\_\_\_\_

DOLLARS \_\_\_\_\_

MESSAGE: From All Our Customers SIGNED \_\_\_\_\_

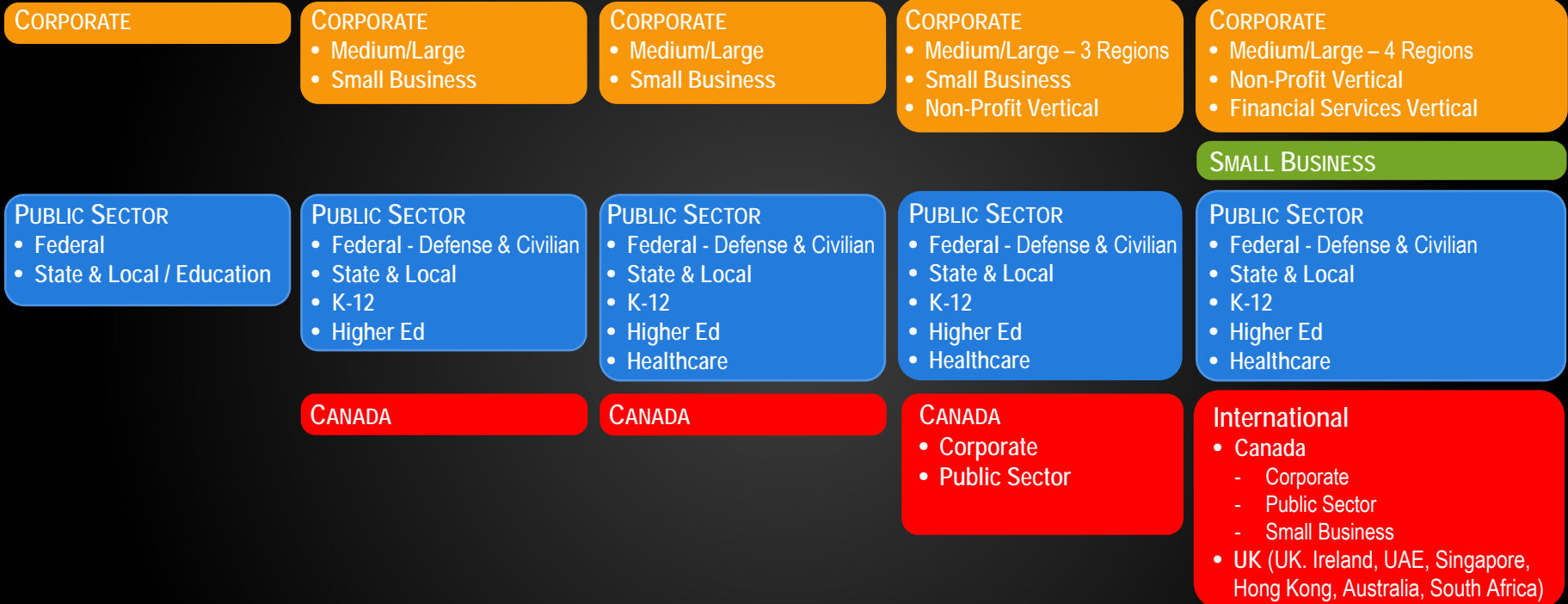
CDW PEOPLE WHO GET IT™



# EVOLUTION OF CDW'S SALES APPROACH



# EVOLUTION OF SEGMENTATION AS WE SCALE

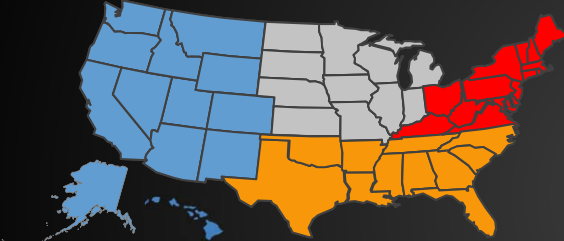


2002 ← → 2017

# BALANCED PORTFOLIO OF CHANNELS ALIGNED TO SERVE CUSTOMERS

CORPORATE (\$5.9B) & SMALL (\$1.1B)

Aligned Geographically



With Vertical Focus in Key Industries



Financial Services



Retail



Energy & Utilities

PUBLIC SECTOR (\$5.6B)

Aligned Vertically



Government

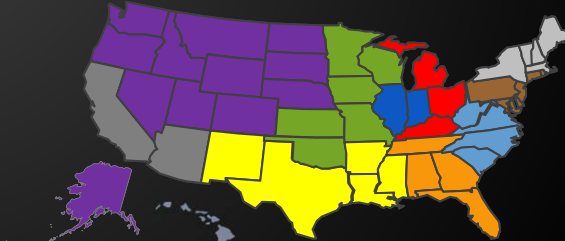


Education



Health Care

With Geographic Focus



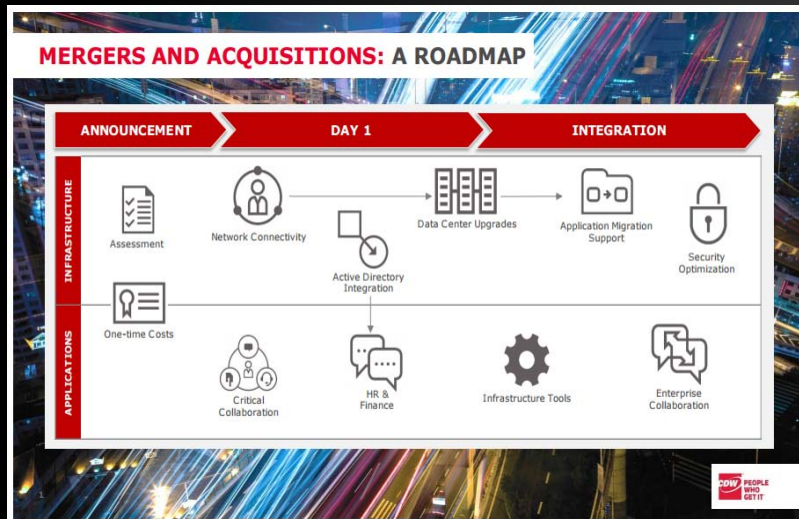
# **SUB-SEGMENTATION** DRIVES GREATER CUSTOMER INSIGHTS AND OUTCOME-BASED SOLUTIONS

## EXAMPLE

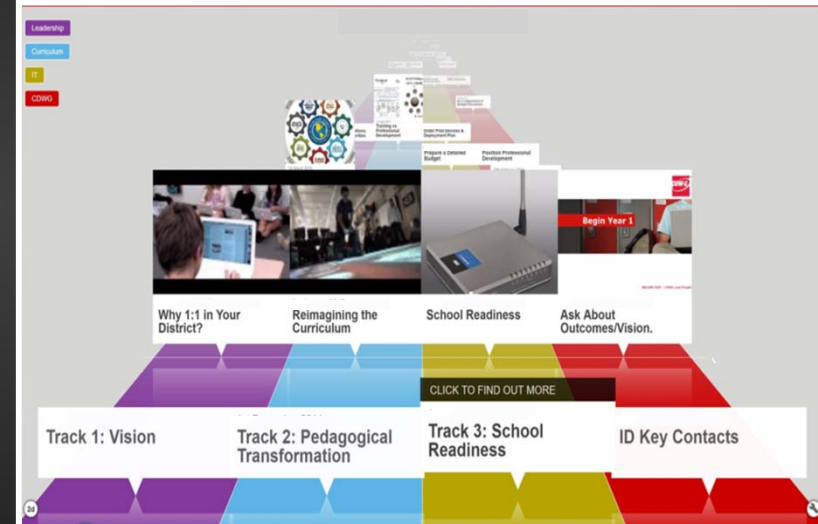
STATE & LOCAL	▶	Public Safety
HEALTHCARE	▶	Senior Care
HIGHER EDUCATION	▶	Connected Campus
K-12	▶	Collaborative Learning Environment
FINANCIAL SERVICES	▶	Capital Markets
CORPORATE	▶	Sports & Entertainment

# INTIMACY DRIVES INSIGHTS, **PLAYBOOKS DRIVE SALES EXECUTION**

Financial Services M&A Blueprint



K-12 Timeline for Digital Learning



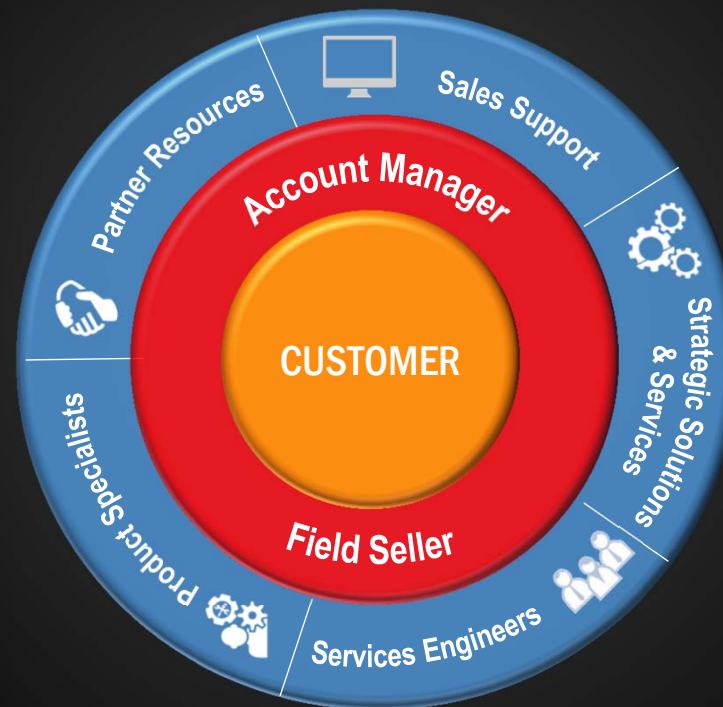


# EXPANDING OUR **IN-MARKET PRESENCE** TO SERVE CUSTOMERS

- ▶ 9 Major Sales Offices
- ▶ Service presence in 26 major markets
- ▶ Coworkers in 45 U.S. States



# FROM SELF-SUFFICIENT SELLER TO ORCHESTRATOR OF RESOURCES



# FROM SELF-SUFFICIENT SELLER TO ORCHESTRATOR OF RESOURCES

The screenshot displays a CDW account management interface. At the top, there is a search bar and a navigation menu with categories: HARDWARE, SOFTWARE, SOLUTIONS, CLOUD, BRANDS, BLOG, and DEALS. Below this is a secondary navigation bar with links for Overview, Orders & Quotes, Cloud, Settings, Tools & Services, and Account Team. The main content area is titled "MEET YOUR ACCOUNT TEAM" and is divided into two sections: "Your Account Managers" and "Your Technology Specialists".

**YOUR ACCOUNT MANAGER**

Name  
  
in the office  
Email  
Phone  
Fax  
View Your Account Team

**MEET YOUR ACCOUNT TEAM**

**Your Account Managers**  
Benefit from personalized technology advice and unmatched service from someone familiar with your technology needs, current systems and future plans.

- Executive Account Manager (Your Primary Contact)**  
Name  
Phone  
Fax  
Email
- Account Executive II**  
Name  
Phone  
Fax  
Email
- Sales Manager**  
Name  
Phone  
Fax  
Email

**Your Technology Specialists**  
Your account manager is supported by a highly-trained team of specialists dedicated to bringing you the best technology solutions to meet your unique needs.

- HP ESSN Specialist**  
Name  
Phone  
Fax  
Email
- Lenovo Business Dev Spec.**  
Name  
Phone  
Fax  
Email
- VMWare PS**  
Name  
Phone  
Fax  
Email
- Security ISA**  
Name  
Phone  
Fax  
Email
- Server & Storage ISA**  
Name  
Phone  
Fax  
Email
- Cloud Client Executive**  
Name  
Phone  
Fax  
Email
- VMWare PS**  
Name  
Phone  
Fax  
Email
- Networking ISA**  
Name  
Phone  
Fax  
Email
- VMWare Renewals**  
Name  
Phone  
Fax  
Email

**YOUR ACCOUNT MANAGER**

- Overview
- Orders
- Quotes
- Bundles
- Saved Carts
- Company Favorites
- Personal Favorites
- Purchased Products
- Contracts
- Software Agreements

# EVOLUTION OF SALES TALENT SOURCING

Traditional postings and job boards



Highly engaged,  
candidate experience-focused approach

**273,000**

Active Contacts  
in Candidate Relationship  
Management System

**+200%**

Direct on-line sourcing  
2013 - 2016

**32%**

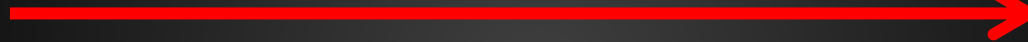
Coworker Referrals  
of New Sales Hires

**3x**

Campus and  
Summer Interns  
2015 - 2017

# EVOLUTION OF ONBOARDING PROCESS TO INCREASE PROBABILITY OF SUCCESS

New Hire



Sales Team



# EVOLUTION OF ONBOARDING PROCESS TO INCREASE PROBABILITY OF SUCCESS

New Hire



Sales Academy



Sales Team





# EVOLVED TO INCREASE PROBABILITY OF SUCCESS

New Hire



INCREASED  
PRODUCTIVITY

**+51%**

LOS 1-4 Account Managers

Sales Academy



DECREASED  
TURNOVER RATES

**-13%**

LOS 1-12 Account Managers

Sales Team



IMPROVED TIME  
TO BREAK EVEN

**3 Months**

# NEWEST EVOLUTION TO INCREASE PROBABILITY OF SUCCESS



RESIDENCY PROGRAM

**+20%**

LOS 0-12 Account Manager  
Productivity

# INVESTMENTS ENABLE SELLERS AND ENHANCE CUSTOMER EXPERIENCE

## STRATEGIC SEGMENTATION

- Customer Analytics
- Data Driven Marketing
- Propensity Modeling

## SALES ENABLEMENT

- CRM
- Subscription Management
- Call Monitoring
- GetIT! Portal

## DIGITAL ENGAGEMENT

- Ecommerce
- EDI
- eProcurement
- Smart Tracker

## PRESCRIPTIVE MANAGEMENT

- Book Management
- Category Penetration
- Renewals
- Contract Management

**"I have the tools and resources I need to achieve excellent performance"**  
+5 vs. High Performance Norm Companies, 2016 Coworker Engagement Survey

# DEEP EXPERTISE IN CONTRACT MANAGEMENT



70%

Public Sector spend  
on contract



98%

Major contracts  
renewed  
in 2016  
with 130 new  
awards



18

years of  
GSA experience



100%

States where CDW  
holds contracts

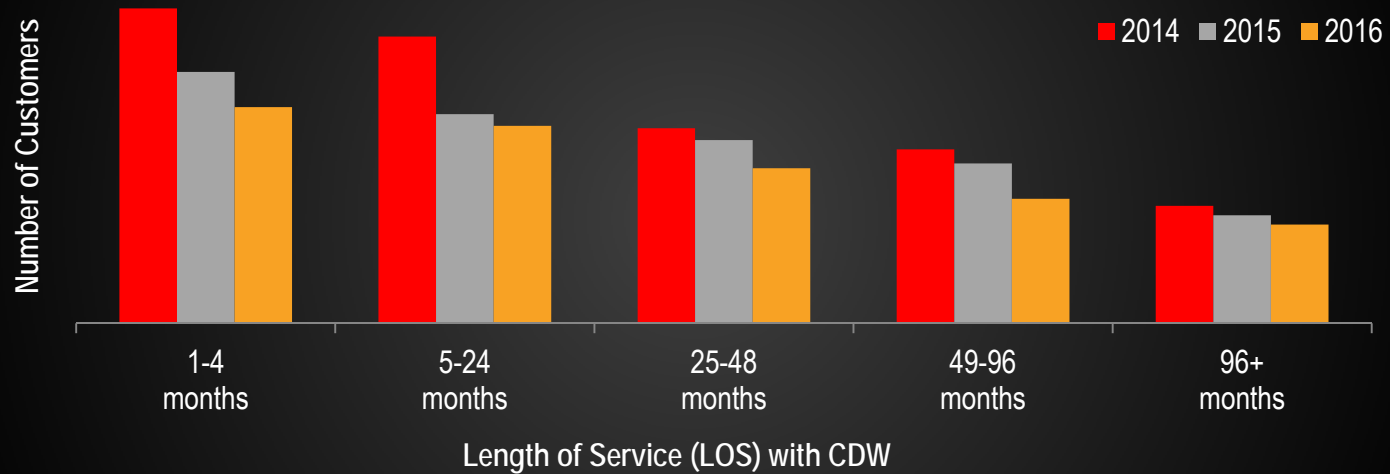
# CONTRACT MANAGEMENT EXPERTISE ACCELERATES SALES

The screenshot displays the CDW website homepage. At the top right, there are links for 'Account Log On or Create Account' and 'Cart (0)'. The CDW logo is on the left, followed by a search bar and a navigation menu with items: HARDWARE, SOFTWARE, SOLUTIONS, CLOUD, BRANDS, BLOG, DEALS. A phone number '800.606.4239' is also visible. Below the navigation is a 'Browse by Industry' sidebar listing Business, CDW-G, Healthcare, Higher Education, K-12 Education, and State & Local Government. The main banner features the word 'AGILITY' in large red letters over a night view of the US Capitol building, with the text 'ACHIEVE YOUR GOALS WITH LT. SOLUTIONS THAT KEEP YOUR ORGANIZATION NIMBLE AND RESPONSIVE.' and a 'Research Our Solutions' button. Below the banner are two news items: '2017 Federal Contracts' with a document icon and 'NASA Faces Down New Cybersecurity Vulnerabilities' with a server rack icon. A 'Public Contracts' section includes dropdown menus for 'Federal Government' and 'Department of State', and a 'Select a contract' dropdown with options like 'CDW-G GSA Schedule', 'EC America Teaming Agreement', 'NASA SEWP V Contract TAA-NC', and 'PRIMARK GSA SCHEDULE'. The 'Shop Popular Categories' section shows icons for Printers & Scanners, Monitors & Projectors, Tablets, Networking, Notebooks, and Desktops. At the bottom, there is a 'Featured Products' section.



# PRESCRIPTIVE BOOK MANAGEMENT PEEL AND GROW

Average Book Size by Account Manager Length of Service



Reassigned accounts grow an average of +43%

# UNMATCHED SALES TENURE AND EXPERIENCE

**6.1 years**

Average Account Manager\*  
Length of Service

**43%**

Account Manager with CDW  
> 5 years



Approximately  
**1,000**

**25%**

Account Manager with CDW  
> 10 years

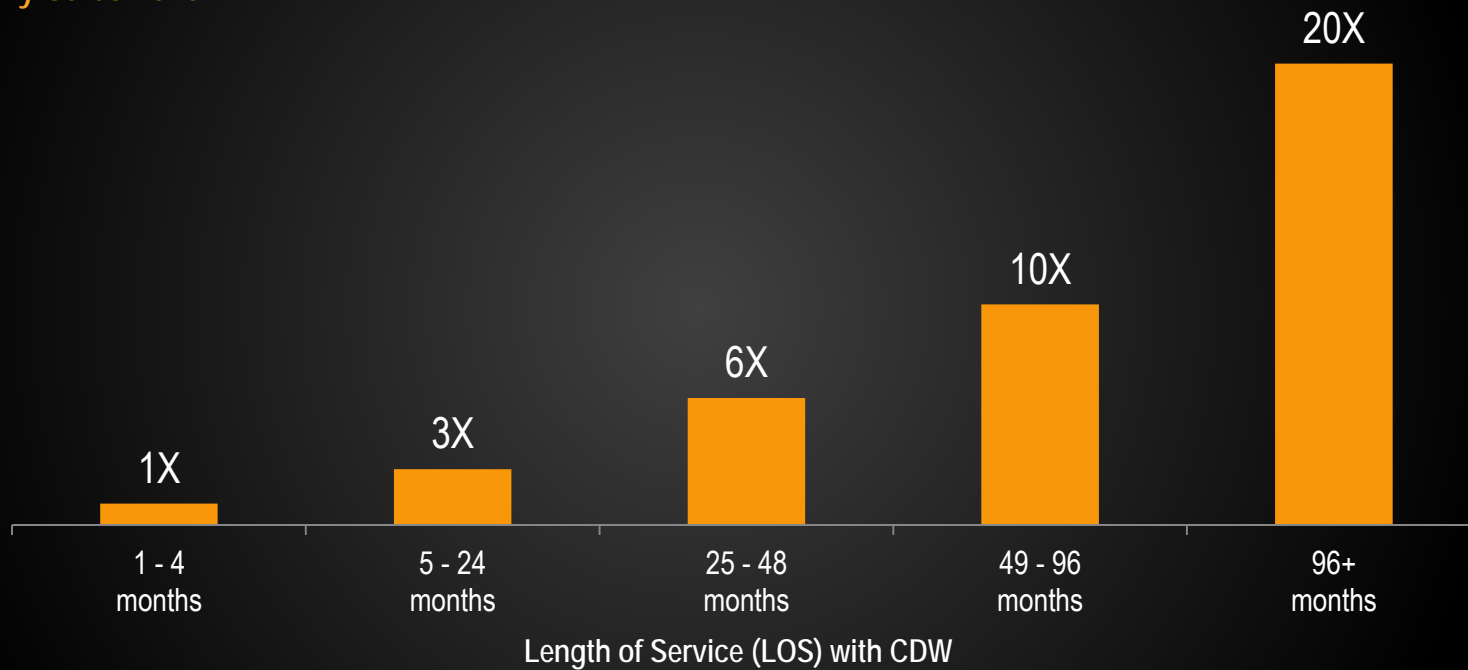


**> 500**

\* US Sellers

# TENURE AND EXPERIENCE DRIVE SALES

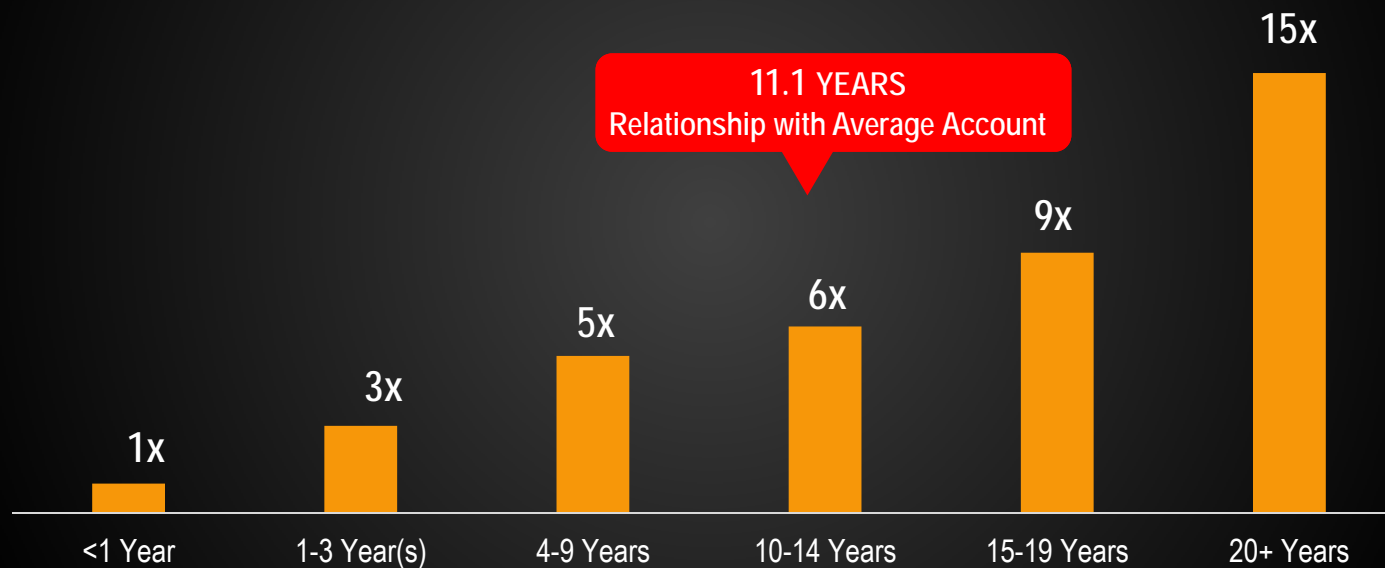
Average Daily Sales 2016



Calculation based on Corporate + Small Business

# LONG-TERM RELATIONSHIPS DRIVE ACCELERATED SALES

Average Customer Spend by Tenure with CDW



# FORMULA FOR SALES SUCCESS









**MARK CHONG**

**SENIOR VICE PRESIDENT, STRATEGY & MARKETING**

# MARKETING STRATEGY TO DRIVE GROWTH

1

**MOST  
COMPREHENSIVE  
MARKETING  
PORTFOLIO**

2

**WORLD CLASS  
DATA &  
ANALYTICS**

3

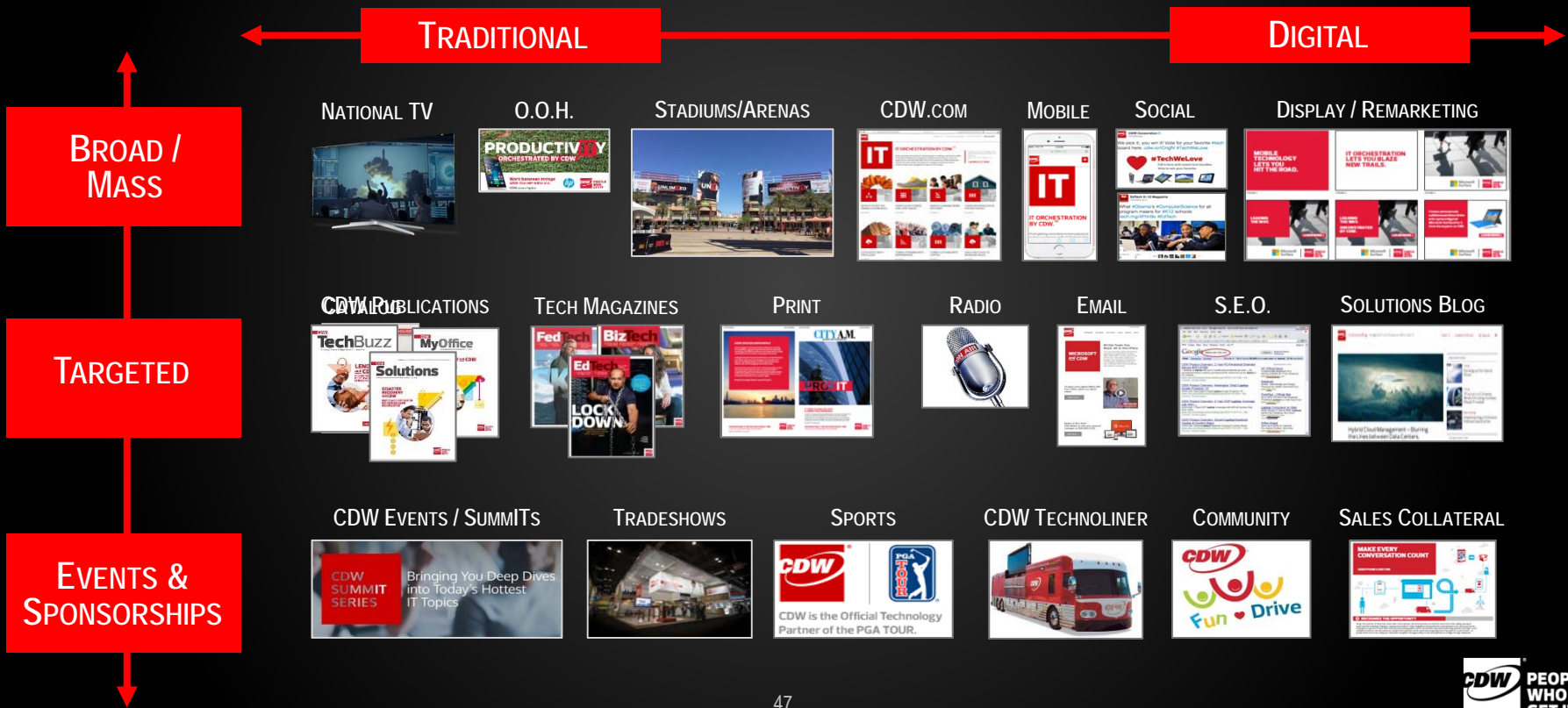
**MANIACAL  
SALES  
ENABLEMENT**

# OUR BEGINNINGS: CDW MARKETING IN THE 80s





# TODAY: INDUSTRY'S MOST COMPREHENSIVE, END-TO-END MARKETING PORTFOLIO FOR CDW AND OUR PARTNERS TO LEVERAGE



# TODAY: INDUSTRY'S MOST COMPREHENSIVE, END-TO-END MARKETING PORTFOLIO FOR CDW AND OUR PARTNERS TO LEVERAGE



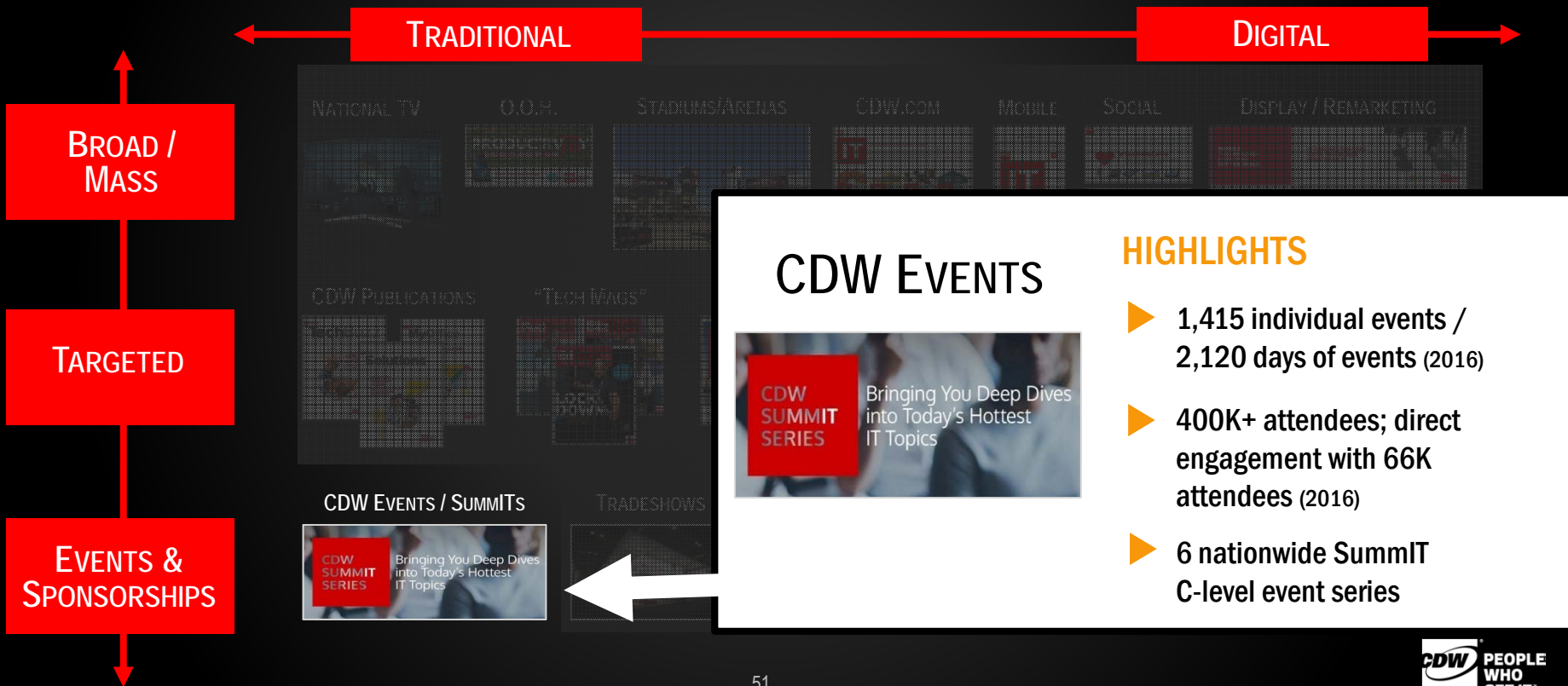




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# MARKETING STRATEGY TO DRIVE GROWTH

