

REFINITIV

DELTA REPORT

10-Q

CDWC - CDW CORP

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1606
CHANGES	367
DELETIONS	737
ADDITIONS	502

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q


(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended **September 30, 2023** **March 31, 2024**

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission File Number Number: 001-35985

 cdw-2023-red logo (002).jpg

CDW CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

200 N. Milwaukee Avenue
Vernon Hills, Illinois

(Address of principal executive offices)

26-0273989

(I.R.S. Employer
Identification No.)

60061

(Zip Code)

(847) 465-6000

(Registrant's telephone number, including area code)

None

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s) Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.01 per share	CDW	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer ☒ Accelerated filer ☐
Non-accelerated filer ☐ Smaller reporting company ☐
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

As of **October 27, 2023** **April 26, 2024**, there were **133,960,369** **134,397,680** shares of common stock, \$0.01 par value, outstanding.

CDW CORPORATION AND SUBSIDIARIES
FORM 10-Q

TABLE OF CONTENTS

	Page
PART I	
FINANCIAL INFORMATION	
Item 1.	
Financial Statements:	
Consolidated Balance Sheets as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023	3
Consolidated Statements of Operations for the Three and Nine Months Ended September 30, 2023 March 31, 2024 and 2022 2023	4
Consolidated Statements of Comprehensive Income for the Three and Nine Months Ended September 30, 2023 March 31, 2024 and 2022 2023	5
Consolidated Statements of Cash Flows for the Nine Three Months Ended September 30, 2023 March 31, 2024 and 2022 2023	6
Consolidated Statements of Stockholders' Equity for the Three and Nine Months Ended September 30, 2023 March 31, 2024 and 2022 2023	7
Notes to Consolidated Financial Statements	9 8
Item 2.	
Management's Discussion and Analysis of Financial Condition and Results of Operations	21 17
Item 3.	
Quantitative and Qualitative Disclosures About Market Risk	36 27
Item 4.	
Controls and Procedures	36 27
PART II	
OTHER INFORMATION	
Item 1.	
Legal Proceedings	39 29
Item 1A.	
Risk Factors	39 29
Item 2.	
Unregistered Sales of Equity Securities and Use of Proceeds	39 29
Item 3.	
Defaults Upon Senior Securities	39 29
Item 4.	
Mine Safety Disclosures	39 29
Item 5.	
Other Information	39 29
Item 6.	
Exhibits	40 30
SIGNATURES	41 31

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

CDW CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(dollars and shares in millions, except per share amounts)

	Sep 30, 2024
Assets	
Current assets:	
Cash and cash equivalents	\$
Accounts receivable, net of allowance for credit losses of \$27.0 \$30.2 and \$25.7, \$28.8, respectively	
Merchandise inventory	
Miscellaneous receivables	
Prepaid expenses and other	
Total current assets	_____
Operating lease right-of-use assets	
Property and equipment, net	
Goodwill	
Other intangible assets, net	
Other assets	
Total Assets	\$ =====
Liabilities and Stockholders' Equity	
Current liabilities:	
Accounts payable-trade	\$
Accounts payable-inventory financing	
Current maturities of long-term debt	
Contract liabilities	
Accrued expenses and other current liabilities:	
Compensation	
Advertising	
Sales and income taxes	
Other	
Total current liabilities	_____
Long-term liabilities:	
Debt	
Deferred income taxes	
Operating lease liabilities	
Other liabilities	
Total long-term liabilities	_____
Commitments and contingencies (Note 9)	
Stockholders' equity:	
Preferred stock, \$0.01 par value, 100.0 shares authorized; no shares issued or outstanding for both periods	
Common stock, \$0.01 par value, 1,000.0 shares authorized; 134.0 134.4 and 135.5 134.1 shares outstanding, respectively	
Paid-in capital	
Accumulated deficit	
Accumulated other comprehensive loss	
Total stockholders' equity	_____
Total Liabilities and Stockholders' Equity	\$ =====

The accompanying notes are an integral part of the Consolidated Financial Statements.

CDW CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(dollars and shares in millions, except per-share amounts)
(unaudited)

	Three Months
	2024
Net sales	\$ 5,628.3 4,872
Cost of sales	4,400.6 3,809
Gross profit	1,227.7 1,063
Selling and administrative expenses	749.3 735
Operating income	478.4 328
Interest expense, net	(57.4) (51)
Other expense, net	(1.2) (0)
Income before income taxes	419.8 276
Income tax expense	(104.3) (60)
Net income	\$ 315.5 216
Net income per common share:	
Basic	\$ 2.35 1.6
Diluted	\$ 2.32 1.5
Weighted-average common shares outstanding:	
Basic	134.1 134
Diluted	135.9 136

The accompanying notes are an integral part of the Consolidated Financial Statements.

CDW CORPORATION AND SUBSIDIARIES

CDW CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(dollars in millions)
(unaudited)

	Three
	2024
Net income	\$ 31
Other comprehensive income (loss), net of tax:	
Unrealized gain from cash flow hedge net of tax	
Reclassification of cash flow hedge to net income, net of tax	
Foreign currency translation net of tax adjustments	(2)
Other comprehensive (loss) income	(6)
Comprehensive income	\$ 29

The accompanying notes are an integral part of the Consolidated Financial Statements.

CDW CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in millions)
(unaudited)

Cash flows from operating activities:

Net income \$

Adjustments to reconcile net income to net cash provided by operating activities:

Depreciation and amortization

Equity-based compensation expense

Deferred income taxes

Provision for credit losses

Other

Changes in assets and liabilities:

Accounts receivable

Merchandise inventory

Other assets

Accounts payable-trade

Other liabilities

Net cash provided by operating activities

Cash flows from investing activities:

Capital expenditures

Acquisitions of businesses, net of cash acquired

—

Net cash used in investing activities

Cash flows from financing activities:

1,854.6

Repayments of borrowings under revolving credit facility

Repayments of long-term debt

Repayments of receivable financing liability

Net change in accounts payable-inventory financing

Repurchases of common stock

Proceeds from stock option exercises

Payment of incentive compensation plan withholding taxes

Dividend payments

Other

Net cash used in financing activities

Effect of exchange rate changes on cash and cash equivalents**Net increase (decrease) in cash and cash equivalents****Cash and cash equivalents—beginning of period****Cash and cash equivalents—end of period**

\$

Supplementary disclosure of cash flow information:

Interest paid \$

Income taxes paid, net \$

The accompanying notes are an integral part of the Consolidated Financial Statements.

CDW CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(dollars and shares in millions)
(unaudited)

Three Months Ended September 30, 2023							
		Common Stock					
				Accumulated		Other	
				Paid-in		Comprehensive	
				Accumulated		Loss	
				Deficit		Total	
						Stockholders'	
						Equity	
		Shares	Amount	Capital	Deficit	Loss	Equity
Balance as of June 30, 2023		134.0	\$ 1.3	\$3,599.5	\$ (1,862.8)	\$ (124.8)	\$ 1,613.2
Three Months Ended March 31, 2024							
		Common Stock					
		Shares					
		Shares					
		Shares					
		Amount					
		Paid-in Capital					
		Accumulated Deficit					
		Accumulated Other Comprehensive Loss					
Balance as of December 31, 2023							
Net income	Net income	—	—	—	315.5	—	315.5
Equity-based compensation expense	Equity-based compensation expense	—	—	26.0	—	—	26.0
Stock option exercises	Stock option exercises	0.3	—	12.0	—	—	12.0
Coworker Stock Purchase Plan	Coworker Stock Purchase Plan	—	—	7.0	—	—	7.0
Repurchases of common stock	Repurchases of common stock	(0.3)	—	—	(53.9)	—	(53.9)
Dividends paid (\$0.59 per share)	Dividends paid (\$0.59 per share)	—	—	0.5	(79.6)	—	(79.1)
Dividends paid (\$0.62 per share)	Dividends paid (\$0.62 per share)						
Incentive compensation plan stock withheld for taxes	Incentive compensation plan stock withheld for taxes	—	—	—	(5.8)	—	(5.8)
Unrealized gain from hedge accounting	Unrealized gain from hedge accounting	—	—	—	—	1.2	1.2
Foreign currency translation and other	Foreign currency translation and other	—	—	—	(0.2)	(25.9)	(26.1)
Balance as of September 30, 2023		134.0	\$ 1.3	\$3,645.0	\$ (1,686.8)	\$ (149.5)	\$ 1,810.0
Foreign currency translation and other							

Foreign currency translation
and other

**Balance as
of March 31,
2024**

Three Months Ended September 30,

	Common Stock		Paid-in Capital	Accumulated Deficit
	Shares	Amount		
Balance as of June 30, 2022	135.2	\$ 1.4	\$ 3,441.8	\$ (2,197.7)
Net income	—	—	—	297.8
Equity-based compensation expense	—	—	26.8	—
Stock option exercises	0.1	—	5.6	—
Coworker Stock Purchase Plan	—	—	6.9	—
Dividends paid (\$0.50 per share)	—	—	0.4	(68.1)
Incentive compensation plan stock withheld for taxes	—	—	—	(1.3)
Unrealized gain on cash flow hedge	—	—	—	—
Reclassification of cash flow hedge to net income	—	—	—	—
Foreign currency translation	—	—	—	—
Balance as of September 30, 2022	135.3	\$ 1.4	\$ 3,481.5	\$ (1,969.3)

CDW CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(dollars and shares in millions)
(unaudited)

Nine Months Ended September 30,

	Common Stock		Paid-in Capital	Accumulated Deficit
	Shares	Amount		
Balance as of December 31, 2022	135.5	\$ 1.4	\$ 3,518.1	\$ (1,763.8)
Net income	—	—	—	808.2
Equity-based compensation expense	—	—	71.6	—
Stock option exercises	0.8	—	32.5	—
Coworker Stock Purchase Plan	0.1	—	21.4	—
Repurchases of common stock	(2.4)	(0.1)	—	(449.9)
Dividends paid (\$1.77 per share)	—	—	1.4	(239.8)
Incentive compensation plan stock withheld for taxes	—	—	—	(38.6)
Unrealized gain from hedge accounting	—	—	—	—
Foreign currency translation and other	—	—	—	(2.9)
Balance as of September 30, 2023	134.0	\$ 1.3	\$ 3,645.0	\$ (1,686.8)

Nine Months Ended September 30,

	Common Stock		Paid-in Capital	Accumulated Deficit
	Shares	Amount		
Balance as of December 31, 2021	134.8	\$ 1.3	\$ 3,369.5	\$ (2,570.7)
Net income	—	—	—	827.3
Equity-based compensation expense	—	—	71.4	—

Stock option exercises	0.4	0.1	20.6	—
Coworker Stock Purchase Plan	0.1	—	18.7	—
Dividends paid (\$1.50 per share)	—	—	1.3	(204.0)
Incentive compensation plan stock withheld for taxes	—	—	—	(21.9)
Unrealized gain on cash flow hedge	—	—	—	—
Reclassification of cash flow hedge to net income	—	—	—	—
Foreign currency translation	—	—	—	—
Balance as of September 30, 2022	135.3	\$ 1.4	\$ 3,481.5	\$ (1,969.3)

	Three Months Ended March 31, 2023			
	Common Stock		Paid-in Capital	Accumulated Deficit
	Shares	Amount		
Balance as of December 31, 2022	135.5	\$ 1.4	\$ 3,518.1	\$ (1,763.8)
Net income	—	—	—	230.1
Equity-based compensation expense	—	—	20.8	—
Stock option exercises	0.5	—	12.8	—
Coworker Stock Purchase Plan	—	—	5.0	—
Repurchases of common stock	(1.0)	—	—	(200.0)
Dividends paid (\$0.59 per share)	—	—	0.6	(80.5)
Incentive compensation plan stock withheld for taxes	—	—	—	(31.6)
Foreign currency translation and other	—	—	—	(1.2)
Balance as of March 31, 2023	135.0	\$ 1.4	\$ 3,557.3	\$ (1,847.0)

The accompanying notes are an integral part of the Consolidated Financial Statements.

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(dollars in millions, except per share data, unless otherwise noted)

1. Description of Business and Summary of Significant Accounting Policies

Description of Business

CDW Corporation ("Parent"), a Fortune 500 company and member of the S&P 500 Index, is a leading multi-brand provider of information technology ("IT") solutions to healthcare customers in the United States ("US"), the United Kingdom ("UK") and Canada. The Company's broad array of offerings ranges from discrete hardware and software on-premise and cloud capabilities across hybrid infrastructure, digital experience and security.

Throughout this report, the terms the "Company" and "CDW" refer to Parent and its 100% owned subsidiaries.

Parent has two 100% owned subsidiaries, CDW LLC and CDW Finance Corporation. CDW LLC is an Illinois limited liability company that, together with its 100% owned subsidiaries, engages in the same or similar business activities and operations of the Company. CDW Finance Corporation is a Delaware corporation formed for the sole purpose of acting as co-issuer of certain debt obligations and other financial activities or operations.

Basis of Presentation

The accompanying unaudited interim Consolidated Financial Statements as of **September 30, 2023** and **March 31, 2024** and for the three and nine months ended **September 30, 2023** and **March 31, 2024** ("Interim Consolidated Financial Statements") have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP") and the rules and regulations of the SEC for interim financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with US GAAP have been omitted or condensed. The presentation of the Consolidated Financial Statements requires the Company to make estimates and assumptions that affect reported amounts and related disclosures. These Consolidated Financial Statements contain all adjustments (consisting of a normal, recurring nature) necessary to present fairly the Company's financial position, results of operations, cash flows and equity as of the dates and for the periods indicated. The unaudited results of operations for such interim periods reported are not necessarily indicative of results for the full year.

These Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and the notes thereto included in the Company's **2022** **December 31, 2023** (the "December 31, **2022** **2023** Consolidated Financial Statements"). The significant accounting policies and estimates used in preparing these Consolidated Financial Statements are consistent with those reflected in the **December 31, 2022** **December 31, 2023** Consolidated Financial Statements.

Principles of Consolidation

The Consolidated Financial Statements include the accounts of Parent and its 100% owned subsidiaries. All intercompany transactions and accounts are eliminated in conso

2. Recent Accounting Pronouncements

In September 2022, **December 2023**, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2022-04, Liabilities—Supplier Finance (740): Disclosure of Supplier Finance Program Obligations. **Improvements to Income Tax Disclosures**. This ASU requires entities that use supplier finance programs in connection primarily through standardization and disaggregation of goods rate reconciliation categories and services to disclose key terms of the programs and information about the of This disclosure requirement is intended to provide information about an entity's use of supplier finance programs and their effect on the entity's working capital, liquidity effective for all public entities for annual periods beginning after December 15, 2024, with early adoption permitted. Entities should apply the amendments on a prospective basis and currently evaluating the impact this ASU will have on its disclosures.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. This ASU improves reportable disclosures about significant segment expenses included in a segment's profit or loss measure on an annual and interim basis. The ASU is effective for all public entities for 2023, including and interim periods within those fiscal years, except for the rollforward requirement, which is effective for fiscal years beginning after December 15, 2023. The with the exception of the rollforward requirement, which will be adopted during the first quarter of 2024. The adoption of the standard only resulted in new disclosures for a and did not affect the Company's recognition, measurement

CDW CORPORATION AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (dollars in millions, except per share data, unless otherwise noted)

or financial statement presentation of supplier finance program obligations periods within fiscal years beginning after December 15, 2024. Entities are required to apply the amendments evaluating the Consolidated Financial Statements. For additional information impact this ASU will have on the new disclosures, see Note 4 (Inventory Financing Agreements)

3. Accounts Receivable and Contract Balances

Accounts Receivable

The following table details the total accounts receivable recognized and the related classification on the Consolidated Balance Sheets:

		September 30, 2023	December 31, 2022	
	March 31, 2024			March 31, 2024
Accounts receivable, current ⁽¹⁾	Accounts receivable, current ⁽¹⁾	\$ 4,418.5	\$4,461.3	
Accounts receivable, noncurrent ⁽²⁾	Accounts receivable, noncurrent ⁽²⁾	133.6	203.0	
Total accounts receivable	Total accounts receivable	\$ 4,552.1	\$4,664.3	

(1) Accounts receivable, current are presented within Accounts receivable, net of allowance for credit losses on the Consolidated Balance Sheets.

