CDW Corporation

Webcast Conference Call

February 9, 2016

Today's Agenda

- Full year 2015 and 4th Quarter Results
- Key Performance Drivers and Strategic Progress
- Financial Results
- Outlook
- Questions & Answers

Disclaimers

This presentation contains forward-looking statements, which are any predications, projections, or other statements about future events. These statements are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could materially differ because of factors discussed in today's earnings release, in the comments made during the conference call, and in the risk factors section of the Company's Form 10-K, Form 10-Q and other reports and filings with the Securities and Exchange Commission. The Company does not undertake any duty to update any forward-looking statement.

Demonstrates Strength of Business Model

Highlights combined power of:

- Balanced portfolio of channels
- Broad product and solution suite
- Variable cost structure

Record Full Year and 4th Quarter Performance

Full Year:

- Net sales up 7.6% to $13.0 billion; Organic net sales on a constant currency basis up 5.3%
- Adjusted EBITDA up 12.3% to $1.0 billion
- Non-GAAP net income per diluted share up 23.6% to $2.93

4th Quarter:

- Net sales up 12.1% to $3.4 billion; Organic net sales on a constant currency basis up 5.8%
- Adjusted EBITDA up 15.1% to $257.5 million
- Non-GAAP net income per diluted share up 23.3% to $0.73

Balanced Portfolio Drove Topline

(Unaudited)

($ in millions)

	Three Months Ended December 31,			Year Ended December 31,		
Corporate:	**2015**	**2014**	**% Change[1]**	**2015**	**2014**	**% Change[2]**
Medium / Large	$ 1,493.4	$ 1,440.3	3.7%	$ 5,758.2	$ 5,485.4	5.0%
Small Business	263.2	250.7	5.0	1,058.2	990.1	6.9
Total Corporate	$ 1,756.6	$ 1,691.0	3.9%	$ 6,816.4	$ 6,475.5	5.3%
Public:						
Government	$ 513.7	$ 440.8	16.5%	$ 1,675.9	$ 1,449.4	15.6%
Education	338.3	342.6	(1.3)	1,807.0	1,824.0	(0.9)
Healthcare	425.3	385.7	10.2	1,642.6	1,606.0	2.3
Total Public	$ 1,277.3	$ 1,169.1	9.2%	$ 5,125.5	$ 4,879.4	5.0%
Other	$ 384.5	$ 190.0	102.4%	$ 1,046.8	$ 719.6	45.5%
Total Net sales	$ 3,418.4	$ 3,050.1	12.1%	$ 12,988.7	$ 12,074.5	7.6%

(1) There were 63 selling days for the three months ended December 31, 2015 and 2014.
(2) There were 254 selling days for the years ended December 31, 2015 and 2014.

Our Three-Part Growth Strategy

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

2. Enhance ability to deliver high-growth, integrated solutions

3. Expand services capabilities

Fourth Quarter Financial Results

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

	Three Months Ended December 31,				
	2015		2014		% Change
Net sales	$	3,418.4	$	3,050.1	12.1%
Avg Daily Net Sales	*$*	*54.3*	*$*	*48.4*	12.1%
Gross profit	$	557.6	$	491.9	13.4%
% of Net Sales		*16.3%*		*16.1%*	
SG&A/advertising	$	377.7	$	327.6	15.3%
Income from operations	$	179.9	$	164.3	9.5%
Adjusted SG&A, including advertising *	$	302.2	$	269.3	12.2%
Adjusted EBITDA *	$	257.5	$	223.6	15.1%
% of Net Sales		*7.5%*		*7.3%*	
Interest expense, net	$	(38.4)	$	(48.6)	(21.0)%
Non-GAAP net income *	$	123.7	$	102.2	21.1%
Non-GAAP diluted EPS *	$	0.73	$	0.59	23.3%

* Adjusted SG&A, including advertising, Adjusted EBITDA, Non-GAAP net income and Non-GAAP Diluted EPS are non-GAAP financial measures. For a reconciliation of non-GAAP financial measures, see Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 9, 2016 and in these slides.

