



# CDW Corporation

Webcast Conference Call  
August 2, 2018

[CDW.com](http://CDW.com) | 800.800.4239

# Today's Agenda

---

- Second Quarter and YTD 2018 Results
- Capital Allocation Priorities
- 2018 Annual Medium Term Targets
- Modeling Thoughts
- 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 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.

## Non-GAAP Financial Information

This presentation contains certain "non-GAAP financial measures," including EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted SG&A, including advertising, Non-GAAP income before income taxes, Non-GAAP net income, Non-GAAP net income per diluted share, Non-GAAP net income per diluted share on a constant currency basis, consolidated 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 excluded or included 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 the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 2, 2018 and the reconciliations included in these slides. Non-GAAP financial measures used by the Company may differ from similar measures used by other companies, even when similar terms are used to identify such measures.

# Strong Q2 2018 Financial Performance

---

- Net Sales increased \$294 million from Q2 2017 to \$4.2 billion
  - Up 7.6% on a reported basis and average daily sales basis
  - Up 7.0% ADS on a constant currency basis
- Net income up 22.8% to \$173 million
- Adjusted EBITDA up 9.6% to \$345 million
- Net income per diluted share up 26.9% to \$1.12
- Non-GAAP net income per diluted share up 35.1% to \$1.38

## Results Highlight Combined Power

---

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

# Balanced Portfolio Drove Topline Growth

(Unaudited)

(\$ in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017 <sup>(1)</sup>	% Change <sup>(2)</sup>	2018	2017 <sup>(1)</sup>	% Change <sup>(2)</sup>
Corporate	\$ 1,733.8	\$ 1,580.1	9.7%	\$ 3,299.6	\$ 3,020.7	9.2%
Small Business	329.5	315.0	4.6	657.1	607.0	8.3
Public						
Government	493.5	523.4	(5.7)	912.0	898.1	1.5
Education	712.1	704.9	1.0	1,109.3	1,098.1	1.0
Healthcare	429.8	404.5	6.3	844.1	790.3	6.8
Total Public	1,635.4	1,632.8	0.2	2,865.4	2,786.5	2.8
Other	487.4	363.8	34.0	970.4	733.4	32.3
Total Net sales	\$ 4,186.1	\$ 3,891.7	7.6%	\$ 7,792.5	\$ 7,147.6	9.0%

- (1) Amounts for 2017 have been adjusted to reflect the full retrospective adoption of ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606).
- (2) There were 64 selling days for both the three months ended June 30, 2018 and 2017. There were 128 selling days for both the six months ended June 30, 2018 and 2017.

# **Our Three-Part Growth Strategy**

---

**1**

**Capture share and acquire new customers**

**2**

**Enhance capabilities in high-growth, solutions areas**

**3**

**Expand services capabilities**

# Q2'18 Financial Results

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

	Three Months Ended June 30,		
	2018	2017 <sup>(1)</sup>	% Change
Net sales	\$ 4,186.1	\$ 3,891.7	7.6%
<i>Avg Daily Net Sales</i>	\$ 65.4	\$ 60.8	7.6%
Gross profit	\$ 695.6	\$ 640.8	8.6%
<i>% of Net Sales</i>	16.6%	16.5%	
SG&A, including advertising	\$ 430.1	\$ 410.0	4.9%
Income from operations	\$ 265.5	\$ 230.8	15.0%
Adjusted SG&A, including advertising	\$ 354.0	\$ 328.2	7.9%
Adjusted EBITDA	\$ 344.7	\$ 314.5	9.6%
<i>% of Net Sales</i>	8.2%	8.1%	
Interest expense, net	\$ 37.2	\$ 35.9	3.5%
Net income	\$ 173.0	\$ 140.9	22.8%
Diluted EPS	\$ 1.12	\$ 0.89	26.9%
Non-GAAP net income	\$ 213.2	\$ 163.0	30.8%
Non-GAAP diluted EPS	\$ 1.38	\$ 1.03	35.1%

(1) Amounts for 2017 have been adjusted to reflect the full retrospective adoption of ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606).



