



CDW Corporation

Webcast Conference Call

October 31, 2019

CDW.com | 800.800.4239

Today's Agenda

- Third Quarter and YTD 2019 Results
- Performance Drivers
- Outlook
- Q&A

Disclaimers

Forward-Looking Statements

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 CDW's Form 10-K, Form 10-Q and other reports and filings with the Securities and Exchange Commission. CDW does not undertake any duty to update any forward-looking statement.

Non-GAAP Financial Information

This presentation contains certain "non-GAAP financial measures," including Non-GAAP operating income, Non-GAAP operating income margin, Non-GAAP SG&A, including advertising, Non-GAAP income before income taxes, Non-GAAP net income, Non-GAAP effective tax rate, Non-GAAP net income per diluted share, Non-GAAP net income per diluted share on a constant currency basis, Net sales growth on a constant currency basis and Free cash flow. 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 included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP. For a reconciliation of non-GAAP financial measures to the applicable most comparable GAAP financial measures, see Exhibit 99.1 to CDW's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 31, 2019 and the reconciliations included in these slides. Non-GAAP financial measures used by CDW may differ from similar measures used by other companies, even when similar terms are used to identify such measures.

Excellent Q3 2019 and YTD Financial Performance

Third Quarter:

- Net sales increased \$535 million from Q3 2018 to \$4.9 billion
 - Up 12.2% on a reported basis
 - Up 10.5% on an average daily basis ("ADS")
 - Up 10.9% on an ADS constant currency basis
- Operating income up 16.7% to \$321 million
- Net income up 9.8% to \$202 million
- Non-GAAP operating income up 13.9% to \$380 million
- Net income per diluted share up 14.6% to \$1.37
- Non-GAAP net income per diluted share up 19.8% to \$1.70

Year to Date ("YTD"):

- Net sales increased \$1,330 million from 2018 to \$13.5 billion
 - Up 10.9% on a reported and ADS basis
 - Up 11.6% on a constant currency basis
- Operating income up 14.2% to \$850 million
- Net income up 14.0% to \$551 million
- Non-GAAP operating income up 11.9% to \$1,026 million
- Net income per diluted share up 18.5% to \$3.72
- Non-GAAP net income per diluted share up 17.9% to \$4.54

Highlights Combined Power of Business Model and Strategy

- Balanced portfolio of customer end-markets
- Broad product and solutions portfolio
- Three-part strategy for growth

Balanced Portfolio Drove Topline Growth

(Unaudited)

(\$ in millions)

	Three Months Ended September 30,				Nine Months Ended September 30,		
	2019	2018	% Change	Average Daily % Change ⁽¹⁾	2019	2018	% Change ⁽²⁾
Corporate	\$ 1,913.5	\$ 1,706.5	12.1%	10.4%	\$ 5,533.6	\$ 5,006.1	10.5%
Small Business	386.2	340.0	13.6	11.8	1,119.2	997.1	12.2
Public							
Government	793.4	639.3	24.1	22.2	1,860.2	1,551.3	19.9
Education	807.0	793.1	1.8	0.2	1,981.0	1,902.4	4.1
Healthcare	500.5	442.7	13.1	11.3	1,430.5	1,286.8	11.2
Total Public	2,100.9	1,875.1	12.0	10.3	5,271.7	4,740.5	11.2
Other	507.1	451.6	12.3	10.6	1,571.0	1,422.0	10.5
Total Net sales	\$ 4,907.7	\$ 4,373.2	12.2%	10.5%	\$ 13,495.5	\$ 12,165.7	10.9%

(1) There were 64 and 63 selling days for the three months ended September 30, 2019 and 2018, respectively.

(2) There were 191 selling days for both the nine months ended September 30, 2019 and 2018.

