



Meaningful, *Profitable* GROWTH

Chairman's Letter

Dear Fellow Stockholders,

The pace of change in technology is accelerating, fueled by more and more digitization and greater mobility. While this is driving productivity and growth, it is also driving increased complexity. The steady stream of new solutions, products and applications need to be evaluated, deployed, integrated and managed. That makes today's role of IT in any organization an incredibly challenging one. And, that challenge plays to our strength as a trusted advisor who deeply understands the unique needs of our customers and who can help them navigate the increasingly complex world of IT.

CDW's relentless focus on understanding and meeting our customers' needs is just one component of our formula for success. By combining our customer focus with our scale and scope, balanced customer end-markets, diverse suite of products and solutions, flexible business model, and ability to evolve as customer needs and market dynamics change, we are able to deliver profitable growth year after year as well as value for our customers, partners and shareholders.

In 2016, that ability translated into a year of both strong financial performance and strategic progress. We delivered a net sales increase of 7.6 percent with excellent profitability. Adjusted EBITDA increased 9.7 percent and non-GAAP earnings per share increased 16.9 percent.

Our balanced portfolio of five US channels, each with over \$1 billion in 2016 net sales, and an additional \$1 billion plus from our Canadian and UK operations helped us absorb market specific challenges and maximize performance opportunities.

Balance across our diverse product and solutions suite of more than 100,000 products from over 1,000 leading and emerging brands helped us stay on top of the current technology trends and meet customer needs.

Finally, our flexible business model enabled us to capitalize on market trends. In 2016, we saw four key market trends: optimization of infrastructure, securitization of assets, cloud adoption, and software becoming more integral to solutions. Our ability to pivot to meet those needs translated into growth in areas such as warranties, software assurance and Software as a Service at multiples of our hardware sales growth.

In 2016, we also made progress against all three of our strategic priorities for growth. These include capturing market share, enhancing our ability to deliver high-growth integrated solutions and expanding our service capabilities.

We continued to invest in our customer-facing coworkers with several seller productivity tools designed to grow capacity and capability. We added more than 70 new partners in fast-growing categories such as endpoint security and hyper-converged appliances. We have technical specialists, service delivery and sales coworkers in more than 25 major metro markets in North America and the UK. With our CDW International platform, we can meet US, UK and Canadian based-customer needs in more than 100 countries around the world.

These excellent results would not have been possible without the efforts of our dedicated and talented team of 8,500 coworkers, including the more than 1,000 CDW UK coworkers who joined us in late 2015. Our coworkers are a true source of advantage in a highly-competitive market. As our new brand campaign – *IT Orchestration* – launched in 2016 illustrates, our success is rooted in our coworkers and their ability listen and then bring the right people, solutions and partners together to simplify IT and make it work for our customers. I couldn't be more proud to lead this team.

Our strong performance continued into the first quarter of 2017 and I'm confident the full-year will again be one of which we can be proud. Looking ahead, we will continue to focus on executing our proven strategies, deepening our relationships with customers and leveraging our knowledge and expertise to help us profitably gain market share. We remain committed to our vision of being the leading IT solutions and services provider in the markets we serve. And, every day CDW coworkers are working tirelessly on your behalf toward that goal. Thank you for your continued confidence in CDW.

Thomas E. Richards
Chairman and Chief Executive Officer

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