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MARKETING  
PORTFOLIO

2

WORLD CLASS  
DATA &  
ANALYTICS

# CDW SITS AT AN ENVIABLE CROSSROAD OF **IMMENSELY RICH, PROPRIETARY DATA SOURCES**

- **All of the leading worldwide brands** - Industry leading bellwethers as well as cutting-edge, emerging players

- **Across the entire IT solutions portfolio** (commodity IT, enterprise solutions, and custom business services)



- **Commercial and public** sectors
- **Domestic and international** markets

- **1.2M** customer phone conversations/month
- **15M** customer email conversations/month
- **25M** web clicks/month

# CDW HAS INVESTED TO BUILD WORLD CLASS CAPABILITIES TO HARNESS OUR DATA FOR COMPETITIVE ADVANTAGE



## SKILLED TALENT

- Dedicated Data Sciences and Analytics team since 2013 within marketing
- Graduate degrees in Mathematics, Computer Science, Analytics, Economics, Electrical Engineering (rep. schools: MIT, U of Chicago, Northwestern, Purdue)



## CUTTING-EDGE TOOLS

- Dedicated Hadoop cluster (incl. NiFi, Pig, Spark)
- Latest programming and statistical tools (e.g. BayesiaLab, R, Python, NLTK, pattern.en, SciPy, SkyLearn, jellyfish)
- Leading programming packages and libraries

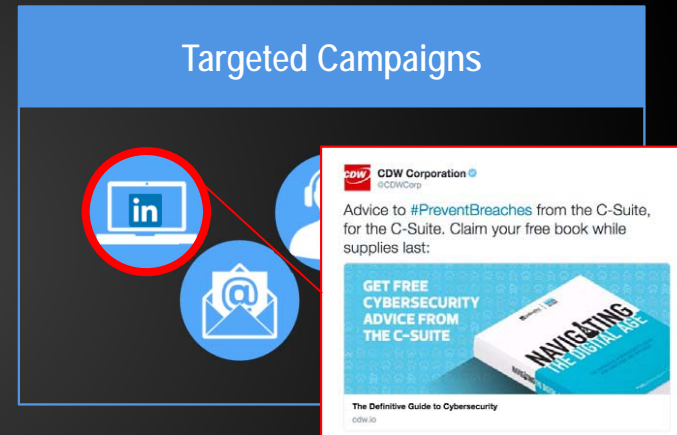
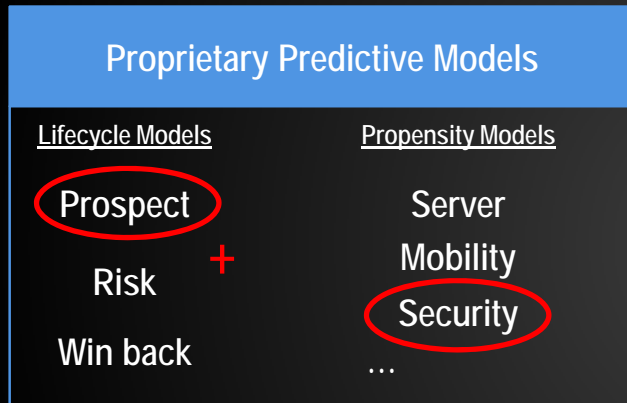


## CLEAR USE CASES

- New logo acquisition – smarter “targeting” and lead generation
- Penetration – “propensity to buy” predictive modeling
- Seller productivity
- Marketing mix optimization- impact

# USE-CASE EXAMPLE: PREDICTIVE TARGETING

BUILD REPOSITORY OF PREDICTIVE MODELS & INTEGRATE TARGETING ACROSS ALL ACTIVITIES



Driving 2x lift in orders and 7.0x lift in revenue per activity

# MARKETING STRATEGY TO DRIVE GROWTH

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DATA &  
ANALYTICS

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MANIACAL  
SALES  
ENABLEMENT



# FROM MARKETING TO SALES ENABLEMENT



Program Examples:



Addressable Market & Opportunity

Tool

"Clicks-to-Sales"  
Program

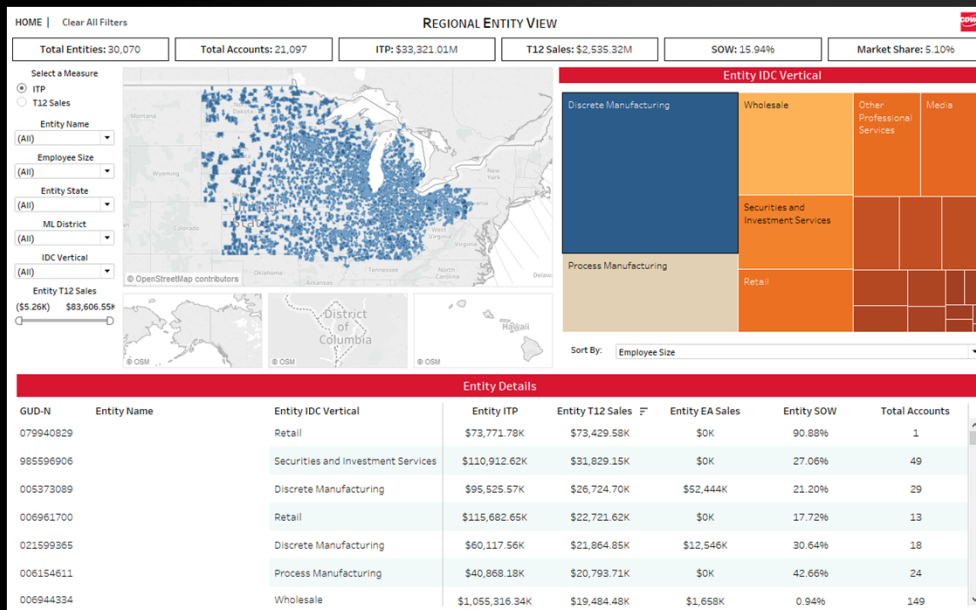
AMANDA

(Account MANager Digital Assistant)\*\*

\*\* under development

# ADDRESSABLE MARKETING & OPPORTUNITY TOOL

BEST IN CLASS DATA AND TOOL SET THAT ENABLES OPTIMAL USAGE OF SELLING RESOURCES, EFFORTS AND TIME



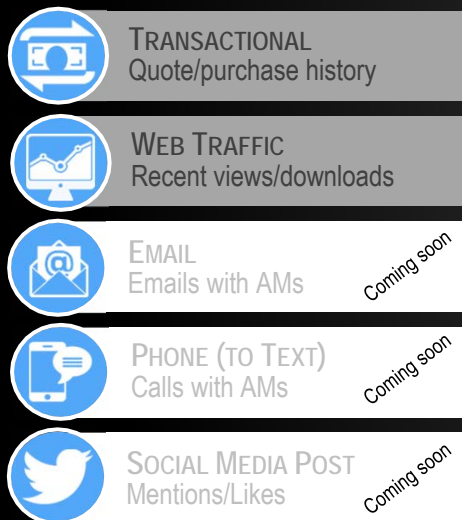
- ▶ **DATA RICH** Internal and external data
- ▶ **HYPER LOCAL** Zip code based
- ▶ **ENTITY LEVEL** Parent vs. subsidiary
- ▶ **FILTERED TARGETING** Filtered targeting across vectors:
  - Total IT wallet
  - CDW History
  - Category
  - OEM/ Brand
  - Demographics
  - Vertical

We use unmatched, best-in-class data & advanced analytics to activate our approximately 6,000 customer-facing coworker force

# “CLICKS-TO-SALES” PROGRAM

ARMING THE SELLER WITH DATA TO INCREASE THE ODDS OF SUCCESS

## Customer Footprints



## Analytic Engine



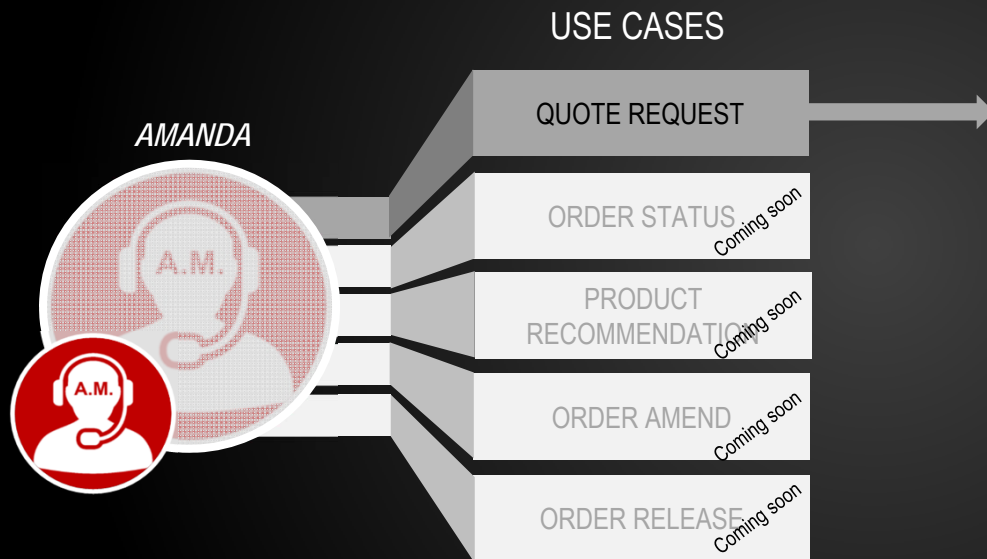
## Sales Enablement



- Individualized “hot list”
- Delivered daily
- Activity details: past 60 days
- Both AM and SM to ensure action

# AMANDA: DRIVING RESPONSIVENESS & PRODUCTIVITY

Account MANager Digital Assistant: UNDER DEVELOPMENT



- Mines unstructured email text in near real-time
- Scans various attachments (PDF, XLSX, etc.)
- Identifies high value or time sensitive customer queries – “can I get a quote for...”
- Auto-generates/populates quote form for AM review

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SALES  
ENABLEMENT**







**DOUG ECKROTE**

**SENIOR VICE PRESIDENT, SMALL BUSINESS SALES & ECOMMERCE**



# THE OPPORTUNITY



# THREE CORE SEGMENTS

**13** MILLION



BUSINESSES WITH  
**1 – 19 EMPLOYEES**

- 
- **\$1.2K** average IT spend
  - Passive & price sensitive

**576** THOUSAND



BUSINESSES WITH  
**20 – 99 EMPLOYEES**

- 
- **\$50K** average IT spend
  - Reactive & resource constrained

**64** THOUSAND



BUSINESSES WITH  
**100 – 249 EMPLOYEES**

- 
- **\$250K** average IT spend
  - Proactive & strategic

# UNIQUE BUYING PREFERENCES AND BEHAVIORS

## VALUE DRIVERS

- **100 – 249 EMPLOYEES**  
*"Be proactive and help me be strategic"*
- **20 – 99 EMPLOYEES**  
*"Help me find ways to do more with less"*
- **1 – 19 EMPLOYEES**  
*"Simple, flexible, best price"*

## SOLUTION NEEDS

- **>50%**  
INVESTED IN SECURITY, MOBILITY, CLOUD AND OFFICE PRODUCTIVITY in past 3 years
- **SAME SOLUTIONS**  
are projected top investments in next 3 years

## LIVE CHANNEL

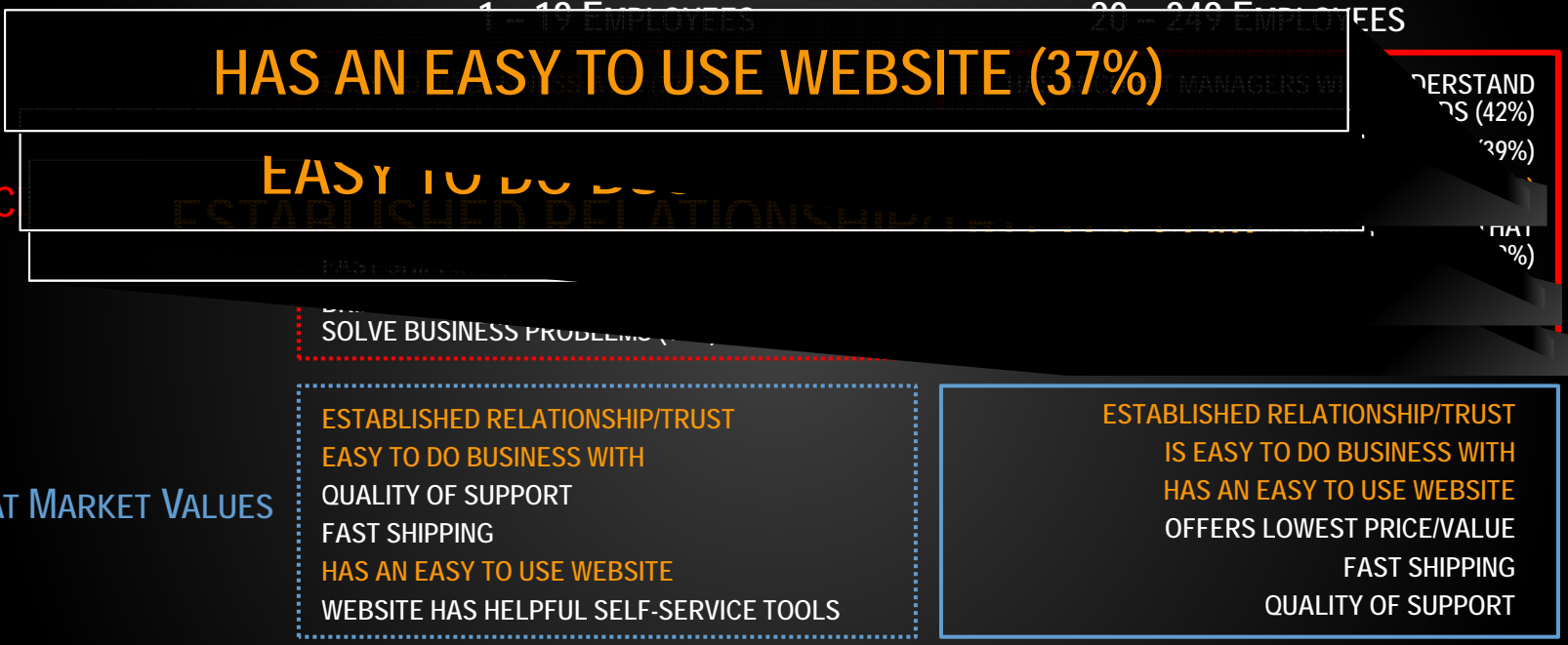
- **42%**  
OF NEW / SMALL BUSINESS PURCHASES involve speaking to a supplier representative

## DIGITAL CHANNEL

- **63%**  
BUYING PROCESS COMPLETED ONLINE before contacting the representative
- **32%**  
ASKED FOR BUYING ADVICE over social media



# CDW ADVANTAGES IN MEETING SMALL BUSINESS CUSTOMER NEEDS



WHAT MARKET VALUES

- ESTABLISHED RELATIONSHIP/TRUST
- EASY TO DO BUSINESS WITH
- QUALITY OF SUPPORT
- FAST SHIPPING
- HAS AN EASY TO USE WEBSITE
- WEBSITE HAS HELPFUL SELF-SERVICE TOOLS

- ESTABLISHED RELATIONSHIP/TRUST
- IS EASY TO DO BUSINESS WITH
- HAS AN EASY TO USE WEBSITE
- OFFERS LOWEST PRICE/VALUE
- FAST SHIPPING
- QUALITY OF SUPPORT

Market values trusted relationships and ease of doing business, which CDW offers

# THREE CORE SEGMENTS

**13** MILLION



BUSINESSES WITH  
**1 – 19 EMPLOYEES**

- **\$1.2K** average IT spend
- Passive & price sensitive

**576** THOUSAND



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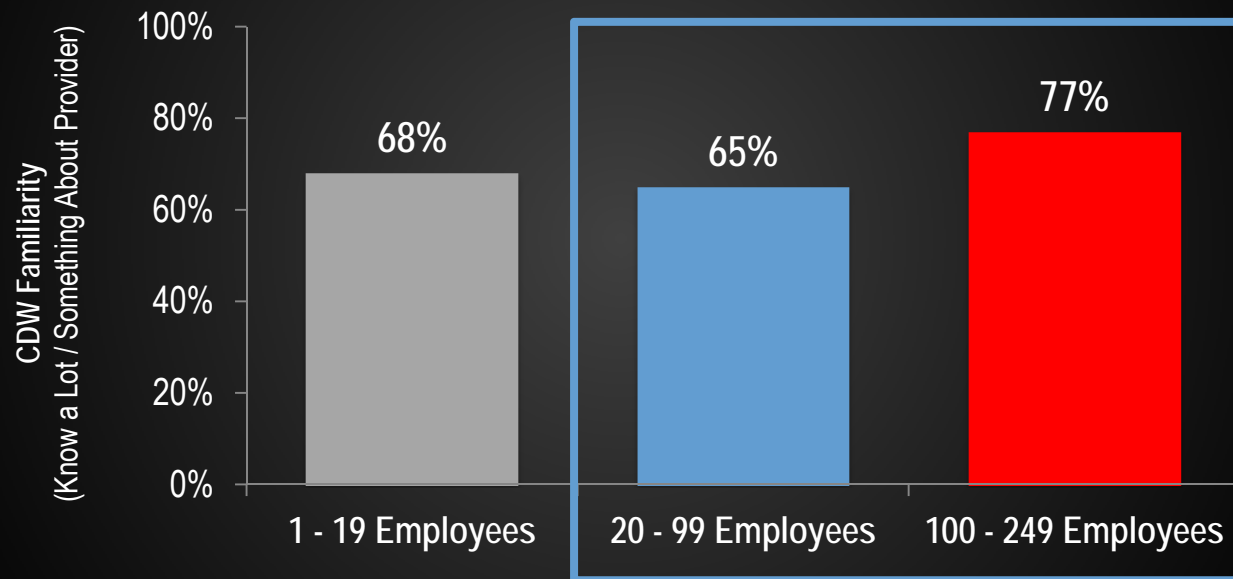
- **\$250K** average IT spend
- Proactive & strategic