Our Three-Part Growth Strategy

1

Capture share and acquire new customers

2

Enhance capabilities in high-growth solutions areas

3

Expand services capabilities

Q3 2019 Financial Results

(Unaudited)

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

	Three Months Ended September 30,		
	2019	2018	% Change
Net sales	\$ 4,907.7	\$ 4,373.2	12.2%
<i>Average daily net sales</i>	\$ 76.7	\$ 69.4	10.5%
Gross profit	\$ 816.5	\$ 713.6	14.4%
<i>% of Net sales</i>	16.6%	16.3%	
SG&A, including advertising	\$ 495.9	\$ 438.8	13.0%
Operating income	\$ 320.6	\$ 274.8	16.7%
Non-GAAP SG&A, including advertising*	\$ 436.1	\$ 379.7	14.9%
Non-GAAP operating income*	\$ 380.4	\$ 333.9	13.9%
<i>% of Net sales</i>	7.8%	7.6%	
Interest expense, net	\$ 42.3	\$ 36.6	15.6%
Net income	\$ 201.7	\$ 183.7	9.8%
Diluted EPS	\$ 1.37	\$ 1.20	14.6%
Non-GAAP net income*	\$ 249.9	\$ 217.6	14.8%
Non-GAAP diluted EPS*	\$ 1.70	\$ 1.42	19.8%

* Non-GAAP SG&A, including advertising, Non-GAAP operating income, Non-GAAP net income and Non-GAAP diluted EPS are non-GAAP financial measures. See Exhibit 99.1 to CDW's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 31, 2019 for a discussion of non-GAAP financial measures.

Q3 2019 Non-GAAP SG&A and Non-GAAP Operating Income

(Unaudited)
(\$ in millions)

	Three Months Ended September 30,		
	2019	2018	% Change
Reported SG&A, including advertising	\$ 495.9	\$ 438.8	13.0%
Amortization of acquisition-related intangible assets	(44.6)	(45.3)	
Equity-based compensation	(12.8)	(10.8)	
Scalar acquisition and integration expenses	(0.9)	—	
Other adjustments	(1.5)	(3.0)	
Non-GAAP SG&A, including advertising	<u>\$ 436.1</u>	<u>\$ 379.7</u>	14.9%
Non-GAAP operating income	\$ 380.4	\$ 333.9	13.9%
<i>% of Net sales</i>	7.8%	7.6%	

Q3 2019 Non-Operating Expenses

(Unaudited)
(\$ in millions)

	Three Months Ended September 30,		
	2019	2018	% Change
Interest expense, net	\$ 42.3	\$ 36.6	15.6%
Other (expense) income, net	\$ (17.4)	\$ 0.2	nm*
Income tax expense	\$ 59.2	\$ 54.7	8.2%

*Not meaningful

Q3 2019 GAAP Effective Tax Rate

(Unaudited)

	Three Months Ended September 30,	
	2019	2018
Federal statutory rate	21.0%	21.0%
State taxes ⁽¹⁾	4.0	4.0
Excess benefits from equity-based compensation ⁽²⁾	(3.5)	(3.0)
All other items impacting tax rate	1.2	0.9
GAAP effective tax rate	<u>22.7%</u>	<u>22.9%</u>

(1) Net of Federal benefit and excludes the State benefit associated with excess tax benefits.

(2) Inclusive of Federal and State taxes.

Q3 2019 Non-GAAP Net Income

(Unaudited)
(\$ in millions)

	Three Months Ended September 30, 2019				Three Months Ended September 30, 2018			
	Income before income taxes	Income tax expense ⁽¹⁾	Net income	Effective tax rate	Income before income taxes	Income tax expense ⁽¹⁾	Net income	Effective tax rate
GAAP, as reported	\$ 260.9	\$ (59.2)	\$ 201.7	22.7%	\$ 238.4	\$ (54.7)	\$ 183.7	22.9%
Amortization of intangibles ⁽²⁾	44.6	(11.3)	33.3		45.3	(12.0)	33.3	
Equity-based compensation	12.8	(11.8)	1.0		10.8	(10.5)	0.3	
Net loss on extinguishment of long-term debt	16.1	(4.0)	12.1		—	—	—	
Scalar acquisition and integration expenses	0.9	(0.2)	0.7		—	—	—	
Other adjustments ⁽³⁾	1.5	(0.4)	1.1		3.0	(2.7)	0.3	
Non-GAAP*	<u>\$ 336.8</u>	<u>\$ (86.9)</u>	<u>\$ 249.9</u>	<u>25.8%</u>	<u>\$ 297.5</u>	<u>\$ (79.9)</u>	<u>\$ 217.6</u>	<u>26.9%</u>

(1) Income tax on non-GAAP adjustments includes excess tax benefits associated with equity-based compensation and the impact of global intangible low tax income (“GILTI”) due to equity-based compensation and amortization of intangibles.