(2) Accounts receivable, noncurrent are presented within Other assets on the Consolidated Balance Sheets.

From time to time, the Company transfers certain accounts receivable, without recourse, to third-party financial companies as a method to reduce the Company's credit recognized as a sale and the related accounts receivable is derecognized from the Consolidated Balance Sheet upon receipt of payment from the third-party financing 2023 March 31, 2024 and 2022, 2023, the Company sold approximately \$382 \$93 million and \$445 \$124 million of accounts receivable, respectively.

Contract Balances

Contract assets and liabilities represent the difference in the timing of revenue recognition from receipt of cash from customers. Contract assets represent revenue recognition which the Company has no unconditional right to consideration. Contract liabilities consist of payments received from customers, or such consideration that is contractually The following table details information about the Company's contract balances recognized on the Consolidated Balance Sheets:

		September 30, 2023	December 31, 2022	
	March 31, 2024			March 31, 2024
Contract assets ⁽¹⁾	Contract assets ⁽¹⁾	\$ 134.2	\$ 242.1	

Contract liabilities ⁽²⁾	Contract liabilities ⁽²⁾
(3)	(3)
\$	\$
490.4	\$ 525.3
(1) Contract assets are presented within Prepaid expenses and other on the Consolidated Balance Sheets.	
(2) Includes \$52 \$38 million and \$40 million of long-term contract liabilities that are presented within Other liabilities on the Consolidated Balance Sheets as of September 30, 2023 March 31, 2024 and December 31, 2022.	
(3) During the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, the Company recognized revenue of \$293 \$175 million and \$223 \$190 million, respectively, related to its contract liabilities.	

A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The following table presents the performance obligations as of September 30, 2023 March 31, 2024 related to non-cancelable contracts longer than 12 months in duration that is expected to be recognized over the next 12 months.

	Within 1 Year	Years 1-2
Remaining performance obligations	\$ 74.1	\$ 44.3

	Within 1 Year	Years 1-2
Remaining performance obligations	\$ 98.6	\$ 56.3

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(dollars in millions, except per share data, unless otherwise noted)

4. Inventory Financing Agreements

The Company has entered into agreements with financial institutions to facilitate the purchase of inventory from designated suppliers under certain terms and conditions. The Company receives extended payment terms and agrees to pay the financial institution institutions a stated amount of confirmed invoices.

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(dollars in millions, except per share data, unless otherwise noted)

from its designated suppliers. The Company does not incur any interest or other incremental expenses associated with these agreements as balances are paid when the Company establishes the terms or conditions of the arrangements between its suppliers and the financial institution. institutions.

The amounts outstanding under these agreements as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 were \$620 million \$385 million presented as Accounts payable-inventory financing on the Consolidated Balance Sheets. The majority of such outstanding amounts relates to a floorplan sub-facility that is included within Note 6 (Debt). A portion of the Company's availability under the Revolving Loan Facility is reserved to cover the obligation to pay the financial institution. For additional information, see Note 6 (Debt).

5. Financial Instruments

The Company does not hold or issue derivative financial instruments for trading or speculative purposes. The Company's indebtedness creates interest rate risk on its debt instruments to manage its exposure to interest rate risk. For additional information, see Note 6 (Debt).

During the three months ended September 30, 2023, the The Company executed has interest rate collar agreements for a total notional value of \$400 million. The terms of the agreements include an interest rate cap and an interest rate floor based on a Secured Overnight Financing Rate ("SOFR"). The Company receives payment from the counterparty if SOFR is greater than the floor and less than the cap. If SOFR is between the floor and cap, no payment is due to either party. There were no new interest rate collar agreements executed during the three months ended March 31, 2024.

As of September 30, 2023 March 31, 2024 and December 31, 2023, the interest rate collar agreements were classified within Long-term liabilities - Other assets liabilities on the Consolidated Balance Sheets. The total notional amount of the interest rate collar agreements was \$400 million as of September 30, 2023 March 31, 2024 and December 31, 2023, which and the amounts outstanding derivative financial instruments as of December 31, 2022.

The fair values of the Company's interest rate collar agreements are classified as Level 2 in the fair value hierarchy. The valuation of the interest rate collar agreements is based on the present value of expected cash receipts or cash disbursements that would occur if variable interest rates rise above or fall below the strike rates of the interest rate cap and interest rate floor, respectively. The Company uses observable market-based inputs, including SOFR curves and implied volatilities. The Company also incorporates the respective counterparty's nonperformance risk in the fair value measurements. The counterparty credit spreads are based on publicly available credit information on the counterparty.

The interest rate collars are designated as cash flow hedges. The changes in the fair value of derivatives that qualify as cash flow hedges are recorded in Accumulated other comprehensive income (loss). The portion of the derivative financial instruments and the reclassification from AOCL to Interest expense, net was not material.

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(dollars in millions, except per share data, unless otherwise noted)

6. Debt

March
31,
2024

M:

Maturity				
Date	Maturity Date	Interest Rate	Amount	

Credit Facility

As of December 31,

As of September 30, 2023 2022

Senior unsecured revolving loan facility

Maturity Date	Interest		Interest	
	Rate	Amount	Rate	Amount

Credit Facility

Senior unsecured revolving loan facility

Senior unsecured revolving loan facility	Senior unsecured revolving loan facility	December 2026	Variable \$	—	Variable \$	72.5
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Term Loan Term Loan

Term Loan

Term Loan

Senior unsecured term
loan facility

Senior unsecured term loan facility

Senior unsecured term loan facility	Senior unsecured term loan facility	December 2026	Variable	684.5	Variable	784.5
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Unsecured Unsecured

Senior
Notes

Unsecured Senior Notes

Unsecured Senior Notes

Senior notes due 2024

Senior notes due 2024

Senior notes due 2024	Senior notes due 2024	December 2024	5.500 %	575.0	5.500 %	575.0
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Senior notes	Senior notes					
due 2025	due 2025	May 2025	4.125 %	600.0	4.125 %	600.0

Senior notes due 2026	Senior notes due 2026	December 2026	2.670 %	1,000.0	2.670 %	1,000.0
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Senior notes	Senior notes					
due 2028	due 2028	April 2028	4.250 %	600.0	4.250 %	600.0

Senior notes due 2028	Senior notes due 2028	December 2028	3.276 %	500.0	3.276 %	500.0
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Senior notes	Senior notes	February				
due 2029	due 2029	2029	3.250 %	700.0	3.250 %	700.0

Senior notes due 2031	Senior notes due 2031	December 2031	3.569 %	1.000.0	3.569 %	1.000.0
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Total unsecured senior notes	Total unsecured senior notes		
		4,975.0	4,975.0
Receivable financing liability	Receivable financing liability	64.2	115.4
Receivable financing liability	Receivable financing liability		
Other long-term obligations	Other long-term obligations	8.1	11.6
Unamortized deferred financing fees	Unamortized deferred financing fees	(30.3)	(36.3)
Current maturities of long-term debt	Current maturities of long-term debt	(40.0)	(56.3)
Total long-term debt	Total long-term debt	<u>\$ 5,661.5</u>	<u>\$5,866.4</u>

As of **September 30, 2023** **March 31, 2024**, the Company is in compliance with the covenants under its credit agreements and indentures.

Credit Facility

The Company has a variable rate senior unsecured revolving loan facility (the "Revolving Loan Facility") from which it may draw tranches denominated in US dollars, British pounds sterling, and Canadian dollars. The Revolving Loan Facility was amended to replace the London Interbank Offer Rate ("LIBOR") with SOFR as the interest rate benchmark, which was effective for the first interest rate period beginning after July 1, 2023. The interest rate is based on SOFR plus a spread adjustment and a margin based on the Company's senior unsecured rating. The Revolving Loan Facility is used by the Company for general corporate purposes, including working capital needs, capital expenditures, and acquisitions. As of **September 30, 2023** **March 31, 2024**, the Company could have borrowed up to an additional **\$0.9 billion** **\$1.3 billion** under the Revolving Loan Facility. As of **September 30, 2023** **March 31, 2024**, the Company had **\$658** **\$348** million reserved for the floorplan sub-facility.

Term Loan

The senior unsecured term loan facility (the "Term Loan Facility") has a variable interest rate. On June 7, 2023, the Term Loan Facility was amended to replace LIBOR with SOFR as the interest rate benchmark, which was effective for the first interest rate period beginning after July 1, 2023. Under the amended agreement, the **Term** interest rate is based on SOFR plus a spread adjustment and a margin based on the Company's senior unsecured rating. As of **September 30, 2023** **March 31, 2024**, the Company prepaid \$100 million on the Term Loan Facility without penalty. As a result of the prepayments made to date, no additional amount is due until its maturity date on December 1, 2026.

CDW CORPORATION AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (dollars in millions, except per share data, unless otherwise noted)

Unsecured Senior Notes

The unsecured senior notes have a fixed interest rate, which is paid semi-annually.

Receivable Financing

The receivable financing liability relates to certain accounts receivable transferred to third-party financial institutions that did not qualify as a sale under the terms of the transfer agreements. On a nonrecourse basis, the transfers of accounts receivable could not achieve certain criteria that would allow

CDW CORPORATION AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (dollars in millions, except per share data, unless otherwise noted)

derecognition of the accounts receivable. The proceeds from these arrangements are recognized as a liability and the associated accounts receivable remains on the Consolidated Balance Sheet. As of **September 30, 2023** **March 31, 2024**, the Company did not execute any transfers under these agreements during the **nine** **three** months ended **September 30, 2023** **March 31, 2024**.

Fair Value

The fair values of the unsecured senior notes were estimated using quoted market prices for identical liabilities that are traded in over-the-counter secondary markets. The quotes and other market observable inputs for comparable liabilities. The unsecured senior notes and Term Loan Facility were classified as Level 2 within the fair value hierarchy. The approximate fair value approximates fair value.

The approximate fair values and related carrying values of the Company's long-term debt, including current maturities and excluding unamortized discount and unamortized costs, are as follows:

		September 30, 2023	December 31, 2022	
		March 31, 2024		March 31, 2024
Fair value	Fair value	\$ 5,189.0	\$5,412.6	
Carrying value	Carrying value	5,731.8	5,959.0	

7. Income Taxes

Income tax expense was \$104 million \$61 million and \$101 million \$66 million for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. Income tax expense as a percentage of Income before income taxes, was 24.8% 21.9% and 25.4% 22.3% for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively.

Income tax expense was \$261 million and \$279 million for the nine months ended September 30, 2023 and 2022, respectively. The effective tax rate, expressed by calculating income taxes, was 24.4% and 25.2% for the nine months ended September 30, 2023 and 2022, 2023, respectively.

The effective tax rate for both the three and nine months ended September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023 differed from the US federal taxes, partially offset by excess tax benefits on equity-based compensation.

CDW CORPORATION AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (dollars in millions, except per share data, unless otherwise noted)

8. Earnings Per Share

The numerator for both basic and diluted earnings per share is Net income. The denominator for basic earnings per share is the weighted-average shares outstanding during the period.

A reconciliation of basic weighted-average shares outstanding to diluted weighted-average shares outstanding is as follows:

		Three Months Ended September 30, 2023		Nine Months Ended September 30, 2023	
		2023	2022	2023	2022
Basic weighted-average shares outstanding		134.1	135.3	134.8	135.1
Effect of dilutive securities ⁽¹⁾		1.8	1.8	1.6	1.8
Diluted weighted-average shares outstanding ⁽²⁾		135.9	137.1	136.4	136.9

(1) The dilutive effect of outstanding stock options, restricted stock units, performance share units and Coworker Stock Purchase Plan units is reflected in the diluted weighted-average shares outstanding using the treasury stock method.

- (2) There were fewer than 0.2 million potential common shares excluded from diluted weighted-average shares outstanding for both the three and nine months ended **September 30, 2023** **March 31, 2024**. average **weighted-average** shares outstanding would have had an anti-dilutive effect. **effect**.

9. Commitments and Contingencies

The Company is party to various legal proceedings that arise in the ordinary course of its business, which include commercial, intellectual property, employment, tort and contract claims, and by various partners, group purchasing organizations and customers, including government agencies. In addition, the Company is subject to indemnification claims under various contracts. From time to time, certain customers of the Company file voluntary petitions for reorganization under the bankruptcy laws of the United States or in the courts of various jurisdictions for the Company's business activities outside of the US. In such cases, certain pre-petition **pre-**

CDW CORPORATION AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (dollars in millions, except per share data, unless otherwise noted)

petition payments received by the Company could be considered preference items and subject to return to the bankruptcy administrator.

As of **September 30, 2023** **March 31, 2024**, the Company does not believe that there is a reasonable possibility that any material loss exceeding the amounts already recognized or incurred. However, the ultimate resolutions of these proceedings and matters are inherently unpredictable. As such, the Company's Consolidated Financial Statements may not reflect the unfavorable resolution of one or more of these proceedings or matters.

A subsidiary of the Company received a Civil Investigative Demand dated September 20, 2021 from the **US** Department of Justice ("DOJ") in connection with a False Claim Act investigation. The Company is cooperating with the DOJ. At this stage of the matter, the Company is unable to assess the potential impact of the investigation on the Company's financial position.

CDW CORPORATION AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (dollars in millions, except per share data, unless otherwise noted)

10. Segment Information

The Company's segment information reflects the way the chief operating decision maker uses internal reporting to evaluate business performance, allocate resources and measure the performance of the Company's segments.

The Company has three reportable segments: Corporate, which is comprised primarily of private sector business customers with more than 250 employees in the US, Small Business, which is comprised of private sector business customers with up to 250 employees in the US, and Public, which is comprised of government agencies and education and healthcare institutions in the US. The Company has two other segments, which do not meet the reportable segment quantitative thresholds and, accordingly, are included in an all other category ("Other").

The Company has centralized logistics and headquarters functions that provide services to the segments. The logistics function includes purchasing, distribution and fulfillment of products to the segments. As a result, costs and intercompany charges associated with the logistics function are fully allocated to all of these segments based on a percent of Net sales. The headquarters function includes such as accounting, information technology, marketing, legal and coworker services. Headquarters function costs that are not allocated to the segments are included under the "Other" category.