← SERVE MORE CUSTOMERS PROFITABLY

OPPORTUNITIES

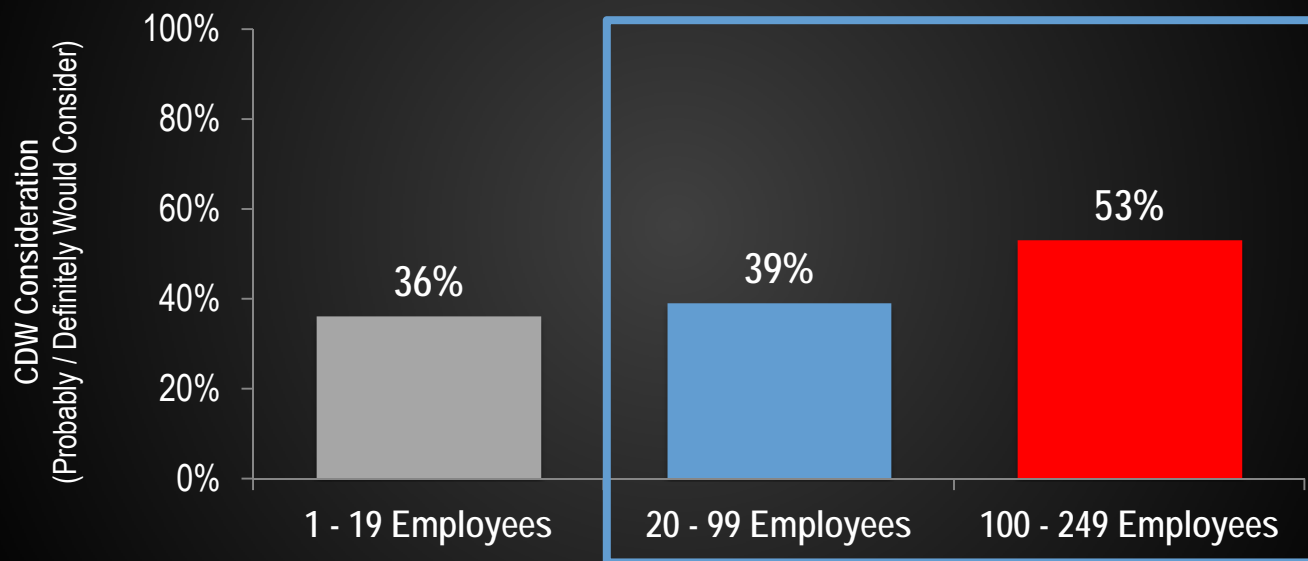
→ INCREASE SHARE OF AVERAGE SPEND

# HIGH FAMILIARITY



Source: CDW Spiceworks Small Business Profile Research

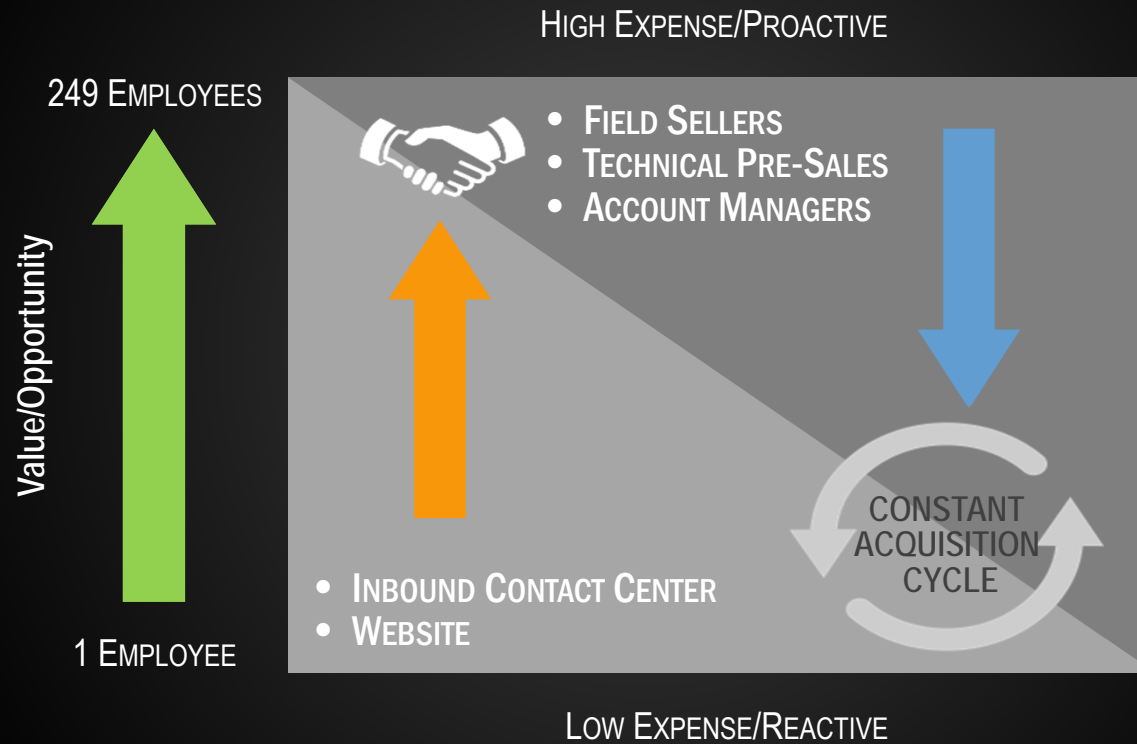
# OPPORTUNITY TO DRIVE CONSIDERATION



Source: CDW Spiceworks Small Business Profile Research



# THE CHALLENGE TO SERVE



# HARNESSING OUR POWER



13<sup>th</sup> LARGEST  
B2B WEBSITE



DEDICATED  
ACCOUNT MANAGER  
EXPERIENCE



ALIGNED PARTNER  
& TECHNICAL  
RESOURCES

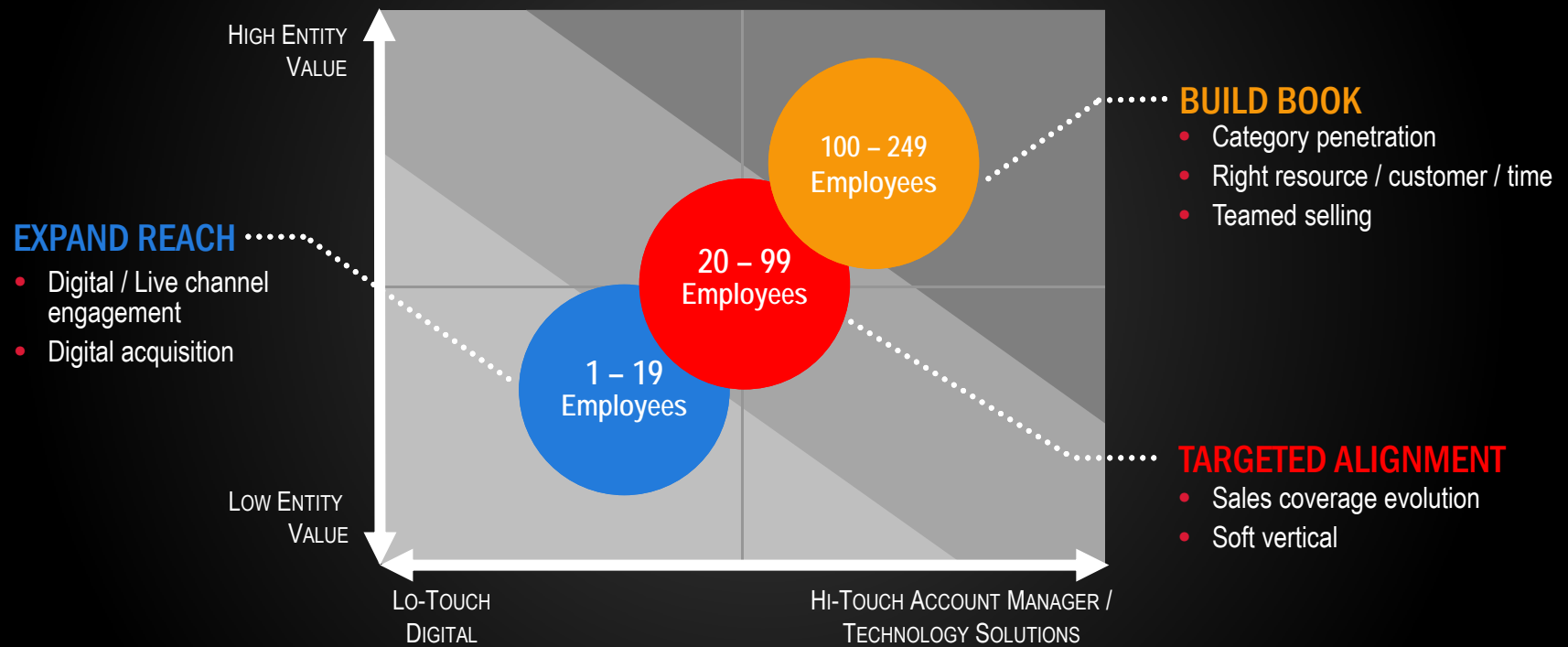


ECOMMERCE  
BUSINESS

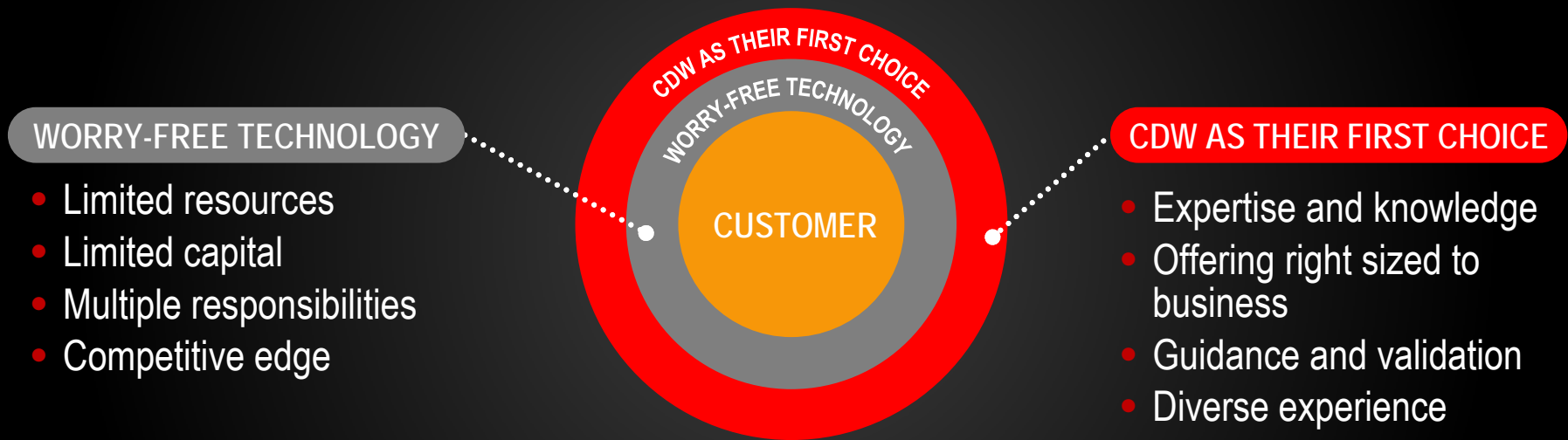


INBOUND SELLING  
ORGANIZATION

# BUILDING A PROFITABLE APPROACH



# DELIVERING VALUE THROUGH SMALL BUSINESS







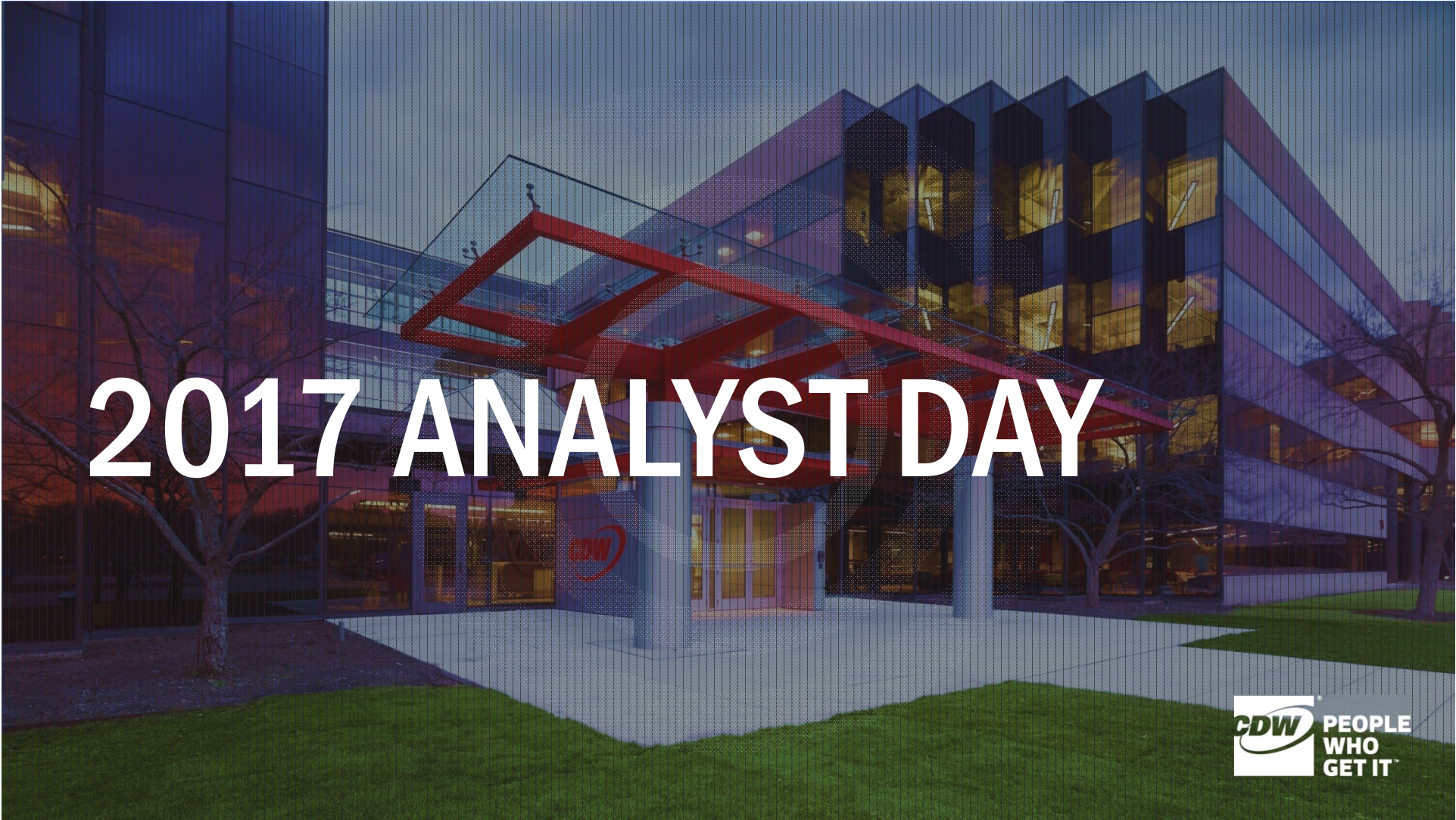
# SESSION 1 Q&A







# COFFEE BREAK



# 2017 ANALYST DAY







**CHRIS LEAHY**

**SENIOR VICE PRESIDENT, INTERNATIONAL**

# WELL POSITIONED TO WIN ACROSS THE US



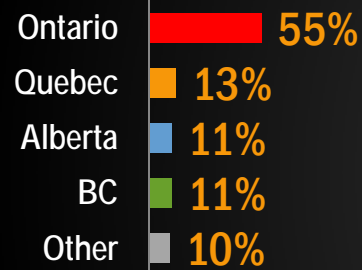
# ENTER CANADIAN MARKET



# ABOUT CDW CANADA

## OUR REACH

### Key Markets



### Fulfillment & Services

- Distribution partners
- Services partners

## REVENUES

670 MM \$CAD

## OUR COWORKERS

430+

Total coworkers

300+

Customer-facing

## OUR MIX

27%  
Public



73%  
Corporate

43%  
Solutions



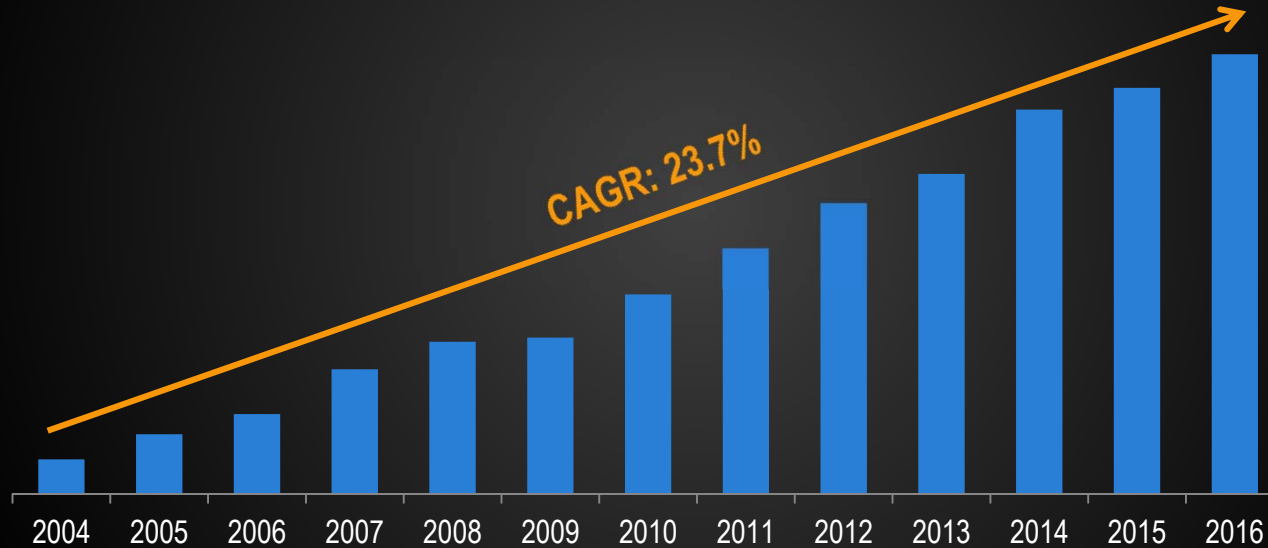
57%  
Transactional

#1 IT Solutions Provider in Canada for 4<sup>th</sup> Consecutive Year

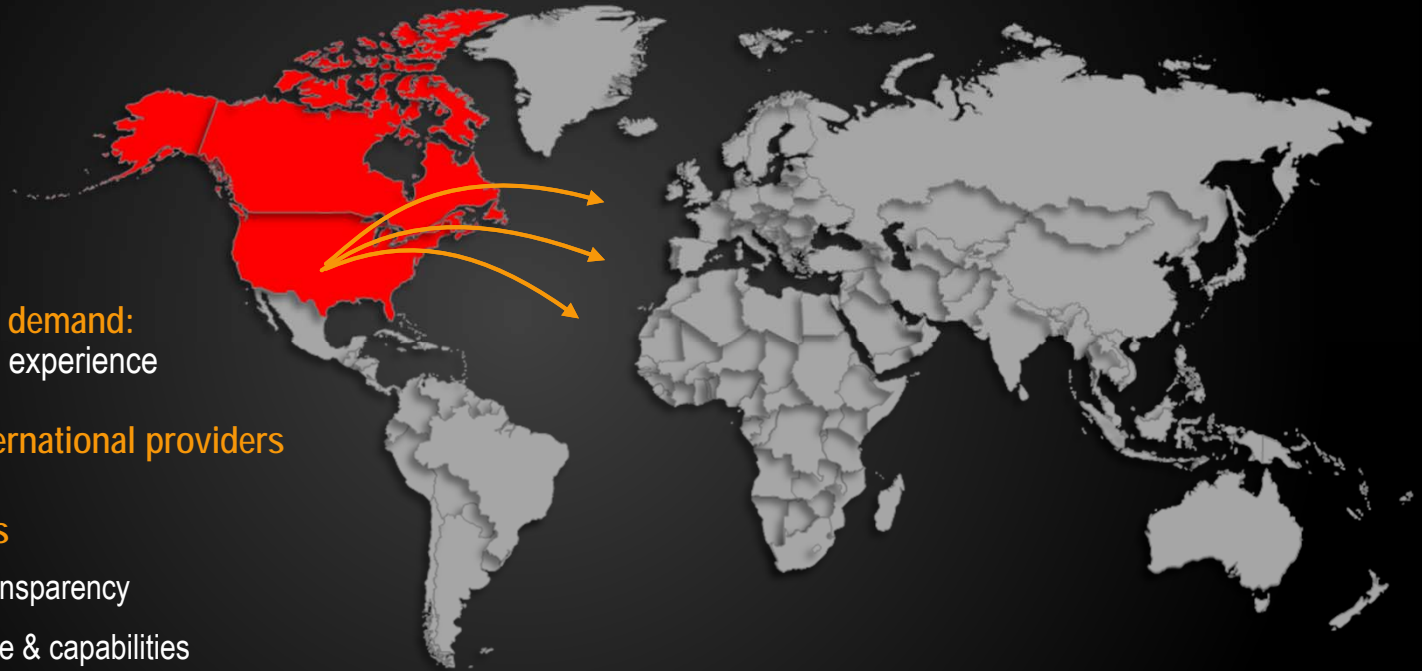


# CANADA'S TRACK RECORD OF SUCCESS

Canada Annual Net Sales



# SOLVING FOR OUR CUSTOMER'S INTERNATIONAL NEEDS



- ▶ **Significant customer demand:**  
seamless international experience
- ▶ **No single-source international providers**
- ▶ **Customer pain points**
  - Lack of visibility & transparency
  - Lack of local expertise & capabilities
  - Lack of consistency in service levels & experience

# JOURNEY TO INTERNATIONAL

## UNDERSTAND MARKET DEMAND



CDW / Kelway  
partnership



CDW acquires  
35% of Kelway



CDW acquires  
100% of Kelway



Kelway becomes  
CDW UK



Grow international  
capabilities



Scale  
internationally

Become "One Company" to our coworkers, customers & partners

Simplified world, orchestrated by CDW

# ABOUT CDW UK

## OUR REACH

Physical Presence

Key Markets: EMEA & Asia Pacific

Export

100+ Countries

Services & Fulfillment

- Central Distribution & Configuration Center
- Service Operations Center

## 2016 REVENUES

£630 MM

## OUR COWORKERS

1,000+

Total coworkers

800+

Customer-facing

## OUR MIX

17%  
Public



83%  
Corporate

35%  
Transactional



65%  
Solutions

Delivered excellent growth and profitability in 2016

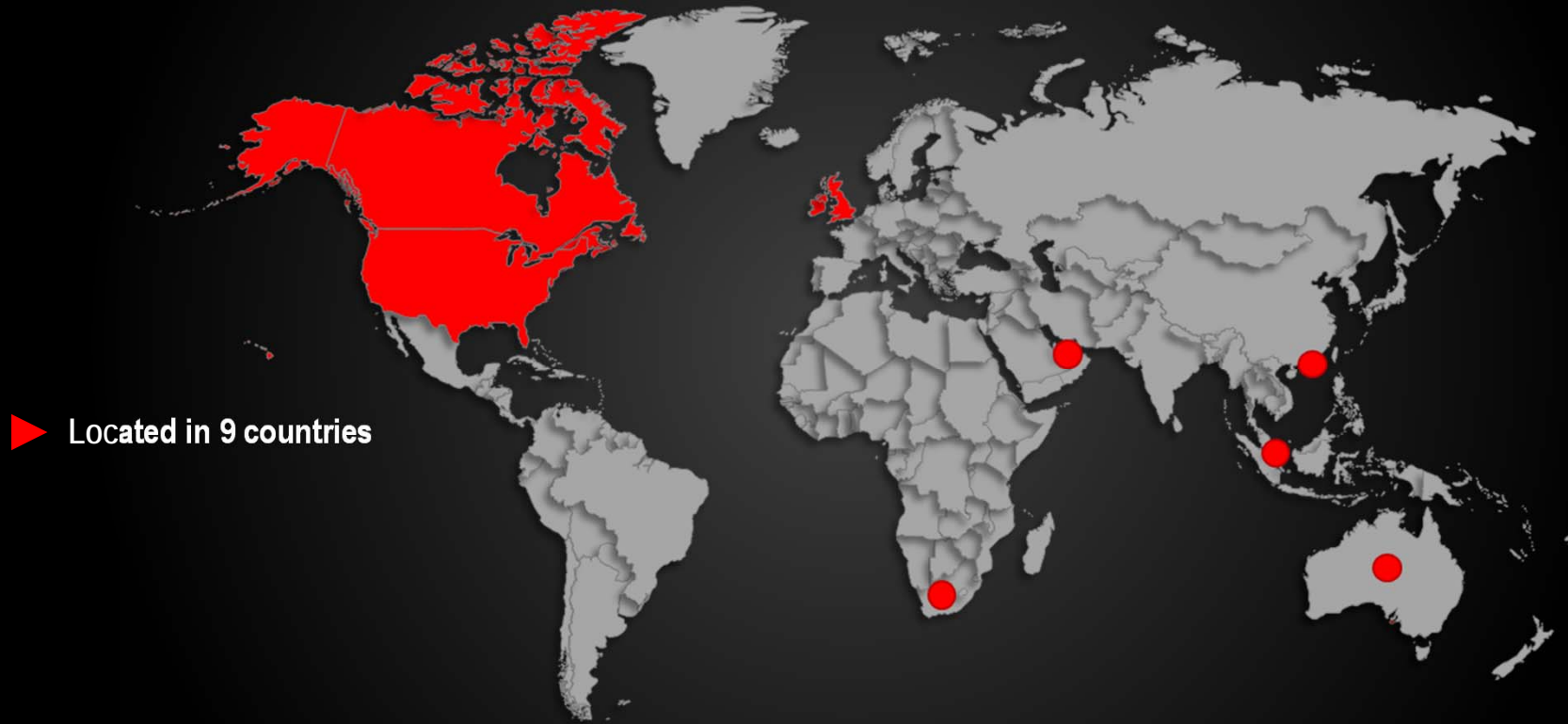
# SIMPLIFIED WORLD, **ORCHESTRATED BY CDW**



CDW reduces the risk, cost and complexity of procuring, deploying and integrating technology internationally.

By combining local knowledge with true expertise in international logistics, we deliver consistent, service driven solutions to our global customers.

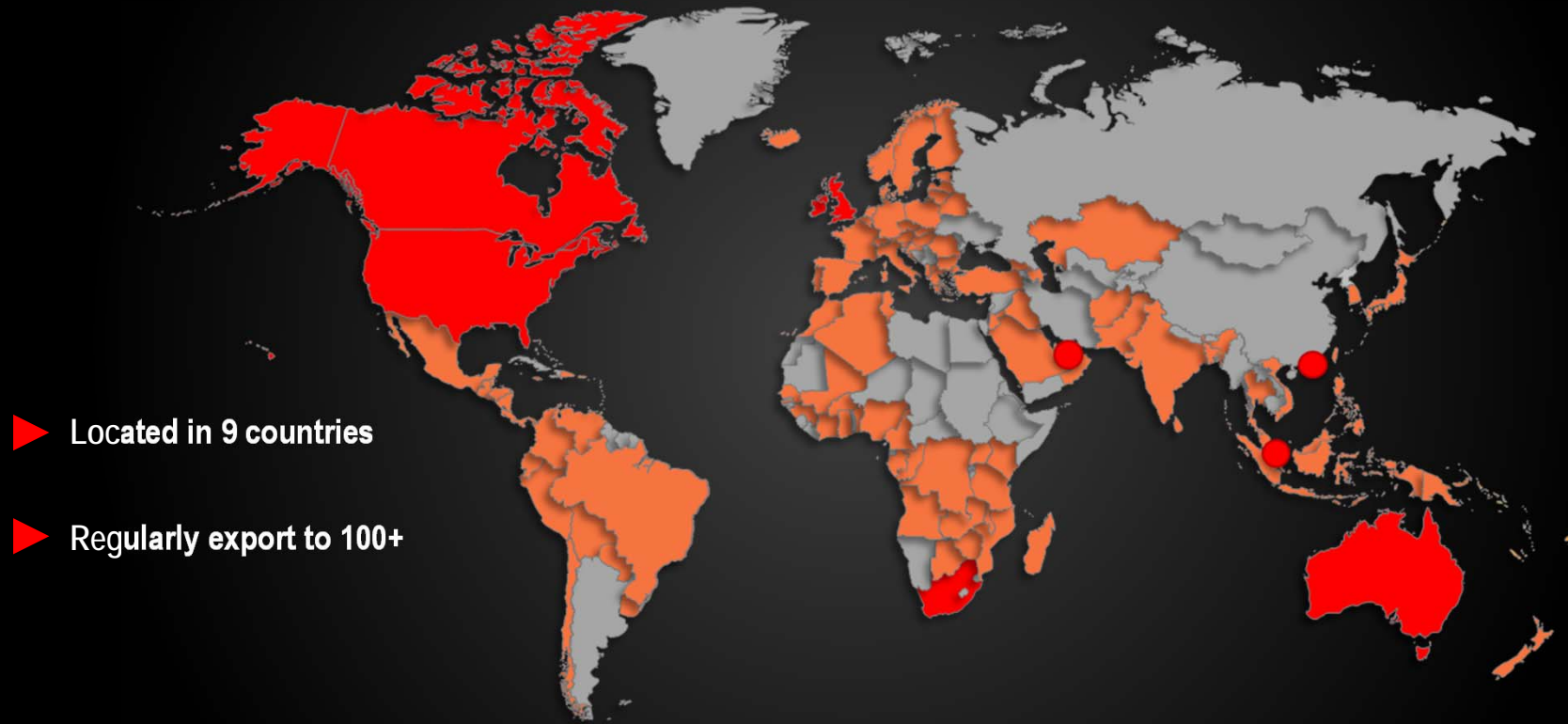
# EXPANDING OUR INTERNATIONAL PRESENCE TO SERVE CUSTOMERS



▶ Located in 9 countries

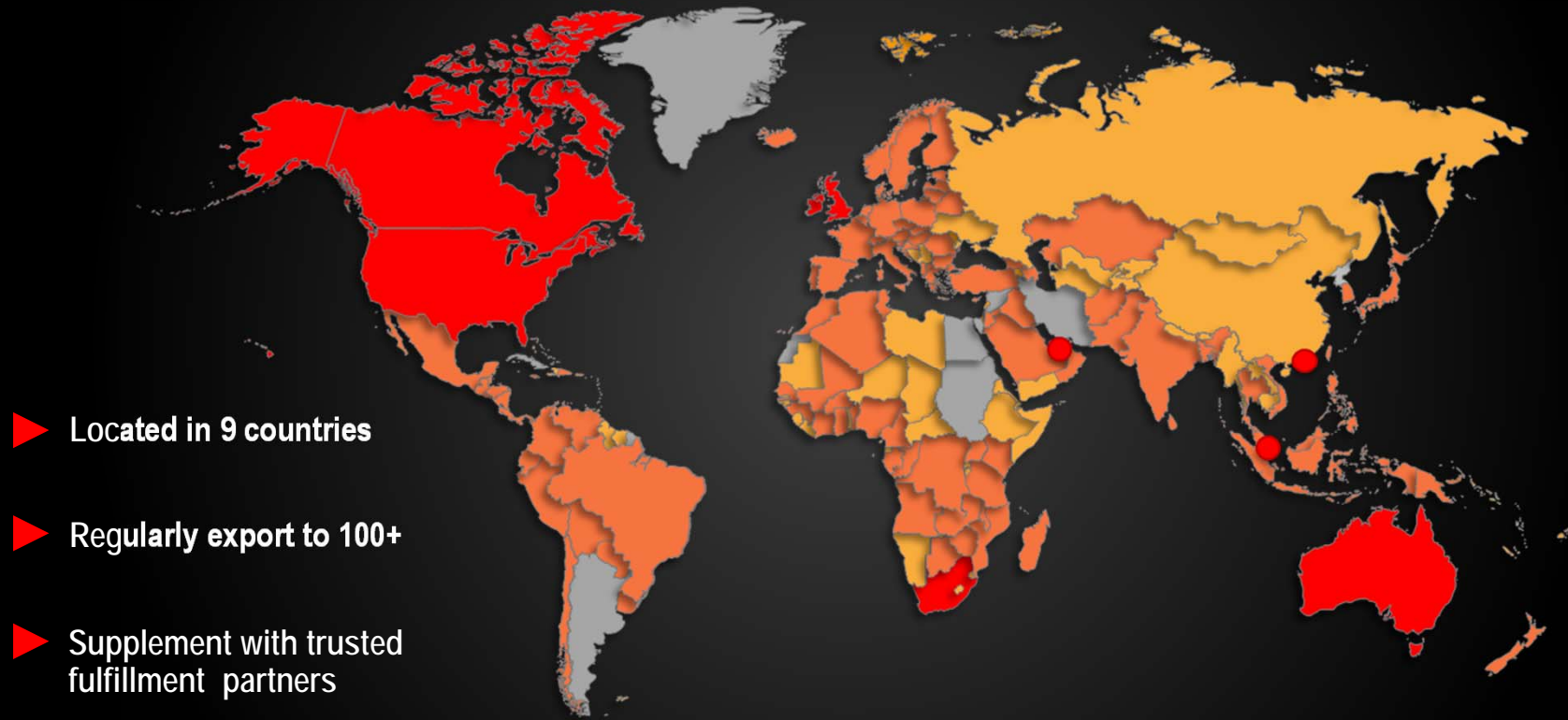


# EXPANDING OUR INTERNATIONAL PRESENCE TO SERVE CUSTOMERS



- ▶ Located in 9 countries
- ▶ Regularly export to 100+

## EXPANDING OUR INTERNATIONAL PRESENCE TO SERVE CUSTOMERS



Video Placeholder

## INTERNATIONAL ORCHESTRATION

“ CDW is positioned perfectly ‘in the middle’ between the global providers who don’t have the local expertise & presence and local providers who don’t have the global scale & reach. ”

US CUSTOMER &  
PROSPECTIVE INTERNATIONAL CUSTOMER

# DIFFERENTIATED VALUE FOR MULTI-NATIONAL CUSTOMERS



# THINKING FORWARD



Maximize current opportunities

Support customers where they want us to be

Scale to meet demand in market

Our customers'  
preferred technology partner  
*wherever they do business*





A man in a blue button-down shirt stands in a meeting room, gesturing towards a whiteboard. He is smiling and appears to be presenting. In the foreground, the backs of several people are visible as they sit around a table with laptops, listening to the presentation. The room has large windows in the background.