# Q2'18 Adjusted SG&A and Adjusted EBITDA

(Unaudited)  
(\$ in millions)

	Three Months Ended June 30,		
	2018	2017 <sup>(1)</sup>	% Change
Reported SG&A, including advertising	\$ 430.1	\$ 410.0	4.9%
<i>Adjustments:</i>			
Equity-based compensation	(11.0)	(11.5)	
Integration expenses	—	(2.0)	
Depreciation and amortization:			
Amortization of acquisition-related intangible assets	(46.6)	(46.3)	
Other SG&A depreciation and amortization	(18.0)	(17.5)	
Other expenses	(0.5)	(4.5)	
Total adjustments	(76.1)	(81.8)	
Adjusted SG&A, including advertising	\$ 354.0	\$ 328.2	7.9%
Adjusted EBITDA	\$ 344.7	\$ 314.5	9.6%
% of Net Sales	8.2%	8.1%	

(1) Amounts for 2017 have been adjusted to reflect the full retrospective adoption of ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606).

# Interest Expense and Income Taxes

*(Unaudited)*

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

	Three Months Ended June 30,		
	2018	2017 <sup>(1)</sup>	% Change
Interest expense, net	\$ 37.2	\$ 35.9	3.5%
Other income, net	\$ 1.5	\$ 0.4	293.3%
Income tax expense	\$ 56.8	\$ 54.4	4.4%
Net income	\$ 173.0	\$ 140.9	22.8%

(1) Amounts for 2017 have been adjusted to reflect the full retrospective adoption of ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606).

## Q2 '18 GAAP Effective Tax Rate

	Three Months Ended June 30,	
	2018	2017
Federal statutory rate	21.0%	35.0%
State taxes <sup>(1)</sup>	3.9%	2.6%
Excess benefits from equity-based compensation <sup>(2)</sup>	(1.5)%	(9.5)%
Mix impact from international income tax rates	0.1%	(0.7)%
All other items impacting tax rate	1.2%	0.5%
GAAP effective tax rate	24.7%	27.9%

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

(2) Inclusive of Federal and net State taxes

# Q2 '18 Non-GAAP Net Income

(Unaudited)  
(\$ in millions)

	Three Months Ended June 30, 2018				Three Months Ended June 30, 2017 <sup>(1)</sup>			
	Income before income taxes	Income tax expense <sup>(2)</sup>	Net income	Effective tax rate	Income before income taxes	Income tax expense <sup>(2)</sup>	Net income	Effective tax rate
GAAP, as reported	\$ 229.8	\$ (56.8)	\$ 173.0	24.7%	\$ 195.3	\$ (54.4)	\$ 140.9	27.9%
Amortization of intangibles <sup>(3)</sup>	46.6	(11.7)	34.9		46.3	(16.7)	29.6	
Equity-based compensation	11.0	(6.3)	4.7		11.5	(22.6)	(11.1)	
Integration expenses <sup>(4)</sup>	—	—	—		2.0	(0.7)	1.3	
Other adjustments <sup>(5)</sup>	0.7	(0.1)	0.6		3.7	(1.4)	2.3	
Non-GAAP	\$ 288.1	\$ (74.9)	\$ 213.2	26.0%	\$ 258.8	\$ (95.8)	\$ 163.0	37.0%

- (1) Amounts for 2017 have been adjusted to reflect the full retrospective adoption of ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606).
- (2) Income tax on non-GAAP adjustments includes excess tax benefits associated with equity compensation. Additionally, 2018 includes the impact of global intangible low tax income ("GILTI") on equity-based compensation and amortization of intangibles.
- (3) Includes amortization expense for acquisition-related intangible assets, primarily customer relationships, customer contracts and trade names.
- (4) Comprised of expenses related to CDW UK.
- (5) Includes other expenses such as payroll taxes on equity-based compensation during the three months ended June 30, 2018 and 2017.