Information about the Company's segments is as follows:

Corporate		Corporate		Small Business		Public	
		Small					
		Corporate	Business	Public	Other	Headquarters	Total
Three Months Ended September 30, 2023							
Three Months Ended March 31, 2024							
Three Months Ended March 31, 2024							
Three Months Ended March 31, 2024							
Net sales							
Net sales							
Net sales	Net sales	\$2,226.5	\$ 378.4	\$2,422.1	\$ 601.3	\$ —	\$ 5,628.3
Operating income	Operating income						
(loss)	(loss)	211.1	45.3	237.1	30.3	(45.4)	478.4
Depreciation and amortization expense	Depreciation and amortization expense	(19.8)	(1.2)	(13.7)	(7.4)	(23.9)	(66.0)

Three Months Ended
September 30, 2022

Three Months Ended
March 31, 2023

Three Months Ended
March 31, 2023

Three Months Ended
March 31, 2023

Net sales

Net sales

Net sales	Net sales	\$2,577.8	\$	491.2	\$2,424.3	\$	722.2	\$	—	\$	6,215.5
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Operating income (loss)	Operating income (loss)	203.3	47.0	234.0	32.3	(50.2)	466.4
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Depreciation and amortization expense	Depreciation and amortization expense	(30.8)	(3.1)	(11.9)	(7.7)	(22.1)	(75.6)
---------------------------------------	---------------------------------------	--------	-------	--------	-------	--------	--------

Nine Months Ended
September 30, 2023

Net sales	\$6,675.2	\$1,186.0	\$6,530.0	\$1,966.3	\$	—	\$16,357.5
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Operating income (loss)	610.9	129.2	574.9	99.2	(168.3)	1,245.9
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Depreciation and amortization expense	(62.2)	(3.6)	(44.1)	(22.7)	(70.0)	(202.6)
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Nine Months Ended
September 30, 2022

Net sales	\$7,866.1	\$1,515.2	\$6,700.3	\$2,228.8	\$	—	\$18,310.4
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Operating income (loss)	644.5	140.7	553.0	96.8	(146.4)	1,288.6
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Depreciation and amortization expense	(79.4)	(6.4)	(44.7)	(24.2)	(63.4)	(218.1)
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CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(dollars in millions, except per share data, unless otherwise noted)

Geographic Areas and Revenue Mix

Three Months Ended September 30, 2023

Small

Corporate	Business	Public	Other	Total
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Three Months Ended March 31, 2024

Three Months Ended March 31, 2024

Three Months Ended March 31, 2024

Corporate

Corporate

Small Business

Geography⁽¹⁾ Geography⁽¹⁾

United States

United States

United States	United States	\$2,206.8	\$370.3	\$2,419.4	\$	7.3	\$5,003.8
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Rest of World	Rest of World	19.7	8.1	2.7	594.0	624.5
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Total Net sales	Total Net sales	2,226.5	378.4	2,422.1	601.3	5,628.3
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Major Product and Services Major Product and Services

Major Product and Services						
Major Product and Services						
Hardware						
Hardware						
Hardware	Hardware	1,570.8	300.4	1,883.4	426.8	4,181.4
Software	Software	423.6	59.5	407.1	106.8	997.0
Services	Services	216.5	13.9	126.5	64.4	421.3
Other ⁽²⁾	Other ⁽²⁾	15.6	4.6	5.1	3.3	28.6
Total Net sales	Total Net sales	2,226.5	378.4	2,422.1	601.3	5,628.3
Sales by Channel						
Sales by Channel						
Corporate						
Corporate						
Corporate	Corporate	2,226.5	—	—	—	2,226.5
Small Business	Small Business	—	378.4	—	—	378.4
Government	Government	—	—	775.7	—	775.7
Education	Education	—	—	1,026.7	—	1,026.7
Healthcare	Healthcare	—	—	619.7	—	619.7
Other	Other	—	—	—	601.3	601.3
Total Net sales	Total Net sales	2,226.5	378.4	2,422.1	601.3	5,628.3
Timing of Revenue Recognition						
Timing of Revenue Recognition						
Timing of Revenue Recognition						
Timing of Revenue Recognition						
Transferred at a point in time where CDW is principal						
Transferred at a point in time where CDW is principal						
Transferred at a point in time where CDW is principal	Transferred at a point in time where CDW is principal	1,861.9	333.1	2,169.3	520.3	4,884.6
Transferred at a point in time where CDW is agent	Transferred at a point in time where CDW is agent	192.9	37.1	143.9	25.8	399.7
Transferred over time where CDW is principal	Transferred over time where CDW is principal	171.7	8.2	108.9	55.2	344.0
Total Net sales	Total Net sales	\$2,226.5	\$378.4	\$2,422.1	\$601.3	\$5,628.3

(1) Net sales by geography is generally based on the ship-to address with the exception of certain services that may arrangements are categorized based on the bill-to address.

(1) Net sales by geography is generally based on the ship-to address with the exception of certain services that may be performed at, or on behalf of, multiple locations. Such service arrangements are categorized based on the bill-to address.

(1) Net sales by geography is generally based on the ship-to address with the exception of certain services that may be performed at, or on behalf of, multiple locations. Such service arrangements are categorized based on the bill-to address.

(2) Includes items such as delivery charges to customers.

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(dollars in millions, except per share data, unless otherwise noted)

		Three Months Ended September		
		Corporate	Small Business	Public
Geography⁽¹⁾				
United States		\$ 2,570.8	\$ 491.2	\$ 2,42
Rest of World		7.0	—	
Total Net sales		2,577.8	491.2	2,42
Major Product and Services				
Hardware		1,958.1	399.5	1,92
Software		355.1	62.4	34
Services		245.8	24.0	15
Other ⁽²⁾		18.8	5.3	
Total Net sales		2,577.8	491.2	2,42
Sales by Channel				
Corporate		2,577.8	—	
Small Business		—	491.2	
Government		—	—	78
Education		—	—	1,02
Healthcare		—	—	61
Other		—	—	
Total Net sales		2,577.8	491.2	2,42
Timing of Revenue Recognition				
Transferred at a point in time where CDW is principal		2,216.3	438.4	2,18
Transferred at a point in time where CDW is agent		194.3	36.3	12
Transferred over time where CDW is principal		167.2	16.5	10
Total Net sales		\$ 2,577.8	\$ 491.2	\$ 2,42

(1) Net sales by geography is generally based on the ship-to address with the exception of certain services that may be performed at, or on behalf of, multiple locations. Such service arrangements are categoriz

(2) Includes items such as delivery charges to customers.

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(dollars in millions, except per share data, unless otherwise noted)

Geography⁽¹⁾

United States

Rest of World

Total Net sales

Major Product and Services

Hardware

Software

Services

Other⁽²⁾

Total Net sales

Sales by Channel

Corporate

Small Business

Government

Education

Healthcare

Other

Total Net sales

Timing of Revenue Recognition

Transferred at a point in time where CDW is principal

Transferred at a point in time where CDW is agent

Transferred over time where CDW is principal

Total Net sales

Nine Months Ended September

Corporate	Small Business	Public
\$ 6,620.0	\$ 1,170.6	\$ 6,52
55.2	15.4	
6,675.2	1,186.0	6,53
4,686.6	952.6	5,13
1,265.4	174.3	98
675.4	45.1	40
47.8	14.0	1
6,675.2	1,186.0	6,53
6,675.2	—	
—	1,186.0	
—	—	2,00
—	—	2,71
—	—	1,80
—	—	
6,675.2	1,186.0	6,53
5,614.6	1,053.3	5,85
563.3	106.8	36
497.3	25.9	30
\$ 6,675.2	\$ 1,186.0	\$ 6,53

(1) Net sales by geography is generally based on the ship-to address with the exception of certain services that may be performed at, or on behalf of, multiple locations. Such service arrangements are categoriz

(2) Includes items such as delivery charges to customers.

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(dollars in millions, except per share data, unless otherwise noted)

Nine Months Ended September 30, 2022

Corporate	Small Business	Public	Other	Total
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Three Months Ended March 31, 2023

Corporate	Corporate	Small Business
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Geography⁽¹⁾ Geography⁽¹⁾

United States

United States

United States United States \$7,843.0 \$1,515.2 \$6,700.3 \$ 14.3 \$16,072.8

Rest of World Rest of World 23.1 — — 2,214.5 2,237.6

Total Net sales	Total Net sales	7,866.1	1,515.2	6,700.3	2,228.8	18,310.4
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Major Product and Services	Major Product and Services					
Major Product and Services						
Major Product and Services						
Hardware						
Hardware						
Hardware	Hardware	5,931.0	1,262.7	5,364.8	1,658.2	14,216.7
Software	Software	1,177.9	177.2	888.8	359.7	2,603.6
Services	Services	700.0	58.9	432.6	202.5	1,394.0
Other(2)	Other(2)	57.2	16.4	14.1	8.4	96.1
Total Net sales	Total Net sales	7,866.1	1,515.2	6,700.3	2,228.8	18,310.4
Sales by Channel						
Sales by Channel						
Corporate						
Corporate						
Corporate	Corporate	7,866.1	—	—	—	7,866.1
Small Business	Small Business	—	1,515.2	—	—	1,515.2
Government	Government	—	—	1,941.8	—	1,941.8
Education	Education	—	—	2,965.2	—	2,965.2
Healthcare	Healthcare	—	—	1,793.3	—	1,793.3
Other	Other	—	—	—	2,228.8	2,228.8
Total Net sales	Total Net sales	7,866.1	1,515.2	6,700.3	2,228.8	18,310.4
Timing of Revenue Recognition						
Timing of Revenue Recognition						
Timing of Revenue Recognition						
Timing of Revenue Recognition						
Transferred at a point in time where CDW is principal						
Transferred at a point in time where CDW is principal						
Transferred at a point in time where CDW is principal						
Transferred at a point in time where CDW is principal	Transferred at a point in time where CDW is principal	6,833.4	1,374.6	6,062.1	1,980.9	16,251.0
Transferred at a point in time where CDW is agent						
Transferred at a point in time where CDW is agent						
Transferred at a point in time where CDW is agent	Transferred at a point in time where CDW is agent	547.2	104.0	329.3	71.0	1,051.5

Transferred over time where CDW is principal	Transferred over time where CDW is principal	485.5	36.6	308.9	176.9	1,007.9
Total Net sales	Total Net sales	\$7,866.1	\$1,515.2	\$6,700.3	\$2,228.8	\$18,310.4

(1) Net sales by geography is generally based on the ship-to address with the exception of certain services that may be performed at, or on behalf of, multiple locations. Such service arrangements are categorized based on the bill-to address.

(1) Net sales by geography is generally based on the ship-to address with the exception of certain services that may be performed at, or on behalf of, multiple locations. Such service arrangements are categorized based on the bill-to address.

(1) Net sales by geography is generally based on the ship-to address with the exception of certain services that may be performed at, or on behalf of, multiple locations. Such service arrangements are categorized based on the bill-to address.

(2) Includes items such as delivery charges to customers.

CDW CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(dollars in millions, except per share data, unless otherwise noted)

The following tables present Net sales by major category for the three and nine months ended September 30, 2023, March 31, 2024 and 2022, 2023. Categories are based upon the bill-to address.

		Three Months Ended September 30,			
		2023		2022	
		Percentage of Total Net Sales		Percentage of Total Net Sales	
		Net Sales	Sales	Net Sales	Sales
Three Months Ended March 31,					
Three Months Ended March 31,					
Three Months Ended March 31,					
		2024		2024	
		Net Sales		Percentage of Total Net Sales	
Hardware:	Hardware:				
Notebooks/Mobile Devices	Notebooks/Mobile Devices	\$ 1,228.9	21.8 %	\$ 1,592.6	25.6 %
Notebooks/Mobile Devices					
Notebooks/Mobile Devices		\$ 1,141.3	23.4 %	\$ 1,007.9	25.6 %
Netcomm Products	Netcomm Products	877.1	15.6	721.0	11.6
Collaboration ⁽³⁾		490.1	8.7	596.9	9.6
Data Storage and Servers ⁽³⁾		575.6	10.2	660.3	10.6
Collaboration					
Data Storage and Servers					
Desktops	Desktops	264.6	4.7	333.9	5.4
Other Hardware ⁽³⁾		745.1	13.3	908.0	14.7
Other Hardware					
Total Hardware	Total Hardware	4,181.4	74.3	4,812.7	77.5
Software ⁽¹⁾					
Software ⁽¹⁾					
Software ⁽¹⁾	Software ⁽¹⁾	997.0	17.7	884.2	14.2

Services ⁽¹⁾	Services ⁽¹⁾	421.3	7.5	486.9	7.8
Other ⁽²⁾	Other ⁽²⁾	28.6	0.5	31.7	0.5
Total Net sales	Total Net sales	\$ 5,628.3	100.0 %	\$ 6,215.5	100.0 %
Total Net sales					
\$ 4,872.7					
100.0					
100.0 %					
\$					
Nine Months Ended September 30,					
2023					
2022					
Percentage					
of Total Net					
Percentage					
of Total Net					
Net Sales					
Sales					
Net Sales					
Sales					
Hardware:					
Notebooks/Mobile Devices		\$ 3,614.4	22.1 %	\$ 5,070.0	27.7 %
Netcomm Products		2,538.0	15.5	1,912.6	10.4
Collaboration ⁽³⁾		1,499.7	9.2	1,917.8	10.5
Data Storage and Servers ⁽³⁾		1,653.6	10.1	1,907.6	10.4
Desktops		827.3	5.1	1,021.5	5.6
Other Hardware ⁽³⁾		2,016.9	12.3	2,387.2	13.0
Total Hardware		12,149.9	74.3	14,216.7	77.6
Software ⁽¹⁾		2,805.8	17.2	2,603.6	14.2
Services ⁽¹⁾		1,316.6	8.0	1,394.0	7.6
Other ⁽²⁾		85.2	0.5	96.1	0.6
Total Net sales		\$16,357.5	100.0 %	\$18,310.4	100.0 %
(1) Certain software and services revenues are recorded on a net basis as the Company is acting as an agent in the transaction. As a result, the category percentage of net revenues is not representative of the					
(2) Includes items such as delivery charges to customers.					
(3) Prior period amounts have been reclassified to conform with current period presentation.					

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Unless otherwise indicated or the context otherwise requires, as used in this “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” the terms “CDW Corporation and its subsidiaries,” “CDW,” “we,” “us,” and “our” refer to CDW Corporation and its subsidiaries. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” should be read in conjunction with the unaudited financial statements included elsewhere in this report and with the audited Consolidated Financial Statements and the related notes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023. This report contains forward-looking statements that are subject to numerous risks and uncertainties. Actual results may differ materially from those contained in any forward-looking statements.

Overview

CDW Corporation (“Parent”), a Fortune 500 company and member of the S&P 500 Index, is a leading multi-brand provider of information technology (“IT”) solutions to small, medium and large businesses and government customers in the US, United States (“US”), the UK United Kingdom (“UK”) and Canada. Our broad array of offerings ranges from discrete hardware and software products to integrated solutions across hybrid infrastructure, digital experience and security.

We are vendor, technology and consumption model “agnostic”, unbiased, with a solutions portfolio including more than 100,000 products and services from more than 1,000 leading technology vendors, virtual and cloud-based environments through approximately 10,800 customer-facing coworkers, including sellers, highly-skilled technology specialists and advanced service technicians. We also partner with many original equipment manufacturers, (“OEMs”), software publishers and cloud providers (collectively, our “vendor partners”), whose products we sell or include in the solutions we offer to reach customers and deliver a consistent brand experience through our established end-market coverage, technical expertise and extensive customer access.

We have three reportable segments, Corporate, Small Business and Public. Our Corporate segment primarily serves US private sector business customers with more than 250 employees. Our Small Business segment serves small business customers with up to 250 employees. Our Public segment is comprised of government agencies and education and healthcare institutions in the US. We also have other businesses, which do not meet the reportable segment quantitative thresholds and, accordingly, are included in an all other category (“Other”).

We may sell all or only select products that our vendor partners offer. Each vendor partner agreement provides for specific terms and conditions, which may include one or more of the following: purchase discounts and vendor incentive programs, such as purchase or sales rebates and cooperative advertising reimbursements. We also resell software for major software publishers to our customers to acquire software or licensed products and services. In addition to helping our customers determine the best software solutions for their needs, we help them manage their software licenses. A significant portion of our advertising and marketing expenses are reimbursed through cooperative advertising programs with our vendor partners. These programs are at the discretion of the vendor partners and are subject to their terms and conditions to be met by us within a specified period of time.

Trends and Key Factors Affecting our Financial Performance

We believe the following key factors may have a meaningful impact on our business performance, influencing our ability to generate sales and achieve our targeted financial and operational performance.

- General economic conditions are a key factor affecting our results as they can impact our customers’ willingness and ability to spend on information technology. Macroeconomic conditions and corresponding increase in heightened levels of interest rates driven by monetary policy and the overall decline in economic growth rates in the United States may impact our business performance.

economic environment resulted in, and may continue to result in, a delay, pause or reduction of investments in technology by our customers.

- Customers continue to balance priorities to focus more on solutions that lead to business optimization, cost management and security risk management and in many cases: deferring their IT spend. We have orchestrated solutions by leveraging netcomm products, security, software and hybrid and cloud offerings to help customers achieve their o
- Changes in spending policies, budget priorities, timing and funding levels, including current and future stimulus packages, are key factors influencing the purchasing Education education customers. As the duration and ongoing impact of current economic conditions remain uncertain, current and future budget priorities and

funding levels for Government, Healthcare government, healthcare and Education education customers may be adversely affected, leading to lower IT spend.

- Technology trends drive customer purchasing behaviors in the market. Current technology trends are focused on delivering greater flexibility and efficiency, as well as customer adoption of solutions such as those delivered via cloud, generative artificial intelligence, software defined architectures and hybrid on-premise and off-premise com by the evolution of the IT consumption model to more “as a service” offerings, including software as a service and infrastructure as a service, in addition to ongoing manage likely to change evolve as customers prioritize the projects spend that will produce the most significant important outcomes for their business.