Fourth Quarter Adjusted SG&A and Adjusted EBITDA

(Unaudited)
($ in millions)

	Three Months Ended December 31,		
	2015	**2014**	**% Change**
Reported SG&A, including advertising	$ 377.7	$ 327.6	15.3%
Adjustments:			
Non-cash equity-based compensation	(11.2)	(4.9)	
Acquisition and integration expenses	(1.5)	—	
Other expenses (1)	(2.1)	(2.4)	
Depreciation and amortization:			
Amortization of acquisition-related intangible assets	(47.8)	(40.4)	
Other SG&A depreciation and amortization	(12.9)	(10.6)	
Total adjustments	(75.5)	(58.3)	
Adjusted SG&A, including advertising	$ 302.2	$ 269.3	12.2%
Adjusted EBITDA	$ 257.5	$ 223.6	15.1%
% of Net Sales	*7.5%*	*7.3%*	

(1) Primarily includes certain historical retention costs, secondary-offering-related expenses and expenses related to the consolidation of office locations north of Chicago reported within Selling and administrative expenses.

Interest, Taxes and Non-GAAP Net Income

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

	Three Months Ended December 31,				
	2015		2014		% Change
Interest expense, net	$	(38.4)	$	(48.6)	(21.0)%
Other income, net	$	0.2	$	1.3	(84.4)%
Income tax expense	$	(52.4)	$	(28.3)	84.8%
Net income	$	89.3	$	51.8	72.5%
Non-GAAP net income*	$	123.7	$	102.2	21.1%
Non-GAAP Diluted EPS*	$	0.73	$	0.59	23.3%

* Non-GAAP net income and Non-GAAP diluted EPS are non-GAAP financial measures. For a reconciliation of non-GAAP financial measures, see Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 9, 2016.

Fourth Quarter Non-GAAP Net Income

(Unaudited)
($ in millions)

	Three Months Ended December 31,	
	2015	2014
Net income	$ 89.3	$ 51.8
Amortization of intangibles [(1)]	47.8	40.4
Non-cash equity-based compensation	11.2	4.9
Net loss on extinguishments of long-term debt	—	36.9
Acquisition and integration expenses[(2)]	1.5	—
Other adjustments [(3)]	1.2	0.2
Aggregate adjustment for income taxes [(4)]	(27.3)	(32.0)
Non-GAAP net income[(5)] *	$ 123.7	$ 102.2

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

(2) Primarily includes expenses related to the acquisition of Kelway.

(3) Primarily includes expenses related to the consolidation of office locations north of Chicago and secondary-offering-related expenses.

(4) Based on a normalized effective tax rate of 38.0% (39.0% prior to the Kelway acquisition), except for the non-cash equity-based compensation from the Company's equity investment and the gain resulting from the remeasurement of the Company's previously held 35% equity investment to fair value upon the completion of the acquisition of Kelway, which were tax effected at a rate of 35.4%. The aggregate adjustment for income taxes also includes a $4.0 million deferred tax benefit recorded during the three months ended December 31, 2015 as a result of a tax rate reduction in the United Kingdom. Additionally, note that certain acquisition costs are non-deductible.

(5) Includes the impact of consolidating three months for the quarter ended December 31, 2015 of Kelway's financial results.

* Non-GAAP net income is a non-GAAP financial measure. For a reconciliation of non-GAAP financial measures, see Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 9, 2016.

Full Year Financial Results

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

	Year Ended December 31,		
	2015	**2014**	**% Change**
Net sales	$ 12,988.7	$ 12,074.5	7.6%
Avg Daily Net Sales	*$ 51.1*	*$ 47.5*	7.6%
Gross profit	$ 2,115.8	$ 1,921.3	10.1%
% of Net Sales	*16.3%*	*15.9%*	
SG&A/advertising	$ 1,373.8	$ 1,248.3	10.1%
Income from operations	$ 742.0	$ 673.0	10.3%
Adjusted SG&A, including advertising *	$ 1,104.0	$ 1,018.0	8.4%
Adjusted EBITDA *	$ 1,018.5	$ 907.0	12.3%
% of Net Sales	*7.8%*	*7.5%*	
Interest expense, net	$ (159.5)	$ (197.3)	(19.2)%
Non-GAAP net income *	$ 503.5	$ 409.9	22.8%
Non-GAAP diluted EPS*	$ 2.93	$ 2.37	23.6%

* Adjusted SG&A, including advertising, Adjusted EBITDA, Non-GAAP net income and Non-GAAP diluted EPS are non-GAAP financial measures. For a reconciliation of non-GAAP financial measures, see Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 9, 2016 and in these slides.