# Two Ways to calculate Non-GAAP Net Income

---

Adjusted EBITDA:

- Depreciation and amortization
- + Amortization of purchased intangibles
- Interest expense

OR

GAAP Income before Income taxes:

- + Amortization of purchased intangibles
- + Equity-based compensation
- + Other unusual or non-recurring items

=

Non-GAAP Income before  
Income Taxes

Taxed at Non-GAAP effective tax  
rate

Non-GAAP Net Income

# Q2 '18 Earnings Per Share

---

	Three Months Ended June 30,		
	2018	2017 <sup>(1)</sup>	% Change
Diluted EPS	\$ 1.12	\$ 0.89	26.9%
Non-GAAP net income	\$ 213.2	\$ 163.0	30.8%
Non-GAAP diluted EPS	\$ 1.38	\$ 1.03	35.1%

(1) Amounts for 2017 have been adjusted to reflect the full retrospective adoption of ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606).

# YTD Financial Results

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

	Six Months Ended June 30,		
	2018	2017 <sup>(1)</sup>	% Change
Net sales	\$ 7,792.5	\$ 7,147.6	9.0%
<i>Avg Daily Net Sales</i>	\$ 60.9	\$ 55.8	9.0%
Gross profit	\$ 1,299.5	\$ 1,194.3	8.8%
<i>% of Net Sales</i>	16.7%	16.7%	
SG&A, including advertising	\$ 829.9	\$ 792.8	4.7%
Income from operations	\$ 469.6	\$ 401.5	16.9%
Adjusted SG&A, including advertising	\$ 678.7	\$ 634.2	7.0%
Adjusted EBITDA	\$ 624.5	\$ 564.5	10.6%
<i>% of Net Sales</i>	8.0%	7.9%	
Interest expense, net	\$ 74.9	\$ 75.6	(1.0)%
Net income	\$ 300.0	\$ 199.0	50.7%
Diluted EPS	\$ 1.94	\$ 1.24	57.1%
Non-GAAP net income	\$ 376.0	\$ 284.9	32.0%
Non-GAAP diluted EPS	\$ 2.44	\$ 1.77	37.6%

(1) Amounts for 2017 have been adjusted to reflect the full retrospective adoption of ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606).

# YTD Adjusted SG&A and Adjusted EBITDA

(Unaudited)  
(\$ in millions)

	Six Months Ended June 30,		
	2018	2017 <sup>(1)</sup>	% Change
Reported SG&A, including advertising	\$ 829.9	\$ 792.8	4.7%
<i>Adjustments:</i>			
Equity-based compensation	(19.1)	(23.6)	
Integration expenses	—	(2.5)	
Depreciation and amortization:			
Amortization of acquisition-related intangible assets	(93.3)	(92.4)	
Other SG&A depreciation and amortization	(36.2)	(33.8)	
Other expenses	(2.6)	(6.3)	
Total adjustments	(151.2)	(158.6)	
Adjusted SG&A, including advertising	\$ 678.7	\$ 634.2	7.0%
Adjusted EBITDA	\$ 624.5	\$ 564.5	10.6%
% of Net Sales	8.0%	7.9%	

(1) Amounts for 2017 have been adjusted to reflect the full retrospective adoption of ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606).



# YTD Non-GAAP Net Income

(Unaudited)  
(\$ in millions)

	Six Months Ended June 30, 2018				Six Months Ended June 30, 2017 <sup>(1)</sup>			
	Income before income taxes	Income tax expense <sup>(2)</sup>	Net income	Effective tax rate	Income before income taxes	Income tax expense <sup>(2)</sup>	Net income	Effective tax rate
GAAP, as reported	\$ 395.5	\$ (95.5)	\$ 300.0	24.1%	\$ 269.8	\$ (70.8)	\$ 199.0	26.2%
Amortization of intangibles <sup>(3)</sup>	93.3	(24.0)	69.3		92.4	(33.2)	59.2	
Equity-based compensation	19.1	(13.3)	5.8		23.6	(38.4)	(14.8)	
Net Loss on extinguishments of long-term debt	—	—	—		57.4	(20.6)	36.8	
Integration expenses <sup>(4)</sup>	—	—	—		2.5	(0.9)	1.6	
Other adjustments <sup>(5)</sup>	1.2	(0.3)	0.9		4.9	(1.8)	3.1	
Non-GAAP	\$ 509.1	\$ (133.1)	\$ 376.0	26.1%	\$ 450.6	\$ (165.7)	\$ 284.9	36.8%

- (1) Amounts for 2017 have been adjusted to reflect the full retrospective adoption of ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606).
- (2) Income tax on non-GAAP adjustments includes excess tax benefits associated with equity compensation. Additionally, 2018 includes the impact of GILTI on equity-based compensation and amortization of intangibles.
- (3) Includes amortization expense for acquisition-related intangible assets, primarily customer relationships, customer contracts and trade names.
- (4) Comprised of expenses related to CDW UK.
- (5) Includes other expenses such as payroll taxes on equity-based compensation during the six months ended June 30, 2018 and 2017.

