



CDW Corporation

Webcast Conference Call

August 3, 2022

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Today's Agenda

- Second Quarter and YTD 2022 Results
- Performance Drivers
- Outlook
- Q&A

Disclaimers

Forward-Looking Statements

Statements in this presentation 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, capital allocation priorities and growth prospects of CDW. These forward-looking statements are subject to risks and uncertainties that may cause actual results or events to differ materially from those described in such statements. Although CDW believes that its plans, intentions and other expectations reflected in or suggested by such forward-looking statements are reasonable, it can give no assurance that it will achieve those plans, intentions or expectations. 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, 2021. 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, except as otherwise required by law.

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, 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 US GAAP. For a reconciliation of non-GAAP financial measures to the applicable most comparable US GAAP financial measures, see Exhibit 99.1 to CDW's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 3, 2022 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.

Other

The historic combined financial information of CDW and Sirius presented herein is for illustrative purposes only and is not necessarily indicative of results that would have been achieved had the acquisition occurred at the beginning of the periods presented. The combined financial information is not intended to represent pro forma financial information under Article 11 of Regulation S-X. In addition, in arriving at the combined non-GAAP earnings per diluted share, CDW has applied its best judgment in conforming Sirius' pre-acquisition financial results to CDW's definition of Non-GAAP earnings per diluted share.

Q2 2022 and YTD Financial Performance

Second Quarter:

- Net sales increased \$999 million from Q2 2021 to \$6.1 billion
 - Up 19.4% on a reported and average daily sales ("ADS") basis
 - Up 20.5% on an ADS constant currency basis
- Operating income up 17.7% to \$435 million
- Net income up 1.9% to \$279 million
- Non-GAAP operating income up 23.5% to \$516 million
- Net income per diluted share up 5.6% to \$2.04
- Non-GAAP net income per diluted share up 23.0% to \$2.49

Year to Date ("YTD"):

- Net sales increased \$2,111 million from Q2 2021 to \$12.1 billion
 - Up 21.1% on a reported basis and average daily sales ("ADS") basis
 - Up 21.9% on an ADS constant currency basis
- Operating income up 18.6% to \$822 million
- Net income up 4.5% to \$530 million
- Non-GAAP operating income up 24.5% to \$978 million
- Net income per diluted share up 8.8% to \$3.87
- Non-GAAP net income per diluted share up 24.6% to \$4.69

Balanced Portfolio Drove Record Top-Line Results

(Unaudited)
(\$ in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2022	2021	% Change ⁽¹⁾	2022	2021	% Change ⁽¹⁾
Corporate	\$ 2,660.7	\$ 1,983.3	34.2 %	\$ 5,288.3	\$ 3,788.9	39.6 %
Small Business	500.0	482.9	3.5	1,024.0	915.6	11.8
Public						
Government	609.5	513.4	18.7	1,153.4	1,029.5	12.0
Education	1,041.3	1,112.1	(6.4)	1,944.1	2,055.4	(5.4)
Healthcare	592.2	455.2	30.1	1,178.5	917.5	28.4
Total Public	2,243.0	2,080.7	7.8	4,276.0	4,002.4	6.8
Other	742.1	599.5	23.8	1,506.6	1,277.0	18.0
Total Net sales	<u>\$ 6,145.8</u>	<u>\$ 5,146.4</u>	<u>19.4 %</u>	<u>\$ 12,094.9</u>	<u>\$ 9,983.9</u>	<u>21.1 %</u>

(1) There were 64 selling days for both the three months ended June 30, 2022 and 2021. There were 127 selling days for both the six months ended June 30, 2022 and 2021.

Highlights Combined Power of Business Model and Strategy

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

Our Three-Part Growth Strategy

1

Capture share and acquire new customers

2

Enhance capabilities in high-growth solutions areas

3

Expand services capabilities

Q2 2022 Financial Results

(Unaudited)

(\$ in millions, except per share amounts)

	Three Months Ended June 30,		
	2022	2021	% Change
Net sales	\$ 6,145.8	\$ 5,146.4	19.4 %
<i>Average daily net sales</i>	\$ 96.0	\$ 80.4	19.4 %
Gross profit	\$ 1,168.2	\$ 882.8	32.3 %
<i>% of Net sales</i>	19.0 %	17.2 %	
SG&A	\$ 732.9	\$ 512.9	42.9 %
Operating income	\$ 435.3	\$ 369.9	17.7 %
Non-GAAP SG&A*	\$ 651.9	\$ 464.7	40.3 %
Non-GAAP operating income*	\$ 516.3	\$ 418.1	23.5 %
<i>% of Net sales</i>	8.4 %	8.1 %	
Interest expense, net	\$ 57.7	\$ 35.5	62.5 %
Other income (expense), net	\$ (0.4)	\$ 36.8	**nm
Net income	\$ 279.3	\$ 274.1	1.9 %
Diluted EPS	\$ 2.04	\$ 1.93	5.6 %
Non-GAAP net income*	\$ 339.5	\$ 286.1	18.7 %
Non-GAAP diluted EPS*	\$ 2.49	\$ 2.02	23.0 %