**NEAL CAMPBELL**

**SENIOR VICE PRESIDENT, STRATEGIC SOLUTIONS & SERVICES**

# TECHNOLOGY IS NOT PREDICTABLE

" There is no reason for any individual to have a computer in his home. "

**KEN OLSEN**

CHAIRMAN AND FOUNDER,  
DIGITAL EQUIPMENT CORPORATION

1977 (40 years ago)

" 640K ought to be enough for anybody. "

**BILL GATES**

CO-FOUNDER,  
MICROSOFT

1981 (36 years ago)

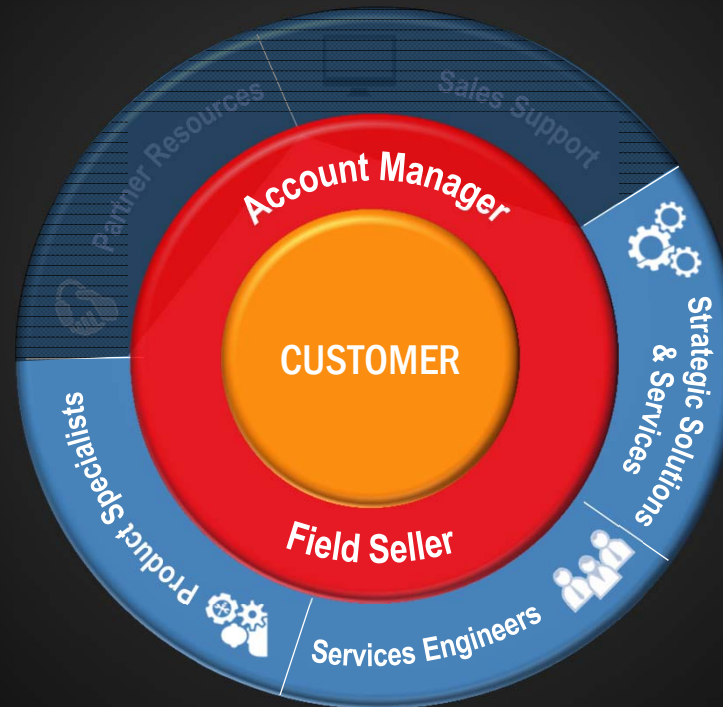
" 500 dollars? Fully subsidized? With a plan? I said that is the most expensive phone in the world, and it doesn't appeal to business customers because it doesn't have a keyboard. "

**STEVE BALLMER**

CEO,  
MICROSOFT  
ON THE INTRODUCTION OF THE FIRST IPHONE

2007 (10 years ago)

# FROM SELF-SUFFICIENT SELLER TO ORCHESTRATOR OF RESOURCES



# STRATEGIC SOLUTIONS & SERVICES SIMPLIFYING COMPLEXITY



## CLOUD

- Cloud Planning Services
- World class portfolio
- Migration, Integration and Managed



## SECURITY

- Architecture and Design
- Advisory Services
- Managed Security



## SOFTWARE

- Software Lifecycle Advisory Services
- Design and Optimization Services
- Portfolio Management

## SERVICES



- IT Advisory Service
- IT Architecture Services
- IT Managed Services



## DIGITAL WORKSPACE

- Network Solutions
- Consult, Design and Architect
- Comm, Mobility and Productivity



## DATA CENTER

- Hybrid Consultancy
- Converged and Hyper-converged Infrastructure
- Software Defined Data Center

## FLEXIBILITY AND CAPABILITY FROM EXPERTISE

**2,000**

coworkers on  
the S3 Team

**770<sup>+</sup>**

specialists and architects across  
North America

**7.3**

average years with  
CDW

**5,400<sup>+</sup>**

certifications

**150<sup>+</sup>**

ITIL certifications

**880<sup>+</sup>**

technology engineers

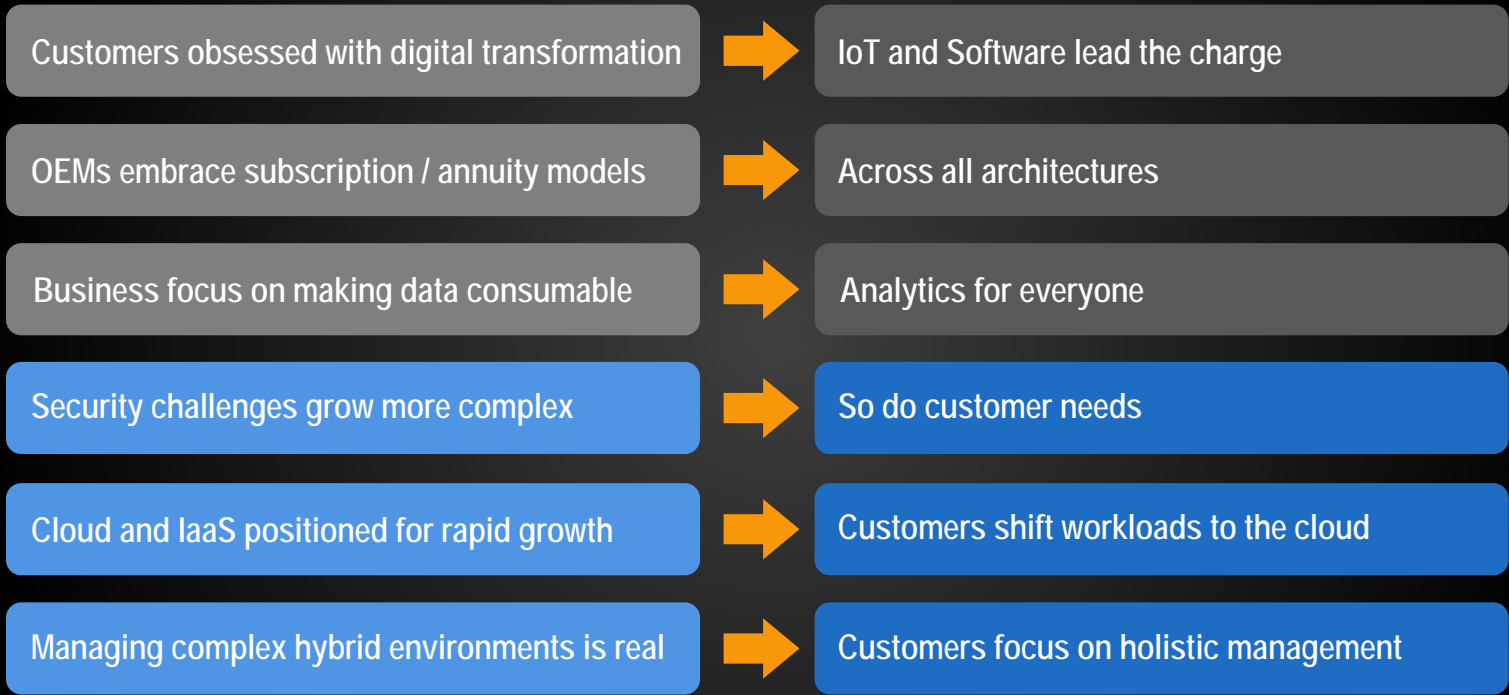


# WHAT WE DO FOR OUR CUSTOMER

CDW makes complex technology challenges simple

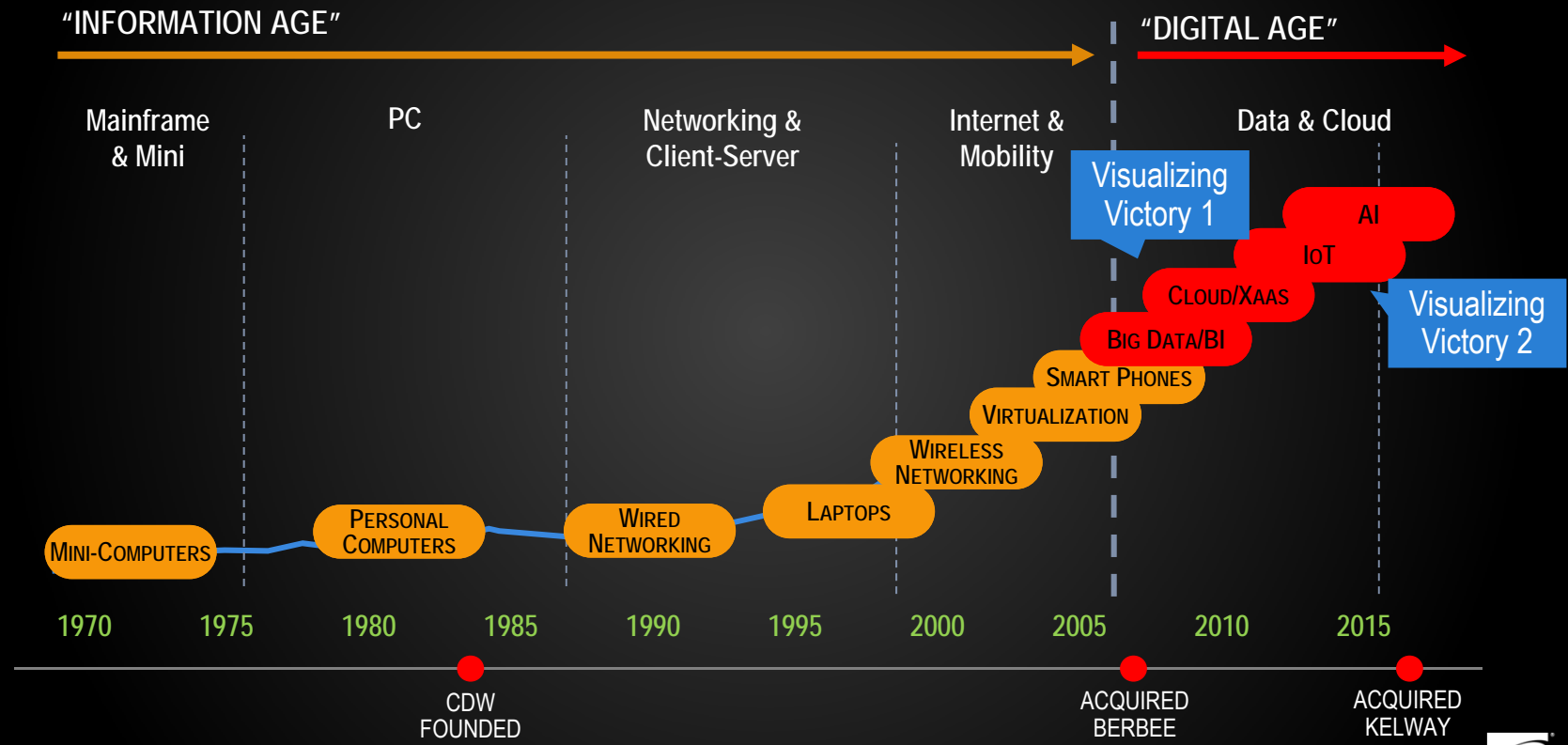


# MARKET OBSERVATIONS





# EVOLUTION OF THE IT INDUSTRY



# EVOLVING PRACTICE AREAS AND INVESTMENTS

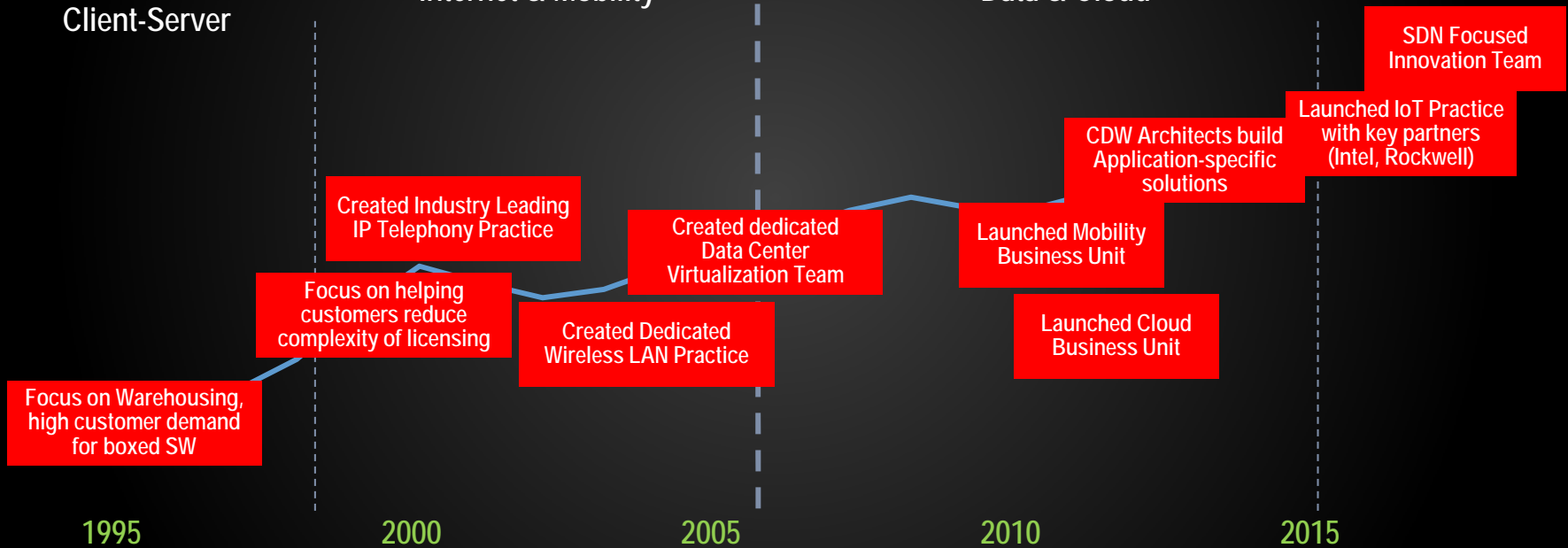
"INFORMATION AGE"

"DIGITAL AGE"

Networking & Client-Server

Internet & Mobility

Data & Cloud



# CDW DIFFERENCE TECHNOLOGY EXPERIENCE CENTER

TEC takes the guesswork out of investing in new technologies



See the newest technologies built as integrated solutions



Compare alternative solutions side by side



Explore the latest innovations to help you solve business problems



**TECHNOLOGY**

**EXPERIENCE**

**CENTER**



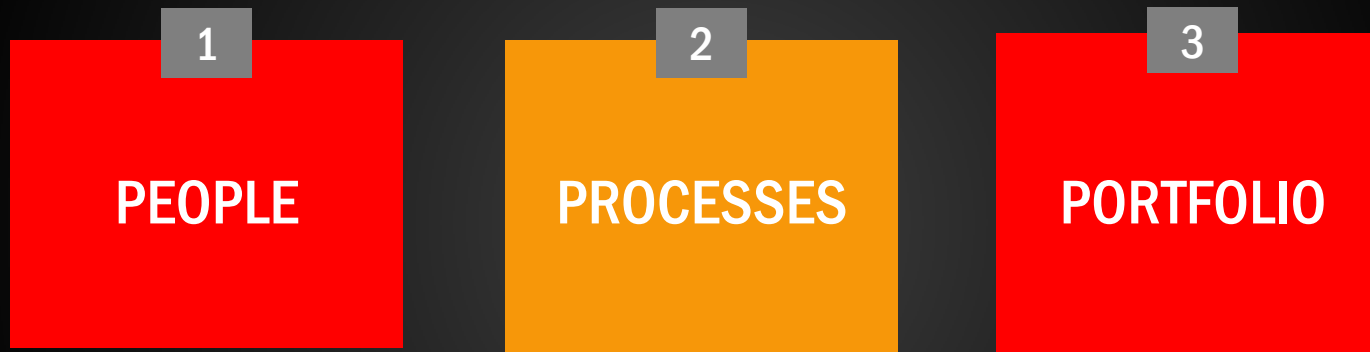
# FOCUS AND EXECUTION DRIVE RESULTS

	Customer Spend Growth 2014-2016 <sup>1</sup>	Projected 2014-2016 Market CAGR <sup>2</sup>
Data Center	8%	3%
UCC	15%	7%
Security	24%	7%
Mobility	23%	7%
Cloud	70%	29%
Services	14%	3%

<sup>1</sup> CDW CAGR based on the 2014-2016 customer spend

<sup>2</sup> IDC as of June 2016 CDW U.S. Addressable Market

# S3 STRATEGY TO DRIVE GROWTH







A man and a woman are in a server room. The woman is pointing at a server rack. The man is looking at the server rack. The server room has many server racks and cables. The background is dark with some red lighting on the left.

**SADIK AL-ABDULLA**

**DIRECTOR, SECURITY SOLUTIONS**

# SECURITY?





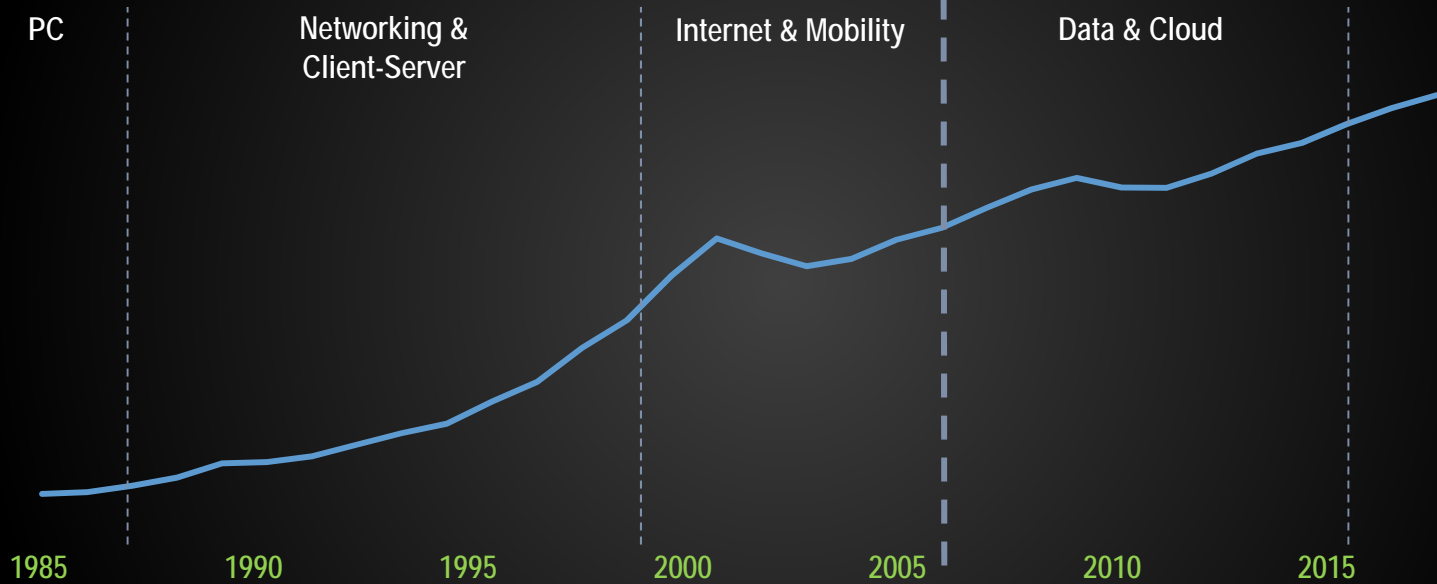
# SECURITY?



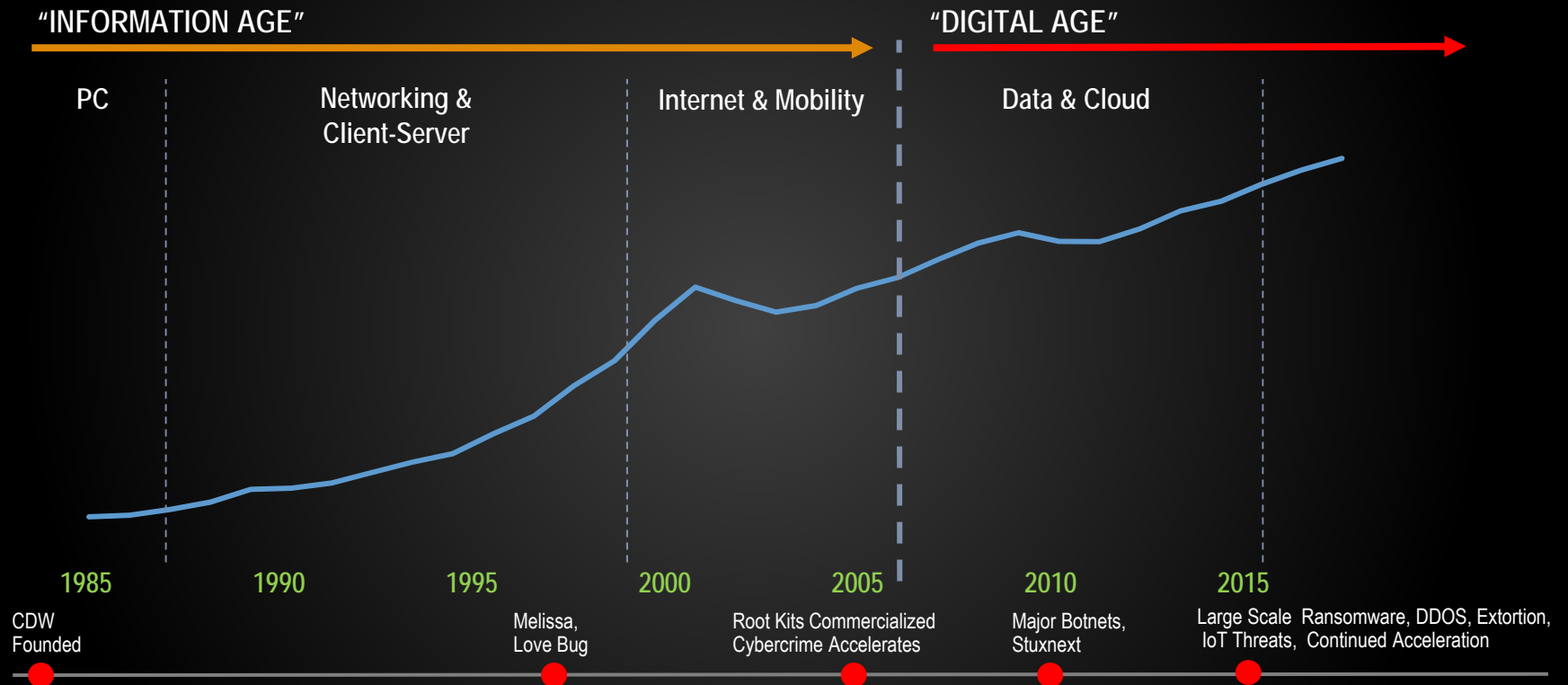
# IT SECURITY INDUSTRY EVOLUTION

"INFORMATION AGE"

"DIGITAL AGE"



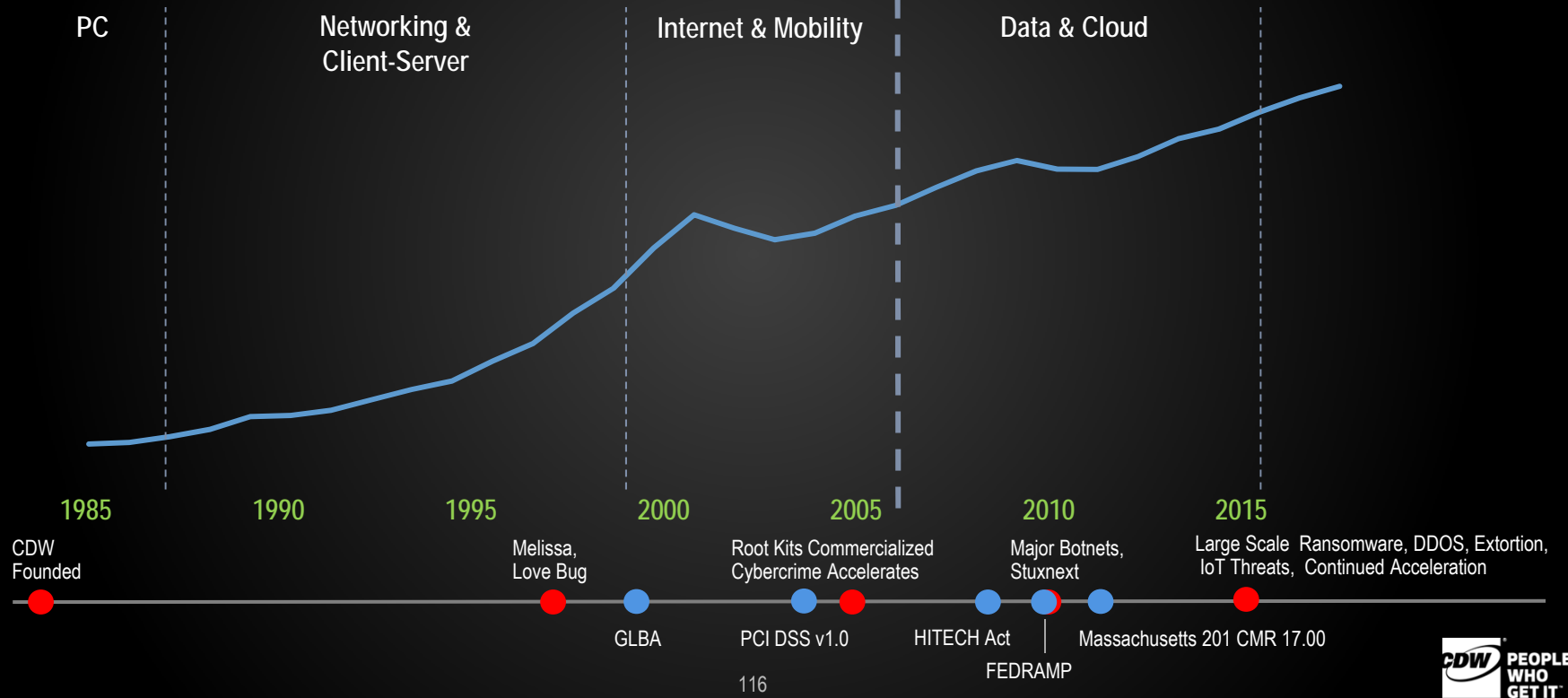
# IT SECURITY INDUSTRY EVOLUTION



# IT SECURITY INDUSTRY EVOLUTION

"INFORMATION AGE"

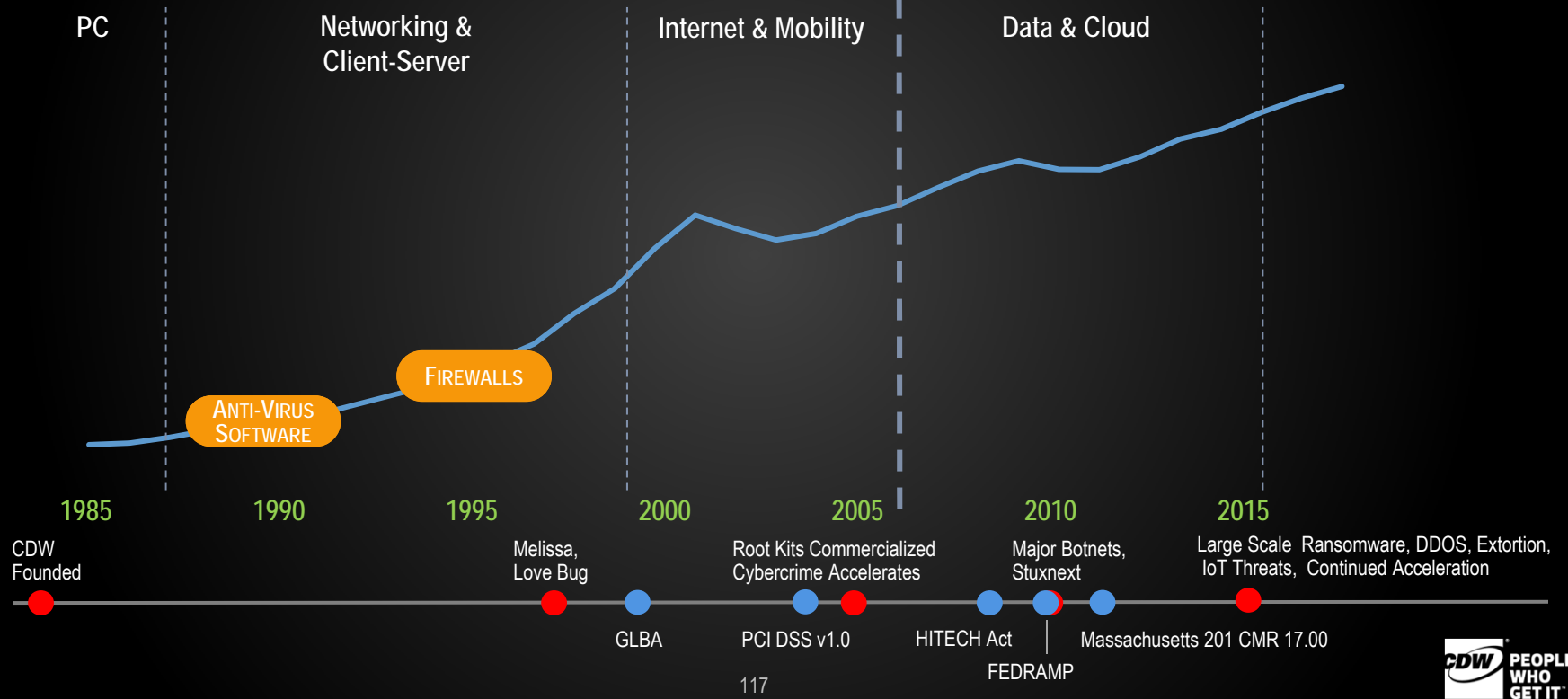
"DIGITAL AGE"



# IT SECURITY INDUSTRY EVOLUTION

"INFORMATION AGE"

"DIGITAL AGE"

