



CDW Corporation

Webcast Conference Call

May 6, 2026

Today's Agenda

First Quarter 2026 Results

Performance Drivers

Outlook

Q&A

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, 2026 outlook, 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, 2025, and subsequent filings with the SEC. 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 Measures

Generally, a non-GAAP financial measure is a numerical measure of a company's performance or financial condition 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 accounting principles generally accepted in the United States of America ("GAAP"). Non-GAAP financial measures used by management may differ from similar measures used by other companies, even when similar terms are used to identify such measures.

Our non-GAAP performance measures include Non-GAAP selling and administrative expenses, Non-GAAP operating income, Non-GAAP operating income margin, Non-GAAP net income, Non-GAAP net income per diluted share, Non-GAAP effective tax rate and Net sales on a constant currency basis, and our non-GAAP financial condition measures include Free cash flow and Adjusted free cash flow. These non-GAAP performance measures and non-GAAP financial condition measures are collectively referred to as "non-GAAP financial measures." The GAAP measures most directly comparable to Non-GAAP selling and administrative expenses, Non-GAAP operating income, Non-GAAP operating income margin, Non-GAAP net income, Non-GAAP net income per diluted share, Non-GAAP effective tax rate and Net sales on a constant currency basis are Selling and administrative expenses, Operating income, Operating income margin, Net income, Net income per diluted share, Effective tax rate and Net sales, respectively. The GAAP measure most directly comparable to Free cash flow and Adjusted free cash flow is Net cash provided by operating activities.

Non-GAAP operating income and Non-GAAP selling and administrative expenses excludes, among other things, charges related to the amortization of acquisition-related intangible assets, equity-based compensation and the associated payroll taxes, acquisition and integration expenses, transformation initiatives, and workplace optimization. Non-GAAP operating income margin is defined as Non-GAAP operating income as a percentage of Net sales. Non-GAAP net income, Non-GAAP net income per diluted share, and Non-GAAP effective tax rate exclude, among other things, charges related to the amortization of acquisition-related intangible assets, equity-based compensation and the associated payroll taxes, acquisition and integration expenses, transformation initiatives, workplace optimization, and their associated income tax effects. Net sales on a constant currency basis is defined as Net sales excluding the impact of foreign currency translation on Net sales. Free cash flow is defined as Net cash provided by operating activities less capital expenditures. Adjusted free cash flow is defined as Free cash flow adjusted to include certain cash flows from financing activities incurred in the normal course of operations or as capital expenditures.

We believe our non-GAAP performance measures provide analysts, investors, and management with useful information regarding the underlying operating performance of our business, as they remove the impact of items that management believes are not reflective of underlying operating performance. Management uses these measures to evaluate period-over-period performance as management believes they provide a more comparable measure of the underlying business. We also present non-GAAP financial condition measures as we believe they provide analysts, investors, and management with more information regarding our liquidity and capital resources. Certain non-GAAP financial measures are also used to determine certain components of performance-based compensation.

Our outlook includes non-GAAP financial measures 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 our underlying performance, such as refinancing activities or acquisition and integration expenses.

Non-GAAP financial measures in this presentation are denoted with an asterisk (*) when shown. For a reconciliation of non-GAAP financial measures to the most comparable GAAP financial measures, see the CDW Investor Relations website: <https://investor.cdw.com/financials/quarterly-results/default.aspx>.

Financial Performance

- **Net sales of \$5.7 billion**
 - Up 9.2% on a reported basis
 - Up 8.4% on a constant currency* basis
- **Gross profit of \$1.2 billion, up 6.0%**
- **Gross profit margin of 21.0%, down 60 basis points**
- **Operating income of \$376 million, up 4.0%**
- **Non-GAAP operating income* of \$452 million, up 1.8%**
- **Net income of \$235 million, up 4.7%**
- **Non-GAAP net income* of \$295 million, up 3.1%**
- **Net income per diluted share of \$1.82, up 7.9%**
- **Non-GAAP net income per diluted share* of \$2.28, up 6.3%**

*Non-GAAP measure

Net Sales By Channel

(\$ in millions)	Three Months Ended March 31,		
	2026	2025	Percent Change ⁽¹⁾
Commercial			
Corporate	\$ 2,374.3	\$ 2,190.0	8.4 %
Financial Services	428.4	334.1	28.2
Healthcare	766.7	731.2	4.9
Total Commercial	<u>3,569.4</u>	<u>3,255.3</u>	<u>9.6</u>
Government	632.9	604.9	4.6
Education	675.0	658.5	2.5
Other	802.5	680.4	17.9
Total Net sales	<u>\$ 5,679.8</u>	<u>\$ 5,199.1</u>	<u>9.2 %</u>

(1) There were 63 selling days for both the three months ended March 31, 2026 and 2025. Average Daily Sales is defined as Net sales divided by the number of selling days.

Financial Results

(\$ in millions)

Net sales

Average daily net sales⁽¹⁾

Gross profit

Gross profit margin

Selling and administrative expenses

Operating income

Operating income margin

Non-GAAP SG&A*

Non-GAAP operating income*

*Non-GAAP operating income margin**

Interest expense, net

Other expense, net

Net income

Non-GAAP net income*

Effective Tax Rate

Non-GAAP Effective Tax Rate*

Three Months Ended March 31,

	2026	2025	Percent Change
	\$ 5,679.8	\$ 5,199.1	9.2 %
	\$ 90.2	\$ 82.5	9.2
	\$ 1,190.0	\$ 1,122.3	6.0
	21.0 %	21.6 %	
	\$ 814.0	\$ 760.9	7.0
	\$ 376.0	\$ 361.4	4.0
	6.6 %	7.0 %	
	\$ 738.1	\$ 678.3	8.8
	\$ 451.9	\$ 444.0	1.8
	8.0 %	8.5 %	
	\$ 55.3	\$ 57.1	(3.2)
	\$ (1.7)	\$ (0.3)	**nm
	\$ 235.4	\$ 224.9	4.7
	\$ 295.3	\$ 286.5	3.1
	26.2 %	26.0 %	
	25.2 %	25.9 %	

(1) There were 63 selling days for both the three months ended March 31, 2026 and 2025. Average Daily Sales is defined as Net sales divided by the number of selling days.

