CDW Corporation

Webcast Conference Call

May 7, 2015

Today's Agenda

- 1st Quarter Results
- Key Performance Drivers
- Financial Results
- Outlook
- Q&A

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 our Form 10-K, Form 10-Q and other reports and filings with the Securities and Exchange Commission. We do not undertake any duty to update any forward-looking statement.

Excellent 1st Quarter Financial Performance

- Net sales up 3.9% to $2.76 billion
- Adjusted EBITDA up 8.8% to $210.8 million
- Non-GAAP Net Income Per Diluted Share up 19.5% to $0.56

Results Demonstrate Strength of Model

Highlights power of:

- Balanced portfolio of channels
- Broad product and solution suite
- Impact of mix on profitability

Balanced Portfolio Drove Topline

(Unaudited)

($ in millions)

	Three Months Ended March 31,				
Corporate:		**2015**		**2014**	**% Change** *
Medium / Large	$	1,313.9	$	1,274.8	3.1%
Small Business		260.1		230.8	12.7
Total Corporate	$	1,574.0	$	1,505.6	4.5
Public:					
Government	$	288.6	$	254.2	13.5
Education		343.6		321.6	6.8
Healthcare		373.6		394.1	(5.2)
Total Public	$	1,005.8	$	969.9	3.7
Other	$	175.4	$	176.8	(0.8)
Total Net Sales	$	2,755.2	$	2,652.3	3.9%

* There were 63 selling days for both the three months ended March 31, 2015 and 2014.

First Quarter Financial Results

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

	Three Months Ended March 31,				
	2015		2014		% Change
Net Sales	$	2,755.2	$	2,652.3	3.9%
Avg Daily Net Sales	*$*	*43.7*	*$*	*42.1*	3.9
Gross Profit	$	456.5	$	425.2	7.4
% of Net Sales		*16.6%*		*16.0%*	
SG&A/Advertising	$	304.9	$	289.4	5.3
Income from Operations	$	151.6	$	135.8	11.7
Adjusted SG&A, including advertising *	$	246.8	$	232.6	6.1
Adjusted EBITDA *	$	210.8	$	193.7	8.8
% of Net Sales		*7.7%*		*7.3%*	
Interest Expense, net	$	(44.8)	$	(50.1)	(10.7)
Non-GAAP Net Income *	$	97.6	$	81.1	20.3
Non-GAAP EPS	$	0.56	$	0.47	19.5%

* Adjusted SG&A, including advertising, adjusted EBITDA, and non-GAAP net income are 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 May 7, 2015, for a reconciliation of non-GAAP financial measures.

First Quarter Adjusted SG&A

(Unaudited)
($ in millions)

	Three Months Ended March 31,		
	2015	2014	% Change
Reported SG&A, including advertising:	$ 304.9	$ 289.4	
Adjustments:			
Secondary-offering-related expenses	—	(0.4)	
Non-cash equity-based compensation	(4.7)	(3.3)	
Other expenses [1]	(2.0)	(2.2)	
Litigation, net [2]	—	0.3	
Depreciation and amortization:			
Amortization of acquisition-related intangible assets	(40.3)	(40.3)	
Other SG&A depreciation and amortization	(11.1)	(10.9)	
Total adjustments	(58.1)	(56.8)	
Adjusted SG&A, including advertising	$ 246.8	$ 232.6	6.1%

[1] Primarily includes certain historical retention costs and expenses related to the consolidation of our headquarters and sales locations north of Chicago reported within selling and administrative expenses.

[2] Relates to unusual, non-recurring litigation matters.

Adjusted EBITDA

(Unaudited)
($ in millions)

	Three Months Ended March 31,	
	2015	2014
Adjusted EBITDA *	$ 210.8	$ 193.7
Adjustments to reconcile Adjusted EBITDA to income from operations [1]:		
Depreciation and amortization [2]	(52.5)	(52.0)
Non-cash equity-based compensation	(4.7)	(3.3)
Secondary-offering-related expenses	—	(0.4)
Litigation, net [3]	—	0.3
Other adjustments [4]	(2.0)	(2.5)
Total adjustments	(59.2)	(57.9)
Income from operations	$ 151.6	$ 135.8

[1] Amounts historically reported within selling and administrative expenses unless otherwise indicated.

[2] Includes depreciation expense of $1.1 million and $0.8 million for the three months ended March 31, 2015 and 2014, respectively, historically reported within cost of sales.

[3] Relates to unusual, non-recurring litigation matters.

[4] Primarily includes certain historical retention costs and expenses related to the consolidation of our headquarters and sales locations north of Chicago reported within selling and administrative expenses.

* 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 May 7, 2015, for a reconciliation of non-GAAP financial measures.

Interest, Taxes and Non-GAAP Net Income

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

	Three Months Ended March 31,				
	2015		2014		% Change
Interest expense, net	$	(44.8)	$	(50.1)	(10.7)%
Other income, net	$	4.5	$	0.5	nm*
Income tax expense	$	(32.3)	$	(29.9)	8.1%
Net income	$	54.7	$	50.9	7.5%
Non-GAAP net income**	$	97.6	$	81.1	20.3%
Non-GAAP EPS*	$	0.56	$	0.47	19.5%

*Not meaningful

** Non-GAAP net income 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 May 7, 2015, for a reconciliation of non-GAAP financial measures.