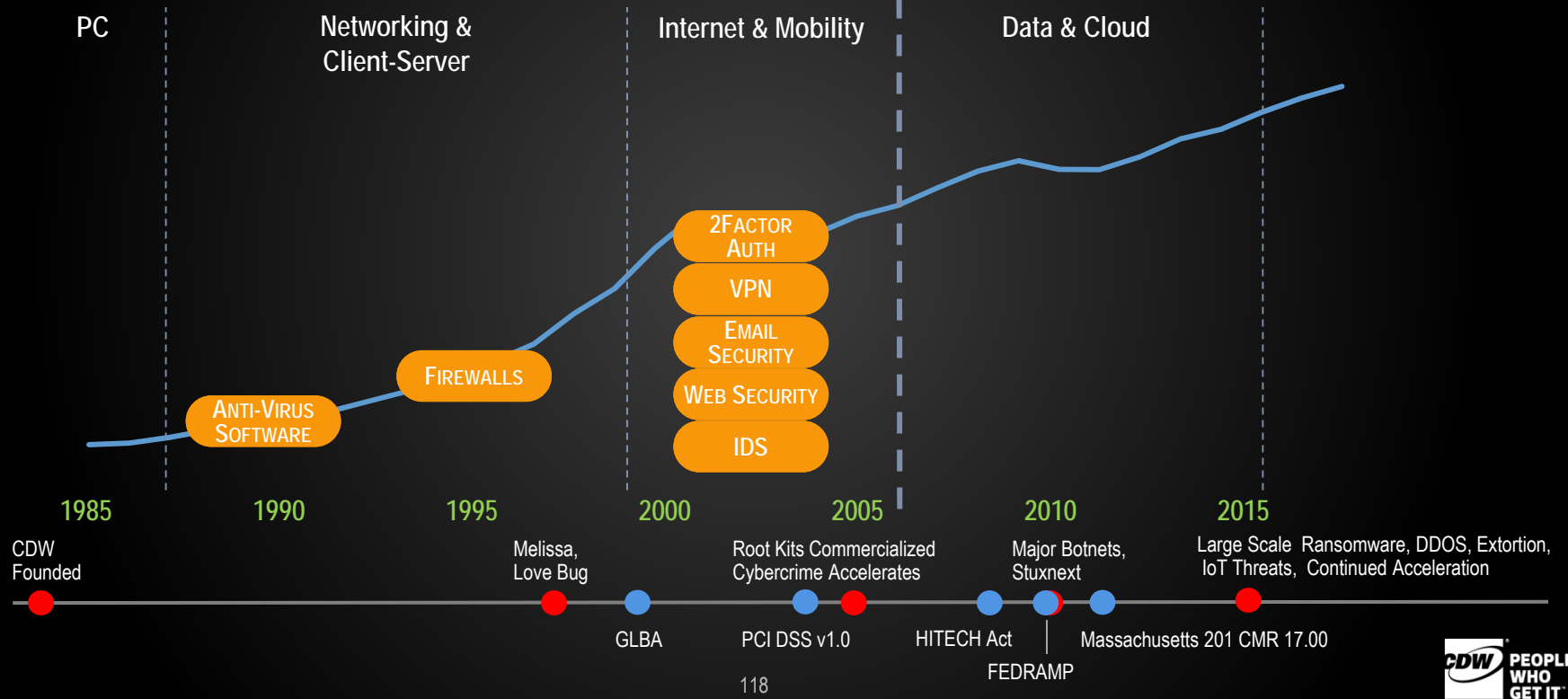




# IT SECURITY INDUSTRY EVOLUTION

"INFORMATION AGE"

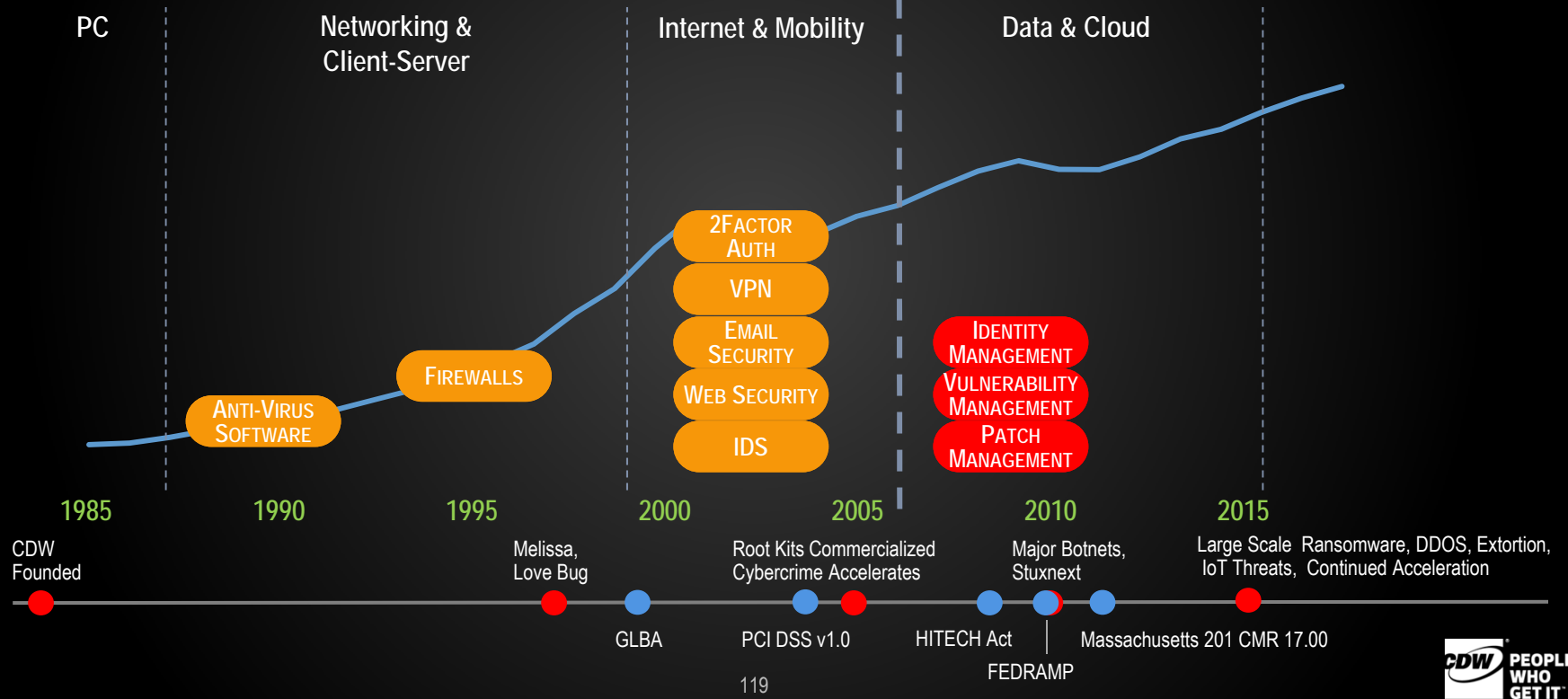
"DIGITAL AGE"



# IT SECURITY INDUSTRY EVOLUTION

"INFORMATION AGE"

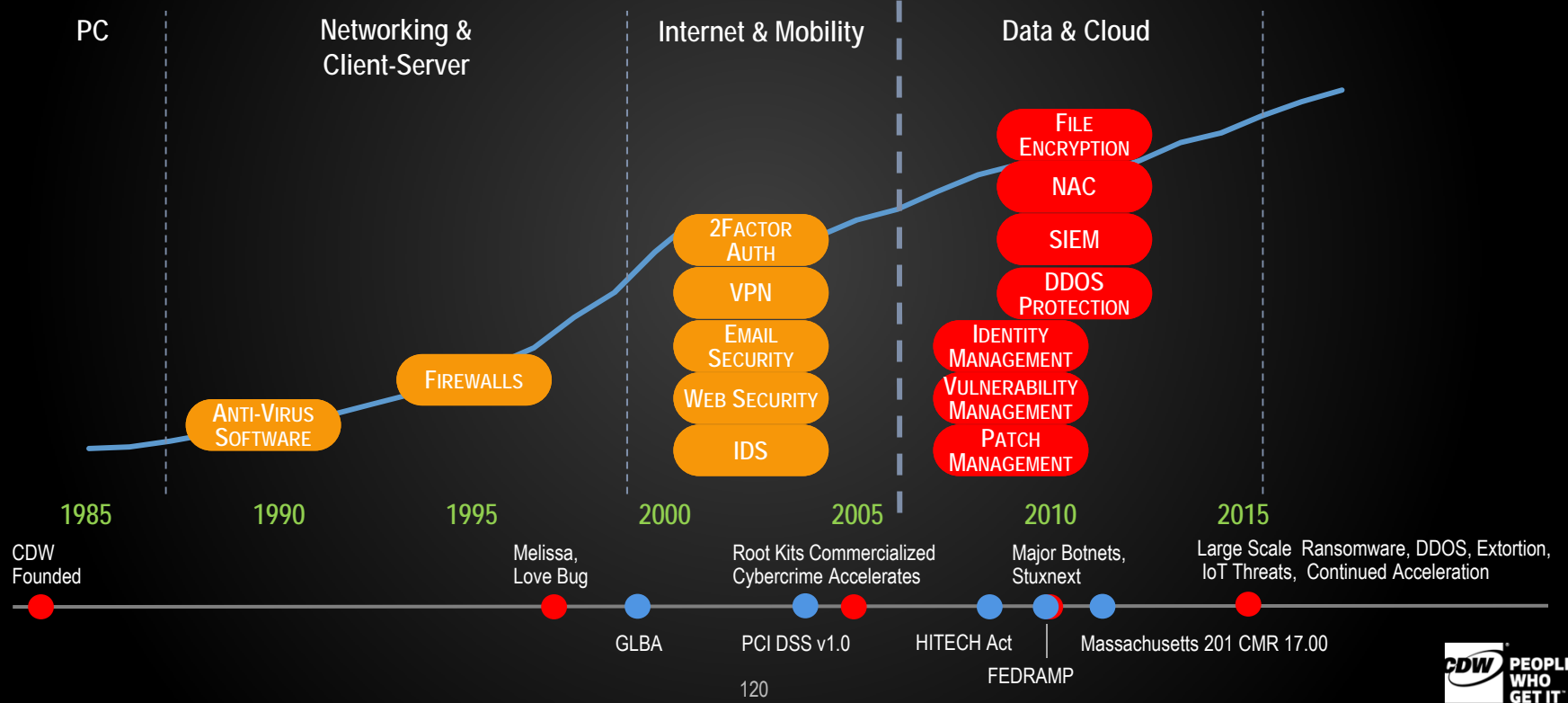
"DIGITAL AGE"



# IT SECURITY INDUSTRY EVOLUTION

"INFORMATION AGE"

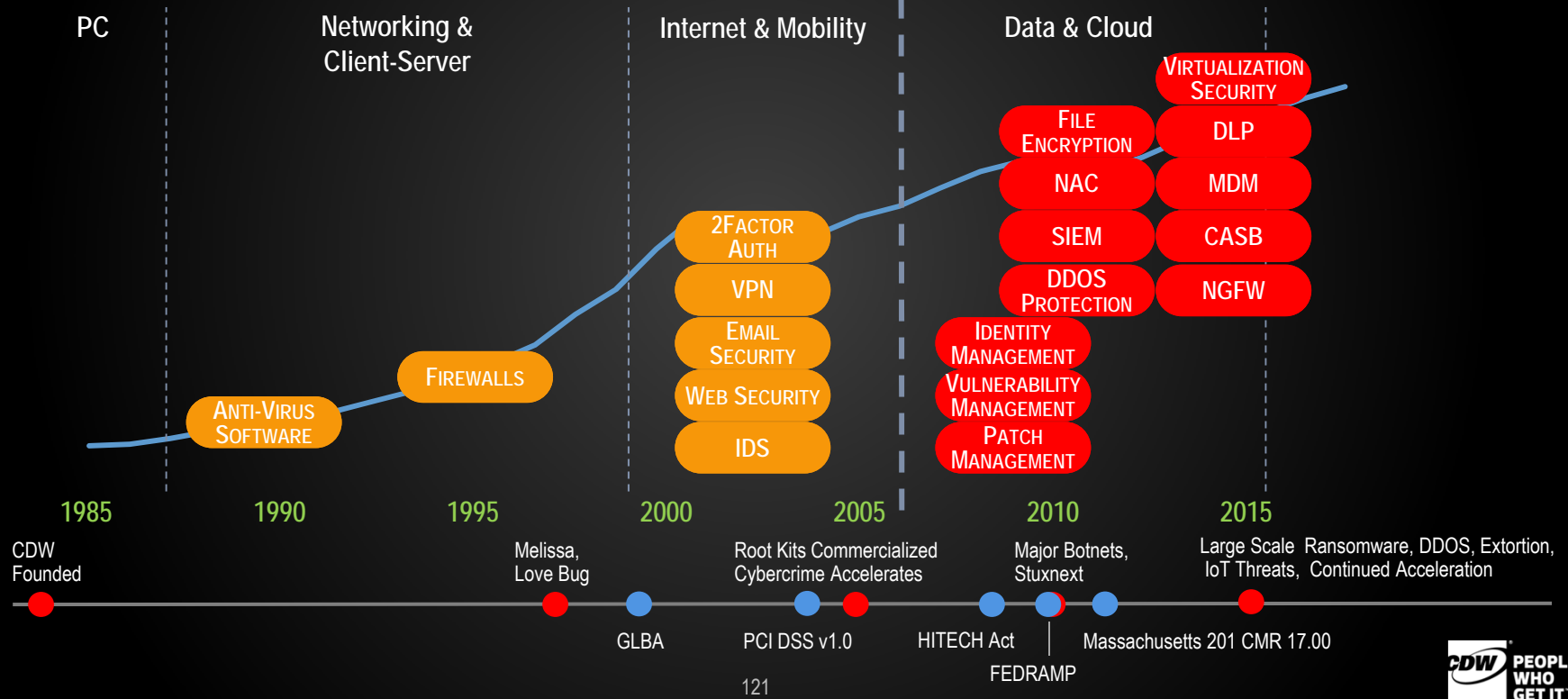
"DIGITAL AGE"



# IT SECURITY INDUSTRY EVOLUTION

"INFORMATION AGE"

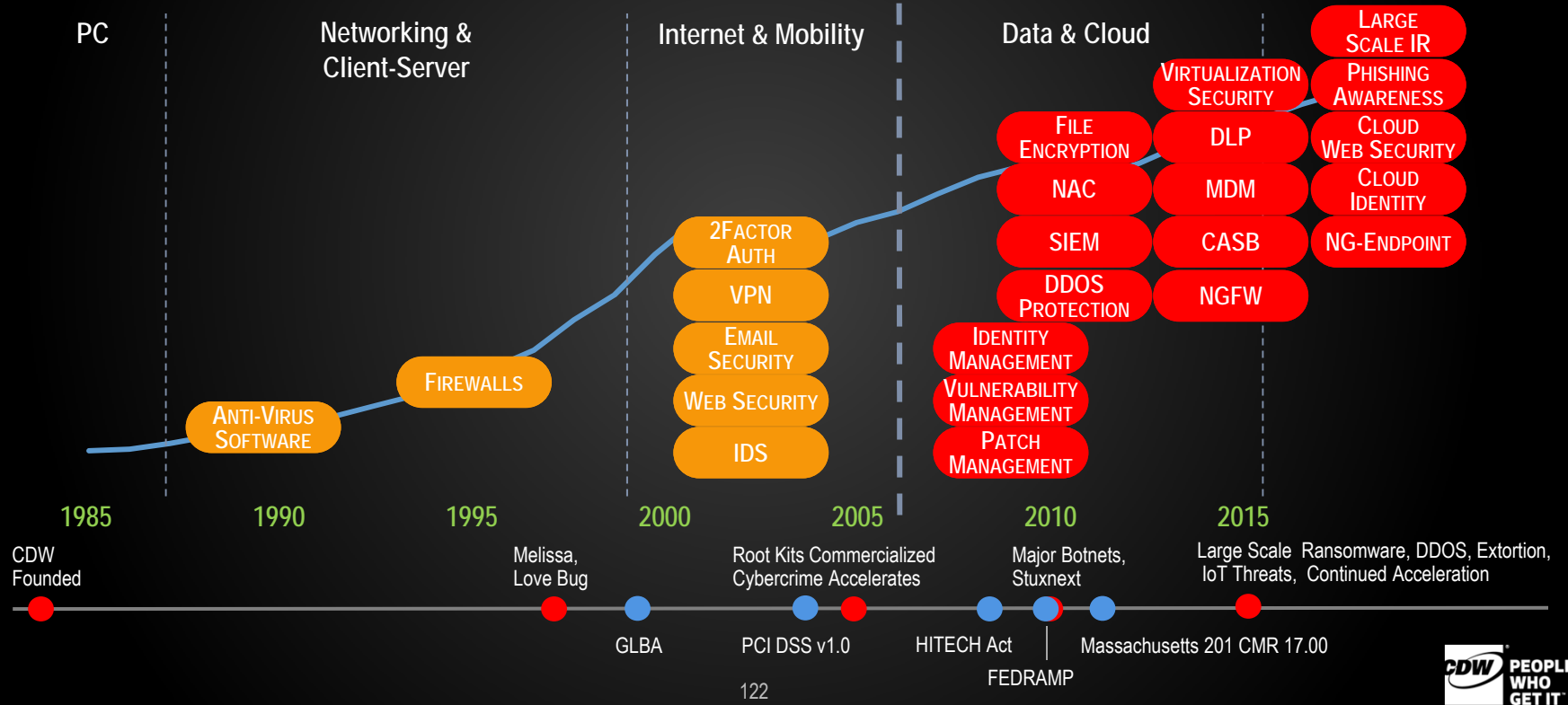
"DIGITAL AGE"



# IT SECURITY INDUSTRY EVOLUTION

"INFORMATION AGE"

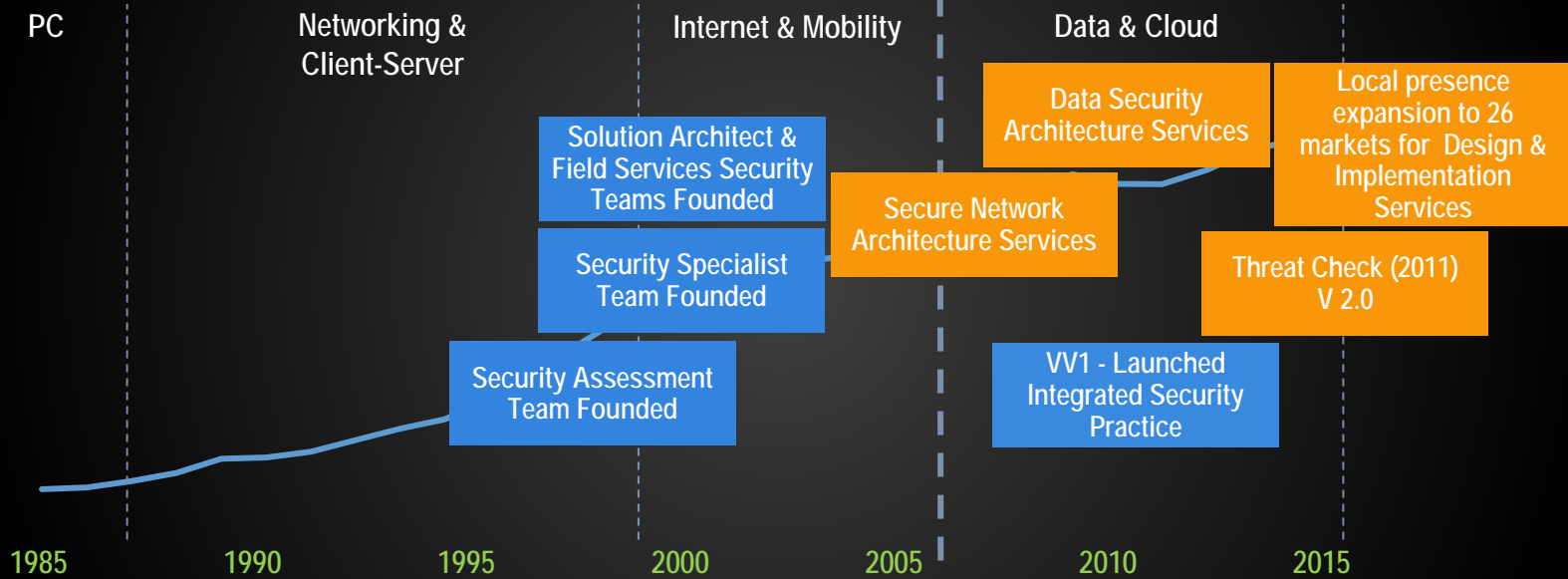
"DIGITAL AGE"



# HOW CDW SECURITY HAS EVOLVED

"INFORMATION AGE"

"DIGITAL AGE"



# CUSTOMERS NEED TRUSTED ADVISOR TO NAVIGATE COMPLEXITY OF MANAGING RISK







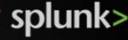
































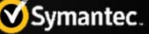









# THE CDW SECURITY ADVANTAGE: COMPLETE PORTFOLIO



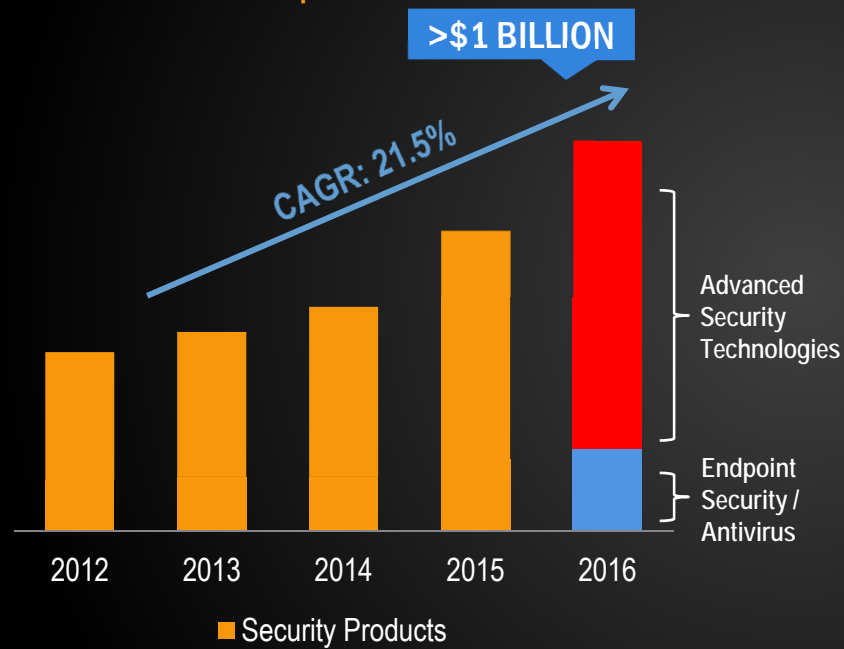
Only CDW delivers this level of expertise at scale beyond large enterprise

# BROAD AND DEEP SECURITY PORTFOLIO

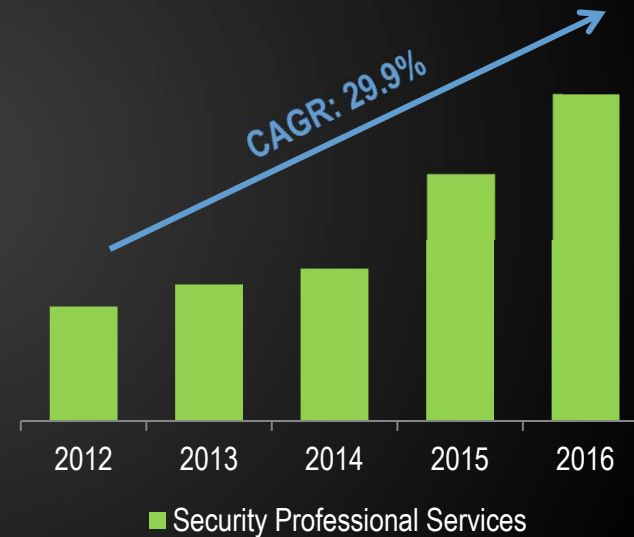
ENDPOINT SECURITY	  	SIEM & ANALYTICS	  
NEXT GEN FIREWALL & IPS	  	DLP	 
EMAIL SECURITY	  	NAC	 
WEB SECURITY	   	VULNERABILITY ASSESSMENT	
TWO-FACTOR AUTHENTICATION	  	VIRTUALIZATION	  
IAM	 	NETWORK APT	  
CASB	   	AWARENESS TRAINING	 
DDOS	 	INCIDENT RESPONSE	 
		SSL DECRYPTION	  

# TRACK RECORD OF SECURITY SUCCESS

Product Customer Spend

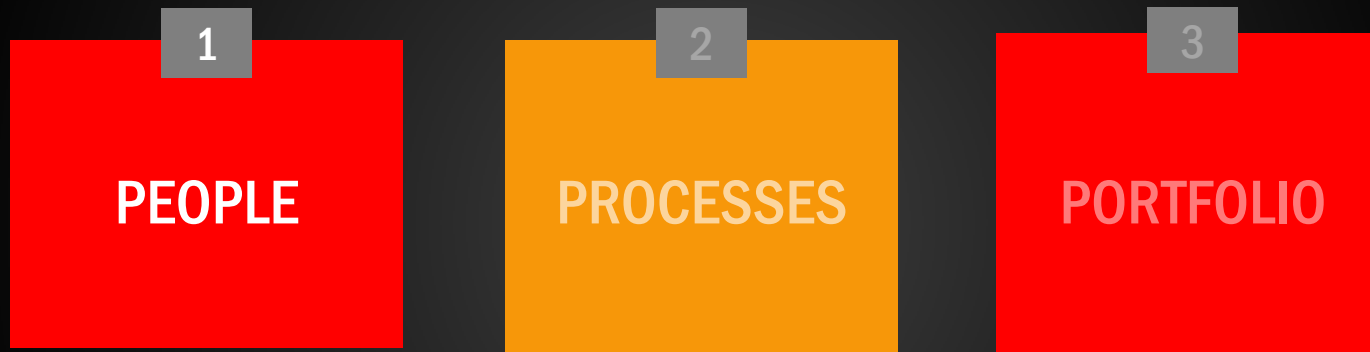


Services Customer Spend



\*Based on current definitions

# S3 STRATEGY TO DRIVE GROWTH







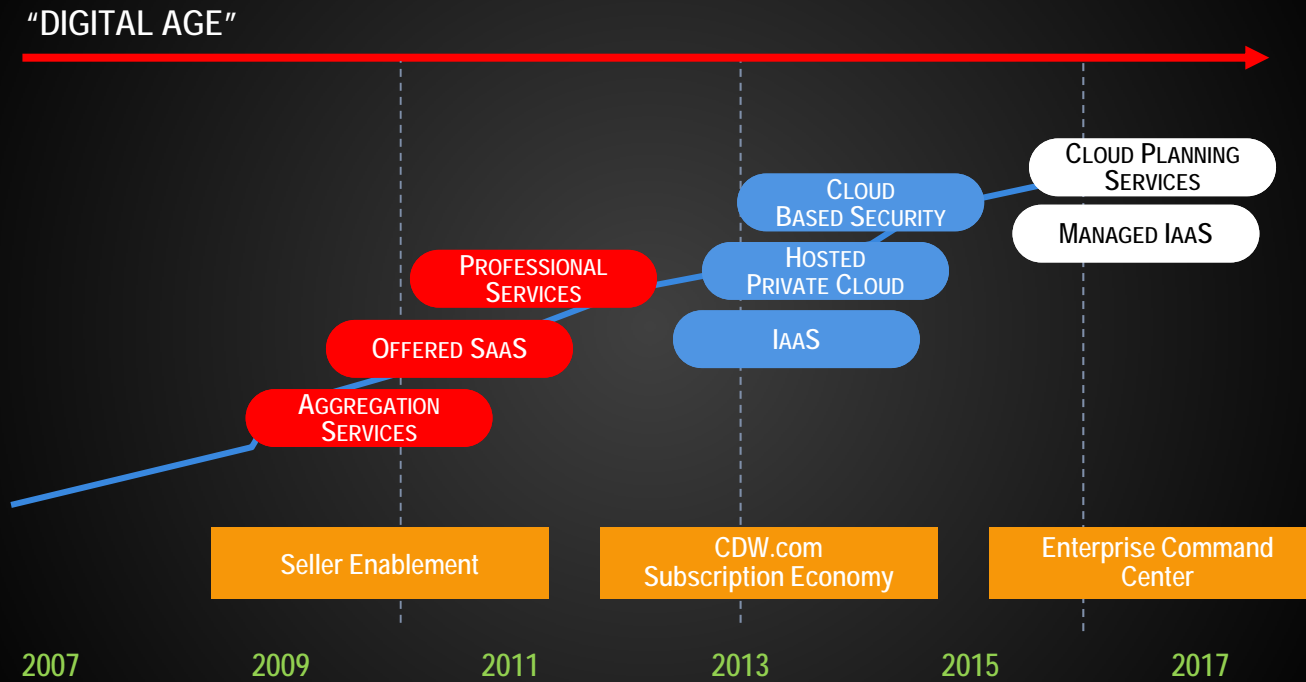


**STEPHEN BRAAT**

**VICE PRESIDENT, CLOUD & MANAGED SOLUTIONS**



# CDW'S CLOUD EVOLUTION





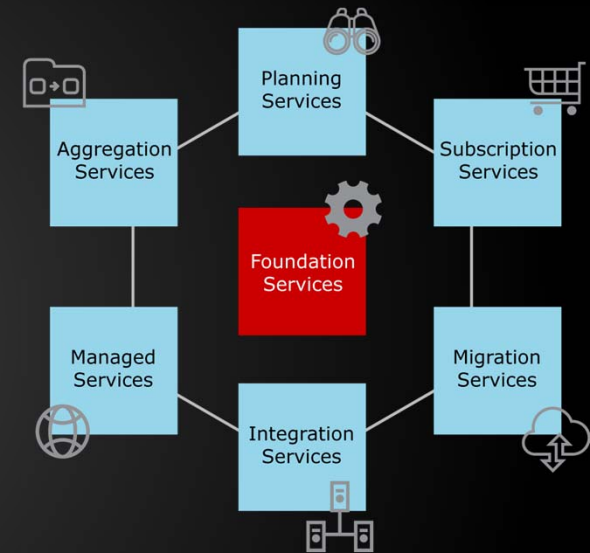
# DELIVERING VALUE IN THE CLOUD



ALIGNED WITH  
CUSTOMER NEEDS



BREADTH AND DEPTH  
OF CLOUD PORTFOLIO



SERVICES ACROSS  
CLOUD LIFECYCLE

# ALIGNED WITH CUSTOMER NEEDS

THE VOICE OF CUSTOMERS INFORMS OUR CLOUD STRATEGY AND DIRECTION



- ▶ Flexibility is the #1 attribute customers seek when deploying Cloud.
- ▶ 59% of IT decision makers will not purchase cloud services without a risk-mitigated plan to migrate and integrate the workloads.
- ▶ Whether an organization uses a consultancy, an analyst firm, a vendor or does their own TCO-ROI forecast, 53% of all models are off by more than 10%