Key Business Metrics

We monitor a number of financial and non-financial measures and ratios on a regular basis in order to track the progress of our business and make adjustments as necessary. Financial We believe that the most important of these measures and ratios include average daily sales, Gross profit, Net income, Gross profit margin, Operating income, Operating income mai margin, Net income, Non-GAAP net income, Net sales on a constant currency basis, Net income per diluted share, Non-GAAP net income per diluted share, average daily sales, c cash flow, Cash and cash equivalents, cash conversion cycle and debt levels including available credit. Beginning with this report, we will refer to our historical key business metric changes from prior reports. These measures and ratios are closely monitored by management, so that actions can be taken, as necessary, in order to achieve financial objectives.

In this section, we present Non-GAAP operating income, Non-GAAP operating income margin, Non-GAAP net income, Non-GAAP net income per diluted share, Net sales on a cons which are non-GAAP financial measures.

We believe Non-GAAP operating income, Non-GAAP operating income margin, Non-GAAP net income, Non-GAAP net income per diluted share and Net sales on a constant cu helpful information regarding the underlying operating performance of our business, as they remove the impact of items that management believes are not reflective of underlying evaluate period-over-period performance as management believes they provide a more comparable measure of the underlying business. We also present Free cash flow and Adju information regarding our liquidity and capital resources. Certain non-GAAP financial measures are also used to determine certain components of performance-based compensatio GAAP measures and reconciliations to the most directly comparable US GAAP measure, see “Results of Operations - Non-GAAP Financial Measure Reconciliations.”

Third Quarter Three Months Overview

The results of certain key business metrics are as follows:

		Three Months Ended September 30,			
(dollars in millions, except per share amounts)		2023	2022		
		Three Months Ended March 31,			
(dollars in millions, except per share amounts and percentages)				(dollars in millions, except per share amounts and percentages)	
				2024	
Net sales	Net sales	\$5,628.3	\$6,215.5		
Gross profit	Gross profit	1,227.7	1,233.2		
Gross profit margin	Gross profit margin			21.8	%
Operating income	Operating income	478.4	466.4		

Operating income margin		Operating income margin		6.7	%
Non-GAAP operating income					
Non-GAAP operating income margin		Non-GAAP operating income margin		8.3	%
Net income	Net income	315.5	297.8		
Non-GAAP operating income		556.3	549.0		
Non-GAAP net income	Non-GAAP net income	369.4	357.0		
Net income per diluted share	Net income per diluted share	2.32	2.17		
Non-GAAP net income per diluted share	Non-GAAP net income per diluted share	2.72	2.60		
Average daily sales ⁽¹⁾	Average daily sales ⁽¹⁾	89.3	97.1		
Net debt ⁽²⁾	Net debt ⁽²⁾	5,260.8	5,773.2		
Cash conversion cycle (in days) ⁽³⁾	Cash conversion cycle (in days) ⁽³⁾	15	18		
Net cash provided by operating activities					
Adjusted free cash flow ⁽⁴⁾					
<div>(1) Defined as Net sales divided by the number of selling days. There were 63 and 64 selling days for both the three months ended September 30, 2023 March 31, 2024 and 2022, respectively. 2023.</div> <div>(2) Defined as Total debt minus Cash and cash equivalents.</div> <div>(3) Defined as days of sales outstanding in Accounts receivable and certain receivables due from vendors plus days of supply in Merchandise inventory minus days of purchases outstanding in Accounts payable and Accounts receivable.</div> <div>(4) 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.</div>					
Results of Operations					
Three Months Ended September 30, 2023 Compared to Three Months Ended September 30, 2022					
Results of operations, in dollars and including as a percentage of Net sales, Gross profit margin and Operating income margin, for the three months ended March 31, 2024 and 2023					
Three Months Ended September 30,					
		2023	2022		

		Dollars in Millions	Percentage of Net Sales	Dollars in Millions	Percentage of Net Sales				
Three Months Ended March 31,									
(dollars in millions, except percentages)						(dollars in millions, except percentages)			
						2024		2023	
Net sales	Net sales	\$5,628.3	100.0 %	\$6,215.5	100.0 %	Net sales	\$	4,872.7	\$ 5,103.1
Cost of sales	Cost of sales	4,400.6	78.2	4,982.3	80.2				
Gross profit	Gross profit	1,227.7	21.8	1,233.2	19.8				
Gross profit margin									
Selling and administrative expenses									
Selling and administrative expenses									
Selling and administrative expenses	Selling and administrative expenses	749.3	13.3	766.8	12.3				
Operating income	Operating income	478.4	8.5	466.4	7.5				
Operating income margin									
Interest expense, net									
Interest expense, net									
Interest expense, net	Interest expense, net	(57.4)	(1.0)	(62.6)	(1.0)				
Other expense, net	Other expense, net	(1.2)	—	(4.8)	(0.1)				
Income before income taxes	Income before income taxes	419.8	7.5	399.0	6.4				
Income tax expense	Income tax expense	(104.3)	(1.9)	(101.2)	(1.6)				
Net income	Net income	\$ 315.5	5.6 %	\$ 297.8	4.8 %	Net income	\$	216.1	\$ 230.1
Net sales									
Total Net sales decreased \$587 million \$230 million, or 9.4% 4.5%, to \$5,628 million \$4,873 million for the three months ended September 30, 2023 March 31, 2024, compared to \$6,215 million \$5,103 million for the three months ended September 30, 2022 March 31, 2023. The decline in Net sales was driven by the Corporate and Small Business segments and our UK and Canadian operations. occurred across all operating segments. We remain focused on our core business, focus be cautious and measured in their business priorities, approach to technology spending, resulting in a reduction or delay in their technology spend. For additional information, see Item 7 of our 2023 Form 10-K.									
Gross profit									
Gross profit decreased \$6 million \$26 million, or 0.4% 2.4%, to \$1,228 million \$1,063 million for the three months ended September 30, 2023 March 31, 2024, compared to \$1,233 million \$1,063 million for the three months ended September 30, 2022 March 31, 2023. As a percentage of Net sales, Gross profit margin increased 200 50 basis points to 21.8% for the three months ended September 30, 2023 March 31, 2024, compared to 19.8% 21.8% for the three months ended September 30, 2022 March 31, 2023. The increase in Gross profit margin was primarily driven by higher product margin due to increased margin rate across various categories and lower mix in notebooks, and a more favorable mix of products. service, partially offset by lower product margin due to a higher mix of notebooks/mobile devices.									
Selling and administrative expenses									
Selling and administrative expenses decreased \$18 million increased \$1 million, or 2.3% 0.2%, to \$749 million \$735 million for the three months ended September 30, 2023 March 31, 2024, compared to \$767 million \$766 million for the three months ended September 30, 2022 March 31, 2023. The decrease was March 31, 2023, primarily due to reduced discretionary expenses. workplace optimization costs, partially offset by lower performance incentives.									
Operating income									

Operating income increased \$12 million, decreased \$27 million, or 2.6% 7.7%, to \$478 million \$328 million for the three months ended September 30, 2023 March 31, 2024, compared to September 30, 2022 March 31, 2023.

Interest expense, net

Interest expense, net includes interest expense and interest income. Interest expense, net, decreased \$5 million, \$6 million, or 8.3% 11.1%, to \$57 million \$51 million for the three months ended September 30, 2022 March 31, 2023. The decrease was primarily due to lower debt levels and higher interest income earned on the higher variable interest rate on the senior unsecured term loan.

Income tax expense

Income tax expense was \$104 million \$61 million and \$101 million \$66 million for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. The effective tax rate as a percentage of Income before income taxes, was 24.8% 21.9% and 25.4% 22.3% for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

The lower effective tax rate for the three months ended September 30, 2023 March 31, 2024 as compared to the same period of the prior year was primarily attributable to higher excise taxes.

Segment Results of Operations

Net sales by segment, in dollars and as a percentage of total Net sales, and the year-over-year dollar and percentage change in Net sales are as follows:

		Three Months Ended September 30,									
		2023				2022					
		Three Months Ended March 31,									
		Three Months Ended March 31,									
		Three Months Ended March 31,									
		2024									
		2024									
		2024									
(dollars in millions)	(dollars in millions)	Net Sales		Percentage of Total Net Sales		Net Sales		Percentage of Total Net Sales		Dollars in millions	Change from prior period
(dollars in millions)											
(dollars in millions)											
Corporate											
Corporate											
Corporate	Corporate	\$	2,226.5	39.6	%	\$	2,577.8	41.5	%	\$	
Small Business	Small Business		378.4	6.7			491.2	7.9			
Small Business											
Small Business											
Public:											
Public:											
Public:	Public:										
Government	Government		775.7	13.8			788.4	12.7			
Government											
Government											
Education											
Education											
Education	Education		1,026.7	18.2			1,021.1	16.4			
Healthcare	Healthcare		619.7	11.0			614.8	9.9			
Healthcare											
Healthcare											
Total Public											
Total Public											
Total Public	Total Public		2,422.1	43.0			2,424.3	39.0			
Other	Other		601.3	10.7			722.2	11.6			
Other											

Other									
Total Net sales	Total Net sales	\$	5,628.3	100.0	%	\$	6,215.5	100.0	%
Total Net sales									
Total Net sales									

(1) There were 63 and 64 selling days for both the three months ended September 30, 2023 March 31, 2024 and 2022, respectively. 2023. Average daily sales is defined as Net sales divided by the number of selling days

Operating income by segment, in dollars and as a percentage of total Net sales, and the year-over-year percentage change are as follows:

Three Months Ended March 31,									
Three Months Ended September 30,									
		2023		2022		Percent Change		2024	
						in Operating			
(dollars in millions)	(dollars in millions)	Income	Margin	Income	Margin	Income	(dollars in millions)	Operating Income	Percentage of Net Sales
Segments ⁽¹⁾	Segments ⁽¹⁾								
Corporate	Corporate	\$ 211.1	9.5 %	\$ 203.3	7.9 %	3.8 %			
Corporate									
Corporate							\$ 178.0	8.3 %	\$ 193.3
Small Business	Small Business	45.3	12.0	47.0	9.6	(3.6)			
Public	Public	237.1	9.8	234.0	9.7	1.3			
Other ⁽²⁾	Other ⁽²⁾	30.3	5.0	32.3	4.5	(6.2)			
Headquarters ⁽³⁾	Headquarters ⁽³⁾	(45.4)	nm*	(50.2)	nm*	(9.6)			
Total Operating income	Total Operating income	\$ 478.4	8.5 %	\$ 466.4	7.5 %	2.6 %	Total Operating income	\$ 328.0	6.7 %

* nm - Not meaningful

(1) Segment operating income includes the segment's direct operating income, allocations for certain Headquarters' costs, allocations for income and expenses from logistics services, certain inventory adjustments and v

(2) Includes the financial results for our other operating segments, CDW UK and CDW Canada, which do not meet the reportable segment quantitative thresholds.

(3) Includes Headquarters' function costs that are not allocated to the segments.

Corporate

Corporate segment Net sales for the three months ended September 30, 2023 March 31, 2024 decreased \$351 \$68 million, or 13.6% 3.1%, compared to the three months ended \$ basis, Corporate Net sales decreased 12.3%. The reported This decrease in Net sales was across various hardware categories and services, primarily due to a decrease in software. sales of notebooks/mobile devices. As a result, Gross profit dollars also decreased although partially offset by a higher contribution of netted down revenue.

Corporate segment Operating income was \$211 million \$178 million for the three months ended September 30, 2023 March 31, 2024, an increase a decrease of \$8 \$15 million, or months ended September 30, 2022 March 31, 2023. Corporate segment Operating income increased decreased primarily due to higher lower Gross profit dollars, partially offset t amortization expense on acquired intangible assets and integration expenses.

Small Business

Small Business segment Net sales for the three months ended September 30, 2023 March 31, 2024 decreased \$113 \$31 million, or 23.0% 7.4%, compared to the three months er sales basis, Small Business segment Net sales decreased 21.7%. The reported This decrease in Net sales was primarily driven by across various hardware categories. Gross profit c and services. higher contribution of netted down revenue.

Small Business segment Operating income was \$45 million \$47 million for the three months ended September 30, 2023 March 31, 2024, a decrease an increase of \$2 \$5 million, c months ended September 30, 2022 March 31, 2023. Small Business segment Operating income decreased increased primarily driven by lower due to higher Gross profit dollars par reduced expected credit losses.

Public

Public segment Net sales for the three months ended September 30, 2023 March 31, 2024 decreased \$2 \$88 million, or 0.1% 4.9%, compared to the three months ended Septem Public segment Net sales increased 1.5%. The reported This decrease in Net sales was primarily due to a decrease in netcomm products across various hardware categories and s

within Education, partially offset by netcomm products within Education and Healthcare and software within an increase in notebooks/mobile devices across all sales channels. As offset by a higher contribution of netted down revenue.

Public segment Operating income was \$237 million \$126 million for the three months ended September 30, 2023 March 31, 2024, an increase which was a decrease of \$3 \$2 million for the three months ended September 30, 2022 March 31, 2023. Public segment Operating income increased remained relatively consistent primarily due to lower payroll Gross profit expected credit losses, amortization expense on acquired intangible assets and integration expenses.

Other

Net sales in Other, which is comprised of results from our UK and Canadian operations, for the three months ended September 30, 2023 March 31, 2024 decreased \$121 million, \$ September 30, 2022 March 31, 2023. On an average daily sales basis, Other Net sales decreased 15.4%. The reported This decrease in Net sales was across various categories, software sales within the Canadian and UK operations.

operations, resulting in lower Gross profit dollars.

Other Operating income was \$30 million \$25 million for the three months ended September 30, 2023 March 31, 2024, which was a decrease of \$2 million, \$11 million or 6.2% 30.7%, September 30, 2022 March 31, 2023. Other Operating income decreased primarily due to lower Gross profit dollars related to the Canadian UK operations, less favorable expected partially offset by higher Gross profit dollars related to the UK operations. lower performance-based compensation.

Non-GAAP Financial Measure Reconciliations

We have included reconciliations of Non-GAAP operating income, Non-GAAP operating income margin, Non-GAAP net income, Non-GAAP net income per diluted share and Net September 30, 2023 and 2022 below.

Non-GAAP operating income excludes, among other things, charges related to the amortization of acquisition-related intangible assets, equity-based compensation and the 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 acquisition-related intangible asset amortization, equity-based compensation, acquisition and integration expenses, transformation initiatives, workplace optimization and the associated defined as Net sales excluding the impact of foreign currency translation on Net sales.

Non-GAAP operating income, Non-GAAP operating income margin, Non-GAAP net income, Non-GAAP net income per diluted share and Net sales on a constant currency basis a 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 presented in accordance with US GAAP. Non-GAAP measures used by management may differ from similar measures used by other companies, even when similar terms are used to

We believe Our non-GAAP performance measures include Non-GAAP operating income, Non-GAAP operating income margin, Non-GAAP net income, Non-GAAP net income per diluted 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

Non-GAAP operating income excludes, among other things, charges related to the amortization of acquisition-related intangible assets, equity-based compensation and the 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 among other things, charges related to acquisition-related intangible asset amortization, equity-based compensation, acquisition and integration expenses, transformation initiatives 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 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 helpful useful information regarding the underlying operating performance of our believes are not reflective of underlying operating performance. Management uses these measures to evaluate period-over-period performance as management believes they provide 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 determine certain components of performance-based compensation.

We have included reconciliations of our non-GAAP financial measures for the three months ended March 31, 2024 and 2023 below.

Non-GAAP operating income and Non-GAAP operating income margin

		Three Months Ended September 30,					Three Months Ended March 31,					
(dollars in millions)												
(dollars in millions)												

Amortization of intangibles ⁽¹⁾	Amortization of intangibles ⁽¹⁾	37.3	44.8
Equity-based compensation	Equity-based compensation	26.0	26.8
Equity-based compensation			
Equity-based compensation			
Acquisition and integration expenses			
Acquisition and integration expenses			
Acquisition and integration expenses	Acquisition and integration expenses	7.1	9.7
Transformation initiatives ⁽²⁾	Transformation initiatives ⁽²⁾	6.4	1.0
Transformation initiatives ⁽²⁾			
Transformation initiatives ⁽²⁾			
Workplace optimization ⁽³⁾			
Workplace optimization ⁽³⁾			
Workplace optimization ⁽³⁾	Workplace optimization ⁽³⁾	(0.4)	—
Other adjustments	Other adjustments	1.5	0.3
Other adjustments			
Other adjustments			
Non-GAAP operating income	Non-GAAP operating income	\$556.3	9.9 %
Non-GAAP operating income			
Non-GAAP operating income			
		\$ 403.5	8.3 %
		\$	434.3
(1) Includes amortization expense for acquisition-related intangible assets, primarily customer relationships, customer contracts and trade names.			
(2) Includes costs related to strategic transformation initiatives focused on optimizing various operations and systems.			
(3) Includes costs related to the workforce reduction program and charges related to the reduction of our real estate lease portfolio.			

