CDW Corporation

Webcast Conference Call

August 5, 2026

Today's Agenda

Second 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 and operational performance, 2026 outlook, expected customer demand for technology solutions and services, customer spending trends, future liquidity, capital allocation priorities, strategic investments and transformation initiatives, management of debt obligations, shareholder returns, 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 $6.6 billion
  - Up 10.0% on a reported basis
  - Up 9.9% on a constant currency* basis
- **Gross profit** of $1.3 billion, up 6.3%
- **Gross profit margin** of 20.1%, down 70 basis points
- **Operating income** of $429 million, up 2.0%
- **Non-GAAP operating income*** of $556 million, up 7.0%
- **Net income** of $274 million, up 1.2%
- **Net income per diluted share** of $2.15, up 5.1%
- **Non-GAAP net income per diluted share*** of $2.91, up 11.9%

*Non-GAAP Measure

Net Sales By Channel

($ in millions)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	% Change[1]
Commercial			
Corporate	$ 2,618.1	$ 2,364.4	10.7 %
Financial Services	$ 487.1	$ 478.6	1.8 %
Healthcare	$ 860.2	$ 788.3	9.1 %
Total Commercial	3,965.4	3,631.3	9.2 %
Government	848.0	746.6	13.6
Education	933.1	926.6	0.7
Other	825.7	672.1	22.9
Total Net sales	$ 6,572.2	$ 5,976.6	10.0 %

(1) There were 64 selling days for both the three months ended June 30, 2026 and 2025. Average Daily Sales is defined as Net sales divided by the number of selling days.

Financial Results

($ in millions)	Three Months Ended June 30, 2026		2025		Percent Change
Net sales	$	6,572.2	$	5,976.6	10.0 %
Average daily net sales[(1)]	*$*	*102.7*	*$*	*93.4*	10.0
Gross profit	$	1,319.8	$	1,241.2	6.3
Gross profit margin		*20.1 %*		*20.8 %*	
Selling and administrative expenses	$	891.2	$	821.0	8.6
Operating income	$	428.6	$	420.2	2.0
Operating income margin		*6.5 %*		*7.0 %*	
Non-GAAP SG&A*	$	763.8	$	721.5	5.9
Non-GAAP operating income*	$	556.0	$	519.7	7.0
Non-GAAP operating income margin*		*8.5 %*		*8.7 %*	
Interest expense, net	$	60.2	$	56.8	6.0
Other income, net	$	4.5	$	1.5	**nm
Net income	$	274.4	$	271.2	1.2
Non-GAAP net income*	$	370.4	$	343.7	7.8
Effective Tax Rate		*26.4 %*		*25.7 %*	
Non-GAAP Effective Tax Rate*		*26.0 %*		*26.0 %*	

(1) There were 64 selling days for both the three months ended June 30, 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)	Three Months Ended June 30, 2026	2025	Percent Change
US GAAP Net income	$ 274.4	$ 271.2	1.2 %
Weighted-average common shares outstanding - Diluted	127.4	132.4	
Net income per diluted share	$ 2.15	$ 2.05	5.1 %
Non-GAAP net income*	$ 370.4	$ 343.7	7.8 %
Weighted-average common shares outstanding - Diluted	127.4	132.4	
Non-GAAP net income per diluted share*	$ 2.91	$ 2.60	11.9 %

* Non-GAAP measure

Debt and Revolver Availability

($ in millions)	June 30, 2026	December 31, 2025	June 30, 2025
Cash and cash equivalents	$ 361.8	$ 618.7	$ 481.0
Total debt	5,817.0	5,629.8	5,632.7
Net debt[(1)]	5,455.2	5,011.1	5,151.7
Revolver availability	1,682.4	1,925.8	1,213.1
Cash plus revolver availability	2,044.2	2,544.5	1,694.1

(1) Defined as total debt minus Cash and cash equivalents.

Cash Conversion Cycle

(Based on a rolling three-month average)	June 30, 2026	December 31, 2025	June 30, 2025
Days of sales outstanding	93	95	80
Days of supply in inventory	16	11	13
Days of purchases outstanding	(88)	(90)	(77)
Cash conversion cycle	21	16	16

Free Cash Flow and Adjusted Free Cash Flow

($ in millions)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Net cash provided by operating activities	$ (55.1)	$ 155.9	$ 219.7	$ 443.1
Capital expenditures	(27.5)	(22.5)	(53.9)	(49.4)
Free cash flow*	(82.6)	133.4	165.8	393.7
Net change in accounts payable - inventory financing-supplier financing	47.6	76.7	50.6	65.2
Proceeds from accounts payable-inventory financing-product financing	62.5	—	62.5	—
Payments on accounts payable-inventory financing-product financing	(0.5)	—	(0.5)	—
Adjusted free cash flow*[(1)]	$ 27.0	$ 210.1	$ 278.4	$ 458.9

(1) Defined as Net cash 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

PRIORITIES	OBJECTIVES	ACTIONS
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 2.5x(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 $706M 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 June 30, 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

Mid single-digit growth

NON-GAAP NET INCOME PER DILUTED SHARE*

High end of high 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 August 5, 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	• Flat sequentially into Q3 leads to mid single-digit year-over-year growth • 1H and 2H splits relatively aligned to historical levels • Currency expected to be a slight benefit to growth for the year
Annual depreciation and amortization expense	• 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	• In range of $235 million to $240 million
Non-GAAP effective tax rate*	• In range of 25.5% to 26.5%
Annual adjusted free cash flow*	• In range of 80% to 90% on Non-GAAP net income* for the full year
Capital expenditures	• In range of $110 million to $120 million
Cash conversion cycle	• In range of high teens to low 20s

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*Non-GAAP measure

Questions and Answers