CDW's Cloud 401 Report © CDW 2014

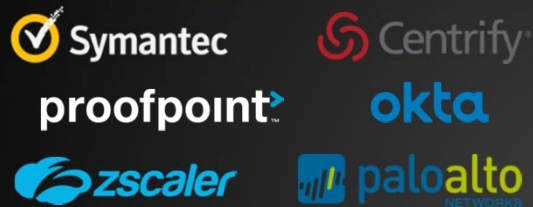
CLOUD COWORKERS WHO ARE CUSTOMER-FACING

approximately  
**85%**



# BROAD AND DEEP CLOUD PORTFOLIO

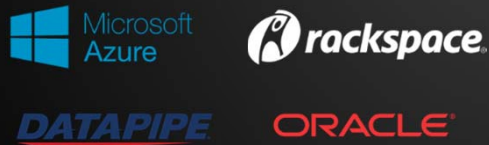
## SECURITY



## DIGITAL WORKSPACE



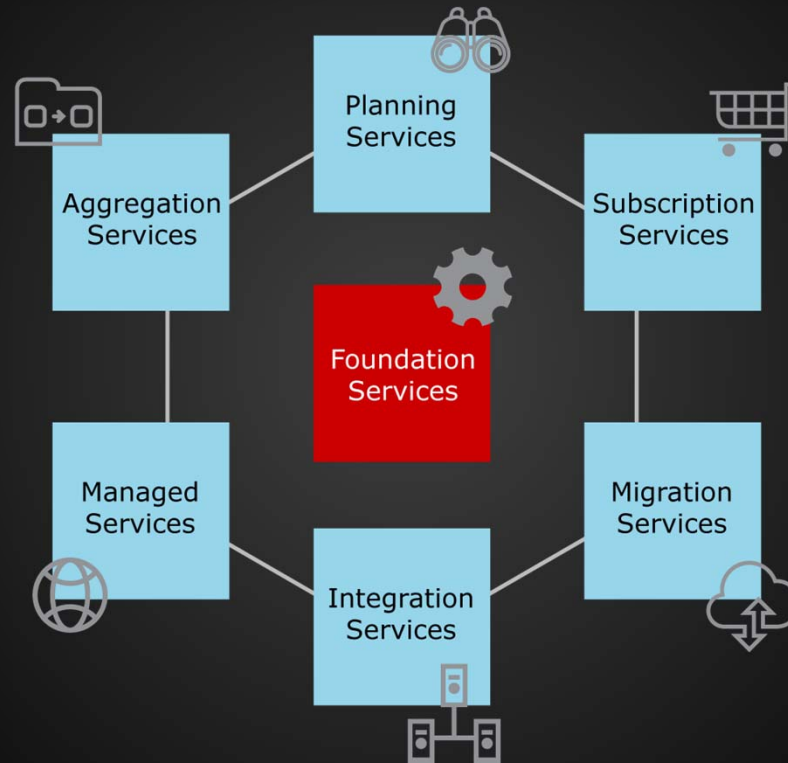
## INFRASTRUCTURE AS A SERVICE



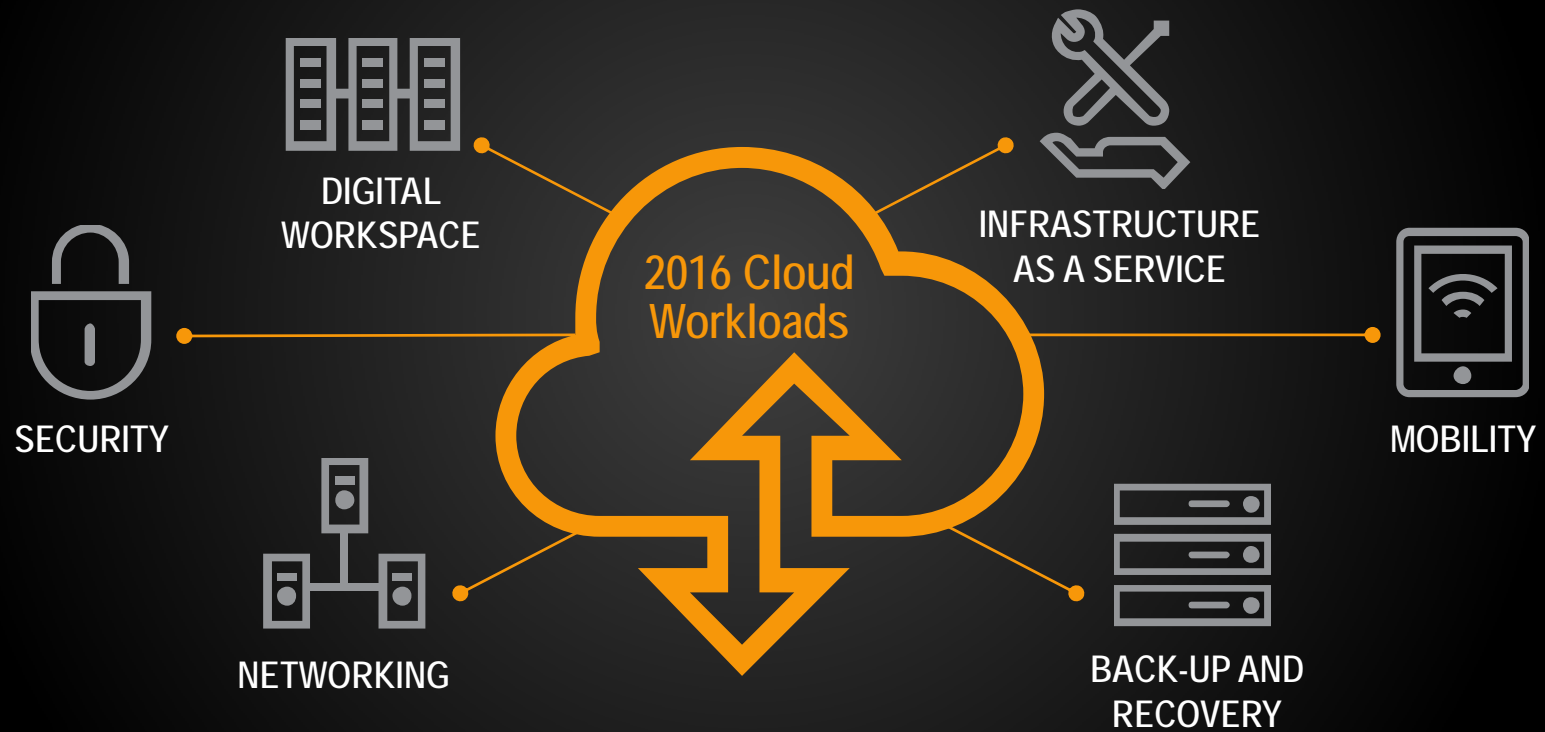
## SOFTWARE DEFINED NETWORKING



# SERVICES ACROSS CLOUD LIFECYCLE

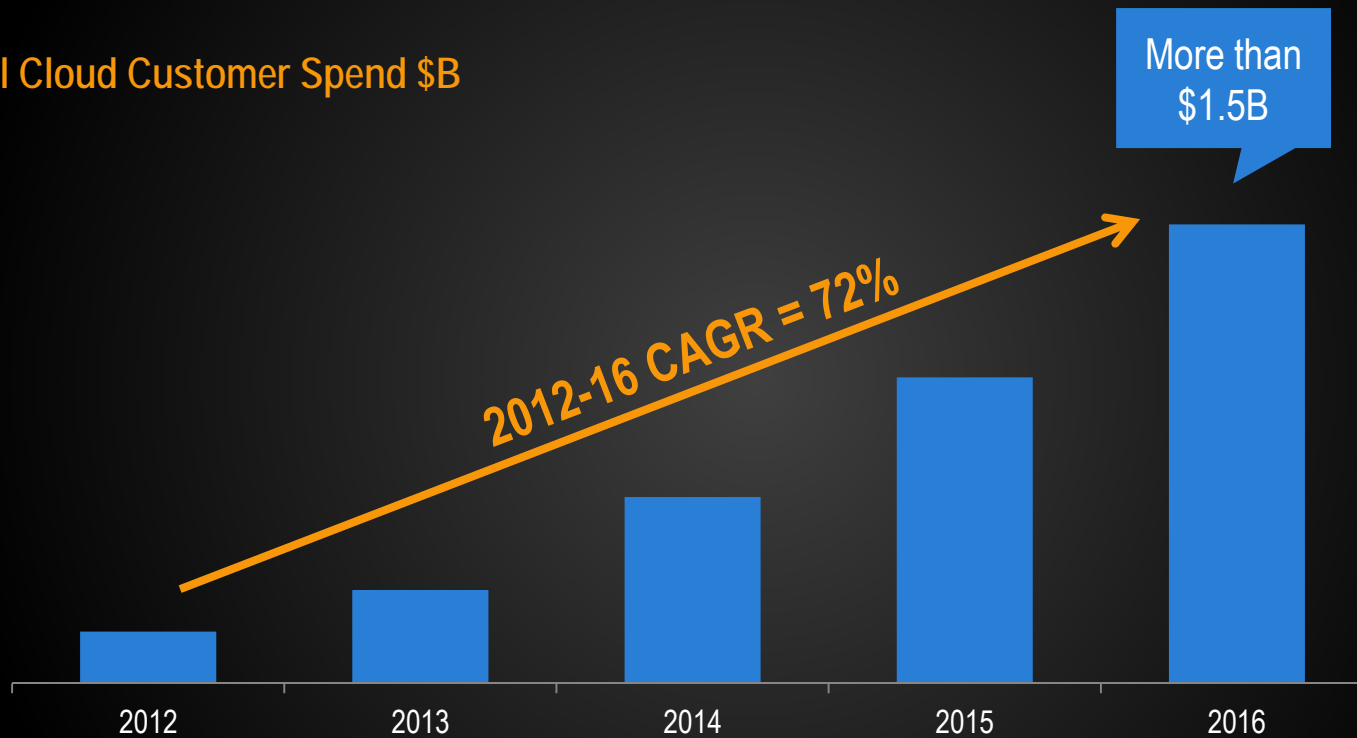


# MEETING DIVERSE WORKLOADS ACROSS OUR CUSTOMER END-MARKETS

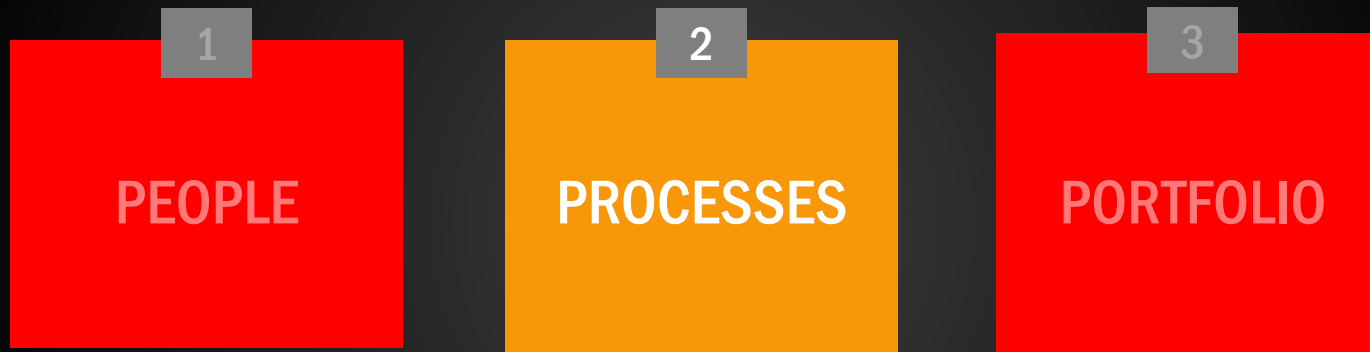


# TRACK RECORD OF SUCCESS

Annual Cloud Customer Spend \$B



# S3 STRATEGY TO DRIVE GROWTH









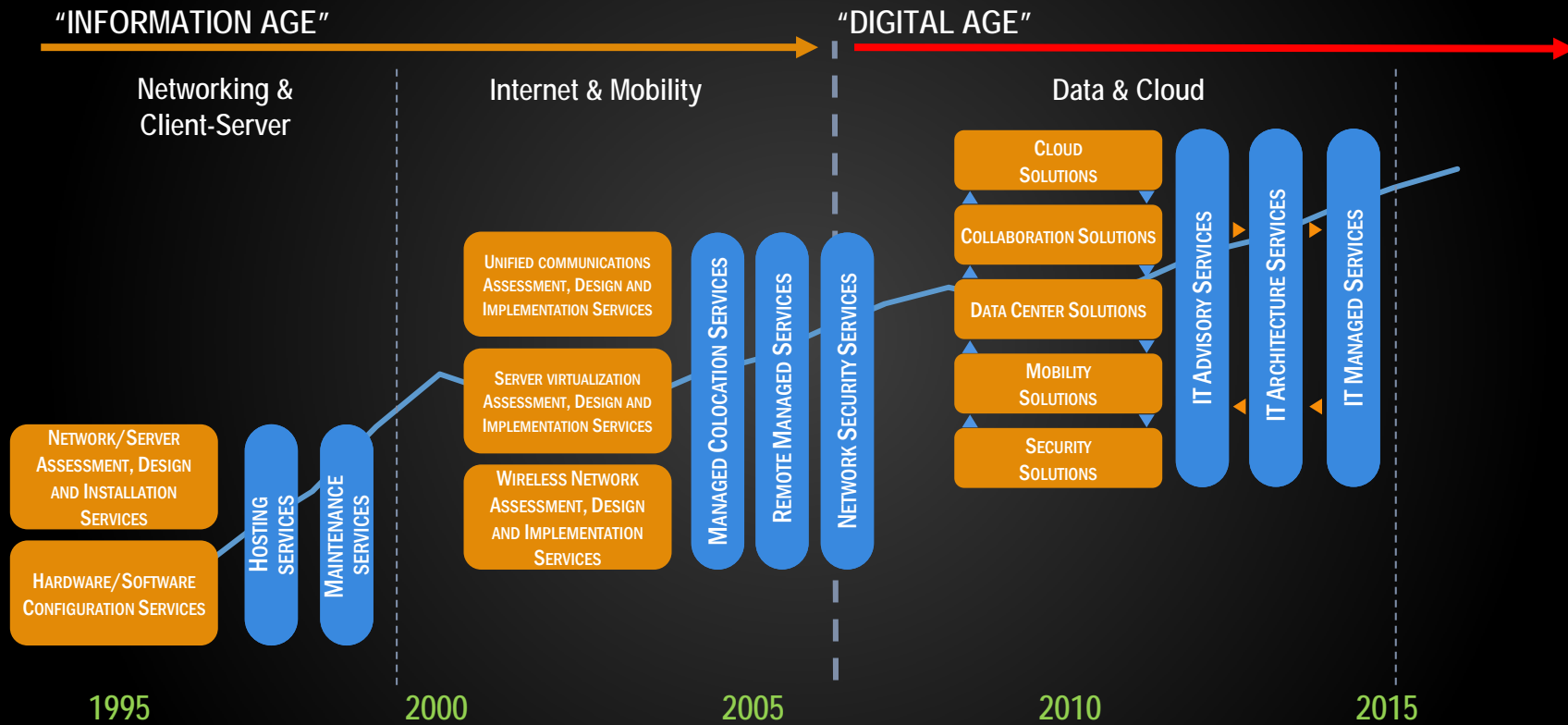
A photograph of two men shaking hands in a server room. The man on the left is smiling and wearing a light blue button-down shirt. The man on the right is wearing glasses, a white short-sleeved shirt, and holding a folder. They are standing in front of a server rack filled with cables. The image has a dark, semi-transparent overlay.

**TOM DECOSTER**

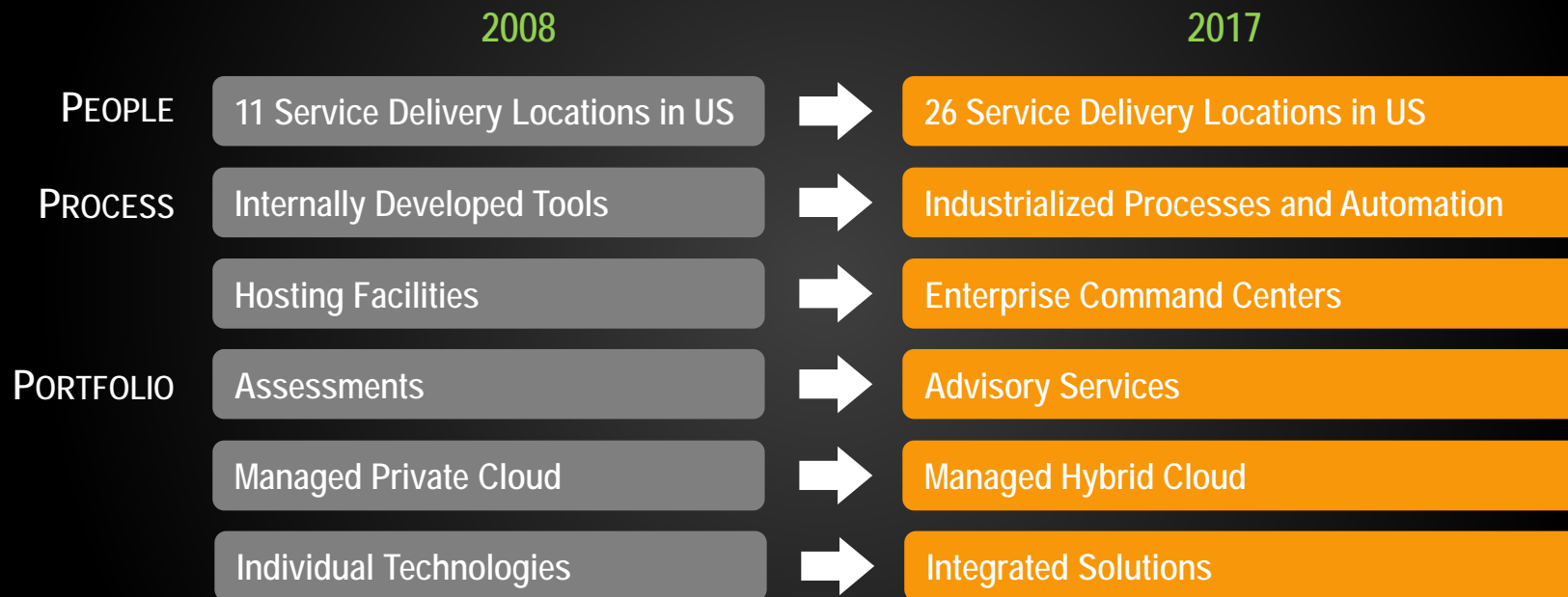
**VICE PRESIDENT, SERVICE SOLUTIONS**



# SERVICES TECHNOLOGY INDUSTRY EVOLUTION

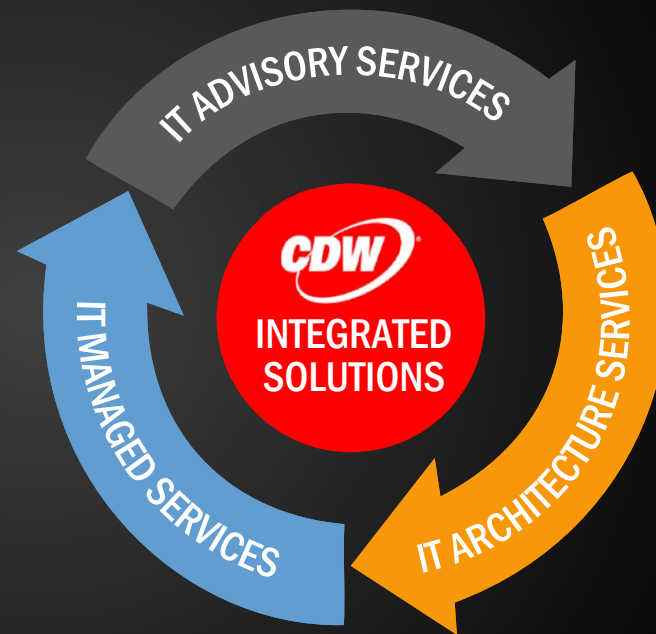


# EVOLVING WITH CUSTOMERS AS THEIR NEEDS EVOLVE

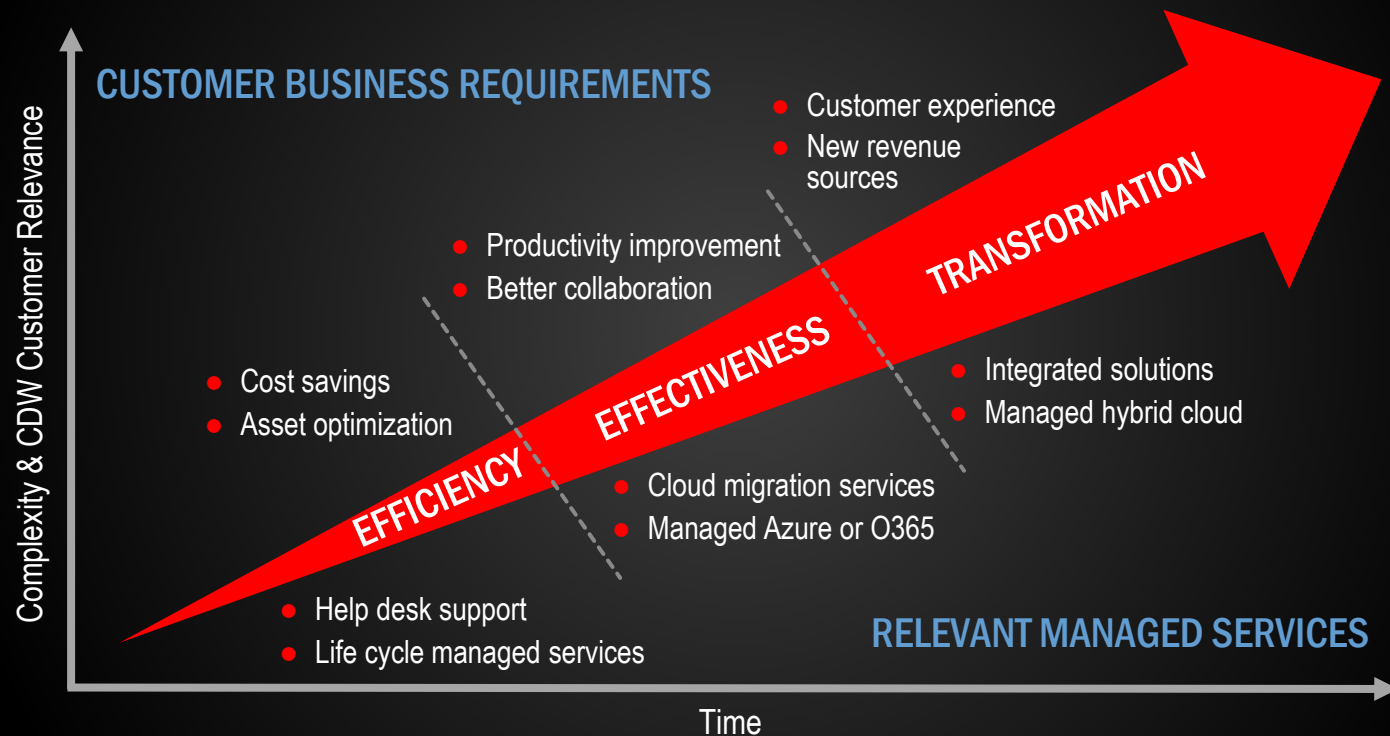


# DELIVERING INTEGRATED SOLUTIONS TO CUSTOMERS

- ▶ Technology Solutions
- ▶ IT Delivery Platforms
- ▶ Vertical Industries



# SERVICES CREATE RELEVANCE WITH CUSTOMERS



# CDW MANAGED SERVICES ENABLE CUSTOMERS

We proactively operate and optimize customers' private, public & hybrid environments

ENTERPRISE COMMAND CENTER, US



ENTERPRISE COMMAND CENTER, UK



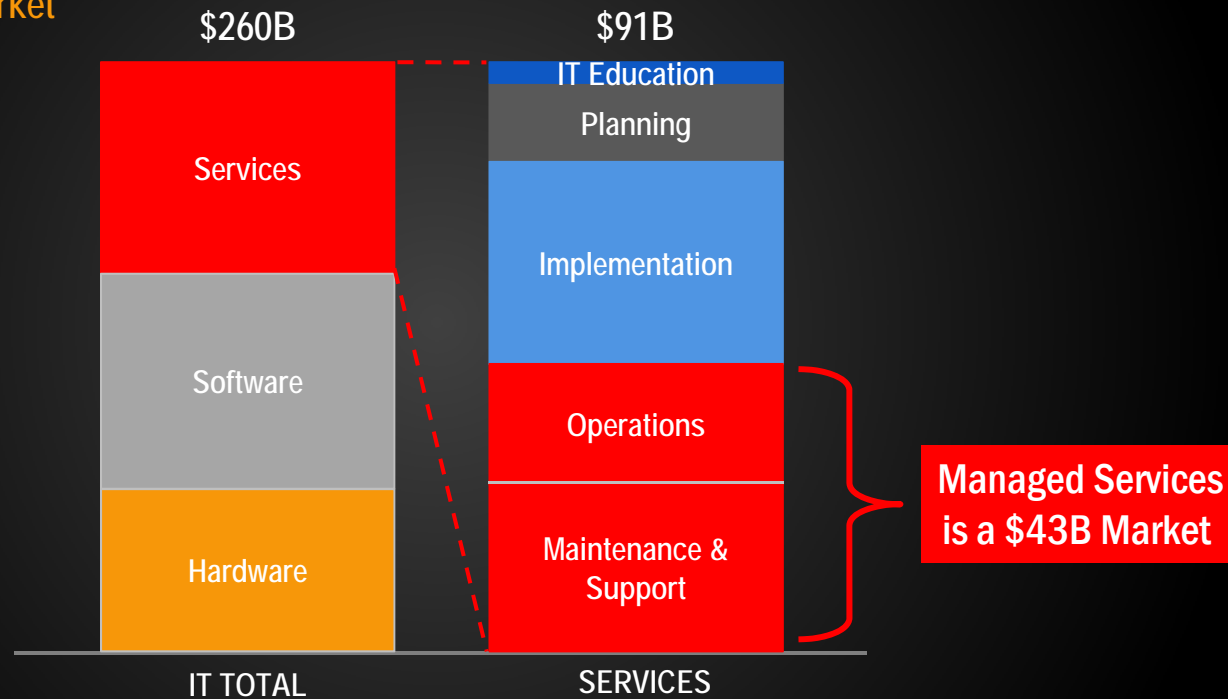
1 We help customers focus on their customers

2 We help customers get smarter about IT



# LARGE AND GROWING US MANAGED SERVICES MARKET

2017 Addressable US IT Market



Excludes Business Consulting and Business Process Outsourcing

Source – IDC Worldwide Black Book, IDC Routes to Market Model, IDC Trackers & CDW proprietary calculations, 8/16-11/16