* Non-GAAP measure

** Not meaningful



Earnings Per Diluted Share

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

US GAAP Net income

Weighted-average common shares outstanding - Diluted

Net income per diluted share

Non-GAAP net income*

Weighted-average common shares outstanding - Diluted

Non-GAAP net income per diluted share*

* Non-GAAP measure

Three Months Ended March 31,			
	2026	2025	Percent Change
\$	235.4	\$ 224.9	4.7 %
	129.5	133.5	
\$	1.82	\$ 1.69	7.9 %
\$	295.3	\$ 286.5	3.1 %
	129.5	133.5	
\$	2.28	\$ 2.15	6.3 %

Debt and Revolver Availability

(\$ in millions)

Cash and cash equivalents

Short-term investments

Total debt

Net debt⁽¹⁾

Revolver availability

Cash plus revolver availability

	March 31, 2026	December 31, 2025	March 31, 2025
	\$ 578.6	\$ 618.7	\$ 471.4
	—	—	216.7
	5,641.0	5,629.8	5,853.0
	5,062.4	5,011.1	5,164.9
	1,886.8	1,925.8	1,265.0
	2,465.4	2,544.5	1,736.4

(1) Defined as total debt minus Cash and cash equivalents and Short-term investments

Cash Conversion Cycle

(Based on a rolling three-month average)

Days of sales outstanding
Days of supply in inventory
Days purchases outstanding
Cash conversion cycle

March 31, 2026	December 31, 2025	March 31, 2025
96	95	86
14	11	13
(94)	(90)	(84)
16	16	15

Free Cash Flow and Adjusted Free Cash Flow

(\$ in millions)

Net cash provided by operating activities

Capital expenditures

Free cash flow*

Net change in accounts payable - inventory financing

Adjusted free cash flow*⁽¹⁾

Three Months Ended March 31,			
		2026	2025
\$		274.8	\$ 287.2
		(26.4)	(26.9)
		248.4	260.3
		3.0	(11.5)
\$		251.4	\$ 248.8

(1) Defined as Cash flows provided by operating activities less capital expenditures, adjusted to include cash flows from financing activities that relate to the purchase of inventory.

* Non-GAAP measure

2026 Capital Allocation Priorities

<u>PRIORITIES</u>	<u>OBJECTIVES</u>	<u>ACTIONS</u>
Increase Dividend annually	Target ~25% payout of Non-GAAP net income*; grow in-line with earnings	~1% increase in November 2025 to \$2.52/share annually
Maintain Net Leverage Ratio ⁽¹⁾	Target ~2.0 to 3.0 times Net Leverage Ratio; consistent with our commitment to an investment grade capital structure	Currently at 2.4x ⁽²⁾
Supplement organic growth with M&A	Expand CDW's strategic capabilities	Twelve acquisitions over the last seven years
Return excess Adjusted FCF* after Dividends and M&A through share repurchases	Target, in aggregate with dividend, returning 50% to 75% of Adjusted FCF* to shareholders	Returned \$282M YTD ⁽²⁾ to shareholders in the form of share repurchases and dividends

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 and short-term investments, 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 March 31, 2026.

*Non-GAAP measure

2026^{(1),(2)} Outlook

CUSTOMER SPEND

U.S. IT growth plus a premium target of ~200 to 300 bps⁽³⁾

GROSS PROFIT

Low-to-mid single-digit growth

NON-GAAP NET INCOME PER DILUTED SHARE*

Mid single-digit growth

1. Certain annual outlooks 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 underlying performance, such as refinancing activities or acquisition and integration expenses. Further, for the same reasons, a reconciliation of these forward-looking non-GAAP measures to the most directly comparable GAAP measure cannot be provided without unreasonable efforts.

2. As of May 6, 2026; all growth rates are on a year-over-year constant currency basis.

3. CDW current addressable IT market

* Non-GAAP measure

Modeling Thoughts

Metric	Expectations ⁽¹⁾
Gross profit	<ul style="list-style-type: none">• High single-digit sequential growth in Q2 leads to mid single-digit year-over-year growth• Closer to 50/50 between 1H and 2H vs historical levels (still slightly 2H weighted)• Currency expected to be a slight benefit to growth for the year
Annual depreciation and amortization expense	<ul style="list-style-type: none">• Approximately \$300 million• Includes ~\$170 million of amortization expense for acquisition-related intangible assets• Excluding acquisition-related intangibles, expected to be ~\$130 million
Annual interest expense	<ul style="list-style-type: none">• In range of \$225 million to \$230 million
Non-GAAP effective tax rate*	<ul style="list-style-type: none">• In range of 25.5% to 26.5%
Annual adjusted free cash flow*	<ul style="list-style-type: none">• In range of 80% to 90% on Non-GAAP net income* for the full year
Capital expenditures	<ul style="list-style-type: none">• In range of \$110 million to \$120 million
Cash conversion cycle	<ul style="list-style-type: none">• In range of high teens to low 20s

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*Non-GAAP measure

Questions and Answers