* Non-GAAP SG&A, 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 August 3, 2022 for a discussion of non-GAAP financial measures.

** Not meaningful

Q2 2022 Non-GAAP SG&A and Non-GAAP Operating Income

(Unaudited)
(\$ in millions)

	Three Months Ended June 30,		
	2022	2021	% Change
SG&A, as reported	\$ 732.9	\$ 512.9	42.9 %
Amortization of acquisition-related intangible assets	(40.7)	(24.4)	
Equity-based compensation	(23.5)	(20.6)	
Acquisition and integration expenses	(14.9)	(2.8)	
Other adjustments	(1.9)	(0.4)	
Non-GAAP SG&A*	<u>\$ 651.9</u>	<u>\$ 464.7</u>	40.3 %
Non-GAAP operating income*	\$ 516.3	\$ 418.1	23.5 %
% of Net sales	8.4 %	8.1 %	

* Non-GAAP SG&A and Non-GAAP operating 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 August 3, 2022 for a discussion of non-GAAP financial measures.

Q2 2022 Non-Operating Expenses

(Unaudited)
(\$ in millions)

	Three Months Ended June 30,		
	2022	2021	% Change
Interest expense, net	\$ 57.7	\$ 35.5	62.5 %
Other income (expense), net	\$ (0.4)	\$ 36.8	*nm
Income tax expense	\$ 97.9	\$ 97.1	0.8 %

* Not meaningful

Q2 2022 US GAAP Effective Tax Rate

(Unaudited)

	Three Months Ended June 30,	
	2022	2021
Federal statutory rate	21.0 %	21.0 %
State taxes ⁽¹⁾	4.2	4.3
Excess benefits from equity-based compensation ⁽²⁾	(0.3)	(0.6)
All other items impacting tax rate	1.1	1.5
US GAAP effective tax rate	<u>26.0 %</u>	<u>26.2 %</u>

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

(2) Inclusive of Federal and State taxes.

Q2 2022 Non-GAAP Net Income

(Unaudited)

(\$ in millions)

	Three Months Ended June 30, 2022				Three Months Ended June 30, 2021			
	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
US GAAP, as reported	\$ 377.2	\$ (97.9)	\$ 279.3	26.0 %	\$ 371.2	\$ (97.1)	\$ 274.1	26.2 %
Gain on the sale of equity method investment	—	—	—		(36.0)	8.8	(27.2)	
Amortization of intangibles ⁽²⁾	40.7	(10.6)	30.1		24.4	(1.8)	22.6	
Equity-based compensation	23.5	(5.9)	17.6		20.6	(6.2)	14.4	
Acquisition and integration expenses	14.9	(3.8)	11.1		2.8	(0.7)	2.1	
Other adjustments	2.0	(0.6)	1.4		0.4	(0.3)	0.1	
Non-GAAP*	<u>\$ 458.3</u>	<u>\$ (118.8)</u>	<u>\$ 339.5</u>	<u>25.9 %</u>	<u>\$ 383.4</u>	<u>\$ (97.3)</u>	<u>\$ 286.1</u>	<u>25.4 %</u>

(1) Income tax on non-GAAP adjustments includes excess tax benefits associated with equity-based compensation.

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

* 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 August 3, 2022 for a discussion of non-GAAP financial measures.

Q2 2022 Earnings Per Share

(Unaudited)

(\$ in millions, except per share amounts)

	Three Months Ended June 30,		
	2022	2021	% Change
Diluted EPS	\$ 2.04	\$ 1.93	5.6 %
Non-GAAP net income*	\$ 339.5	\$ 286.1	18.7 %
Non-GAAP diluted EPS*	\$ 2.49	\$ 2.02	23.0 %

* 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 August 3, 2022 for a discussion of non-GAAP financial measures.