# EXCEPTIONAL EXPERIENCES FOR CUSTOMERS

## Customer Email Example



# WE CREATE RELEVANCE FOR CUSTOMERS

## IMMERSIVE DIGITAL EXPERIENCE



Managed Sports Fan  
Experience



## PERSONALIZED BUYING EXPERIENCE



Managed  
Smart Retail



## IMMEDIATE PRODUCTIVITY GAIN

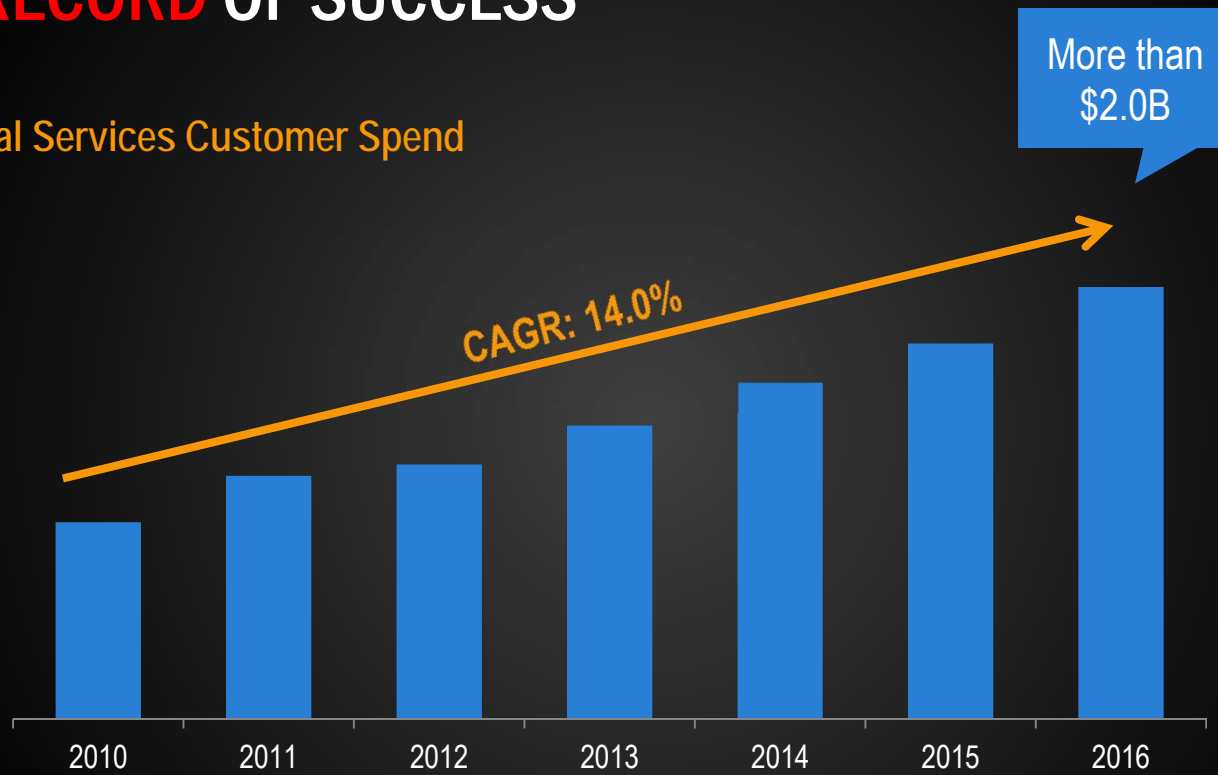


Managed IT  
for M&A

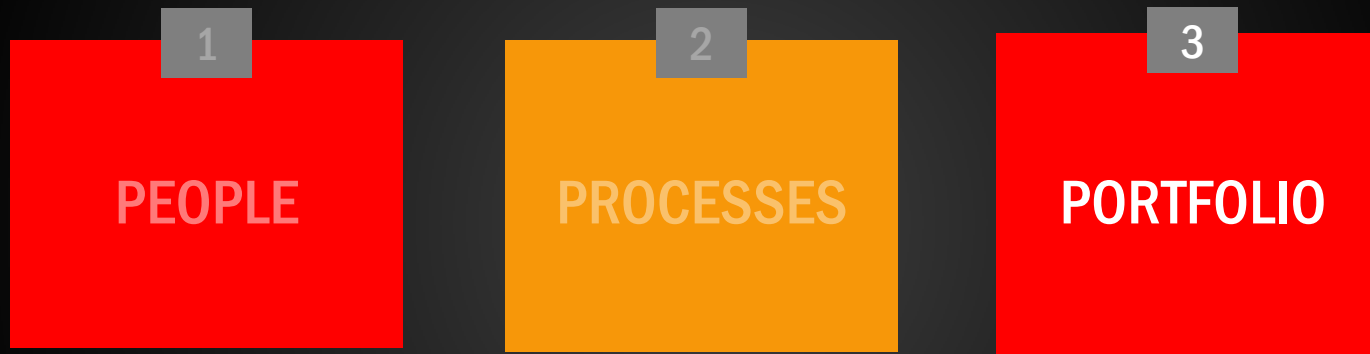


# TRACK RECORD OF SUCCESS

Annual Services Customer Spend



# S3 STRATEGY TO DRIVE GROWTH





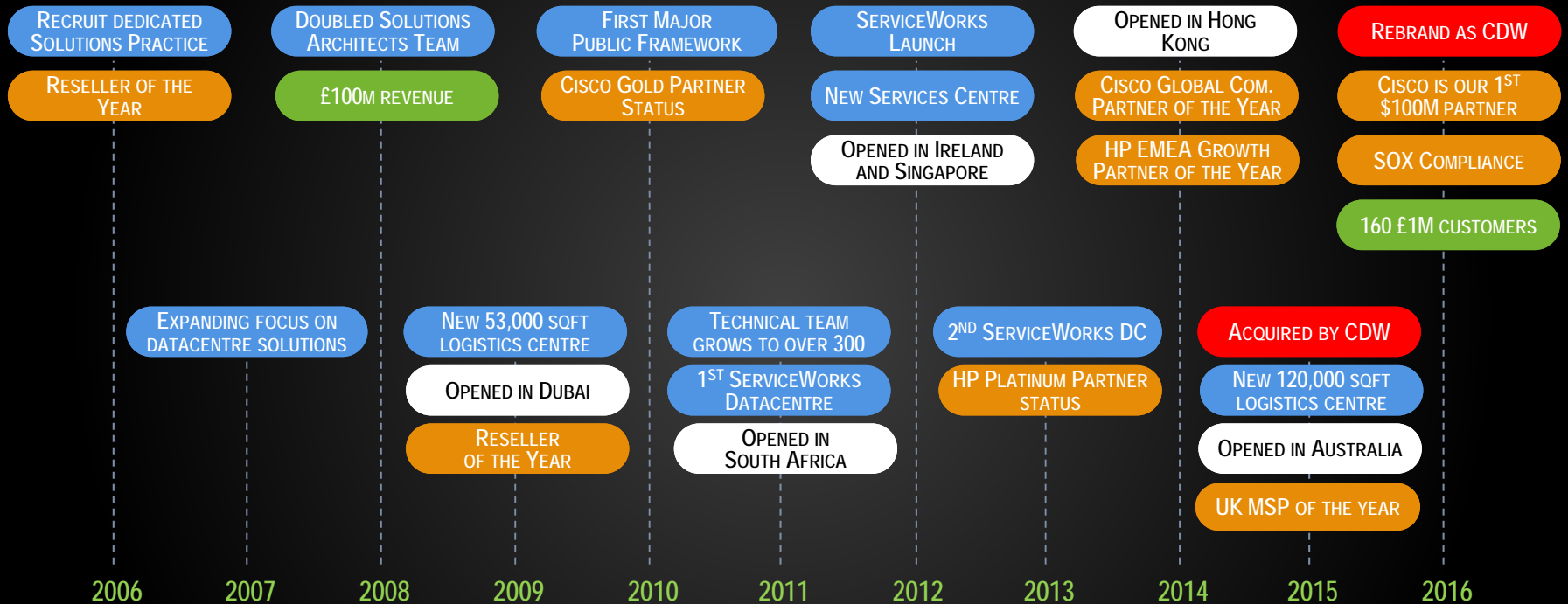
A man and a woman are standing in a server room, looking at a tablet together. The man is wearing a blue shirt and the woman is wearing a light-colored top. They are both wearing lanyards. The background shows rows of server racks with various cables and lights.

**ANDY ECCLES**

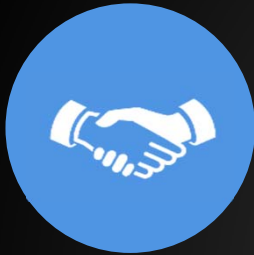
**VICE PRESIDENT, INTERNATIONAL & CHIEF TECHNOLOGY OFFICER UK**



# EVOLUTION OF CDW UK

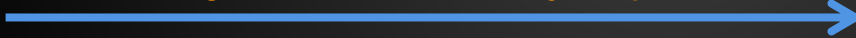


# UNPARALLELED TECHNICAL EXPERTISE

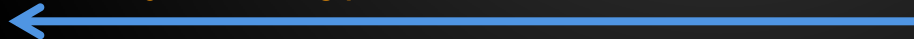


## OUR PARTNERS

CDW architects, consultants & engineers  
certified at highest technical levels by our partners



We participate in invitation-only expert advisory councils,  
directly influencing product direction & certification exams



## OUR TECHNICAL TEAMS



## OUR CUSTOMERS

Solving for customer needs  
with cutting-edge  
technical expertise



# WHAT WE DELIVER TO CUSTOMERS

## SOLUTIONS DESIGN

Unparalleled technical knowledge & certification



## SUPPLY MANAGEMENT

Seamless product fulfillment capability across 100+ countries

## MANAGED SERVICES

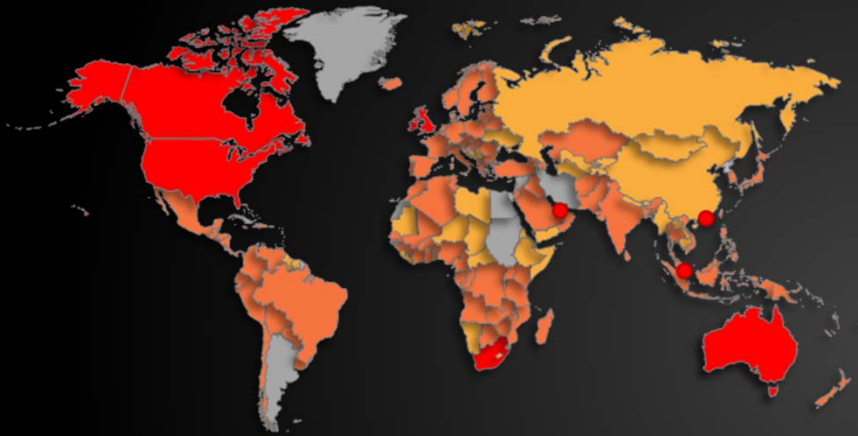
Focus on your business, not managing your clouds