Non-GAAP net income and Non-GAAP net income per diluted share

	Three Months Ended September 30,						
	2023			2022			
	Income before income taxes			Income before income taxes			Net Income
	income tax expense ⁽¹⁾			income tax expense ⁽¹⁾			Income
	Net income			Net income			% Change
(dollars in millions)	taxes	expense ⁽¹⁾	income	taxes	expense ⁽¹⁾	income	
Three Months Ended March 31,							
2024							
2024							
2024							
(dollars and shares in millions, except per share amounts)							
(dollars and shares in millions, except per share amounts)							

									Income before income taxes		Income tax expense ⁽¹⁾		Net income		Income before income taxes	
(dollars and shares in millions, except per share amounts)																
								US GAAP, as reported								
US GAAP, as reported	US GAAP, as reported	\$419.8	\$(104.3)	\$315.5	\$399.0	\$(101.2)	\$297.8	5.9 %	US GAAP, as reported	\$276.6	\$	\$(60.5)	\$	\$216.1	\$	\$292.6
Amortization of intangibles ⁽²⁾	Amortization of intangibles ⁽²⁾	37.3	(9.7)	27.6	44.8	(12.6)	32.2									
Equity-based compensation	Equity-based compensation	26.0	(10.3)	15.7	26.8	(8.1)	18.7									
Equity-based compensation																
Equity-based compensation																
Acquisition and integration expenses																
Acquisition and integration expenses																
Acquisition and integration expenses	Acquisition and integration expenses	7.1	(1.8)	5.3	9.7	(2.6)	7.1									
Transformation initiatives ⁽³⁾	Transformation initiatives ⁽³⁾	6.4	(1.7)	4.7	1.0	(0.1)	0.9									
Transformation initiatives ⁽³⁾																
Transformation initiatives ⁽³⁾																
Workplace optimization ⁽⁴⁾																
Workplace optimization ⁽⁴⁾																
Workplace optimization ⁽⁴⁾	Workplace optimization ⁽⁴⁾	(0.4)	—	(0.4)	—	—	—									
Other adjustments	Other adjustments	1.5	(0.5)	1.0	0.3	—	0.3									
Other adjustments																
Other adjustments																
Non-GAAP																
Non-GAAP																
Non-GAAP	Non-GAAP	\$497.7	\$(128.3)	\$369.4	\$481.6	\$(124.6)	\$357.0	3.5 %		\$352.1	\$	\$(91.3)	\$	\$260.8	\$	\$375.3
Net income per diluted share, as reported	Net income per diluted share, as reported			\$ 2.32			\$ 2.17									
Net income per diluted share, as reported																
Net income per diluted share, as reported																
Non-GAAP net income per diluted share																
Non-GAAP net income per diluted share																
Non-GAAP net income per diluted share	Non-GAAP net income per diluted share			\$ 2.72			\$ 2.60									
Shares used in computing US GAAP and Non-GAAP net income per diluted share	Shares used in computing US GAAP and Non-GAAP net income per diluted share			135.9			137.1									

Shares used in computing US GAAP and Non-GAAP net income per diluted share

Shares used in computing US GAAP and Non-GAAP net income per diluted share

- (1) Income tax on non-GAAP adjustments includes excess tax benefits associated with equity-based compensation.
- (2) Includes amortization expense for acquisition-related intangible assets, primarily customer relationships, customer contracts and trade names.
- (3) Includes costs related to strategic transformation initiatives focused on optimizing various operations and systems.
- (4) Includes costs related to the workforce reduction program and charges related to the reduction of our real estate lease portfolio.

Net sales **change** on a constant currency basis

		Three Months Ended September 30,	
		Three Months Ended March 31,	
		Three Months Ended March 31,	
		Three Months Ended March 31,	
(dollars in millions)	(dollars in millions)	2023	2022
Net sales, as reported	Net sales, as reported	\$ 5,628.3	\$ 6,215.5
Net sales, as reported			
Net sales, as reported			
	Foreign currency translation ⁽²⁾		
	Foreign currency translation ⁽²⁾		
	Foreign currency translation ⁽²⁾	—	27.8
Net sales, on a constant currency basis	Net sales, on a constant currency basis	\$ 5,628.3	\$ 6,243.3
Net sales, on a constant currency basis			
Net sales, on a constant currency basis			

- (1) There were 63 and 64 selling days for both the three months ended **September 30, 2023** **March 31, 2024** and 2022, respectively, 2023. Average daily sales is defined as Net sales divided by the number of selling days
- (2) Represents the effect of translating the prior year results of CDW UK and CDW Canada at the average exchange rates applicable in the third quarter of 2023.

Nine Months Overview

The results of certain key business metrics are as follows:

(dollars in millions, except per share amounts)	
Net sales	\$
Gross profit	
Operating income	
Net income	
Non-GAAP operating income	
Non-GAAP net income	
Net income per diluted share	
Non-GAAP net income per diluted share	
Average daily sales ⁽¹⁾	
Net debt ⁽²⁾	
Cash conversion cycle (in days) ⁽³⁾	

Cash provided by operating activities

Adjusted free cash flow⁽⁴⁾

(1) Defined as Net sales divided by the number of selling days. There were 191 selling days for both the nine months ended September 30, 2023 and 2022.

(2) Defined as Total debt minus Cash and cash equivalents.

(3) Defined as days of sales outstanding in Accounts receivable and certain receivables due from vendors plus days of supply in Merchandise inventory minus days of purchases outstanding in Accounts payable and Accounts receivable.

(4) 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.

Results of Operations

Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022

Results of operations, in dollars and as a percentage of Net sales, are as follows:

	Nine Months Ended September 30,	
	2023	2022
	Dollars in Millions	Percentage of Net Sales
Net sales	\$ 16,357.5	100.0%
Cost of sales	12,858.9	78.6%
Gross profit	3,498.6	21.4%
Selling and administrative expenses	2,252.7	13.8%
Operating income	1,245.9	7.6%
Interest expense, net	(173.3)	(1.1)%
Other expense, net	(3.1)	—%
Income before income taxes	1,069.5	6.5%
Income tax expense	(261.3)	(1.6)%
Net income	\$ 808.2	4.9%

Net sales

Total Net sales decreased \$1,953 million, or 10.7%, to \$16,358 million for the nine months ended September 30, 2023, compared to \$18,310 million for the nine months ended September 30, 2022. The decrease was primarily due to a reduction in sales from our operating segments. Continued economic uncertainty has led customers to focus their business priorities, resulting in a reduction or delay in their technology spend. For additional information, see the discussion under "Business Outlook" in Item 1 of this Form 10-K.

Gross profit

Gross profit decreased \$7 million, or 0.2%, to \$3,499 million for the nine months ended September 30, 2023, compared to \$3,506 million for the nine months ended September 30, 2022. The decrease was primarily due to a reduction in sales from our operating segments. The increase in Gross profit margin was primarily driven by higher product margin due to increased margin on our software as a service business and a more favorable contribution of netted down revenue, primarily software as a service.

Selling and administrative expenses

Selling and administrative expenses increased \$36 million, or 1.6%, to \$2,253 million for the nine months ended September 30, 2023, compared to \$2,217 million for the nine months ended September 30, 2022. The increase was primarily due to the reduction of our workforce and real estate portfolio (collectively "workplace optimization") and increased payroll expenses associated with higher year-over-year coworking revenue.

Operating income

Operating income decreased \$43 million, or 3.3%, to \$1,246 million for the nine months ended September 30, 2023 compared to \$1,289 million for the nine months ended September 30, 2022. The decrease was primarily due to a reduction in sales from our operating segments.

Interest expense, net

Interest expense, net includes interest expense and interest income. Interest expense, net, decreased \$3 million, or 1.7%, to \$173 million for the nine months ended September 30, 2023, compared to \$176 million for the nine months ended September 30, 2022. The decrease is primarily due to lower debt levels and higher interest income earned on cash balances, partially offset by higher variable interest rate on our debt.

Income tax expense

Income tax expense was \$261 million and \$279 million for the nine months ended September 30, 2023 and 2022, respectively. The effective tax rate, expressed by calculating the taxes, was 24.4% and 25.2% for the nine months ended September 30, 2023 and 2022, respectively.

The lower effective tax rate for the nine months ended September 30, 2023 as compared to the same period of the prior year was primarily attributable to higher excess tax benefits on stock options.

Segment Results of Operations

Net sales by segment, in dollars and as a percentage of total Net sales, and the year-over-year dollar and percentage change in Net sales are as follows:

Nine Months Ended September 30,

(dollars in millions)	2023		2022	
	Net Sales	Percentage of Total Net Sales	Net Sales	Percentage of Total Net Sales
Corporate	\$ 6,675.2	40.8 %	\$ 7,866.1	40.8 %
Small Business	1,186.0	7.3	1,515.2	7.3
Public:				
Government	2,008.4	12.3	1,941.8	12.3
Education	2,719.2	16.6	2,965.2	16.6
Healthcare	1,802.4	11.0	1,793.3	11.0
Total Public	6,530.0	39.9	6,700.3	39.9
Other	1,966.3	12.0	2,228.8	12.0
Total Net sales	\$ 16,357.5	100.0 %	\$ 18,310.4	100.0 %

(1) There were 191 selling days for both the nine months ended September 30, 2023 and 2022. Average daily sales is defined as Net sales divided by the number of selling days.

Operating income by segment, in dollars and as a percentage of total Net sales, and the year-over-year percentage change are as follows:

(dollars in millions)	Nine Months Ended September 30,			
	2023		2022	
	Operating Income	Percentage of Net Sales	Operating Income	Percentage of Net Sales
Segments: ⁽¹⁾				
Corporate	\$ 610.9	9.2 %	\$ 644.5	9.2 %
Small Business	129.2	10.9	140.7	10.9
Public	574.9	8.8	553.0	8.8
Other ⁽²⁾	99.2	5.0	96.8	5.0
Headquarters ⁽³⁾	(168.3)	nm*	(146.4)	nm*
Total Operating income	\$ 1,245.9	7.6 %	\$ 1,288.6	7.6 %

* nm - Not meaningful

(1) Segment operating income includes the segment's direct operating income, allocations for certain Headquarters' costs, allocations for income and expenses from logistics services, certain inventory adjustments and volume discounts.

(2) Includes the financial results for our other operating segments, CDW UK and CDW Canada, which do not meet the reportable segment quantitative thresholds.

(3) Includes Headquarters' function costs that are not allocated to the segments.

Corporate

Corporate segment Net sales for the nine months ended September 30, 2023 decreased \$1,191 million, or 15.1%, compared to the nine months ended September 30, 2022. This decrease was primarily due to lower netcomm products and software, partially offset by increases in netcomm products and software.

Corporate segment Operating income was \$611 million for the nine months ended September 30, 2023, a decrease of \$34 million, or 5.2%, compared to \$645 million for the nine months ended September 30, 2022. Operating income decreased primarily due to lower Gross profit dollars and increased payroll expenses.

Small Business

Small Business segment Net sales for the nine months ended September 30, 2023 decreased \$329 million, or 21.7%, compared to the nine months ended September 30, 2022. This decrease was primarily due to lower netcomm products and software, partially offset by increases in netcomm products and software within notebooks/mobile devices.

Small Business segment Operating income was \$129 million for the nine months ended September 30, 2023, a decrease of \$12 million, or 8.2%, compared to \$141 million for the nine months ended September 30, 2022. Operating income decreased primarily due to lower Gross profit dollars, partially offset by lower performance-based compensation consistent with lower Gross profit attainment.

Public

Public segment Net sales for the nine months ended September 30, 2023 decreased \$170 million, or 2.5%, compared to the nine months ended September 30, 2022. This decrease was primarily due to lower netcomm products and software, partially offset by netcomm products and software across all sales channels.

Public segment Operating income was \$575 million for the nine months ended September 30, 2023, which was an increase of \$22 million, or 4.0%, compared to \$553 million for the nine months ended September 30, 2022. Operating income increased primarily due to lower payroll costs.

Other

Net sales in Other, which is comprised of results from our UK and Canadian operations, for the nine months ended September 30, 2023 decreased \$263 million, or 11.8%, compared to 2022. The decrease was driven by various hardware categories, partially offset by an increase in netcomm products and software related to both the Canadian and UK operations.

Other Operating income was \$99 million for the nine months ended September 30, 2023, which was an increase of \$2 million or 2.5%, compared to \$97 million for the nine months ended September 30, 2022, primarily due to higher Gross profit dollars related to the UK operations, partially offset by lower Gross profit dollars related to the Canadian operations and higher payroll expenses related to the UK operations.

Non-GAAP Financial Measure Reconciliations

We have included reconciliations of Non-GAAP operating income, Non-GAAP operating income margin, Non-GAAP net income, Non-GAAP net income per diluted share, Net sales on a constant currency basis and Free cash flow for the nine months ended September 30, 2023 and 2022 below.

Non-GAAP operating income excludes, among other things, charges related to the amortization of acquisition-related intangible assets, equity-based compensation and the impact of 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 operating income margin excludes acquisition-related intangible asset amortization, equity-based compensation, acquisition and integration expenses, transformation initiatives, workplace optimization and the associated charges. Net sales is defined as Net sales excluding the impact of foreign currency translation on Net sales. Free cash flow is defined as cash flows provided by operating activities less capital expenditures to include certain cash flows from financing activities incurred in the normal course of operations or as capital expenditures.

Non-GAAP operating income, Non-GAAP operating income margin, Non-GAAP net income, Non-GAAP net income per diluted share, Net sales on a constant currency basis, Free cash flow and Adjusted EBITDA are 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 included in the comparable measure calculated and presented in accordance with US GAAP. Non-GAAP measures used by management may differ from similar measures used by other companies.

We believe Non-GAAP operating income, Non-GAAP operating income margin, Non-GAAP net income, Non-GAAP net income per diluted share and Net sales on a constant currency basis are helpful 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. We evaluate period-over-period performance as management believes they provide a more comparable measure of the underlying business. We also present Free cash flow and Adjusted EBITDA information regarding our liquidity and capital resources. Certain non-GAAP financial measures are also used to determine certain components of performance-based compensation.

Non-GAAP operating income and Non-GAAP operating income margin

	Nine Months Ended September 30,		
	2023	% of Net Sales	2022
(dollars in millions)			
Operating income, as reported	\$ 1,245.9	7.6 %	\$ 1,288.6
Amortization of intangibles ⁽¹⁾	116.2		126.4
Equity-based compensation	71.6		71.4
Acquisition and integration expenses	24.7		36.3
Transformation initiatives ⁽²⁾	16.0		3.4
Workplace optimization ⁽³⁾	42.5		—
Other adjustments	3.5		1.3
Non-GAAP operating income	\$ 1,520.4	9.3 %	\$ 1,527.4

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

(2) Includes costs related to strategic transformation initiatives focused on optimizing various operations and systems.

(3) Includes costs related to the workforce reduction program and charges related to the reduction of our real estate lease portfolio.