YTD Financial Results

(Unaudited)

(\$ in millions, except per share amounts)

	Six Months Ended June 30,		
	2022	2021	% Change
Net sales	\$ 12,094.9	\$ 9,983.9	21.1 %
<i>Average daily net sales</i>	\$ 95.2	\$ 78.6	21.1 %
Gross profit	\$ 2,272.3	\$ 1,678.0	35.4 %
<i>% of Net sales</i>	18.8 %	16.8 %	
SG&A	\$ 1,450.1	\$ 984.7	47.3 %
Operating income	\$ 822.2	\$ 693.3	18.6 %
Non-GAAP SG&A*	\$ 1,293.9	\$ 890.5	45.3 %
Non-GAAP operating income*	\$ 978.4	\$ 785.8	24.5 %
<i>% of Net sales</i>	8.1 %	7.9 %	
Interest expense, net	\$ 113.7	\$ 71.1	59.9 %
Other (expense) income, net	\$ (0.9)	\$ 37.9	**nm
Net income	\$ 529.5	\$ 506.7	4.5 %
Diluted EPS	\$ 3.87	\$ 3.56	8.8 %
Non-GAAP net income*	\$ 641.0	\$ 535.5	19.7 %
Non-GAAP diluted EPS*	\$ 4.69	\$ 3.76	24.6 %

* Non-GAAP SG&A, 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 August 3, 2022 for a discussion of non-GAAP financial measures.

** Not meaningful

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

(Unaudited)
(\$ in millions)

	Six Months Ended June 30,		
	2022	2021	% Change
SG&A, as reported	\$ 1,450.1	\$ 984.7	47.3 %
Amortization of acquisition-related intangible assets	(81.6)	(46.0)	
Equity-based compensation	(44.6)	(36.4)	
Acquisition and integration expenses	(26.6)	(6.4)	
Other adjustments	(3.4)	(5.4)	
Non-GAAP SG&A	<u>\$ 1,293.9</u>	<u>\$ 890.5</u>	45.3 %
Non-GAAP operating income*	\$ 978.4	\$ 785.8	24.5 %
<i>% of Net sales</i>	8.1 %	7.9 %	

* Non-GAAP SG&A and Non-GAAP operating 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 August 3, 2022 for a discussion of non-GAAP financial measures.

YTD Non-Operating Expenses

(Unaudited)
(\$ in millions)

	Six Months Ended June 30,		
	2022	2021	% Change
Interest expense, net	\$ 113.7	\$ 71.1	59.9 %
Other (expense) income, net	\$ (0.9)	\$ 37.9	*nm
Income tax expense	\$ 178.1	\$ 153.4	16.1 %

* Not meaningful

YTD US GAAP Effective Tax Rate

(Unaudited)

	Six Months Ended June 30,	
	2022	2021
Federal statutory rate	21.0 %	21.0 %
State taxes ⁽¹⁾	4.2	4.2
Excess benefits from equity-based compensation ⁽²⁾	(0.9)	(3.0)
All other items impacting tax rate	0.9	1.0
US GAAP effective tax rate	<u>25.2 %</u>	<u>23.2 %</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)

	Six Months Ended June 30, 2022				Six Months Ended June 30, 2021			
	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
US GAAP, as reported	\$ 707.6	\$ (178.1)	\$ 529.5	25.2 %	\$ 660.1	\$ (153.4)	\$ 506.7	23.2 %
Gain on sale of equity method investment	—	—	—		(36.0)	8.8	(27.2)	
Amortization of intangibles ⁽²⁾	81.6	(21.2)	60.4		46.0	(7.2)	38.8	
Equity-based compensation	44.6	(15.6)	29.0		36.4	(27.0)	9.4	
Acquisition and integration expenses	26.6	(6.8)	19.8		6.4	(1.6)	4.8	
Other adjustments	3.4	(1.1)	2.3		4.1	(1.1)	3.0	
Non-GAAP*	<u>\$ 863.8</u>	<u>\$ (222.8)</u>	<u>\$ 641.0</u>	<u>25.8 %</u>	<u>\$ 717.0</u>	<u>\$ (181.5)</u>	<u>\$ 535.5</u>	<u>25.3 %</u>

(1) Income tax on non-GAAP adjustments includes excess tax benefits associated with equity-based compensation.

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

* 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 August 3, 2022 for a discussion of non-GAAP financial measures.

YTD Earnings Per Share

(Unaudited)

(\$ in millions, except per share amounts)

	Six Months Ended June 30,		
	2022	2021	% Change
Diluted EPS	\$ 3.87	\$ 3.56	8.8 %
Non-GAAP net income*	\$ 641.0	\$ 535.5	19.7 %
Non-GAAP diluted EPS*	\$ 4.69	\$ 3.76	24.6 %

* 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 August 3, 2022 for a discussion of non-GAAP financial measures.