Debt and Revolver Availability

(Unaudited)

($ in millions)

	December 31, 2015		September 30, 2015		December 31, 2014	
Cash and cash equivalents	$	37.6	$	97.5	$	344.5
Total debt[1]	$	3,259.7	$	3,267.8	$	3,166.0
Senior secured debt	$	1,586.6	$	1,595.8	$	1,513.5
Net debt (total debt net of cash and cash equivalents)[1]	$	3,222.1	$	3,170.3	$	2,821.5
Outstanding borrowings under revolver	$	—	$	—	$	—
Borrowing base under ABL revolver[2]	$	1,423.1	$	1,412.4	$	1,253.4
Revolver availability[3]	$	916.8	$	981.5	$	935.6
Cash plus revolver availability[3]	$	954.4	$	1,079.0	$	1,280.1
Total net leverage ratio[4]		3.0		3.1		3.1

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

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

(3) Amount in effect at period-end, including Kelway's Revolving Credit Facility, which is a multi-currency revolving credit facility with an aggregate amount of £50.0 million availability.

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

Cash Conversion Cycle

(Unaudited)

	December 31, 2015	September 30, 2015	December 31, 2014
Days of sales outstanding (DSO) *	48	45	42
Days of supply in inventory (DIO) *	13	13	13
Days purchases outstanding (DPO) *	(40)	(40)	(34)
Cash Conversion Cycle *	21	18	21

* Based on a rolling three-month average.

Four Capital Allocation Priorities

Priorities	Objectives	Actions
Increase Dividends Annually	Target 30% payout of FCF in 5 years	59% increase to $0.43/share
Maintain Net Leverage Ratio (1)	~2.5 to 3.0 times Net Leverage Ratio	Currently at 3.0x (2)
Supplement Organic Growth with M&A	Tuck-in, accretive deals	Kelway acquisition
Return Excess FCF after Dividends & M&A Through Share Repurchase	Offset to incentive plan dilution and to supplement EPS growth	Repurchase program

[1] Defined in our credit agreement as the ratio of total debt at period-end excluding any unamortized discount and/or premium and deferred financing costs, less cash and cash equivalents, to TTM Adjusted EBITDA, which includes TTM Adjusted EBITDA for Kelway, on a proforma basis. TTM Adjusted EBITDA is a term defined in our credit agreement.
[2] As of December 31,2015.

Capital Allocation Priorities Support Annual Medium Term Targets

	2016-2018
Net Sales Growth	U.S. IT growth +200-300bps*
Adjusted EBITDA	Mid-7% Margin
Leverage	Maintain net debt/adj. EBITDA ratio at ~2.5-3.0x
Non-GAAP EPS Growth	Low double-digits

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

Thoughts on Modeling 2016

For P&L currently look for:

Revenue:

- FY16 organic, constant currency growth within annual medium term target of 200 to 300 basis points above US IT market growth
  - Given current market volatility and macro uncertainty, closer to 2% earlier in the year
- Dell to add up to 150 basis points of organic growth in 2016
  - Revenues split roughly 40/60% between 1H/2H
- Currency headwinds remain at roughly 70 bps impact throughout 2016
- Seasonality ~ 1H48-49% and 2H51-52%
- Kelway first-half contribution of 650-700 bps

Expenses:

- Adjusted SG&A growth faster than consolidated sales
  - Higher coworker count; Kelway's higher mix of services and solutions
- Adjusted SG&A as a percentage of sales higher in 1H
- Q1 Adjusted EBITDA margin slightly below low-end of annual target range of mid-7%
- FY16 Adjusted EBITDA to be at the high end of our target range

Thoughts on Modeling 2016

For P&L currently look for:

NGNI and EPS:

- FY16 book interest to be in the range of $155MM
  - Q1 slightly lower than 2015 due to quarter-end refinancing in 2015
- Effective tax rate to be between 37-38%
- Share repurchases to offset dilution and contribute to achievement of annual low double-digit earnings per share target
- Roughly $0.04 to $0.05 per quarter from Kelway in first half of 2016

“Other Category:”

- Going forward in 2016, our “Other” category will be comprised of our international businesses, Kelway and Canada
- Advanced Technology Services embedded in our two segments, with the majority in Corporate

For Cash Flow currently look for:

- Annual Cash Flow near the high-end of 2½-3% of net sales
- Capital expenditures ~0.5% of net sales on an annual basis

Questions and Answers

Adjusted EBITDA to Net Income Reconciliation

(Unaudited)

($ in millions)

	Three Months Ended December 31,				Year Ended December 31,			
	2015	% of Net sales	2014	% of Net sales	2015	% of Net sales	2014	% of Net sales
Net income	$ 89.3		$ 51.8		$ 403.1		$ 244.9	
Depreciation and amortization(1)	62.4		52.0		227.4		207.9	
Income tax expense	52.4		28.3		243.9		142.8	
Interest expense, net	38.4		48.6		159.5		197.3	
EBITDA	242.5	7.1%	180.7	5.9%	1,033.9	8.0%	792.9	6.6%
Adjustments:								
Non-cash equity-based compensation	11.2		4.9		31.2		16.4	
Net loss on extinguishments of long-term debt	—		36.9		24.3		90.7	
(Income) loss from equity investments(2)	(0.2)		(1.2)		10.1		(2.2)	
Acquisition and integration expenses(3)	1.5		—		10.2		—	
Gain on remeasurement of equity investment(4)	—		—		(98.1)		—	
Other adjustments (5)	2.5		2.3		6.9		9.2	
Total adjustments	15.0		42.9		(15.4)		114.1	
Adjusted EBITDA6 *	$ 257.5	7.5%	$ 223.6	7.3%	$ 1,018.5	7.8%	$ 907.0	7.5%

(1) Includes depreciation expense of $1.7 million and $1.0 million for the three months ended December 31, 2015 and 2014, respectively, and $5.4 million and $3.7 million for the year ended December 31, 2015 and 2014, respectively, historically reported within Cost of sales.

(2) Represents the Company's share of net income/loss from the Company's equity investments. The Company's 35% share of Kelway's net loss includes the Company's 35% share of an expense related to certain equity awards granted by one of the sellers to Kelway coworkers in July 2015 prior to the acquisition.

(3) Primarily includes expenses related to the acquisition of Kelway.

(4) Represents the gain resulting from the remeasurement of the Company's previously held 35% equity investment to fair value upon the completion of the acquisition of Kelway.

(5) Primarily includes certain historical retention costs, unusual, non-recurring litigation matters, secondary-offering-related expenses and expenses related to the consolidation of office locations north of Chicago.

(6) Includes the impact of consolidating three months for the quarter ended December 31, 2015 and five months for the year ended December 31, 2015 of Kelway's financial results.

* Adjusted EBITDA is a non-GAAP financial measure. See Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 9, 2016, for a discussion of non-GAAP financial measures.

Full Year Adjusted SG&A

(Unaudited)
($ in millions)

	Year Ended December 31,		
	2015	2014	% Change
Reported SG&A, including advertising:	$ 1,373.8	$ 1,248.3	10.1%
Adjustments:			
Non-cash equity-based compensation	(31.2)	(16.4)	
Acquisition and integration expenses	(10.2)	—	
Other expenses [1]	(6.4)	(9.7)	
Depreciation and amortization:			
Amortization of acquisition-related intangible assets	(173.9)	(161.2)	
Other SG&A depreciation and amortization	(48.1)	(43.0)	
Total adjustments	(269.8)	(230.3)	
Adjusted SG&A, including advertising	$ 1,104.0	$ 1,018.0	8.4%

(1) Primarily includes certain historical retention costs, unusual, non-recurring litigation matters, secondary-offering-related expenses and expenses related to the consolidation of office locations north of Chicago reported within Selling and administrative expenses.