# YTD Earnings Per Share

---

	Six Months Ended June 30,		
	2018	2017 <sup>(1)</sup>	% Change
Diluted EPS	\$ 1.94	\$ 1.24	57.1%
Non-GAAP net income	\$ 376.0	\$ 284.9	32.0%
Non-GAAP diluted EPS	\$ 2.44	\$ 1.77	37.6%

(1) Amounts for 2017 have been adjusted to reflect the full retrospective adoption of ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606).

# Debt and Revolver Availability

(Unaudited)

(\$ in millions)

	<u>June 30, 2018</u>	<u>December 31, 2017</u>	<u>June 30, 2017</u>
Cash and cash equivalents	\$ 100.7	\$ 144.2	\$ 79.0
Total debt	\$ 3,240.3	\$ 3,235.5	\$ 3,296.3
Senior secured debt	\$ 1,543.7	\$ 1,540.3	\$ 1,544.9
Net debt (total debt net of cash and cash equivalents)	\$ 3,139.6	\$ 3,091.3	\$ 3,217.3
Outstanding borrowings under revolver <sup>(1)</sup>	\$ 13.2	\$ —	\$ 54.0
Borrowing base under Asset-Based Revolver <sup>(2)</sup>	\$ 1,773.1	\$ 1,608.2	\$ 1,650.1
Revolver availability <sup>(1)</sup>	\$ 1,145.3	\$ 1,063.2	\$ 1,015.6
Cash plus revolver availability <sup>(1)</sup>	\$ 1,246.0	\$ 1,207.4	\$ 1,094.6
Total net leverage ratio <sup>(3)</sup>	2.5	2.6	2.8

(1) Amount in effect at period-end, including CDW UK's Revolving Credit Facility, which is a multi-currency revolving credit facility with an aggregate amount of £40 million (\$53 million at June 30, 2018) in availability.

(2) Amount in effect at period-end, applicable to the Company's Asset-Based Revolving Credit Facility.

(3) 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.