Non-GAAP net income and Non-GAAP net income per diluted share

	Nine Months Ended September 30,				
	2023			2022	
	Income before income taxes	Income tax expense ⁽¹⁾	Net income	Income before income taxes	Net income
(dollars in millions)					
US GAAP, as reported	\$ 1,069.5	\$ (261.3)	\$ 808.2	\$ 1,106.6	\$ 860.0
Amortization of intangibles ⁽²⁾	116.2	(30.2)	86.0	126.4	86.0
Equity-based compensation	71.6	(32.7)	38.9	71.4	38.9
Acquisition and integration expenses	24.7	(6.4)	18.3	36.3	18.3

Transformation initiatives ⁽³⁾	16.0	(4.2)	11.8	3.4
Workplace optimization ⁽⁴⁾	42.5	(11.1)	31.4	—
Other adjustments	3.5	(1.0)	2.5	1.3
Non-GAAP	<u>\$ 1,344.0</u>	<u>\$ (346.9)</u>	<u>\$ 997.1</u>	<u>\$ 1,345.4</u>
Net income per diluted share, as reported			\$ 5.92	
Non-GAAP net income per diluted share			\$ 7.31	
Shares used in computing US GAAP and Non-GAAP net income per diluted share			136.4	
(1) Income tax on non-GAAP adjustments includes excess tax benefits associated with equity-based compensation.				
(2) Includes amortization expense for acquisition-related intangible assets, primarily customer relationships, customer contracts and trade names.				
(3) Includes costs related to strategic transformation initiatives focused on optimizing various operations and systems.				
(4) Includes costs related to the workforce reduction program and charges related to the reduction of our real estate lease portfolio.				
Net sales on a constant currency basis				
(dollars in millions)				2023
Net sales, as reported			\$	1
Foreign currency translation ⁽²⁾				
Net sales, on a constant currency basis			\$	1
(1) There were 191 selling days for both the nine months ended September 30, 2023 and 2022. Average daily sales is defined as Net sales divided by the number of selling days.				
(2) Represents the effect of translating the prior year results of CDW UK and CDW Canada at the average exchange rates applicable in year to date 2023. current year.				
Free cash flow and Adjusted free cash flow				
Nine Months Ended September 30,				
Three Months Ended March 31,				
Three Months Ended March 31,				
Three Months Ended March 31,				
(dollars in millions)				
(dollars in millions)				
(dollars in millions)	(dollars in millions)	2023		
Net cash provided by operating activities	Net cash provided by operating activities	\$	1,062.2	\$
Net cash provided by operating activities				
Net cash provided by operating activities				
Capital expenditures				
Capital expenditures				
Capital expenditures	Capital expenditures		(114.7)	
Free cash flow	Free cash flow		947.5	
Free cash flow				
Free cash flow				
Net change in accounts payable - inventory financing				
Net change in accounts payable - inventory financing				
Net change in accounts payable - inventory financing	Net change in accounts payable - inventory financing		165.4	
Adjusted free cash flow ⁽¹⁾⁽²⁾		\$	1,112.9	\$
Adjusted free cash flow ⁽¹⁾				
Adjusted free cash flow ⁽¹⁾				
Adjusted free cash flow ⁽¹⁾				
(1) Beginning with this report, we will refer to our historical key business metric, Free cash flow, as Adjusted free cash flow with no definitional change from prior reports.				
(2) Defined as Cash flows Net cash provided by operating activities less capital expenditures, adjusted to include cash flows from financing activities that relate to the purchase of inventory.				

Seasonality

While we have not historically experienced significant seasonality throughout the year, sales in our Corporate segment, which primarily serves US private sector business customers the fourth quarter than in other quarters due to customers spending their remaining technology budget dollars at the end of the year. Additionally, sales in our Public segment have other quarters primarily due to the buying patterns of the federal education and government and education customers. Since 2020, we have experienced variability compared to his continue to be different than historical experience.

Liquidity and Capital Resources

Overview

We finance our operations and capital expenditures with cash from operations and borrowings under our variable rate senior unsecured revolving loan facility. facility (the "Revolving had \$0.9 billion\$1.3 billion of availability for borrowings under our revolving loan facility. Revolving Loan Facility. Our liquidity and borrowing plans are established to align with our fin necessary funding to meet our operating commitments, which primarily include the purchase of inventory, payroll and general expenses. We also take into consideration our over assessment of debt levels, acquisitions and share repurchases. We believe we have adequate sources of liquidity and funding available for at least the next year; however, there a sources of funds. The amount of cash generated from operations will be dependent upon factors such as the successful execution of our business plan, general economic conditions

Long-Term Debt and Financing Arrangements

During the nine months ended September 30, 2023, we prepaid \$100 million on our senior unsecured term loan facility without penalty. No additional mandatory payments are req December 1, 2026.

As of September 30, 2023 March 31, 2024, we had total unsecured indebtedness of \$5.7 billion\$5.6 billion, and we were in compliance with the covenants under our credit agreemen

We may from time to time repurchase one or more series of our outstanding unsecured senior notes, depending on market conditions, contractual commitments, our capital needs a by open market or privately negotiated transactions and may be pursuant to Rule 10b5-1 plans or otherwise.

For additional information regarding our debt and refinancing activities, see Note 6 (Debt) to the accompanying Consolidated Financial Statements.

Inventory Financing Agreements

We have entered into agreements with certain financial intermediaries to facilitate the purchase of inventory from various suppliers under certain terms and conditions.conditions t Accounts payable-inventory financing on the Consolidated Balance Sheets. We do not incur any interest expense or other incremental expenses associated with these agreer information, see Note 4 (Inventory Financing Agreements) to the accompanying Consolidated Financial Statements.

Share Repurchase Program

During the nine three months ended September 30, 2023 March 31, 2024, we repurchased 2 million0.2 million shares of our common stock for \$450 million\$52 million under the p information on our share repurchase program, see "Part II, Item 2, Unregistered Sales of Equity Securities and Use of Proceeds."

Dividends

A summary of 2023 2024 dividend activity for our common stock is as follows:

Dividend Amount	Declaration Date	Record Date
\$0.5900.620	February 7, 20236, 2024	February 24, 202326, 2024

On November 1, 2023 May 1, 2024, we announced that our Board of Directors declared a quarterly cash dividend on our common stock of \$0.620 per share. The dividend will be p record as of the close of business on November 24, 2023 May 24, 2024.

The payment of any future dividends will be at the discretion of our Board of Directors and will depend upon our results of operations, financial condition, business prospects, cap future agreements governing our indebtedness), restrictions imposed by applicable law, tax considerations and other factors that our Board of Directors deems relevant.

Cash Flows

Cash flows from operating, investing and financing activities are as follows:

Nine Months Ended September 30,				Three Months Ended March 31,	
(dollars in millions)	(dollars in millions)	2023	2022	(dollars in millions)	2024

Net cash provided by operating activities	Net cash provided by operating activities	\$1,062.2	\$1,094.0
Investing Activities:	Investing Activities:		
Investing Activities:	Investing Activities:		
Capital expenditures	Capital expenditures		
Capital expenditures	Capital expenditures		
Capital expenditures	Capital expenditures	(114.7)	(97.2)
Acquisitions of businesses, net of cash acquired	Acquisitions of businesses, net of cash acquired	(76.2)	(28.0)
Other	Other	(5.0)	—
Net cash used in investing activities	Net cash used in investing activities		
Net cash used in investing activities	Net cash used in investing activities		
Net cash used in investing activities	Net cash used in investing activities	(195.9)	(125.2)
Financing Activities:	Financing Activities:		
Financing Activities:	Financing Activities:		
Net change in accounts payable - inventory financing	Net change in accounts payable - inventory financing		
Net change in accounts payable - inventory financing	Net change in accounts payable - inventory financing		
Net change in accounts payable - inventory financing	Net change in accounts payable - inventory financing	165.4	46.6
Other cash flows used in financing activities	Other cash flows used in financing activities		
Other cash flows used in financing activities	Other cash flows used in financing activities		
Other cash flows used in financing activities	Other cash flows used in financing activities	(905.1)	(877.0)
Net cash used in financing activities	Net cash used in financing activities	(739.7)	(830.4)
Effect of exchange rate changes on cash and cash equivalents	Effect of exchange rate changes on cash and cash equivalents	(1.1)	(11.9)
Net increase in cash and cash equivalents	Net increase in cash and cash equivalents	\$ 125.5	\$ 126.5

Effect of exchange rate changes on cash and cash equivalents

Effect of exchange rate changes on cash and cash equivalents

Net increase (decrease) in cash and cash equivalents

Operating Activities

Cash flows provided by from operating activities are as follows:

Nine Months Ended September 30,					Three Months Ended March 31,		
(dollars in millions)	(dollars in millions)	2023	2022	Change	(dollars in millions)	2024	2023
Net income	Net income	\$ 808.2	\$ 827.3	\$(19.1)			
Adjustments for the impact of non-cash items ⁽¹⁾	Adjustments for the impact of non-cash items ⁽¹⁾	277.2	296.9	(19.7)			
Net income adjusted for the impact of non-cash items	Net income adjusted for the impact of non-cash items	1,085.4	1,124.2	(38.8)			
Changes in assets and liabilities:	Changes in assets and liabilities:						
Accounts receivable ⁽²⁾	Accounts receivable ⁽²⁾	42.7	(156.2)	198.9			
Merchandise inventory ⁽³⁾	Merchandise inventory ⁽³⁾	96.1	(16.1)	112.2			
Accounts payable-trade ⁽⁴⁾	Accounts payable-trade ⁽⁴⁾	(273.3)	188.5	(461.8)			
Other ⁽⁵⁾	Other ⁽⁵⁾	111.3	(46.4)	157.7			
Cash flows provided by operating activities	Cash flows provided by operating activities	\$1,062.2	\$1,094.0	\$(31.8)			
Accounts receivable ⁽²⁾	Accounts receivable ⁽²⁾						
Merchandise inventory	Merchandise inventory						
Accounts payable-trade ⁽³⁾	Accounts payable-trade ⁽³⁾						
Other	Other						
Net cash provided by operating activities	Net cash provided by operating activities						

(1) Includes items such as depreciation and amortization, deferred income taxes, provision for credit losses and equity-based compensation expense.

(2) The change is primarily due to lower sales activity in 2023 and 2024, partially offset by collection performance.

(3) The change is primarily due to lower stocking positions driven by customer demand in 2023.

(4) The change is primarily due to lower sales activity in 2023 and 2024, partially offset by timing of payments.

(5) The change is primarily due to lower contract assets and vendor receivables, partially offset by decreased accrued compensation and lower contract liabilities in 2023.

In order to manage our working capital and operating cash needs, we monitor our cash conversion cycle, defined as days of sales outstanding in accounts receivable plus days accounts payable, based on a rolling three-month average. Components of our cash conversion cycle are as follows:

		September 30,			
		March 31,			
(in days)	(in days)	2023	2022	(in days)	2024
Days of sales outstanding (DSO) ⁽¹⁾	Days of sales outstanding (DSO) ⁽¹⁾	73	68		
Days of supply in inventory (DIO) ⁽²⁾	Days of supply in inventory (DIO) ⁽²⁾	14	18		
Days of purchases outstanding (DPO) ⁽³⁾	Days of purchases outstanding (DPO) ⁽³⁾	(72)	(68)		
Cash conversion cycle	Cash conversion cycle	15	18		

(1) Represents the rolling three-month average of the balance of Accounts receivable, net at the end of the period, divided by average daily Net sales for the same three-month period. Also incorporates components of other

(2) Represents the rolling three-month average of the balance of Merchandise inventory at the end of the period divided by average daily Cost of sales for the same three-month period.

(3) Represents the rolling three-month average of the combined balance of Accounts payable-trade, excluding cash overdrafts, and Accounts payable-inventory financing at the end of the period divided by average daily C

The cash conversion cycle decreased to 15 16 days at September 30, 2023 March 31, 2024, compared to 18 days at September 30, 2022 March 31, 2023. The overall decrease stocking positions. In addition, netted down revenue has an unfavorable impact to DSO and a favorable impact to DPO as the corresponding receivables and payables reflect the g corresponding sales and cost of sales are reflected on a net basis within Net sales. The change in DPO was further impacted by the timing of payments.

Investing Activities

Net cash used in investing activities increased \$71 million decreased \$25 million for the nine three months ended September 30, 2023 March 31, 2024 compared to September 30, 2022 March 31, 2023. higher acquisition activity in 2023 and increased capital expenditures. 2023.

Financing Activities

Net cash used in financing activities decreased \$91 million \$156 million for the nine three months ended September 30, 2023 March 31, 2024 compared to September 30, 2022 March 31, 2023. repurchases and lower repayments on long term debt and increased activity within

our inventory financing arrangements, in 2024, partially offset by share repurchases in 2023 decreased activity associated with no similar activity in 2022. inventory financing ar financing agreements and debt activities, see Note 4 (Inventory Financing Agreements) and Note 6 (Debt) to the accompanying Consolidated Financial Statements.

Issuers and Guarantors of Debt Securities

Each series of our outstanding unsecured senior notes (the "Notes") are issued by CDW LLC and CDW Finance Corporation (the "Issuers") and are guaranteed by CDW Corporat indirect, 100% owned, domestic subsidiaries (the "Guarantor Subsidiaries" and, together with Parent, the "Guarantors"). All guarantees by Parent and the Guarantors Guarantor provided that guarantees by the Guarantor Subsidiaries are subject to certain customary release provisions contained in the indentures governing the Notes.

The Notes and the related guarantees are the Issuers' and the Guarantors' senior unsecured obligations and are:

- structurally subordinated to all existing and future indebtedness and other liabilities of our non-guarantor subsidiaries; and
- rank equal in right of payment with all of the Issuers' and the Guarantors' existing and future unsecured senior debt.

The following tables set forth Balance Sheet information as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, and Statement of Operator 2023 March 31, 2024 and for the year ended December 31, 2022 December 31, 2023. The financial information includes the accounts of the Issuers and the accounts of the Guarantor Group is presented on a combined basis and the intercompany balances and transactions between the Obligor Group have been eliminated.

Balance Sheet Information

(dollars in millions)		September 30, 2023	December 31, 2022	(dollars in millions)		March 31, 2024
Current assets	Current assets	\$5,610.4	\$5,588.3			
Goodwill	Goodwill	3,939.7	3,939.7			
Goodwill						
Goodwill						
Other assets	Other assets	1,830.3	2,032.6			
Total	Total					
Non-current assets	Non-current assets	5,770.0	5,972.3			
Current liabilities	Current liabilities	4,361.5	4,369.3			
Current liabilities						
Current liabilities						
Long-term debt						
Long-term debt						
Long-term debt	Long-term debt	5,660.9	5,792.9			
Other liabilities	Other liabilities	542.9	641.9			
Total	Total					
Long-term liabilities	Long-term liabilities	6,203.8	6,434.8			
Statement of Operations Information						
		Nine Months				
		Ended	Year Ended			
(dollars in millions)	(dollars in millions)	September 30, 2023	December 31, 2022	(dollars in millions)		
Net sales	Net sales	\$14,341.7	\$20,741.8			
Gross profit	Gross profit	3,089.8	4,156.6			
Operating income	Operating income	1,119.4	1,584.7			
Net income	Net income	686.7	1,005.8			
Commitments and Contingencies						
The information set forth in Note 9 (Commitments and Contingencies) to the accompanying Consolidated Financial Statements is incorporated herein by reference.						
Critical Accounting Policies and Estimates						
Our critical accounting policies have not changed from those reported in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2022 December 31, 2023.						
Recent Accounting Pronouncements						
The information set forth in Note 2 (Recent Accounting Pronouncements) to the accompanying Consolidated Financial Statements is incorporated herein by reference.						

Forward-Looking Statements

This report contains “forward-looking statements” within the meaning of the federal securities laws. All statements other than statements of historical fact are forward-looking statements which are based on forecasts of future results or events and estimates of amounts not yet determinable. These statements also relate to our future prospects, growth, developments Securities Litigation Reform Act of 1995 for all forward-looking statements in this report.

These forward-looking statements are identified by the use of terms and phrases such as “anticipate,” “assume,” “believe,” “estimate,” “expect,” “goal,” “intend,” “plan,” “potential,” “predict” or conditional verbs such as “could,” “may,” “should,” “will,” and “would.” However, these words are not the exclusive means of identifying such statements. Although we believe the statements suggested by such forward-looking statements are reasonable, we cannot assure you that we will achieve those plans, intentions or expectations. All forward-looking statements are subject to risks and uncertainties that may cause actual results or events to differ materially from those that we expected.