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

(3) Includes other expenses such as payroll taxes on equity-based compensation.

* Non-GAAP income before income taxes and Non-GAAP net income are non-GAAP financial measures. See Exhibit 99.1 to CDW's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 31, 2019 for a discussion of non-GAAP financial measures.

Q3 2019 Earnings Per Share

(Unaudited)

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

	Three Months Ended September 30,		
	2019	2018	% Change
Diluted EPS	\$ 1.37	\$ 1.20	14.6%
Non-GAAP net income*	\$ 249.9	\$ 217.6	14.8%
Non-GAAP diluted EPS*	\$ 1.70	\$ 1.42	19.8%

* Non-GAAP net income and Non-GAAP diluted EPS are non-GAAP financial measures. See Exhibit 99.1 to CDW's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 31, 2019 for a discussion of non-GAAP financial measures.

YTD Financial Results

(Unaudited)

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

	Nine Months Ended September 30,		
	2019	2018	% Change
Net sales	\$ 13,495.5	\$ 12,165.7	10.9%
<i>Average daily net sales</i>	\$ 70.7	\$ 63.7	10.9%
Gross profit	\$ 2,262.4	\$ 2,013.1	12.4%
<i>% of Net sales</i>	16.8%	16.5%	
SG&A, including advertising	\$ 1,412.6	\$ 1,268.7	11.3%
Operating income	\$ 849.8	\$ 744.4	14.2%
Non-GAAP SG&A, including advertising*	\$ 1,236.3	\$ 1,096.0	12.8%
Non-GAAP operating income*	\$ 1,026.1	\$ 917.1	11.9%
<i>% of Net sales</i>	7.6%	7.5%	
Interest expense, net	\$ 121.1	\$ 111.5	8.6%
Net income	\$ 551.2	\$ 483.7	14.0%
Diluted EPS	\$ 3.72	\$ 3.14	18.5%
Non-GAAP net income*	\$ 673.0	\$ 593.6	13.4%
Non-GAAP diluted EPS*	\$ 4.54	\$ 3.85	17.9%

* Non-GAAP SG&A, including advertising, Non-GAAP operating income, Non-GAAP net income and Non-GAAP diluted EPS are non-GAAP financial measures. See Exhibit 99.1 to CDW's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 31, 2019 for a discussion of non-GAAP financial measures.

YTD Non-GAAP SG&A and Non-GAAP Operating Income

(Unaudited)
(\$ in millions)

	Nine Months Ended September 30,		
	2019	2018	% Change
Reported SG&A, including advertising	\$ 1,412.6	\$ 1,268.7	11.3%
Amortization of acquisition-related intangible assets	(133.7)	(138.6)	
Equity-based compensation	(37.7)	(29.9)	
Scalar acquisition and integration expenses	(2.0)	—	
Other adjustments	(2.9)	(4.2)	
Non-GAAP SG&A, including advertising	<u>\$ 1,236.3</u>	<u>\$ 1,096.0</u>	12.8%
Non-GAAP operating income	\$ 1,026.1	\$ 917.1	11.9%
<i>% of Net sales</i>	7.6%	7.5%	

YTD Non-Operating Expenses

(Unaudited)
(\$ in millions)

	Nine Months Ended September 30,		
	2019	2018	% Change
Interest expense, net	\$ 121.1	\$ 111.5	8.6%
Other (expense) income, net	\$ (15.0)	\$ 1.0	nm*
Income tax expense	\$ 162.5	\$ 150.2	8.2%

*Not meaningful

YTD 2019 GAAP Effective Tax Rate

(Unaudited)

	Nine Months Ended September 30,	
	2019	2018
Federal statutory rate	21.0%	21.0%
State taxes ⁽¹⁾	4.0	4.0
Excess benefits from equity-based compensation ⁽²⁾	(2.9)	(2.3)
All other items impacting tax rate	0.6	1.0
GAAP effective tax rate	<u>22.7%</u>	<u>23.7%</u>

(1) Net of Federal benefit and excludes the State benefit associated with excess tax benefits.