# Cash Conversion Cycle

---

*(Unaudited)*

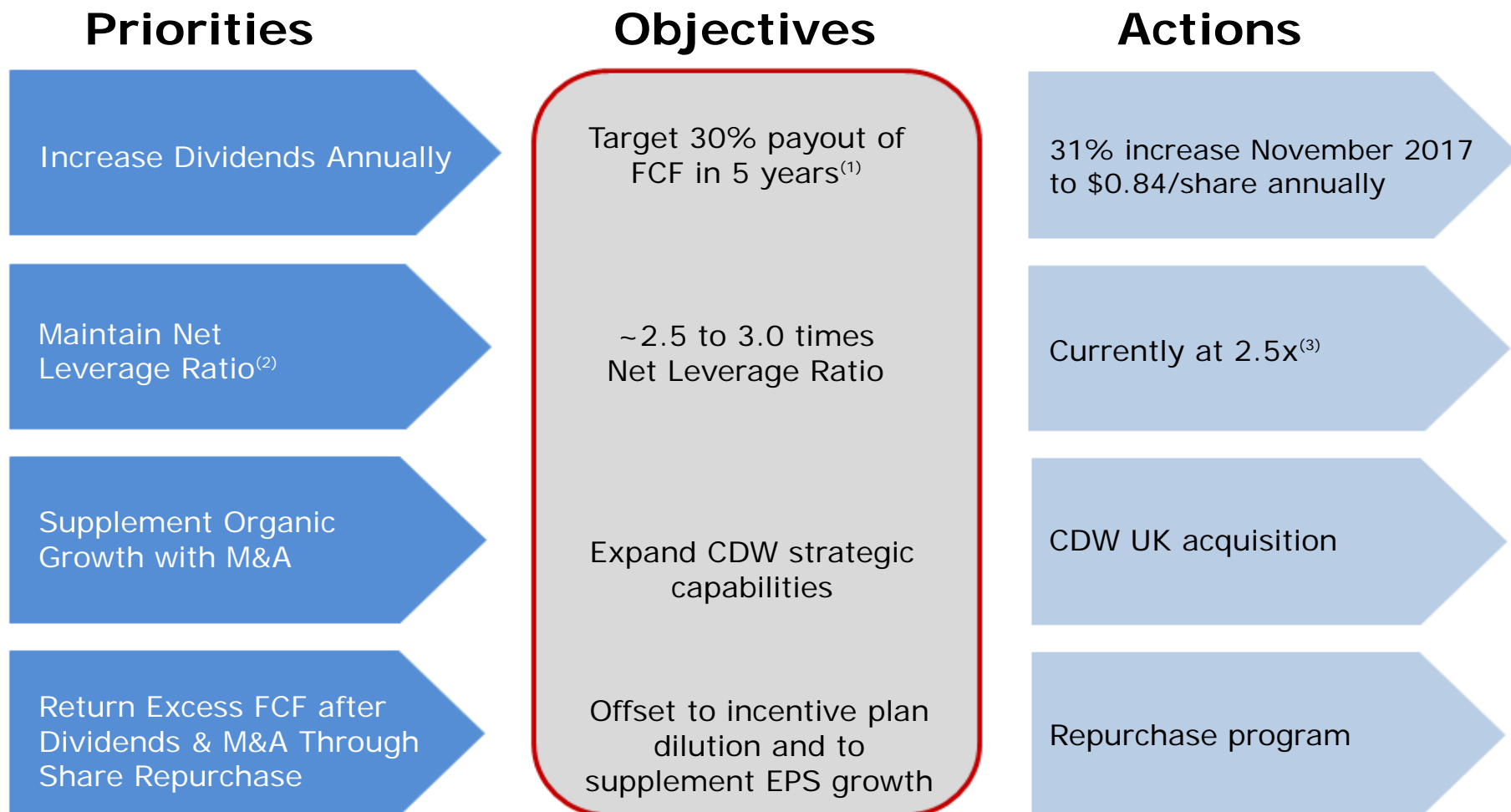
*(in days)*

	<u>June 30, 2018</u>	<u>December 31, 2017<sup>(1)</sup></u>	<u>June 30, 2017<sup>(1)</sup></u>
Days of sales outstanding (DSO) <sup>(2)</sup>	50	53	49
Days of supply in inventory (DIO) <sup>(2)</sup>	13	13	12
Days purchases outstanding (DPO) <sup>(2)</sup>	<u>(46)</u>	<u>(47)</u>	<u>(45)</u>
Cash Conversion Cycle <sup>(2)</sup>	<u>17</u>	<u>19</u>	<u>16</u>

(1) Amounts for 2017 have been adjusted to reflect the full retrospective adoption of ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606).

(2) Based on a rolling three-month average.

# Four Capital Allocation Priorities



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

<sup>(2)</sup> 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. TTM Adjusted EBITDA is a term defined in our credit agreement.

<sup>(3)</sup> As of June 30, 2018.

# 2018 Annual Medium Term Targets<sup>(1)</sup>

---

**2018**<sup>(2)</sup>

Net Sales Growth

U.S. IT growth roughly 3¾% plus  
roughly 375 bps outperformance in  
constant currency

Adjusted EBITDA Margin

High 7's to 8%  
Margin

Non-GAAP Earnings  
per diluted share

High twenties % 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 Company's routine activities, such as refinancing activities or acquisition and integration expenses.