Full Year Non-GAAP Net Income

(Unaudited)

($ in millions)

	Year Ended December 31,	
	2015	**2014**
Net income	$ 403.1	$ 244.9
Amortization of intangibles [(1)]	173.9	161.2
Non-cash equity-based compensation	31.2	16.4
Non-cash equity-based compensation from equity investment[(2)]	20.0	—
Net loss on extinguishments of long-term debt	24.3	90.7
Acquisition and integration expenses[(3)]	10.2	—
Gain on remeasurement of equity investment[(4)]	(98.1)	—
Other adjustments [(5)]	3.7	(0.3)
Aggregate adjustment for income taxes [(6)]	(64.8)	(103.0)
Non-GAAP net income *	$ 503.5	$ 409.9

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

(2) Represents the Company's 35% share of an expense related to certain equity awards granted by one of the sellers to Kelway coworkers in July 2015 prior to the Company's acquisition.

(3) Primarily includes expenses related to the acquisition of Kelway.

(4) Represents the gain resulting from the remeasurement of the Company's previously held 35% equity investment to fair value upon the completion of the acquisition of Kelway.

(5) Primarily includes expenses related to the consolidation of office locations north of Chicago and secondary-offering-related expenses.

(6) Based on a normalized effective tax rate of 38.0% (39.0% prior to the Kelway acquisition), except for the non-cash equity-based compensation from the Company's equity investment and the gain resulting from the remeasurement of the Company's previously held 35% equity investment to fair value upon the completion of the acquisition of Kelway, which were tax effected at a rate of 35.4%. Includes a $4.0 million deferred tax benefit during the year ended December 31, 2015 as a result of a tax rate reduction in the United Kingdom and additional tax expense during the year ended December 31, 2015 of $3.3 million as a result of recording withholding tax on the unremitted earnings of the Company's Canadian subsidiary. Additionally, note that certain acquisition costs are non-deductible.

(7) Includes the impact of consolidating five months for the year ended December 31, 2015 of Kelway's financial results.

* Non-GAAP net income is a non-GAAP financial measure. For a discussion of non-GAAP financial measures, see Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 9, 2016.

Fourth Quarter Free Cash Flow

(Unaudited)
($ in millions)

	Three Months Ended December 31,		
	2015	2014	% Change
Net cash provided by operating activities	$ (17.4)	$ 84.5	
Capital expenditures	(46.3)	(20.6)	
Net change in accounts payable - inventory financing	73.3	32.4	
Free Cash Flow	$ 9.6	$ 96.3	(90.0)%

Full Year Free Cash Flow

(Unaudited)
($ in millions)

	Year Ended December 31,		
	2015	2014	% Change
Net cash provided by operating activities	$ 277.5	$ 435.0	
Capital expenditures	(90.1)	(55.0)	
Net change in accounts payable - inventory financing	95.9	75.5	
Free Cash Flow	$ 283.3	$ 455.5	(37.8)%

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

(Unaudited)
($ in millions)

	Three Months Ended December 31,			Year Ended December 31,		
	2015	**2014**	**% Change**	**2015**	**2014**	**% Change**
Net sales, as reported	$ 3,418.4	$ 3,050.1	12.1%	$ 12,988.7	$ 12,074.5	7.6%
Impact of acquisition[(1)]	(212.3)	—		(350.7)	—	
Organic net sales*	$ 3,206.1	$ 3,050.1	5.1%	$ 12,638.0	$ 12,074.5	4.7%
Foreign currency translation [(2)]	—	(20.8)		—	(71.5)	
Organic net sales, on a constant currency basis*	$ 3,206.1	$ 3,029.3	5.8%	$ 12,638.0	$ 12,003.0	5.3%

(1) Represents three months for the quarter ended December 31, 2015 and five months for the year ended December 31, 2015 of Kelway's financial results.

(2) Represents the effect of translating the prior year results of the Company's Canadian subsidiary at the average exchange rates of applicable in the current year.

* Organic net sales growth and organic net sales growth on a constant currency basis are non-GAAP financial measures. For a discussion of non-GAAP financial measures, see Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 9, 2016.