Non-GAAP Net Income

(Unaudited)
($ in millions)

	Three Months Ended March 31,	
	2015	2014
Net income	$ 54.7	$ 50.9
Amortization of intangibles [(1)]	40.3	40.3
Non-cash equity-based compensation	4.7	3.3
Net loss on extinguishments of long-term debt	24.3	5.4
Interest expense adjustment related to extinguishments of long-term debt [(2)]	—	(0.6)
Secondary-offering-related expenses	—	0.4
Other adjustments [(3)]	0.9	—
Aggregate adjustment for income taxes [(4)]	(27.3)	(18.6)
Non-GAAP net income *	$ 97.6	$ 81.1

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

[(2)] Reflects adjustments to interest expense resulting from debt extinguishments. Represents the difference between interest expense previously recognized under the effective interest method and actual interest paid.

[(3)] Primarily includes expenses related to the consolidation of our headquarters and sales locations north of Chicago.

[(4)] Based on a normalized effective tax rate of 39.0%.

* Non-GAAP net income 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 May 7, 2015, for a reconciliation of non-GAAP financial measures.

Debt and ABL Availability

(Unaudited)
($ in millions)

	3/31/2015		12/31/2014		3/31/2014	
Cash and Cash Equivalents	$	447.4	$	344.5	$	306.7
Total Debt	$	3,206.2	$	3,190.0	$	3,172.4
Senior Secured Debt	$	1,509.7	$	1,513.5	$	1,850.1
Net Debt (Total Debt net of Cash and Cash Equivalents)	$	2,758.8	$	2,845.5	$	2,865.7
Outstanding Borrowings under ABL Revolver	$	—	$	—	$	—
Borrowing Base under ABL Revolver*	$	1,224.9	$	1,253.4	$	1,107.4
ABL Revolver Availability	$	942.7	$	935.6	$	649.4
Cash plus ABL Revolver Availability	$	1,390.1	$	1,280.1	$	956.1
TTM Adjusted EBITDA **	$	924.2	$	907.0	$	823.6
Total Net Leverage Ratio ***		3.0		3.1		3.5

* Amount in effect at period-end.

** 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 May 7, 2015, for a reconciliation of non-GAAP financial measures.

*** Defined as the ratio of total debt at period-end excluding any unamortized discount and/or premium, less cash and cash equivalents, to trailing twelve months (TTM) Adjusted EBITDA.

Cash Conversion Cycle

(Unaudited)

	3/31/2015	12/31/2014	3/31/2014
Days of sales outstanding (DSO) *	45	42	44
Days of supply in inventory (DIO) *	13	13	14
Days purchases outstanding (DPO) *	(37)	(34)	(36)
Cash Conversion Cycle *	21	21	22

* 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 $0.27/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	Minority investment in Kelway
Return Excess FCF after Dividends & M&A Through Share Repurchase	Offset to incentive plan dilution and to supplement EPS growth	Authorized $500MM repurchase program

1 Defined as the ratio of total debt at period-end excluding any unamortized discount and/or premium, less cash and cash equivalents, to TTM Adjusted EBITDA.
2 As of March 31, 2015.

Capital Allocation Priorities Support Refreshed Medium Term Targets

	Through 2015	2016-2018
Net Sales Growth	U.S. IT growth + 200-300bps	U.S. IT growth +200 - 300bps
Adjusted EBITDA	Mid-7% Margin	Mid-7% Margin
Leverage	Deleverage ~1/3 to 1/2x per year until 3.0x	Maintain net debt/adj. EBITDA ratio at ~2.5-3.0x
Non-GAAP EPS Growth	Mid-teens	Low double-digits

Thoughts on Modeling 2015

For P&L currently look for:

- First half/second half net sales balance ~47-48/52-53%
- Gross margin for balance of the year below Q1 level
- Q2 adjusted SG&A growth higher than sales growth
- Full year Adjusted EBITDA margin in the mid-7% range
- Full year book interest in the range of $157-159MM
- Book tax rate in the range of 37% to 38%

For Cash Flow currently look for:

- CapEX ~ 0.7% of net sales, above "rule of thumb" 0.5% primarily due to investment in office consolidation
- Full year FCF below 2014 due to pull-forward of $100MM FCF from Q1'15 into Q4'14
- Adjusting for pull-forward, 2015 FCF at the high-end of 2.5-3.0% of net sales target range
- CCC within our target range of low to mid-20's
- Cash tax rate of approximately 39%, to be applied to pretax operating income before intangibles amortization of ~$160MM/annually and $20MM of annual CODI payments

Questions and Answers

Adjusted EBITDA to Net Income Reconciliation

(Unaudited)
($ in millions)

	Three Months Ended March 31,	
	2015	2014
Net income	$ 54.7	$ 50.9
Depreciation and amortization	52.5	52.0
Income tax expense	32.3	29.9
Interest expense, net	44.8	50.1
EBITDA	184.3	182.9
Adjustments:		
Non-cash equity-based compensation	4.7	3.3
Net loss on extinguishments of long-term debt	24.3	5.4
Income from equity investments	(4.5)	(0.3)
Litigation, net [(1)]	—	(0.3)
Secondary-offering-related expenses	—	0.4
Other adjustments [(2)]	2.0	2.3
Total adjustments	26.5	10.8
Adjusted EBITDA *	$ 210.8	$ 193.7

[(1)] Relates to unusual, non-recurring litigation matters.

[(2)] Other adjustments primarily include certain retention costs and expenses related to the consolidation of our headquarters and sales locations north of Chicago.

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