(2) As of August 2, 2018

# Thoughts on Modeling FY 2018

---

- Full-year constant currency Net sales growth ~375 bps higher than US IT
  - 1H/2H sales ~75 bps heavier in 1H than historical average split of 48/52%
  - Low single digit sequential sales increase from Q2 to Q3
  - Currency tailwinds expected at an annual average rate of ~ 30 bps
- Adjusted EBITDA at high end of annual target of high 7's to 8%, less 5-10 bps of tax reform funded investment
- Quarterly Depreciation and Amortization expected to continue at roughly \$67MM per quarter, \$47 million of which is for purchased intangibles
- Annual book interest expense expected to be slightly lower than \$155MM
- Equity compensation expected to be ~\$5MM lower than 2017
- Non-GAAP effective tax rate expected to be at the lower half of 26% to 27%
- Non-GAAP EPS expected to grow ~350 bps faster than Non-GAAP net income
- Non-GAAP EPS growth in the "high 20's" in constant currency

# Modeling Q2 and FY 2018 Cash Flows

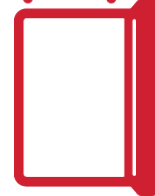
---

- Cash flow:
  - Capital expenditures slightly above ~0.5% of Net sales on an annual basis
  - Achieve Cash Conversion Cycle within target range of high teens to low 20s
  - Annual Free Cash Flow at the low end of new 'rule of thumb' run rate post-tax cuts of 3 ¾% to 4 ¼% of Net sales
  - Cash flow "Rule of Thumb"

2013 - 2016	2017	2018 - 2019
2 ½ - 3% of Net sales	3 - 3 ½% of Net sales	3 ¾ - 4 ¼% of Net sales



# Questions and Answers



**PEOPLE  
WHO  
GET IT™**

# ASC 606 Impact

<i>(unaudited)</i> (\$ in millions)	Three Months Ended June 30, 2017			Six Months Ended June 30, 2017		
	606	605	Change	606	605	Change
Net sales	\$ 3,891.7	\$ 3,994.4	\$ (102.7)	\$ 7,147.6	\$ 7,319.1	\$ (171.5)
Gross profit	640.8	641.1	(0.3)	1,194.3	1,193.6	0.7
Gross margin	16.5%	16.1%	40 bps	16.7%	16.3%	40 bps
Income from operations	230.8	231.1	(0.3)	401.5	400.9	0.6
Net income	140.9	141.0	(0.1)	199.0	198.7	0.3
Adjusted EBITDA	314.5	314.7	(0.2)	564.5	563.9	0.6
Adjusted EBITDA Margin	8.1%	7.9%	20 bps	7.9%	7.7%	20 bps
Non-GAAP net income	163.0	163.2	(0.2)	284.9	284.5	0.4
Non-GAAP diluted EPS	\$ 1.03	\$ 1.03	—	\$ 1.77	\$ 1.77	—

*No meaningful change to Adjusted EBITDA dollars, Gross Profit dollars or growth rates. Change is to calculated margins.*

# Adjusted EBITDA to Net Income Reconciliation

(Unaudited)

(\$ in millions)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2018	% of Net Sales	2017 <sup>(1)</sup>	% of Net Sales	2018	% of Net Sales	2017 <sup>(1)</sup>	% of Net Sales
Net income	\$ 173.0		\$ 140.9		\$ 300.0		\$ 199.0	
Depreciation and amortization <sup>(2)</sup>	66.3		65.4		132.9		129.5	
Income tax expense	56.8		54.4		95.5		70.8	
Interest expense, net	37.2		35.9		74.9		75.6	
EBITDA	<u>333.3</u>	8.0%	<u>296.6</u>	7.6%	<u>603.3</u>	7.7%	<u>474.9</u>	6.6%
Adjustments:								
Equity-based compensation	11.0		11.5		19.1		23.6	
Net loss on extinguishments of long-term debt	—		—		—		57.4	
Integration expenses <sup>(3)</sup>	—		2.0		—		2.5	
Other adjustments <sup>(4)</sup>	0.4		4.4		2.1		6.1	
Total adjustments	<u>11.4</u>		<u>17.9</u>		<u>21.2</u>		<u>89.6</u>	
Adjusted EBITDA	<u>\$ 344.7</u>	8.2%	<u>\$ 314.5</u>	8.1%	<u>\$ 624.5</u>	8.0%	<u>\$ 564.5</u>	7.9%

(1) Amounts for 2017 have been adjusted to reflect the full retrospective adoption of ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606).