(2) Inclusive of Federal and State taxes.

YTD Non-GAAP Net Income

(Unaudited)
(\$ in millions)

	Nine Months Ended September 30, 2019				Nine Months Ended September 30, 2018			
	Income before income taxes	Income tax expense ⁽¹⁾	Net income	Effective tax rate	Income before income taxes	Income tax expense ⁽¹⁾	Net income	Effective tax rate
GAAP, as reported	\$ 713.7	\$ (162.5)	\$ 551.2	22.8%	\$ 633.9	\$ (150.2)	\$ 483.7	23.7%
Amortization of intangibles ⁽²⁾	133.7	(33.8)	99.9		138.6	(36.0)	102.6	
Equity-based compensation	37.7	(28.7)	9.0		29.9	(23.8)	6.1	
Net loss on extinguishment of long-term debt	16.1	(4.0)	12.1		—	—	—	
Scalar acquisition and integration expenses ⁽³⁾	2.0	(3.4)	(1.4)		—	—	—	
Other adjustments ⁽⁴⁾	2.9	(0.7)	2.2		4.2	(3.0)	1.2	
Non-GAAP*	<u>\$ 906.1</u>	<u>\$ (233.1)</u>	<u>\$ 673.0</u>	<u>25.7%</u>	<u>\$ 806.6</u>	<u>\$ (213.0)</u>	<u>\$ 593.6</u>	<u>26.4%</u>

- (1) Income tax on non-GAAP adjustments includes excess tax benefits associated with equity-based compensation and the impact of GILTI due to equity-based compensation and amortization of intangibles.
- (2) Includes amortization expense for acquisition-related intangible assets, primarily customer relationships, customer contracts and trade names.
- (3) Includes a \$3 million discrete tax benefit related to CDW Canada's acquisition of Scalar Decisions Inc. ("Scalar").
- (4) Includes other expenses such as payroll taxes on equity-based compensation.
- * Non-GAAP income before income taxes and Non-GAAP net income are non-GAAP financial measures. See Exhibit 99.1 to CDW's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 31, 2019 for a discussion of non-GAAP financial measures.

YTD Earnings Per Share

(Unaudited)

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

	Nine Months Ended September 30,		
	2019	2018	% Change
Diluted EPS	\$ 3.72	\$ 3.14	18.5%
Non-GAAP net income*	\$ 673.0	\$ 593.6	13.4%
Non-GAAP diluted EPS*	\$ 4.54	\$ 3.85	17.9%

* Non-GAAP net income and Non-GAAP diluted EPS are non-GAAP financial measures. See Exhibit 99.1 to CDW's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 31, 2019 for a reconciliation of non-GAAP financial measures.

Debt and Revolver Availability

(\$ in millions)

	September 30, 2019	December 31, 2018	September 30, 2018
	<i>(unaudited)</i>		<i>(unaudited)</i>
Cash and cash equivalents	\$ 166.9	\$ 205.8	\$ 255.1
Total debt	\$ 3,284.4	\$ 3,208.6	\$ 3,219.4
Net debt (total debt net of cash and cash equivalents)	\$ 3,117.5	\$ 3,002.8	\$ 2,964.3
Revolver availability	\$ 1,129.5	\$ 1,120.1	\$ 1,129.7
Cash plus revolver availability	\$ 1,296.4	\$ 1,325.9	\$ 1,384.8