Debt and Revolver Availability

(\$ in millions)

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
	<i>(unaudited)</i>		<i>(unaudited)</i>
Cash and cash equivalents	\$ 541.6	\$ 258.1	\$ 501.2
Total debt	\$ 6,586.9	\$ 6,858.5	\$ 3,929.0
Net debt (total debt net of cash and cash equivalents)	\$ 6,045.3	\$ 6,600.4	\$ 3,427.8
Revolver availability	\$ 1,141.4	\$ 987.3	\$ 1,228.5
Cash plus revolver availability	\$ 1,683.0	\$ 1,245.4	\$ 1,729.7

Cash Conversion Cycle

(Unaudited)

(Based on a rolling three-month average)

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Days of sales outstanding	64	65	56
Days of supply in inventory	18	17	16
Days purchases outstanding	(63)	(58)	(51)
Cash conversion cycle	<u>19</u>	<u>24</u>	<u>21</u>

Free Cash Flow

(Unaudited)
(\$ in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net cash provided by operating activities	\$ 380.3	\$ 0.3	\$ 761.1	\$ 344.9
Capital expenditures	(22.3)	(17.8)	(63.6)	(38.5)
Net change in accounts payable - inventory financing	(106.8)	30.2	19.9	(150.1)
Financing payments for revenue generating assets	—	(3.2)	—	(46.1)
Free cash flow	<u>\$ 251.2</u>	<u>\$ 9.5</u>	<u>\$ 717.4</u>	<u>\$ 110.2</u>

2022 Capital Allocation Priorities

Priorities	Objectives	Actions
Increase Dividends Annually	Target ~25% payout of Non-GAAP net income; grow in-line with earnings	25% increase in November 2021 to \$2.00/share annually
Maintain Net Leverage Ratio ⁽¹⁾	Use FCF after dividends to pay down debt until leverage ratio is within range of 2.5-3.0 times	Currently at 2.9x ^{(2),(3)} . Down from 3.4x in 2021 and expect to be further within target range by the end of 2022
Supplement Organic Growth with M&A	Lower priority on M&A until net leverage ratio is firmly in target range	Acquired Sirius Computer Solutions, Inc. on December 1, 2021, for \$2.5 billion
Return Excess FCF after Dividends & M&A Through Share Repurchases	Lower priority on share repurchases until net leverage ratio is firmly in target range	\$1.5 billion of share repurchases in 2021 will more than offset multiple years of incentive plan dilution

(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 June 30, 2022.

(3) The Net Leverage Ratio of 2.9 times is a result of CDW issuing \$2.5 billion of senior notes on December 1, 2021, to fund the acquisition of Sirius Computer Solutions, Inc. CDW expects to be further within its net leverage target range by the end of 2022.

2022 Outlook

2022 Outlook On a Combined Basis^{(1),(2),(3)}

Net Sales Growth

U.S. IT growth of ~4% plus ~325 to 425 bps premium in constant currency

Non-GAAP Operating Income Margin⁽⁴⁾

Low-8%^s

Non-GAAP Earnings Per Diluted Share Growth

- Mid-teens growth in constant currency on a combined basis
- Low-twenties growth in constant currency on a reported basis

(1) CDW acquired Sirius Computer Solutions, Inc. on December 1, 2021. On a combined basis, CDW's full-year 2021 Net sales would have been \$22.8 billion, including \$2.17 billion from Sirius, and full-year non-GAAP earnings per diluted share would have been \$8.49.

(2) As of August 3, 2022.

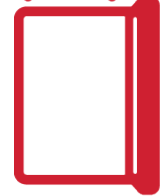
(3) Annual targets are provided on a non-GAAP basis because certain reconciling items are dependent on future events that either cannot be controlled, such as currency impacts or interest rates, or reliably predicted because they are not part of CDW's routine activities, such as refinancing activities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