(2) Includes depreciation expense of \$2 million for both the three months ended June 30, 2018 and 2017, and \$3 million for both the six months ended June 30, 2018 and 2017, reported within Cost of sales.

(3) Comprised of expenses related to CDW UK.

(4) Includes other expenses such as payroll taxes on equity-based compensation and the Company's share of net income from its equity investment during the three and six months ended June 30, 2018 and 2017. Also includes historical retention costs during the three and six months ended June 30, 2017.

# Second Quarter Free Cash Flow

---

(Unaudited)  
(\$ in millions)

## Three Months Ended June 30,

	2018	2017	% Change
Net cash provided by operating activities	\$ 110.1	\$ 6.3	nm*
Capital expenditures	(17.7)	(17.2)	
Net change in accounts payable - inventory financing	(135.3)	50.6	
Free Cash Flow	\$ (42.9)	\$ 39.7	nm*

\* Not meaningful

# YTD Free Cash Flow

---

(Unaudited)  
(\$ in millions)

## Six Months Ended June 30,

	<b>2018</b>	<b>2017</b>	<b>% Change</b>
Net cash provided by operating activities	\$ 332.3	\$ 376.2	(11.7)%
Capital expenditures	(33.6)	(36.8)	
Net change in accounts payable - inventory financing	(110.4)	(85.1)	
Free Cash Flow	<u>\$ 188.3</u>	<u>\$ 254.3</u>	<u>(26.0)%</u>

# Consolidated Net Sales Growth on a Constant Currency Basis

(Unaudited)  
(\$ in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017 <sup>(1)</sup>	% Change <sup>(2)</sup>	2018	2017 <sup>(1)</sup>	% Change <sup>(2)</sup>
Consolidated Net sales, as reported	\$ 4,186.1	\$ 3,891.7	7.6%	\$ 7,792.5	\$ 7,147.6	9.0%
Foreign currency translation <sup>(3)</sup>	—	19.5		—	54.3	
Consolidated Net sales, on a constant currency basis	\$ 4,186.1	\$ 3,911.2	7.0%	\$ 7,792.5	\$ 7,201.9	8.2%

- (1) Amounts for 2017 have been adjusted to reflect the full retrospective adoption of ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606).
- (2) There were 64 selling days for both the three months ended June 30, 2018 and 2017. There were 128 selling days for both the six months ended June 30, 2018 and 2017.
- (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.

# 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,		
	2018	2017 <sup>(1)</sup>	% Change	2018	2017 <sup>(1)</sup>	% Change
Net income	\$ 173.0	\$ 140.9		\$ 300.0	\$ 199.0	
Amortization of intangibles	46.6	46.3		93.3	92.4	
Equity-based compensation	11.0	11.5		19.1	23.6	
Net Loss on extinguishments of long-term debt	—	—		—	57.4	
Integration expenses	—	2.0		—	2.5	
Other adjustments	0.7	3.7		1.2	4.9	
Aggregate adjustment for income taxes	(18.1)	(41.4)		(37.6)	(94.9)	
Non-GAAP Net Income <sup>(2)</sup>	\$ 213.2	\$ 163.0	30.8%	\$ 376.0	\$ 284.9	32.0%
Foreign currency translation <sup>(3)</sup>	—	0.6		—	2.2	
Non-GAAP Net Income, on a constant currency basis	\$ 213.2	\$ 163.6	30.2%	\$ 376.0	\$ 287.1	31.0%
Shares used in computing Non-GAAP net income per diluted share and Non-GAAP net income per diluted share, on a constant currency basis	153.9	159.0		154.4	160.9	
Non-GAAP net income per diluted share	\$ 1.38	\$ 1.03	35.1%	\$ 2.44	\$ 1.77	37.6%
Non-GAAP net income per diluted share, on a constant currency basis	\$ 1.38	\$ 1.03	34.5%	\$ 2.44	\$ 1.78	36.5%

(1) Amounts for 2017 have been adjusted to reflect the full retrospective adoption of ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606).

(2) See Slide 12 for details on the adjustments to Non-GAAP Net Income for the second quarter. See Slide 17 for details on the adjustments to Non-GAAP Net Income for year to date.

(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.