Important factors that could cause actual results or events to differ materially from our expectations, or cautionary statements, are disclosed under the section entitled “Trends and Risks” in the section entitled “Risk Factors” included in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 and from time to time in our subsequent Quarterly Reports on Form 10-Q, SEC Exchange Commission (“SEC”) filings and public communications. These factors include, among others, inflationary pressures; level of interest rates; CDW’s relationships with customers; the impact of the pandemic, including resurgences and the emergence of new variants, and actions taken in response thereto and the associated impact on our business, results of operations, cash flows, and financial position; hardware, software and services technology by CDW’s vendor partners; the use or capabilities of artificial intelligence; substantial competition that could reduce CDW’s market share; CDW’s information technology systems; potential breaches of data security and failure to protect our information technology systems from cybersecurity threats; potential failures or disruptions of any key personnel, significant increases in labor costs or ineffective workforce management; potential adverse occurrences at one of CDW’s primary facilities or third-party locations; losses of any key personnel, significant increases in labor costs or ineffective workforce management; potential adverse occurrences at one of CDW’s primary facilities or third-party locations; in the cost of commercial delivery services or disruptions of those services; CDW’s exposure to accounts receivable and inventory risks; the potential failure to achieve the anticipated revenue or at all; future acquisitions or alliances; fluctuations in CDW’s operating results; fluctuations in foreign currency; global and regional economic and political conditions, including Russia pandemics such as COVID-19 and Ukraine and related sanctions against Russia; armed conflicts; potential interruptions of the flow of products from suppliers; decreases in sales; changes in government spending policies; potential failures to comply with Public segment contracts or applicable laws and regulations; current and future legal proceedings; property infringement claims; changes in laws, including regulations or interpretations thereof, or the potential failure to meet stakeholder expectations on environmental sustainability; indebtedness; restrictions imposed by agreements relating to CDW’s indebtedness on its operations and liquidity; failure to maintain the ratings assigned to CDW’s debt securities; CDW’s share repurchase program or dividend payments; and other risk factors or uncertainties identified from time to time in CDW’s filings with the SEC. All written and oral forward-looking statements are expressly qualified in their entirety by those cautionary statements as well as other cautionary statements that are made from time to time in our other SEC filings and public communications made in this report in the context of these risks and uncertainties.

We caution you that the important factors referenced above may not reflect all of the factors that could cause actual results or events to differ from our expectations. In addition, we cannot predict or expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our operations in the way we expect. The forward-looking statements made in this report undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

See “Quantitative and Qualitative Disclosures of Market Risks” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. As of September 30, 2023, there were no changes in this information.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company’s management, with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company’s disclosure controls and procedures as of the end of the period covered by this report. Based on such evaluation, the Company’s Chief Executive Officer and Chief Financial Officer, has concluded that, as of the end of such period, the Company’s disclosure controls and procedures were effective in recording, processing, summarizing and disclosing the information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act, and that information is accumulated and communicated to the Company’s management, including the Chief Executive Officer, as appropriate to allow timely discussions regarding required disclosure.

Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) as of the end of the period covered by this report. Based on such evaluation, the Company’s Chief Executive Officer and Chief Financial Officer, has concluded that, as of the end of such period, the Company’s disclosure controls and procedures were effective in recording, processing, summarizing and disclosing the information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act, and that information is accumulated and communicated to the Company’s management, including the Chief Executive Officer, as appropriate to allow timely discussions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company’s internal control over financial reporting during the three months ended September 30, 2023 March 31, 2024 that have materially affected, or are reasonably likely to materially affect, the Company’s control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

The information set forth in Note 9 (Commitments and Contingencies) to the accompanying Consolidated Financial Statements included in “Part I, Item 1. Financial Statements” of this report.

Item 1A. Risk Factors

See “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

None.

Issuer Purchases of Equity Securities

Information relating to the Company’s purchases of its common stock during the three months ended March 31, 2024 is as follows:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of
	(in millions)		of Publicly Ann
January 1 through January 31, 2024	—	\$ —	(
February 1 through February 29, 2024	0.1	243.13	
March 1 through March 31, 2024	0.1	249.54	
Total	0.2		

(1) The amounts presented in this column are the remaining total authorized value to be spent after each month’s repurchases.

On **February 8, 2023** **February 7, 2024**, we announced that our Board of Directors authorized a **\$750 million** **\$750 million** increase to our share repurchase program (which **billion** **\$750 million** authorization announced on **February 10, 2021** **February 8, 2023**) under which we may repurchase shares of our common stock from time to time in privately negotiated transactions as permitted by securities laws and other legal requirements. The timing and amounts of any purchases will be based on market conditions and other factors including but not limited to the price of our common stock. The program does not require the purchase of any minimum dollar amount or number of shares, and the program may be modified, suspended or discontinued at any time.

Information relating to the Company’s purchases of its common stock during the three months ended September 30, 2023 is as follows:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of
	(in millions)		of a Public
July 1 through July 31, 2023	—	—	(
August 1 through August 31, 2023	0.2	204.11	
September 1 through September 30, 2023	0.1	208.46	
Total	0.3		

(1) The amounts presented in this column are the remaining total authorized value to be spent after each month’s repurchases.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted, modified or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement” (as defined in Regulation S-K under the Exchange Act) during the three months ended September 30, 2023 **On February 29, 2024**, except as follows: On August 22, 2023, Christina Corley, **So** Officer of the Company, adopted a Rule 10b5-1 trading plan that is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act. Ms. Corley’s **Chawla’s** plan aggregate of **83,099** **51,828** underlying shares of common stock of the Company during the period from **November 22, 2023** **May 30, 2024** through **August 23, 2024** **February 28, 2024**.

Item 6. Exhibits

Exhibit	Description
3.1* 10.1*	Amended and Restated Operating Form of Restricted Stock Unit Award Agreement of Amplified IT LLC, under the CDW Corporation 2021 Long-Term Incentive Plan
31.1*	Certification of Chief Executive Officer Pursuant to Rule 15d-14(a) under the Securities Exchange Act of 1934.
31.2*	Certification of Chief Financial Officer Pursuant to Rule 15d-14(a) under the Securities Exchange Act of 1934.
32.1**	Certification of Chief Executive Officer Pursuant to 18 U.S.C. 1350.
32.2**	Certification of Chief Financial Officer Pursuant to 18 U.S.C. 1350.
101.INS*	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Filed herewith

** These items are furnished and not filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CDW CORPORATION

Date: November 1, 2023 2024

By: /s/ Albert J. Miralles
Albert J. Miralles
Senior Vice President and Chief Financial Officer
(Duly authorized officer and principal financial officer)
4131

AMENDED AND RESTATED OPERATING AGREEMENT CDW Corporation
OF

AMPLIFIED IT LLC 2021 Long-Term Incentive Plan

Restricted Stock Unit Award Agreement

This AMENDED AND RESTATED OPERATING AGREEMENT (this "Agreement") of Amplified IT LLC, CDW Corporation, a Virginia corporation, is dated and effective hereby grants to the individual (the "Holder") named in the award notice attached hereto (the "Award Notice") as of the date hereof, the right to receive, upon the occurrence of the events set forth in the Company and CDW Technologies, LLC, an Illinois limited liability company, as the sole member of the Company Award Notice (the "Award Notice").

RECITAL

The Company was organized as a Virginia limited liability company on October 14, 2010, pursuant to the Articles of Organization of the Company. The Company is a subsidiary of CDW Corporation. The Company is a party to the CDW Corporation 2021 Long-Term Incentive Plan (the "VSQS Plan"), a restricted stock unit award (the "Award") with respect to the number of shares of the Company's common stock, as set forth in the Award Notice, upon and subject to the restrictions, terms and conditions set forth below, in the Award Notice and in the Plan. Capitalized terms not defined here

ARTICLE I

1. The Limited Liability Company.

1.1 Formation Award Subject to Acceptance of Agreement. The Company was organized Award shall be null and void unless the Holder accepts this Agreement within the Holder's stock plan account with the Company's stock plan administrator according to the procedures then in effect.

2. Rights as a Virginia limited liability company effective October 14, 2010, Stockholder. The Holder shall not be entitled to any privilege or right in the Company's Common Stock subject to the Award unless and until, and only to the extent, such shares become vested pursuant to Section 3 hereof and the Articles of Incorporation. The Holder shall be entitled to the same rights and privileges with respect to such shares. As of each date on which the Company pays a cash dividend to record owners of shares of Common Stock (a "Dividend Date"), the number of shares subject to the Award shall increase by (i) the product of the total number of shares subject to the Award as of the Dividend Date, multiplied by the dollar amount of the cash dividend paid per share of Common Stock by the Company on such Dividend Date, divided by (ii) the Fair Market Value of the Common Stock as of the Dividend Date. Any such additional shares shall be subject to the same vesting conditions and payment terms set forth herein as the shares to which the Award relates.

3. Restriction Period, Vesting and Settlement.

3.1. Service-Based Vesting Condition. Except as otherwise provided in this Section 3, the Award shall vest in accordance with Section 3.2 of the Award Notice. The period of time prior to the full vesting of the Virginia Limited Liability Company Act, Award shall be referred to herein as amended and in effect as the "Restriction Period."

3.2. Termination of Employment.

1.2(a) Name Termination of Employment Due to Death or Disability. The name of the Company shall be "Amplified IT LLC" and its business shall be the business of the Holder. If the Holder's employment with the Company and/or a Subsidiary terminates prior to the end of the Restriction Period by reason of the Holder's death or Disability, then in any such case, the Award shall be continued for the remainder of the Restriction Period. The Company shall make such variations and changes as the Member shall determine or deem necessary to comply with requirements of the jurisdictions in which the Company is organized; provided that in the Company's name shall be made by case of a termination due to Disability, (i) the Member Holder executes an agreement to continue the Award in accordance with and pursuant to the Act.

1.3 Business Purpose; Powers. The Company is formed for the purpose of engaging in any lawful purpose or business for which limited liability companies may be organized. The Company shall have and may exercise all the powers and privileges granted by the Act or by any other law or by this Agreement, together with any powers necessary or convenient to effect any or all of the purposes for which the Company is organized.

1.4 Principal Business Office. The principal place of business of the Company shall be located at 812 Granby St., Norfolk, VA 23510, or at such other address as the Company, in its discretion, may determine.

1.5 Registered Office and Agent. The location of the registered office of the Company in the State of Virginia is 100 Shockoe Slip, 2nd Floor, Alexandria, VA 22304. The registered office and/or registered agent of the Company may be changed from time to time.

1.6 Qualification in Other Jurisdictions. The Member shall have authority to cause the Company to do business in jurisdictions other than the State of Virginia.

1.7 Term. Subject to the provisions of Article VII below, the Company shall have perpetual existence.

1

the form prescribed by the Company within 60 days after the date of such termination and (ii) to the extent the Award is subject to Section 409A of the Internal Revenue Code, the Holder's Retirement during the Restriction Period and the Holder's Disability does not constitute a "Disability" within the meaning of Section 409A of the Code, such termination, but the shares of Common Stock subject to the Award shall be issued or delivered to the Holder in accordance with the vesting schedule set forth in the Award Notice.

ARTICLE II

(b) The Member Termination of Employment due to Retirement. If the Holder's employment with the Company and/or a Subsidiary terminates prior to the end of the Restriction Period, then the Award shall continue to vest in accordance with the vesting schedule set forth in the Award Notice, and the Holder shall be entitled to the same rights and privileges with respect to such shares as the Holder would be entitled to if the Holder's employment with the Company and/or a Subsidiary had not terminated.

2.1(c) The Member Termination of Employment Other Than Due to Death, Disability or Retirement. The name and address of the Holder shall be as follows: If the Holder's employment with the Company and/or a Subsidiary terminates prior to the end of the Restriction Period, then the Award shall continue to vest in accordance with the vesting schedule set forth in the Award Notice, and the Holder shall be entitled to the same rights and privileges with respect to such shares as the Holder would be entitled to if the Holder's employment with the Company and/or a Subsidiary had not terminated.

CDW Technologies, LLC

200 North Milwaukee Avenue
Vernon Hills, IL 60061

3.3. Change in Control.

(b) Vesting and Settlement of Award Assumed. In the event of a Change in Control prior to the end of the Restriction Period pursuant to the terms of the Award, (i) the Company continues to employ the Holder continuously employed through the end of the Restriction Period, (ii) the Company terminates the Holder's employment without Cause or the Holder terminates the employment, (iii) the Holder dies, becomes disabled or terminates the employment, or (iv) the Holder is terminated by the Company without Cause, the Award shall vest and the Company shall pay to the Holder the amount of the Award as if the Award had vested on the date of the Change in Control, provided that the Holder executes and does not revoke a waiver and release of claims in the form prescribed by the Company within 90 days of the date of the Change in Control.

employment due to Retirement or (iv) the Holder's employment terminates due to death or Disability following such Change in Control and, in the case and does not revoke a waiver and release of claims in the form prescribed by the Company within 60 days after the date of such termination, then in a of the end of the Restriction Period or, if earlier, the Holder's termination of employment. If, following a Change in Control, the Holder experiences a ter Section 3.3(b) or in Section 3.2(a) or 3.2(b), the Award shall be immediately and automatically forfeited by the Holder and cancelled by the Company. N is subject to Section 409A of the Code because the Holder is or will become eligible for Retirement during the Restriction Period and the Award cannot employment under clause (ii) or (iii) herein in compliance with Section 409A of the Code (for example, because the Change in Control does not consti Section 409A of the Code), then the Award shall be fully vested as of the date of such termination but shall be settled in accordance with Section 3.2 of

3.4. Definitions.

(b) Disability. For purposes of this Award, “Disability” shall not mean the Holder’s absence from the Holder’s duties with the Company or a result of the Holder’s incapacity due to physical or mental illness, or under such other circumstances as the Committee determines, in its sole discretion.

(c) Good Reason. For purposes of this Award, "Good Reason" shall have the meaning set forth in the Compensation Protection Agreement (or any successor severance plan or agreement).

(d) Restrictive Covenant. For purposes of this Award, “Restrictive Covenant” shall mean any non-competition, non-solicitation, confidentiality (or other provision regarding intellectual property) covenant by which Holder is bound under any agreement between Holder and the Company and its Subsidiaries.

(e) **Retirement.** For purposes of this Award, "**Retirement**" shall mean a termination of the Holder's employment for a reason other than Cause; provided that the sum of the Holder's age and years of employment with or service to the Company or its Subsidiaries equals or exceeds 65; provided that such termination occurs on or after the date hereof. **Date.**

of the calendar year in which the Holder vests under Section 3.2(a)), the Company shall issue or deliver, subject to the conditions of this Agreement. Such issuance or delivery shall be obligated personally for any such debt, obligation or liability evidenced by the appropriate entry on the books of the authorized transfer agent of the Company. The Company shall pay all original issue or transfer taxes and all fees and expenses incident to such issuance or delivery. Section 7. Prior to the issuance to the Holder of the shares of Common Stock subject to the Award, the Holder shall have no direct or secured claim in the Company's Common Stock, and will have the status of a general unsecured creditor of the Company. The Holder shall have no beneficial interest or ownership in the Company's Common Stock until the issuance or delivery of those vested shares of Common Stock to the Holder.

5.1. Clawback of Proceeds. The Member (acting in its capacity as such) This award is subject to the clawback provisions in its capacity as such) Section 5.15 of any Restrictive Covenant and such violation occurs on or before the third anniversary of the date of the Holder's termination of employment: (i) the Award Proceeds (as hereinafter defined) shall be immediately due and payable by the authorityHolder to bind the Company to any third partyCompany. For the purpose of this Section, the Award Proceeds shall mean, with respect to any matter, portion of the Award which is settled later than 24 months prior to the date of the Holder's termination of employment; (ii) the Company shall be obligated to issue a share of Common Stock on the date such portion of the Award was settled, multiplied by the number of shares of Common Stock issued to the Holder on the date of the Award. The remedy provided by this Section shall be in addition to and not in lieu of any rights or remedies which the Company may have against the Holder or obligation to the Company.

6. Transfer Restrictions and Investment Representation.

assign, pledge, hypothecate, encumber or otherwise dispose of the Award, the Award and all rights hereunder shall immediately become null and void.