## PROFESSIONAL SERVICES

Project delivery across data centre & workspace

# WHERE WE DESIGN, SUPPLY, INSTALL AND MANAGE FOR OUR CUSTOMERS



Majority of expertise centralised in the UK

Teams in South Africa and Dubai

Community of vetted partners operate to our standards

## Global Law Firm

Network Upgrade- 9 Countries

## Services to Oil & Gas

New "wire-free" offices - 5 countries

## Global Media Conglomerate

30+ Sites in 17 Countries

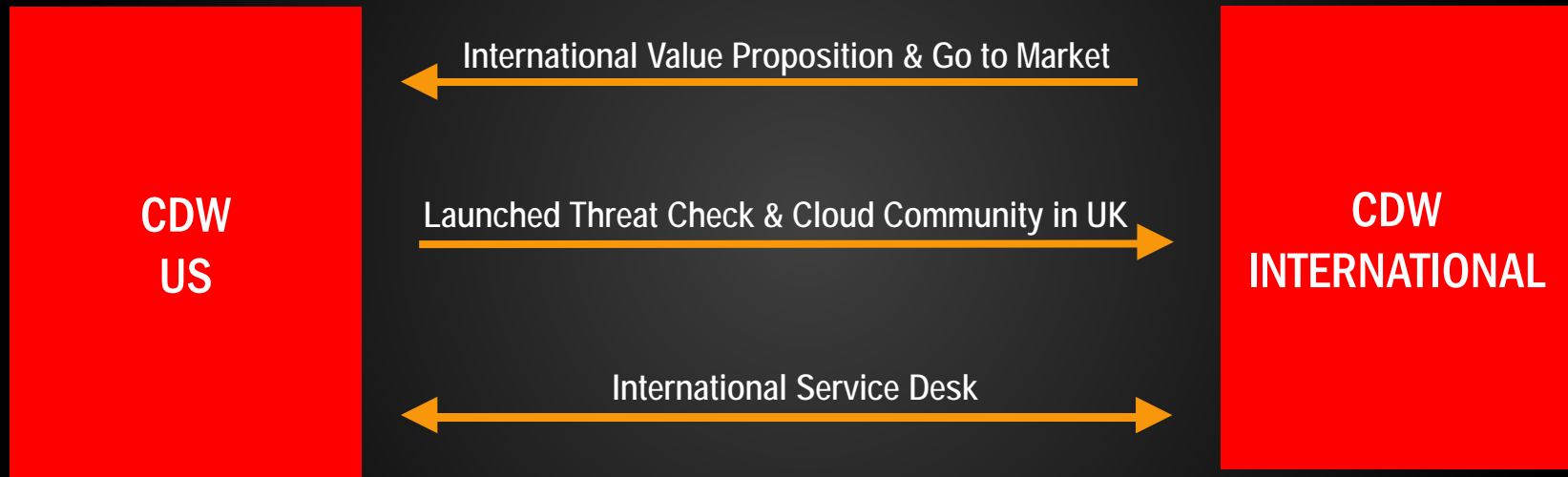
## Transportation Manufacturer

Infrastructure and support - Multiple Continents

## Global Debt Management

Fully Managed Cloud Service - Europe

# LEVERAGING OUR COMBINED POWER

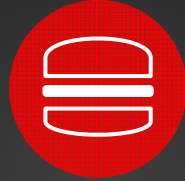


# HOW INTERNATIONAL SOLUTIONS & SERVICES WILL **CONTINUE TO WIN**

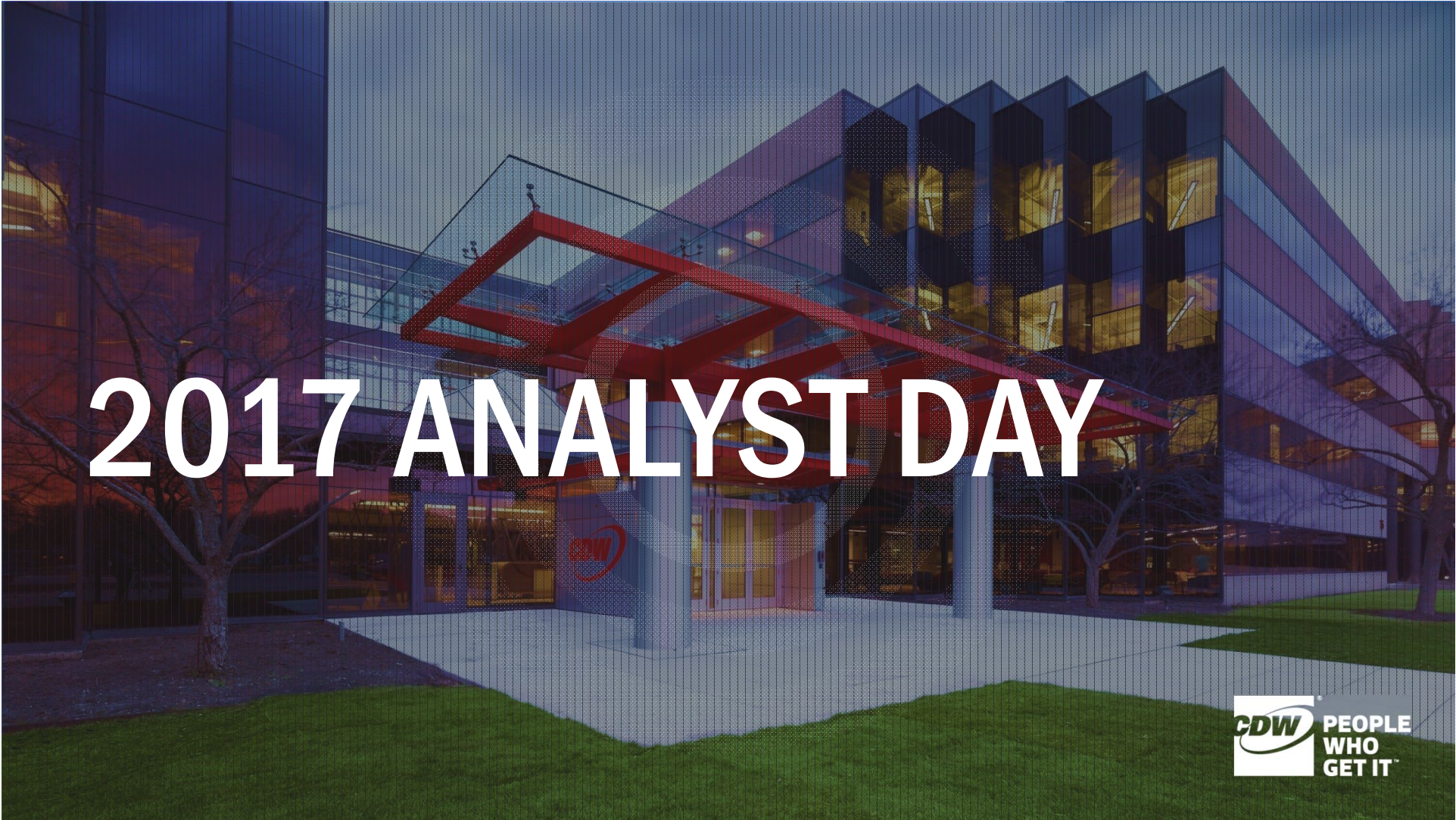








# LUNCH BREAK



# 2017 ANALYST DAY



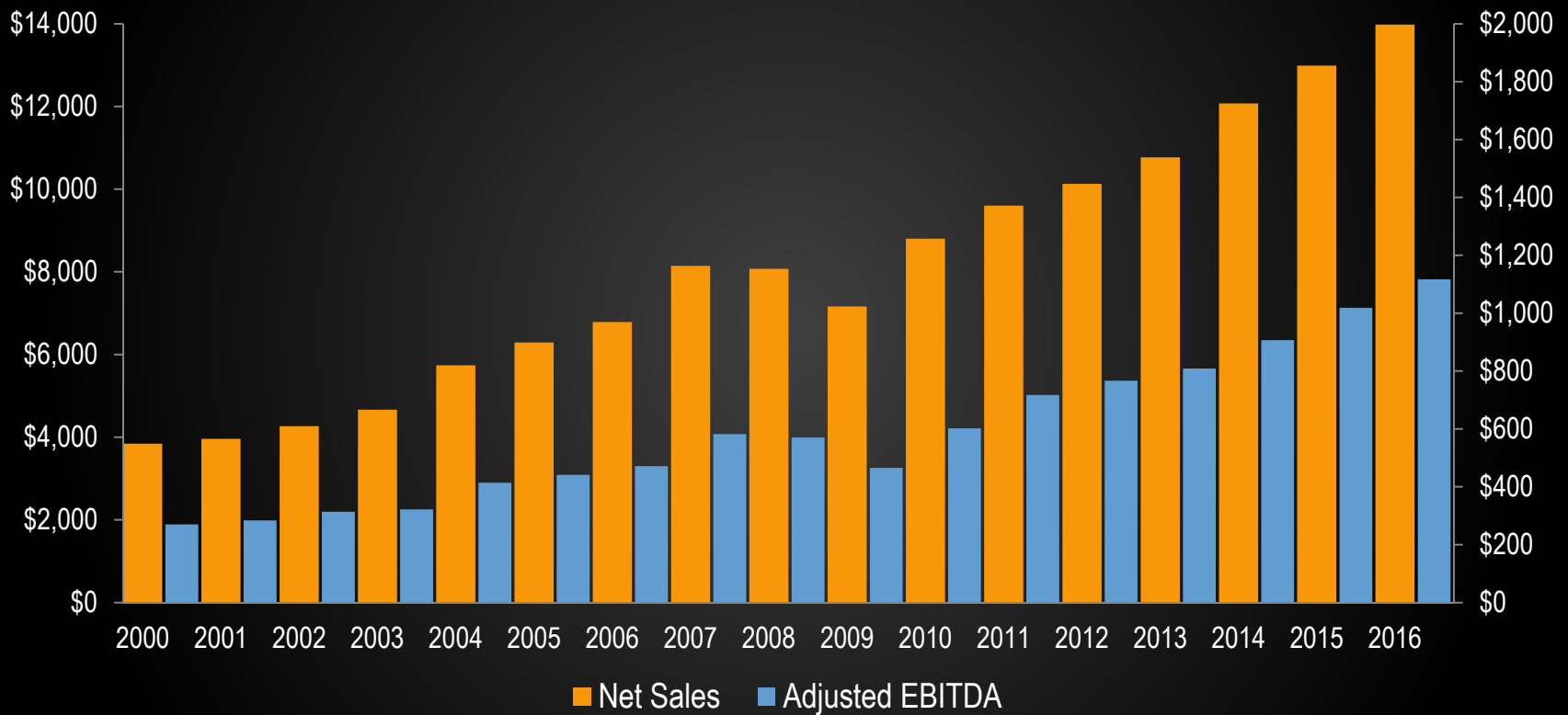




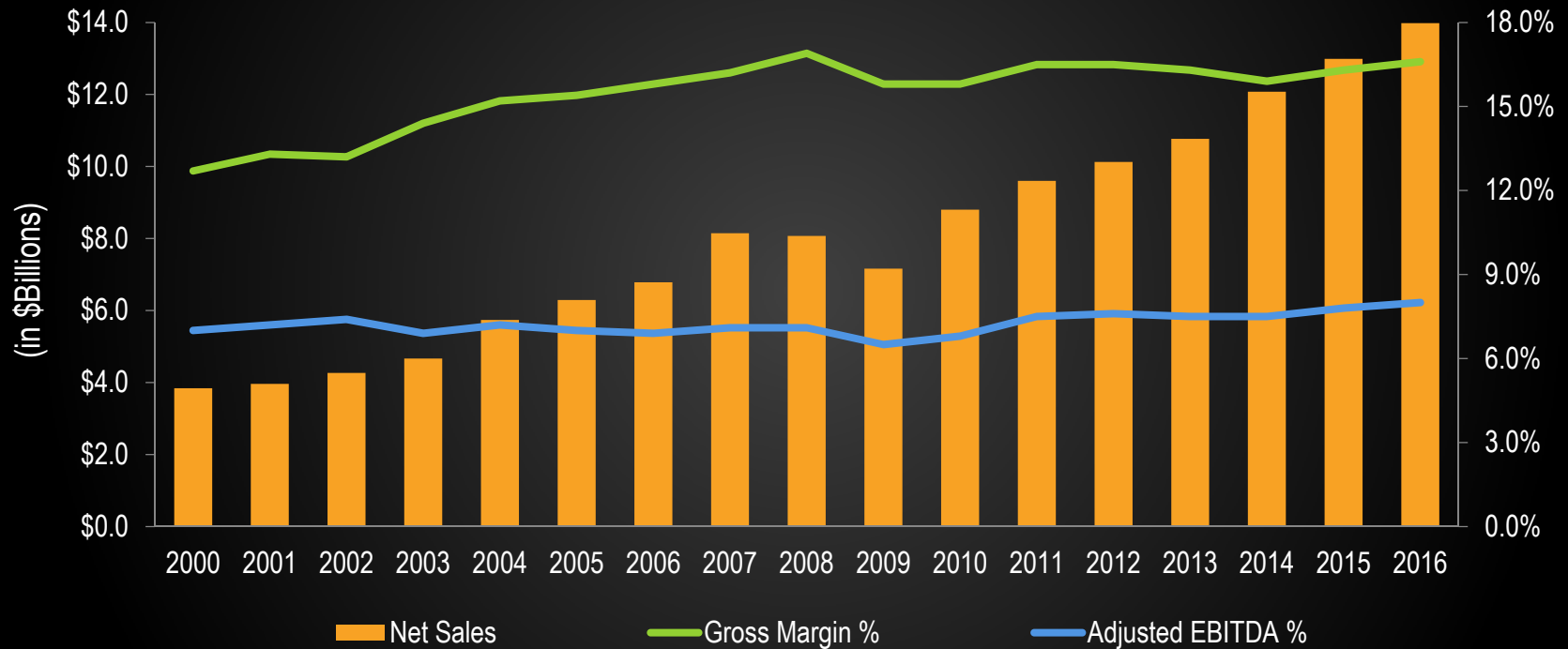
**ANN ZIEGLER**

**SENIOR VICE PRESIDENT & CHIEF FINANCIAL OFFICER**

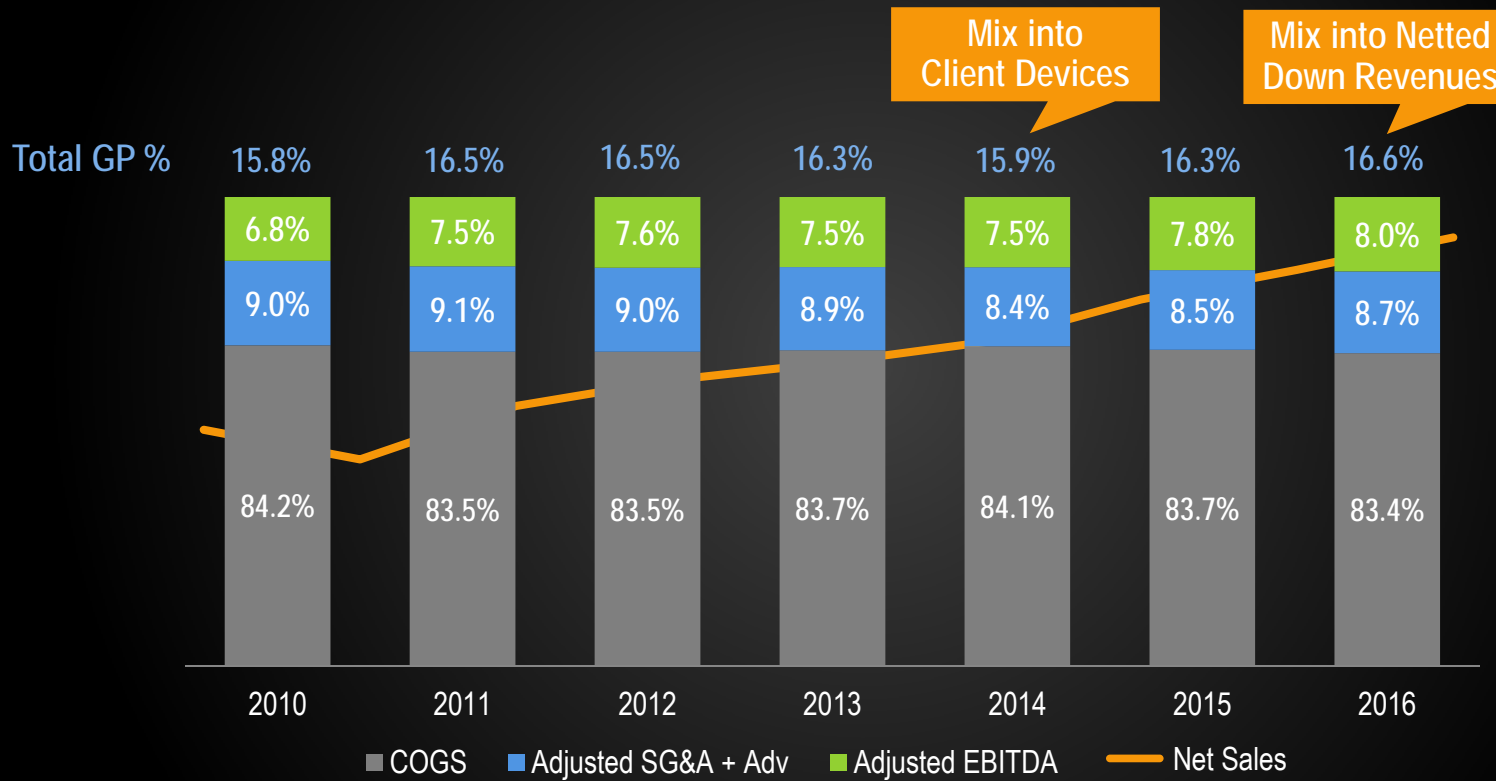
# TRACK RECORD OF SUCCESS



# TRACK RECORD OF SUCCESS

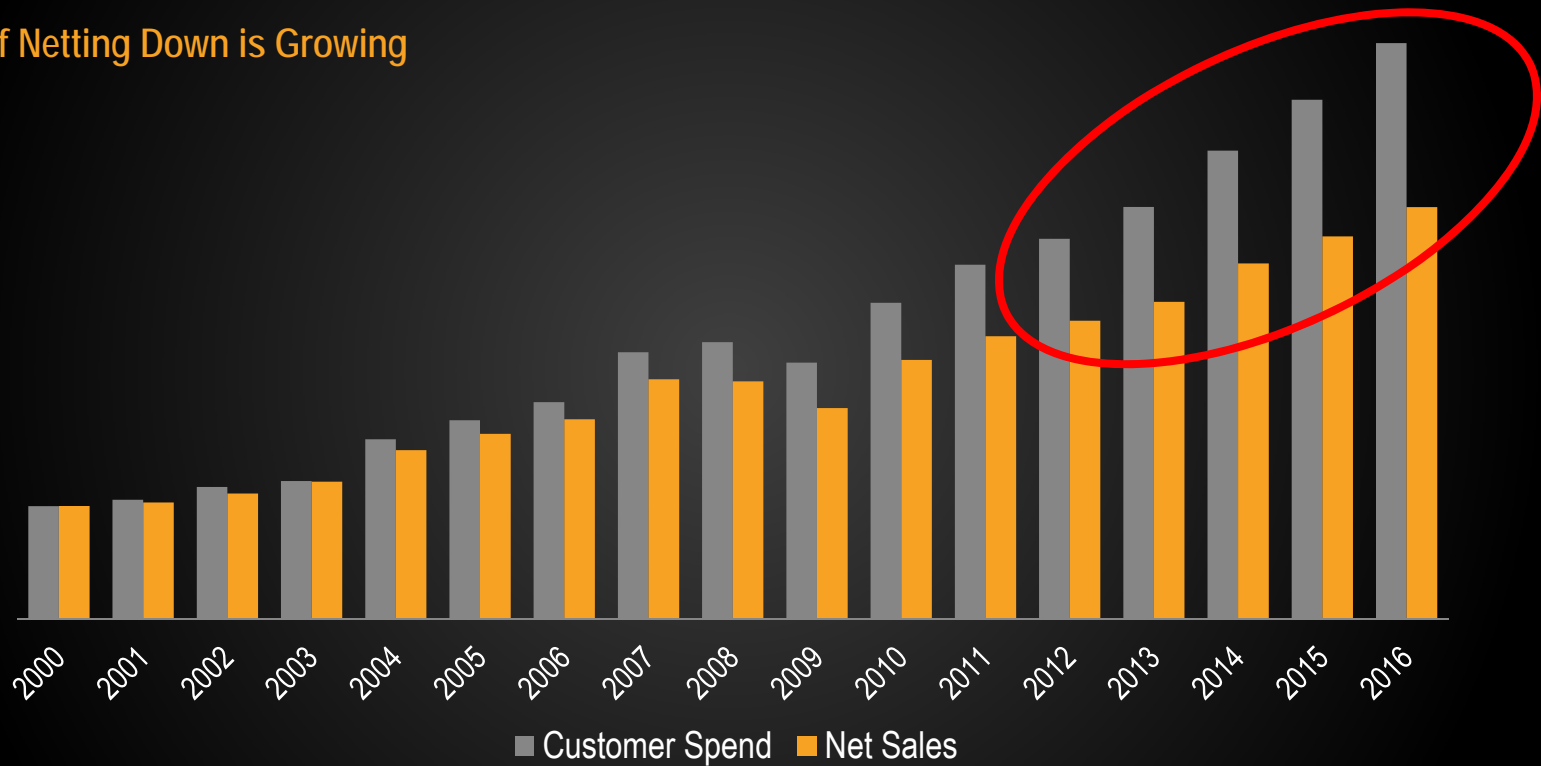


# RESILIENCY OF MODEL 2010 - 2016



# REVENUE MIX HAS SHIFTED OVER TIME

Impact of Netting Down is Growing





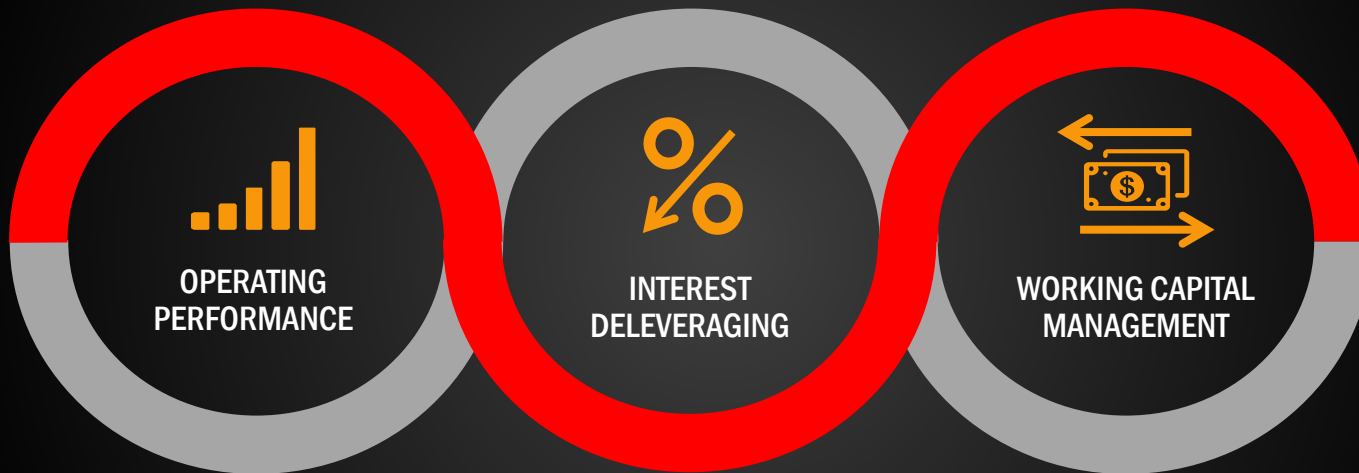
# NO IMPACT ON GROSS PROFIT \$ OR ADJUSTED EBITDA \$

New sale booked at 15% gross margin	\$1,000 Base	\$100 Spend	Total
Customer spend	\$1,000	\$100	\$1,100
Net Revenues	\$1,000	\$100	\$1,100
COGS	\$850	\$85	\$935
Gross Profit \$	\$150	\$15	\$165
Gross Margin	15%	15%	15.0%
SG&A	\$100	\$10	\$110
Adj. EBITDA \$	\$50	\$5	\$55
Adj. EBITDA margin	5.0%	5.0%	5.0%

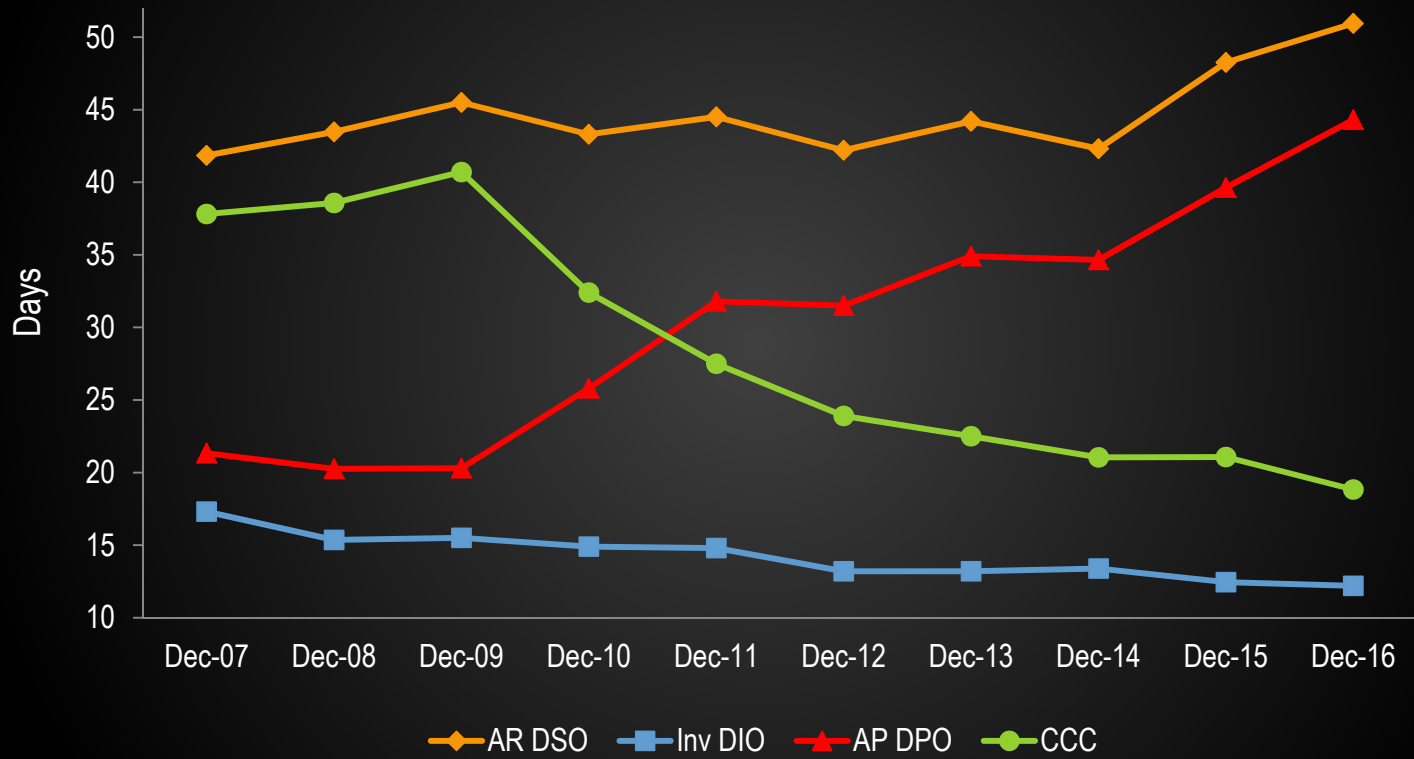
New sale booked at "100% gross margin"	\$1,000 Base	\$100 Spend	Total
Customer spend	\$1,000	\$100	\$1,100
Net Revenues	\$1,000	\$15	\$1,015
COGS	\$850	\$0	\$850
Gross Profit \$	\$150	\$15	\$165
Gross Margin	15%	100%	16.3%
SG&A	\$100	\$10	\$110
Adj. EBITDA \$	\$50	\$5	\$55
Adj. EBITDA margin	5.0%	33%	5.4%

Illustrative purposes only, not actual data

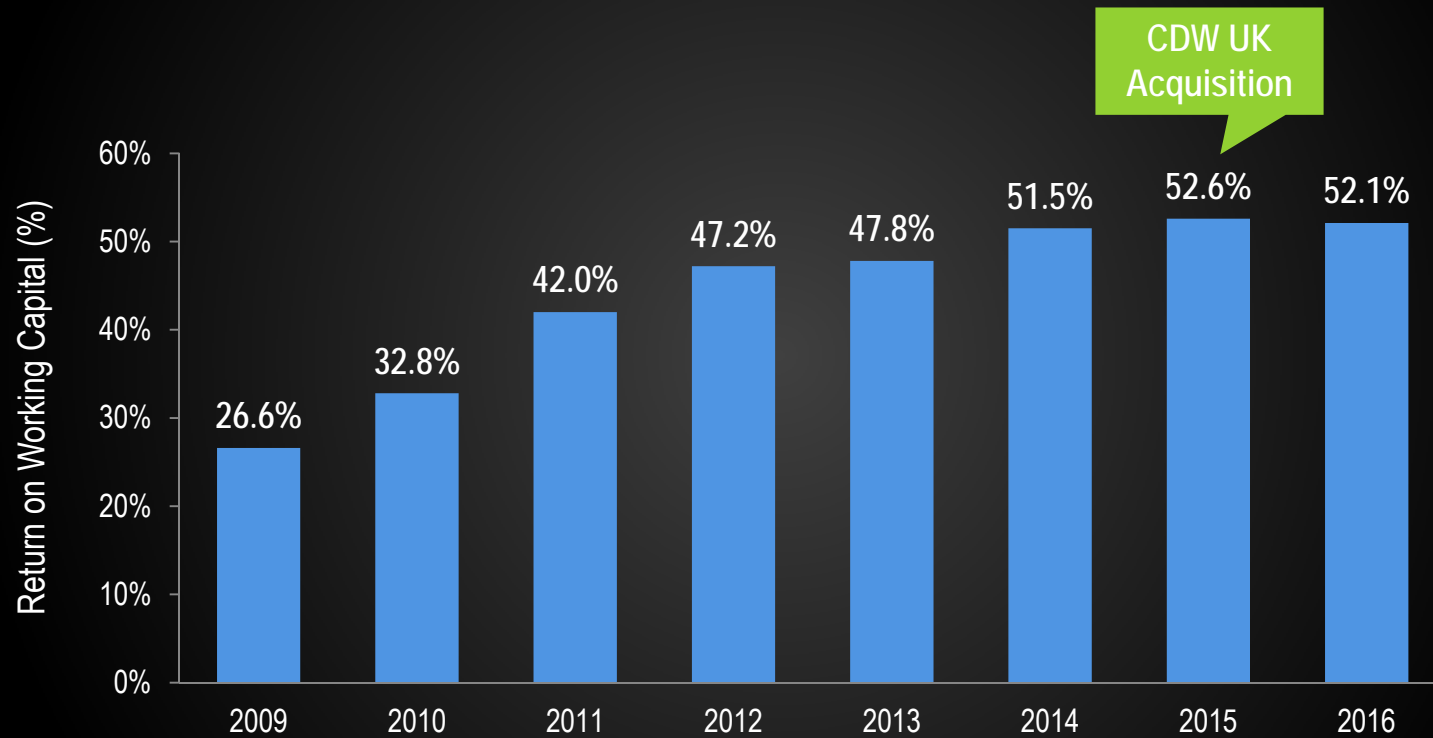
# PERFORMANCE DRIVEN CASH FLOWS



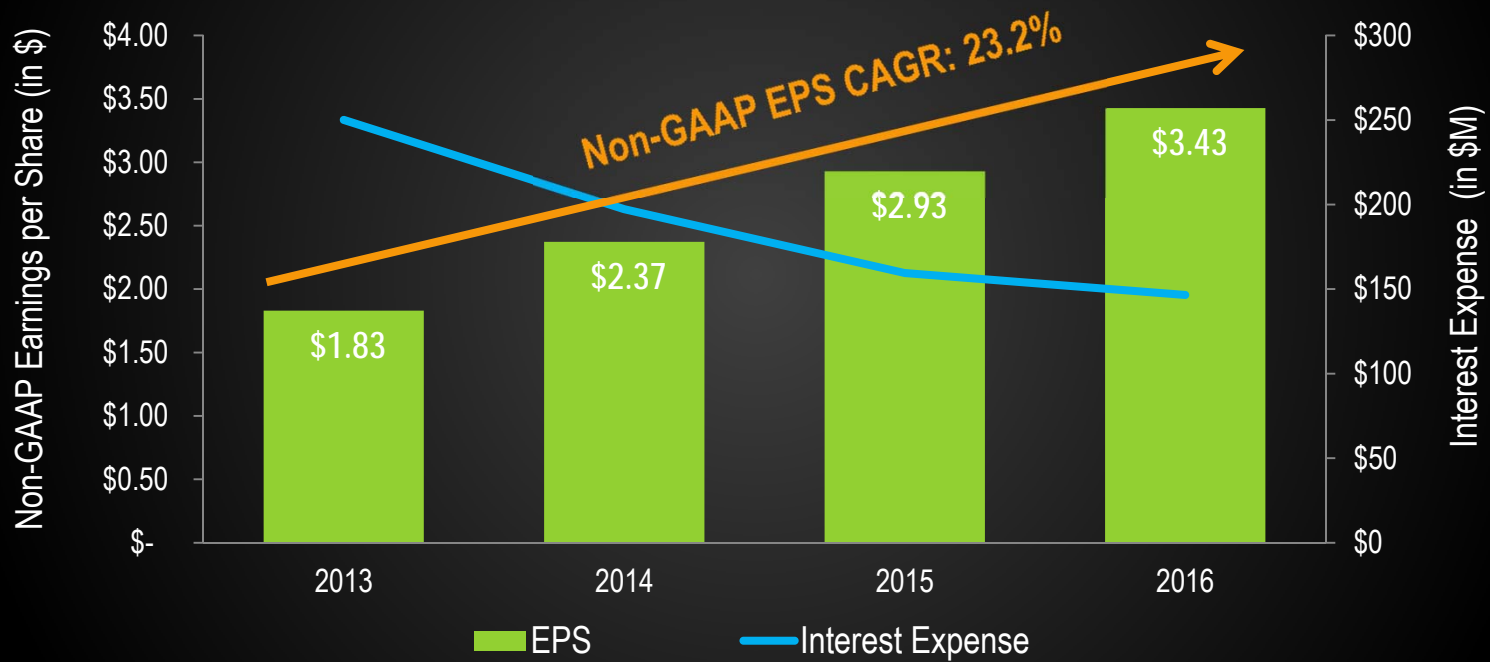
# CASH CONVERSION CYCLE



# RETURN ON WORKING CAPITAL PERFORMANCE



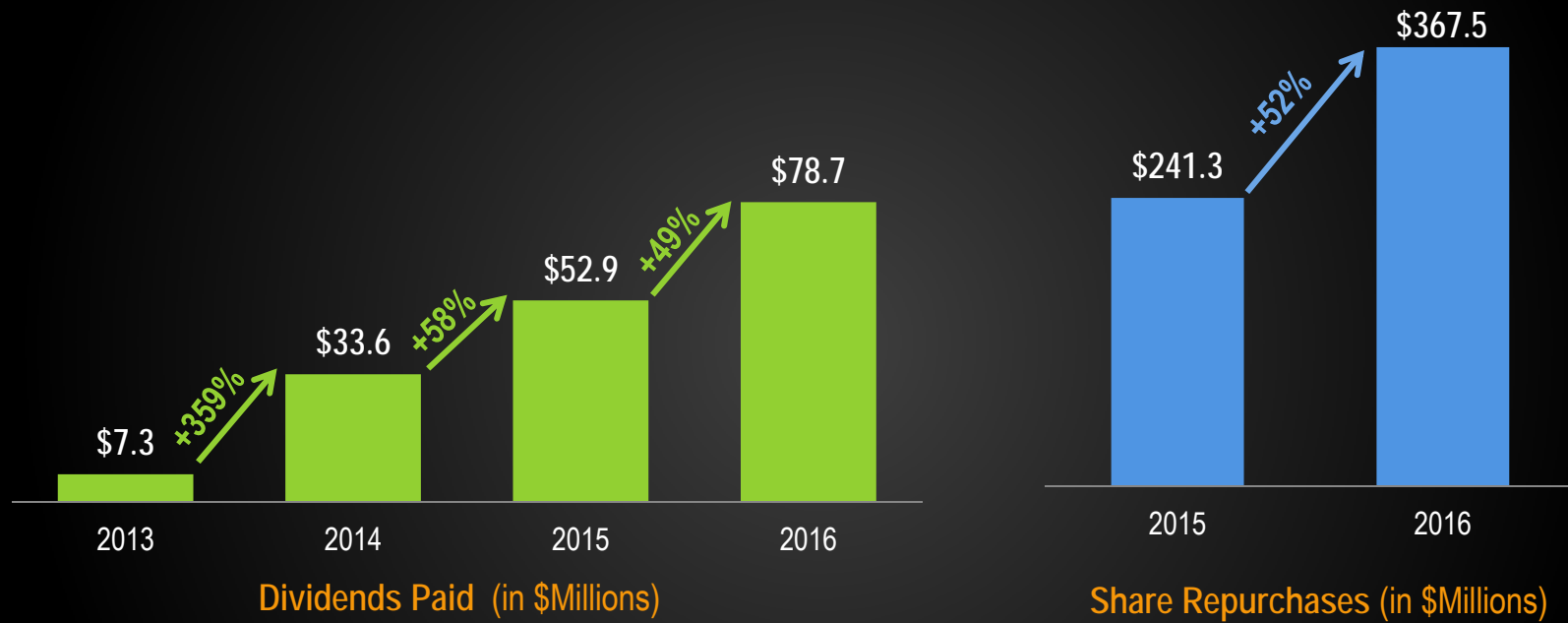
# EPS HISTORY



## ENHANCED CASH FLOW “RULE OF THUMB” AND CCC TARGET

	2013 - 2016	2017 - 2018
Cash Conversion Cycle	Low to mid-twenties	High-teens to low-twenties
Free Cash Flow	2 ½ - 3 % of Net Sales	3 - 3 ½ % of Net Sales

# CAPITAL RETURN TO SHAREOWNERS SINCE IPO



Returned approximately \$1B since 2013\*

\*Includes Q1 2017



# CAPITAL ALLOCATION PRIORITIES SUPPORT TARGETS

## PRIORITIES

Increase Dividends Annually

Maintain Net Leverage Ratio <sup>(2)</sup>

Supplement Organic Growth with M&A

Return Excess Free Cash Flow after Dividends & M&A through Share Repurchase

## OBJECTIVES

Target 30% payout of FCF in 5 years <sup>(1)</sup>

~2.5 to 3.0 times Net Leverage

Tuck-in, accretive deals

Offset incentive plan dilution and supplement EPS growth

## ACTIONS

49% increase to \$0.64/share

Currently at 2.7x <sup>(3)</sup>

CDW UK acquisition

Repurchase program

<sup>1</sup> Target established November 2014

<sup>2</sup> 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.

<sup>3</sup> As of March 31, 2017

# CDW UK SCORECARD

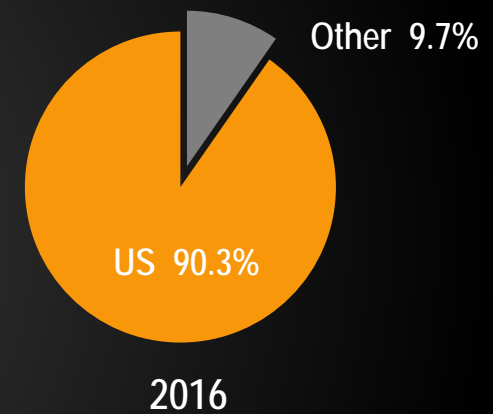
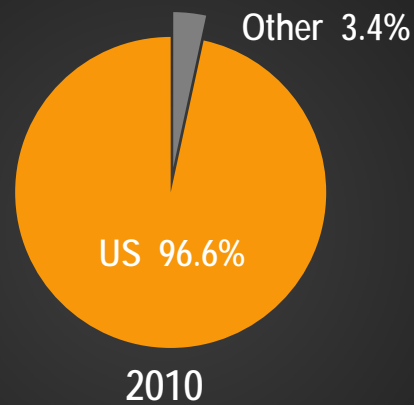
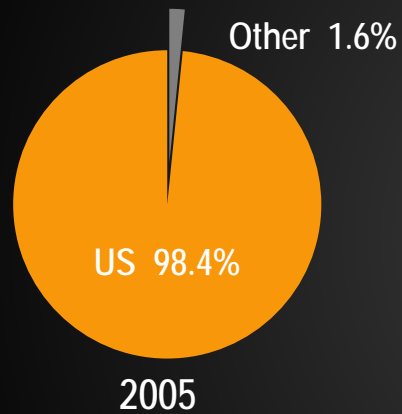
MEASURE	TARGET	ACTUAL
Revenue contribution for 1H 2016	650 - 700 bps	 725 bps
Non-GAAP EPS contribution for 1H 2016	~ \$0.08-\$0.10	 1H: \$0.10

# CDW UK SCORECARD

MEASURE	TARGET	ACTUAL
Revenue contribution for 1H 2016	650 - 700 bps	 725 bps
Non-GAAP EPS contribution for 1H 2016	~ \$0.08-\$0.10	 1H: \$0.10
CDW UK ROIC	No guidance given	Low double-digits

# CURRENCY IMPACT

## % of Sales Impacted by Currency



## Topline Currency Impact (in bps)

2014	2015	2016	2017 E
(13)	(34)	(61)	(70)

Other includes Canada (2005-2016) and CDW UK (2015-2016)  
 Currency impact not calculated prior to 2014

# ANNUAL MEDIUM-TERM TARGETS

MEDIUM-TERM TARGET	2013 - 2016
Sales Growth %	U.S. IT growth + 200-300 bps
Adjusted EBITDA Margin Target Range %	Mid - 7%
Non-GAAP EPS Growth %	Mid-teens

# ANNUAL MEDIUM-TERM TARGETS

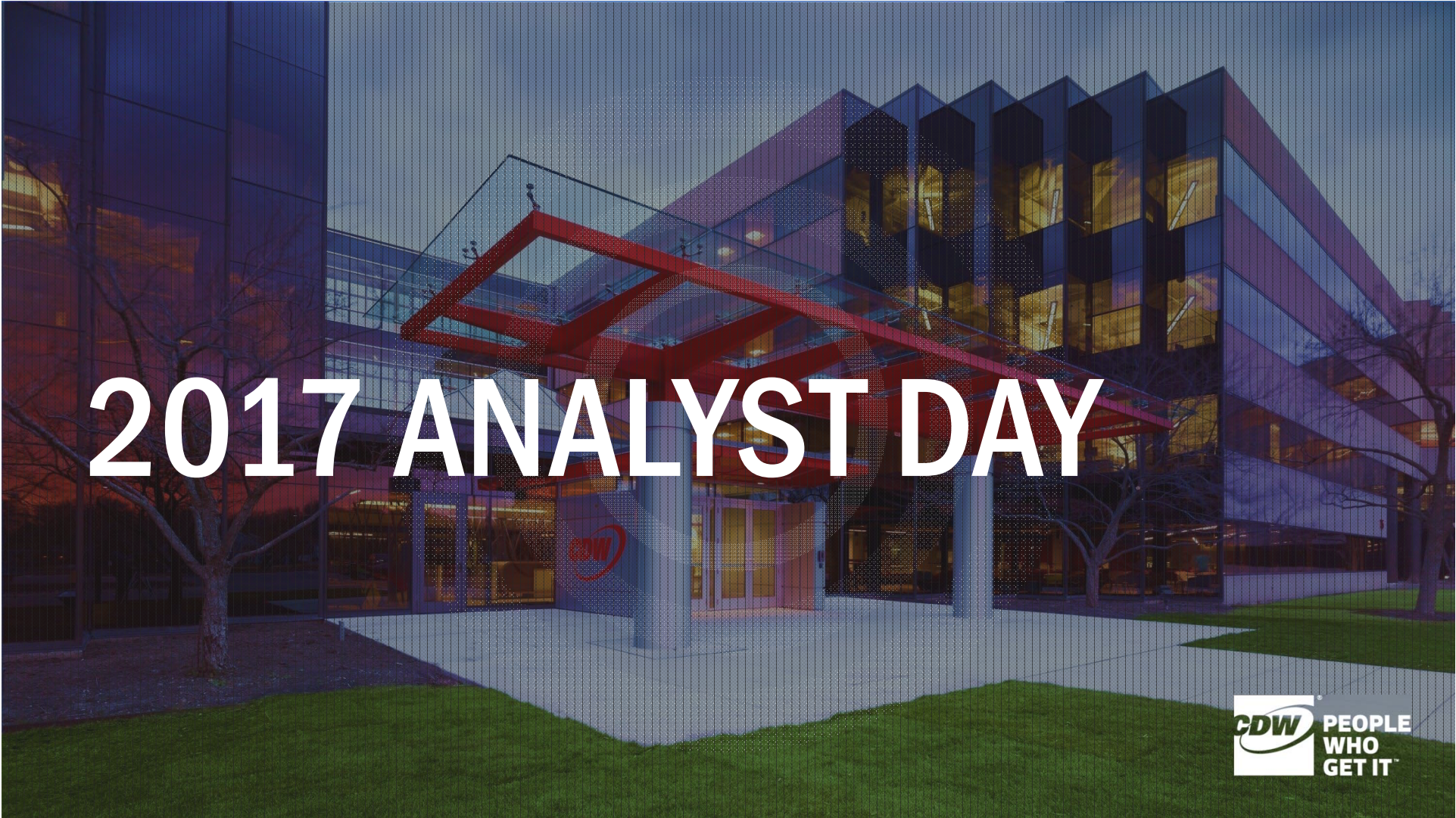
MEDIUM-TERM TARGET	2013 - 2016	2016 - 2018
Sales Growth %	U.S. IT growth + 200-300 bps	U.S. IT growth + 200-300 bps in constant currency
Adjusted EBITDA Margin Target Range %	Mid - 7%	High 7% to 8%
Non-GAAP EPS Growth %	Mid-teens	Low double-digits in constant currency







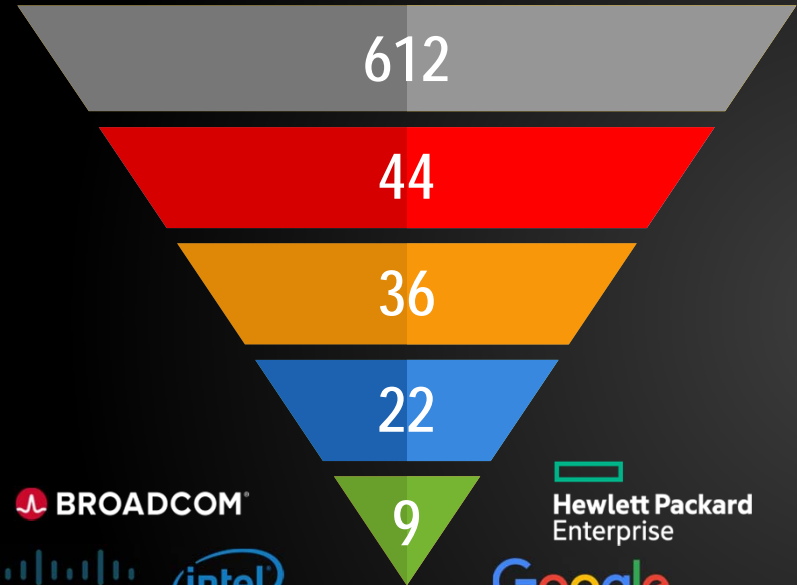
# SESSION 2 Q&A



# 2017 ANALYST DAY



# STANDING OUT AMONG PUBLIC TECHNOLOGY IN THE U.S.



U.S. Publicly Traded Technology Company Universe

- ✓ 2016 Revenue > \$14B
- ✓ 2016 Gross Margin > 16.0%
- ✓ 2016 EBITDA Margin = or better 8.0%
- ✓ 2016 EPS Growth > 10%

 BROADCOM

 CISCO  intel

 facebook

 CDW

 Google

 ManpowerGroup

 Hewlett Packard Enterprise

 Yandex