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

Modeling Thoughts for 2022

- Full-year Net sales expected to grow ~325 to 425 bps faster than the U.S. IT market growth on a combined basis, in constant currency
 - Equates to 17.5% to 18.5% growth on a reported basis, in constant currency
 - Expect third quarter sequential growth of low-single digit on an average daily sales basis from the second quarter
 - Currency headwinds expected to impact second half Net sales by ~\$120 million
- Annual depreciation and amortization expense expected to be between \$280 and \$285 million, including ~\$165 million of amortization expense for acquisition-related intangible assets
 - Depreciation and amortization expense in SG&A, excluding acquisition-related intangible assets, expected to be ~\$115 million
- Expect annual interest expense expected to be ~\$240 million
- Non-GAAP effective tax rate expected to be between 25.5% to 26.5%
- Expect Non-GAAP EPS growth of mid-teens on a combined basis, in constant currency
 - Equates to low-twenties percent growth on a reported basis, in constant currency
 - Currency headwinds expected to impact second half Non-GAAP EPS by ~4 cents
- Annual Free Cash Flow expected at the top end of 'rule of thumb' of 3 3/4% to 4 1/4% of Net sales
- Capital expenditures expected to be ~0.60% of Net sales on an annual basis
- Plan to achieve Cash Conversion Cycle within target range of high teens to low 20s

Questions and Answers



**PEOPLE
WHO
GET IT™**

Non-GAAP Operating Income Reconciliation

(Unaudited)
(\$ in millions)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2022	% of Net sales	2021	% of Net sales	2022	% of Net sales	2021	% of Net sales
Operating income, as reported	\$ 435.3	7.1 %	\$ 369.9	7.2 %	\$ 822.2	6.8 %	\$ 693.3	6.9 %
Amortization of intangibles ⁽¹⁾	40.7		24.4		81.6		46.0	
Equity-based compensation	23.5		20.6		44.6		36.4	
Acquisition and integration expenses	14.9		2.8		26.6		6.4	
Other adjustments	1.9		0.4		3.4		3.7	
Non-GAAP operating income*	<u>\$ 516.3</u>	8.4 %	<u>\$ 418.1</u>	8.1 %	<u>\$ 978.4</u>	8.1 %	<u>\$ 785.8</u>	7.9 %

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

* 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 August 3, 2022 for a discussion of non-GAAP financial measures.

Net Sales Growth on a Constant Currency Basis

(Unaudited)

(\$ in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2022	2021	% Change ⁽¹⁾	2022	2021	% Change ⁽¹⁾
Net sales, as reported	\$ 6,145.8	\$ 5,146.4	19.4 %	\$ 12,094.9	\$ 9,983.9	21.1 %
Foreign currency translation ⁽²⁾	—	(44.9)		—	(60.2)	
Net sales, on a constant currency basis*	<u>\$ 6,145.8</u>	<u>\$ 5,101.5</u>	20.5 %	<u>\$ 12,094.9</u>	<u>\$ 9,923.7</u>	21.9 %

(1) There were 64 selling days for both the three months ended June 30, 2022 and 2021. There were 127 selling days for both the six months ended June 30, 2022 and 2021.

(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.

* 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 August 3, 2022 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 June 30,			Six Months Ended June 30,		
	2022	2021	% Change	2022	2021	% Change
Net income, as reported	\$ 279.3	\$ 274.1	1.9 %	\$ 529.5	\$ 506.7	4.5 %
Gain on sale of equity method investment	—	(36.0)		—	(36.0)	
Amortization of intangibles	40.7	24.4		81.6	46.0	
Equity-based compensation	23.5	20.6		44.6	36.4	
Acquisition and integration expenses	14.9	2.8		26.6	6.4	
Other adjustments	2.0	0.4		3.4	4.1	
Aggregate adjustment for income taxes	(20.9)	(0.2)		(44.7)	(28.1)	
Non-GAAP net income ^{(1)*}	\$ 339.5	\$ 286.1	18.7 %	\$ 641.0	\$ 535.5	19.7 %
Foreign currency translation ⁽²⁾	—	(1.9)		—	(2.7)	
Non-GAAP net income, on a constant currency basis*	<u>\$ 339.5</u>	<u>\$ 284.2</u>	19.5 %	<u>\$ 641.0</u>	<u>\$ 532.8</u>	20.3 %
Shares used in computing Non-GAAP net income per diluted share and Non-GAAP net income per diluted share, on a constant currency basis	136.8	141.7		136.8	142.4	
Non-GAAP net income per diluted share*	\$ 2.49	\$ 2.02	23.0 %	\$ 4.69	\$ 3.76	24.6 %
Non-GAAP net income per diluted share, on a constant currency basis*	\$ 2.49	\$ 2.01	24.2 %	\$ 4.69	\$ 3.74	25.3 %

(1) See Slide 12 for details on the adjustments to Non-GAAP net income for the second quarter. See slide 18 for details on the adjustments to Non-GAAP net income for the full year.

(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 August 3, 2022 for a discussion of non-GAAP financial measures.