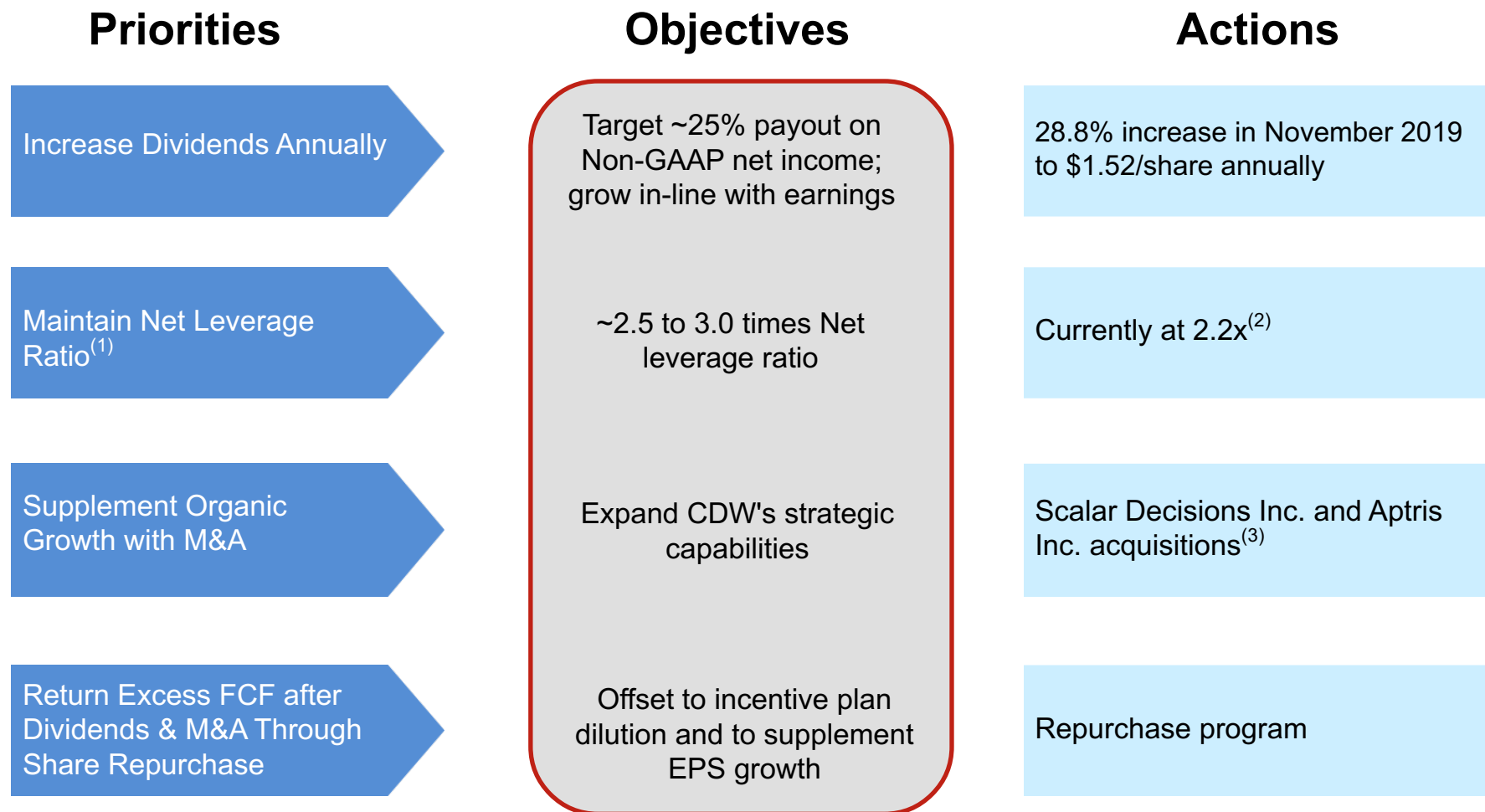
Cash Conversion Cycle

(Unaudited)

(Based on a rolling three-month average)

	September 30, 2019	December 31, 2018	September 30, 2018
Days of sales outstanding	56	56	55
Days of supply in inventory	13	13	12
Days purchases outstanding	(52)	(50)	(49)
Cash conversion cycle	17	19	18

2019 Capital Allocation Priorities



(1) Defined 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 trailing twelve-month Non-GAAP operating income plus depreciation and amortization in SG&A (excluding amortization expenses for acquisition-related intangible assets).

(2) As of September 30, 2019.

(3) CDW acquired Scalar Decisions Inc., a premier Canadian IT solutions and service provide, on February 1, 2019, and Aprtris Inc., a premier IT service management solutions provider, on October 1, 2019.

2019 Outlook⁽¹⁾

<u>Annual</u>	<u>2019⁽²⁾</u>
Net Sales Growth	US IT growth + 625 to 675 bps + ~100 bps from Scalar ⁽³⁾ acquisition in constant currency
Non-GAAP Operating Income Margin ⁽⁴⁾	Mid 7% ^s
Non-GAAP Earnings per Diluted Share Growth	Mid-teens growth in constant currency

(1) 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 currency impacts or interest rates, or reliably predicted because they are not part of the CDW's routine activities, such as refinancing activities or acquisition and integration expenses.

(2) As of October 31, 2019.

(3) CDW acquired Scalar Decisions Inc., a premier Canadian IT solutions and services provider, on February 1, 2019.

(4) Non-GAAP operating income as a percentage of Net sales.

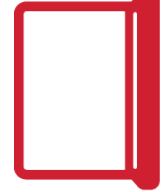
Modeling Thoughts for 2019

- Full-year constant currency Net sales growth of 625 to 675 bps above U.S. IT growth, plus ~100 bps from Scalar acquisition
 - Currency headwinds expected at an annual average rate of ~60 bps
- Annual depreciation and amortization expenses, including Scalar and Aprtis, expected to be ~\$265 million, including amortization expenses for acquisition-related intangible assets of ~\$180 million
 - Depreciation and amortization in SG&A, excluding acquisition-related intangible assets, expected to be ~\$80 million
- Equity compensation expected to be in the range of \$7 to \$9 million higher than 2018
- Annual book interest expected to be in the range of \$162 to \$164 million
- Non-GAAP effective tax rate expected to be slightly below the low end of the 25.5% to 26.5% range
- Non-GAAP EPS expected to grow ~400 bps faster than Non-GAAP net income
- Non-GAAP EPS growth in the strong mid-teens in constant currency (16.0% to 16.5%)

Modeling Thoughts for 2019 Cash Flows

- Annual Free Cash Flow within 'rule of thumb' of 3.75% to 4.25% of Net sales
- Capital expenditures to be ~1.25% of Net sales on an annual basis
 - Business-as-usual capital expenditures of slightly above 0.50% of Net sales
 - Device as a Service capital expenditures ~0.75% of Net sales
- Cash tax rate to be ~24.5%
- Achieve Cash Conversion Cycle within annual target range of high teens to low 20s

Questions and Answers



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Non-GAAP Operating Income Reconciliation

(Unaudited)

(\$ in millions)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2019	% of Net sales	2018	% of Net sales	2019	% of Net sales	2018	% of Net sales
Operating income	\$ 320.6	6.5%	\$ 274.8	6.3%	\$ 849.8	6.3%	\$ 744.4	6.1%
Amortization of intangibles ⁽¹⁾	44.6		45.3		133.7		138.6	
Equity-based compensation	12.8		10.8		37.7		29.9	
Scalar acquisition and integration expenses	0.9		—		2.0		—	
Other adjustments ⁽²⁾	1.5		3.0		2.9		4.2	
Non-GAAP operating income*	<u>\$ 380.4</u>	7.8%	<u>\$ 333.9</u>	7.6%	<u>\$ 1,026.1</u>	7.6%	<u>\$ 917.1</u>	7.5%

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

(2) Includes other expenses such as payroll taxes on equity-based compensation.

* Non-GAAP operating income is a non-GAAP financial measure. See Exhibit 99.1 to CDW's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 31, 2019 for a discussion of non-GAAP financial measures.

Free Cash Flow

(Unaudited)

(\$ in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	2018	% Change	2019	2018	% Change
Net cash provided by operating activities	\$ 267.8	\$ 270.0	(0.8)%	\$ 682.3	\$ 602.3	13.3%
Capital expenditures	(31.1)	(19.8)		(75.0)	(53.4)	
Net change in accounts payable - inventory financing	(53.7)	20.3		(17.4)	(90.1)	
Free Cash Flow	<u>\$ 183.0</u>	<u>\$ 270.5</u>	<u>(32.3)%</u>	<u>\$ 589.9</u>	<u>\$ 458.8</u>	<u>28.6%</u>

Net Sales Growth on a Constant Currency Basis

(Unaudited)
(\$ in millions)

	Three Months Ended September 30,				Nine Months Ended September 30,		
	2019	2018	% Change	Average Daily % Change ⁽¹⁾	2019	2018	% Change ⁽²⁾
Net sales, as reported	\$ 4,907.7	\$ 4,373.2	12.2%	10.5%	\$ 13,495.5	\$ 12,165.7	10.9%
Foreign currency translation ⁽³⁾	—	(18.1)			—	(68.9)	
Net sales, on a constant currency basis*	<u>\$ 4,907.7</u>	<u>\$ 4,355.1</u>	<u>12.7%</u>	<u>10.9%</u>	<u>\$ 13,495.5</u>	<u>\$ 12,096.8</u>	<u>11.6%</u>

(1) There were 64 and 63 selling days for the three months ended September 30, 2019 and 2018, respectively.

(2) There were 191 selling days for both the nine months ended September 30, 2019 and 2018.

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

* Net sales growth on a constant currency basis is a non-GAAP financial measure. See Exhibit 99.1 to CDW's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 31, 2019 for a discussion of non-GAAP financial measures.

Non-GAAP Net Income Per Diluted Share, on a Constant Currency Basis

(Unaudited)

(\$ and shares in millions, except per-share amounts)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	2018	% Change	2019	2018	% Change
Net income	\$ 201.7	\$ 183.7	9.8%	\$ 551.2	\$ 483.7	14.0%
Amortization of intangibles	44.6	45.3		133.7	138.6	
Equity-based compensation	12.8	10.8		37.7	29.9	
Net loss on extinguishment of long-term debt	16.1	—		16.1	—	
Scalar acquisition and integration expenses	0.9	—		2.0	—	
Other adjustments	1.5	3.0		2.9	4.2	
Aggregate adjustment for income taxes	(27.7)	(25.2)		(70.6)	(62.8)	
Non-GAAP net income ^{(1)*}	\$ 249.9	\$ 217.6	14.8%	\$ 673.0	\$ 593.6	13.4%
Foreign currency translation ⁽²⁾	—	(1.0)		—	(3.3)	
Non-GAAP net income, on a constant currency basis*	\$ 249.9	\$ 216.6	15.3%	\$ 673.0	\$ 590.3	14.0%
Shares used in computing Non-GAAP net income per diluted share and Non-GAAP net income per diluted share, on a constant currency basis	147.2	153.7		148.2	154.1	
Non-GAAP net income per diluted share*	\$ 1.70	\$ 1.42	19.8%	\$ 4.54	\$ 3.85	17.9%
Non-GAAP net income per diluted share, on a constant currency basis*	\$ 1.70	\$ 1.41	20.4%	\$ 4.54	\$ 3.83	18.5%

(1) See Slide 12 for details on the adjustments to Non-GAAP net income for the third quarter. See Slide 16 for details on the adjustments to Non-GAAP net income for YTD.

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

* Non-GAAP net income, Non-GAAP net income per diluted share, Non-GAAP net income on a constant currency basis and Non-GAAP net income per diluted share on a constant currency basis are non-GAAP financial measures. See Exhibit 99.1 to CDW's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 31, 2019 for a discussion of non-GAAP financial measures.