7. Additional Terms and Conditions of Award.

7.1. Withholding Taxes.

(a) As a condition precedent to the issuance of Common Stock following the vesting of the Award, the Holder shall pay to the Company or an affiliate determines is required, under all applicable federal, state, local or other laws or regulations, to be withheld and paid over as income tax, social security taxes (including employer national insurance contributions) or other withholding taxes (the "Required Tax Payments") with respect to the Award and/or the deliv advance the Required Tax Payments after request by the Company or one of its affiliates, the Company or one of its affiliates may, in order its disc amount then or thereafter payable by the Company or one of its affiliates to cause the Holder.

(b) The Holder may elect to satisfy his or her obligation to advance the Required Tax Payments by any of the following means: (i) a cash payment to the extent permitted by the Committee, delivery to the Company (either actual delivery or by attestation procedures established by the Company) of securities having an aggregate Fair Market Value, determined as of the date on which such withholding obligation arises (the “Tax Date”), equal to the Required Tax Payments; or (ii) the Holder may elect to withhold whole shares of Common Stock which would otherwise be delivered to the Holder having a Tax Date, equal to the Required Tax Payments; or (iii) any combination of (i), (ii) and (iii). Shares of Common Stock to be delivered or withheld may be determined by applying the maximum individual statutory tax rate in the Holder jurisdiction; provided that the Committee shall be permitted to limit the number if necessary, as determined by the Committee, to avoid adverse accounting consequences or for administrative convenience; provided, however, that if the Holder would be required to satisfy the maximum individual statutory rate in the Holder’s jurisdiction, then the number of shares of Common Stock to be withheld shall be the nearest whole share of Common Stock. No share of Common Stock or certificate representing a share of Common Stock shall be issued or delivered in full.

7.2. Compliance with Applicable Law. The Award is subject to the condition that if the listing, registration or qualification of the shares under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in shares of Common Stock subject to the Award shall not be delivered, in whole or in part, unless such listing, registration, qualification, consent, or other action is obtained, free of any conditions not acceptable to the Company. The Company hereunder agrees to use reasonable efforts to effect or obtain any such other action.

7.3. **Award Confers No Rights to Continued Employment.** In no event shall the granting of the Award or its acceptance by the Holder, or the exercise of the Award, be deemed to give the Holder any right to continued employment by the Company, any Subsidiary or any affiliate of the Company or affect in any manner the right of any Subsidiary or affiliate of the Company to terminate the employment of any person at any time.

7.4. Decisions of Board or Committee. The Board or the Committee shall have the right to resolve all questions which may arise in connection with the Plan. Any determination or other action made or taken by the Board or the Committee regarding the Plan or this Agreement shall be final, binding and under no circumstances shall be subject to review by any court or other authority.

7.5. Successors. This Agreement shall be binding upon and inure to the Act. The Member is an agent/benefit of any successor or successor who shall, upon the actions/death of the Member/Holder, acquire any rights hereunder in such capacity shall be binding on accordance with this Member Plan.

ARTICLE III

7.6. Officers

3.1 Designation of Officers Notices. The Member may, from time to time, designate one All notices, requests or more individuals to be of the Company. No officer need be a resident of the State of Virginia. Any officers so designated shall have such authority and perform such duties as the be provided in this Agreement including shall be made, if to the power Company, to execute documents on behalf CDW Corporation, Attn: General Cou 60061, and if to the Holder, to the last known mailing address of the Company subject Holder contained in the records of the Company. All notices, r Agreement shall be made in writing either (a) by personal delivery, (b) by facsimile or electronic mail with confirmation of receipt, (c) by mailing in the The notice, request or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or elec entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request or other communication sent to t titles Company is not received during regular business hours, it shall be deemed to particular officers. Unless be received on the Member otherwise spe a next succeeding business corporation, the assignment of such title shall constitute the delegation to such officer day of the authority, duties Company.

7.7. Governing Law. This Agreement, the Award and ability all determinations made and actions taken pursuant hereto and thereto, to that office under extent not governed by the Code or the laws of the United States, shall be governed by the laws of the State of Virginia, subject Del giving effect to any specific limitations on authority and duties made to such officer by the Member pursuant to this Section 3.1. Each officer shall designated and shall qualify or until his or her death or until he or she shall resign or shall have been removed. Any number principles of offices may be

3.2 Resignation., Removal. Any officer may resign as such at any time. Such resignation shall be made in writing and shall take effect at the time conflicts of its receipt by the Member. Any officer may be removed as such, either with or without cause, by the Member; provided that such i

2

prejudice to the contract rights, if any, of the individual so removed. Designation of an officer shall not of itself create any contract rights, except as oth office of the Company may be filled by the Member.

3.3 Duties of Officers Generally. Except as otherwise set forth in this Agreement, each officer shall owe to the Company and its Mem care and loyalty) that such individuals would owe to a Virginia corporation and its shareholders as an officer thereof.

3.4 Appointed Officers. In addition to officers designated by the Member in accordance with this Article III, the Chief Executive Officer r appointed Vice President as the Chief Executive Officer may from time to time deem expedient and may designate for such officers titles that appropri appointed officers shall have such powers and shall perform such duties as may be assigned to them by the Chief Executive Officer or the senior c policies. An appointed officer shall serve until the earlier of such officer's resignation or such officer's removal by the Chief Executive Officer at any time

ARTICLE IV

Capital Structure and Contributions

4.1 Capital Structure and Contributions.

(a) The capital structure of the Company shall consist of one class of common units (the "Common Units"). All Common Units s Member shall own all of the Common Units issued and outstanding, as set forth on Schedule A attached hereto. The Board may in its discretion issue Units held by such Member. The Member hereby agrees that the Common Units shall be securities governed by the Uniform Commercial Code of the a

(b) The Member shall have the right, at any time and from time to time, to make any optional contributions to the capital of the C or services, or any combination thereof.

(c) The Company shall be permitted to incur indebtedness for borrowed money, from the Member or otherwise, with the Member'

ARTICLE V

Distributions

5.1 Distributions. The Member shall determine profits available for distribution and the amount, if any, to be distributed to the Member, determined amount when, as and if declared by the Member. The distributions of the Company shall be distributed entirely to the Member.

ARTICLE VI

Events of Dissolution

The Company shall be dissolved upon the first of the following events to occur:

(a) The consent of the Member at any time to dissolve and wind up the affairs of the Company; or

3

In the event of any dissolution of the Company, the Member shall be in charge of such dissolution, and the Member shall immediately proceed with a affairs and the orderly liquidation of the Company and its assets and make final distributions as provided in the Act; provided, that until all final distribu the Company. The duties of care and loyalty described in the Act still apply to the Member during the winding up and liquidation period. The costs of li Member shall not receive any additional compensation for services rendered during the winding up and liquidation of the Company.

Notwithstanding any provisions of the Act or other applicable law, an insolvency event, including a bankruptcy filing, by or against the Company or a Member shall not constitute a deemed assignment, transfer, withdrawal or dissolution of the Company and shall not otherwise have any effect whatsoever on such Member's interest.

Transfer of the Member's Common Units

The Member may sell, assign, transfer, convey, gift, exchange, pledge or otherwise dispose of any or all of its Common Units and, upon receipt by the person or entity to whom such Common Units are to be transferred agreeing to be bound by the terms of this Agreement as amended from time to time

Exculpation and Indemnification

8.1 Exculpation. No officer of the Company or member of the Board of Directors or Managers (each a "Manager") or officer of any of and collectively, "Subsidiaries") shall be liable to the Company or such Subsidiary, any other officer of the Company or any other officer or Manager of by the Company or any Subsidiary unless such loss is caused by such officer of the Company's or such Manager or officer of such Subsidiary's gross n or material breach of this Agreement or any other agreement between the Company or any Subsidiary and such officer of the Company or such Ma Company and no Manager or officer of any direct or indirect Subsidiary shall be liable to the Company or such Subsidiary, any other Manager or officer or omissions that do not constitute gross negligence, intentional misconduct, knowing violation of law or material breach of this Agreement or other a officer of the Company and any Manager or officer of any of its Subsidiaries may consult with the Company's and such Subsidiary's counsel and Subsidiary's affairs, and provided such officer of the Company or Manager or officer of such Subsidiary, as the case may be, acts in good faith rel accountants, such officer of the Company or such Manager or officer of such Subsidiary, as the case may be, shall not be liable for any loss suffered by

4

8.2.7.8. Right to Indemnification. Agreement Subject to the limitations and conditions as provided in this Plan Article VIII, each person made a party to or is threatened subject to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, whether "Proceeding"), or any appeal in such a Proceeding or any inquiry or investigation that could lead to such a Proceeding, by reason the provisions of therewith. In the event that he or she, or the provisions of this Agreement and the Plan conflict, the Plan shall control. The Holder hereby acknowledged representative, is or was an officer copy of the Company or, while an officer Plan.

7.9. Entire Agreement. This Agreement and the Plan constitute the entire agreement of the Company, is or was serving at the request of venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic limited liability company, corporation, partnership enterprise, shall be indemnified by the Company parties with respect to the fullest extent permitted under applicable law, as the same exists or may hereafter supersede in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights entirely all prior to such amendment) against judgments, penalties, fines, settlements undertakings and reasonable expenses (including, without limitation such Person in connection with such Proceeding; provided that (a) such Person's course of conduct was pursued in good faith and believed by him to be lawful and (b) such course of conduct did not constitute gross negligence, intentional misconduct, or knowing violation of law on the part of such Person and no other person who has served or will serve as a director, officer, partner, member, shareholder, or agent of this Agreement. Indemnification under this Article VIII shall continue Holder with respect to the subject matter hereof, and may not be modified adversely to the interest of the Company by any action taken after the date of this Agreement by any person who has ceased to serve in writing signed by the capacity which initially entitled such Person to indemnity hereunder. The rights granted pursuant

rights, Company and no amendment, modification or repeal of this Article VIII shall have the effect of limiting or denying any such rights with respect to amendment, modification or repeal. It is expressly acknowledged that the indemnification provided in this Article VIII could involve indemnification for net

8.3.7.10. Advance Payment Partial Invalidity. The right to indemnification conferred in invalidity or unenforceability of any particular provision by not affect the Member in each instance, include the right to be paid or reimbursed by the Company the reasonable expenses incurred by a Person or who was, is or is threatened to be made a named defendant or respondent in a Proceeding in advance of the final disposition of the Proceeding other than the Person's ultimate entitlement to indemnification; provided that the payment of such expenses incurred by any such Person in advance of the final disposition made only upon delivery to the Company of a written affirmation by construed in all respects as if such Person of his invalid or her good faith belief that the Person was entitled to indemnification under Article VIII and a written undertaking, by or on behalf of such Person, to repay all amounts so advanced if it shall ultimately be determined that the Person is not entitled to be indemnified under this Article VIII or otherwise. unenforceable provision was omitted.

8.4.7.11. Indemnification of Employees Amendment and Agents Waiver. The Company may indemnify and advance expenses amend the Agreement that an amendment that would adversely affect the Holder's rights under this Agreement shall be subject to any Person, as determined by the Member, if the Person was an employee Holder. No course of conduct or agent failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding force or effect of this Agreement.

7.12. Compliance With Section 409A of the Company Code. This Award is intended to be exempt from or is or was serving at the request of the Company as a manager, director, officer, partner, venturer, proprietor, trustee, employee, agent Code, and shall be interpreted and construed accordingly. To the extent that the Award is not exempt from or is or was serving at the request of the Company as a manager, director, officer, partner, venturer, proprietor, trustee, employee, agent or similar function, liability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, against any liability arising out of his or her status as such beneficiary upon the Holder's "separation from service," within the meaning of Section 409A of the Code, then to the same extent that it the Award constitutes nonqualified deferred compensation under Section 409A of the Code, such shares of Common Stock shall indemnify and advance expenses be transferred to Managers and officers under this Article VIII.

8.5 Appearance as a Witness. Notwithstanding any other provision of this Article VIII, the Company may pay Holder or reimburse reasonable expenses incurred by an officer or employee in connection with his or her appearance as a witness or other

5

participation in a Proceeding related beneficiary upon the earlier to or arising out of occur of (i) the business six-month anniversary of the Company at the time of the Proceeding, or (ii) the date of the Person's response as a respondent in the Proceeding.

8.6 Non-exclusivity of Rights. The right to indemnification such separation from service and the advancement and payment of expenses incurred by a Person in connection with the defense or settlement of any other right which a Manager, officer or other Person indemnified pursuant to this Article VIII may have or hereafter acquire under any law (contract, statute, regulation, common law, custom or usage, or otherwise), or Organization or this Agreement, any other separate contractual arrangement, any vote of the Member or disinterested Managers, or otherwise.

8.7 Insurance. The Company may purchase and maintain insurance, at its expense, to protect itself and any Person who is or was serving at the request of the Company as a manager, director, officer, partner, venturer, proprietor, trustee, employee, agent or similar function, liability company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, against any expense, liability or obligation to indemnify such Person against such expense, liability or loss under this Article VIII.

8.8 Savings Clause. If this Article VIII or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, the provisions of this Agreement shall nevertheless remain in full force and effect, and shall hold harmless each Manager, officer or any other Person indemnified pursuant to this Article VIII as to costs, charges and expenses (including reasonable attorneys' fees) incurred by the Person in connection with the defense or settlement of any action, suit or proceeding, whether civil, criminal, administrative or investigative to the fullest extent permitted by applicable law.

8.9 Limitation. The exculpation provisions and indemnification obligations set forth in this Article VIII shall not apply to any acts or omissions of the Company or its officers, directors, managers, partners, proprietors, trustees, employees, agents or other persons in connection with the transactions contemplated by that certain Equity Purchase Agreement, dated as of March 15, 2021, by and among CDW Technologies, LLC, a Delaware corporation, and Timothy Lee, an individual resident of the Commonwealth of Virginia.

ARTICLE IX Miscellaneous

9.1 Tax Treatment. The Company shall be taxed as a disregarded entity for U.S. federal income tax purposes (as well as for any analog the Company shall timely make any and all necessary elections and filings for the Company treated as a disregarded entity for U.S. federal income tax tax purposes).

9.2 Amendments. Amendments to this Agreement and to the Articles of Organization shall be approved in writing by the Member. A specified in the approval of the Member or if none is specified as of (ii) the date of such approval or as otherwise provided in the Act. Holder's death.

9.3 Severability. If any provision of this Agreement is held to be invalid or unenforceable for any reason, such provision shall be ineffective provided, however, that the remaining provisions will continue in full force without being impaired or invalidated in any way unless such invalid or unenforceable provision materially affect the expectations of the Member regarding

6

this Agreement. Otherwise, any invalid or unenforceable provision shall be replaced by the Member with a valid provision which most closely approximates the unenforceable provision.

9.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Virginia without regard to conflict of laws principles.

9.5 Limited Liability Company. The Member intends to form a limited liability company and does not intend to form a partnership under the laws of the State of Virginia.

9.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to constitute the entire agreement between the parties hereto.

7

IN WITNESS WHEREOF, the undersigned has duly executed this Operating Agreement as of the day first above written.

CDW TECHNOLOGIES LLC

By: /s/ Christina M. Corley
Name: Christina M. Corley
Its: Chief Commercial and Operating Officer

Amplified IT LLC

By: /s/ Christina M. Corley
Name: Christina M. Corley
Its: Chief Commercial and Operating Officer

SCHEDULE A

Name of Member	Number of Common Units
CDW Technologies, LLC	1

9

CERTIFICATION PURSUANT TO RULE 13a-14(a) OR **or** 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934

I, Christine A. Leahy, certify that:

1. I have reviewed this quarterly report on Form 10-Q of the registrant; **CDW Corporation**;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the controls and procedures covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (or during the registrant's most recent fiscal year if the registrant is not required to file quarterly reports) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's audit committee (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Christine A. Leahy

Christine A. Leahy

Chair, President and Chief Executive Officer

CDW Corporation

November **May 1, 2023** **2024**

**CERTIFICATION PURSUANT TO RULE 13a-14(a) or 15d-14(a) UNDER
THE SECURITIES EXCHANGE ACT OF 1934**

I, Albert J. Miralles, certify that:

1. I have reviewed this quarterly report on Form 10-Q of the registrant; **CDW Corporation**;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to prevent or detect errors or fraud in the reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (or during the registrant's most recent fiscal year if the registrant is not required to file quarterly reports) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's audit committee (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Albert J. Miralles
Albert J. Miralles
Senior Vice President and Chief Financial Officer
CDW Corporation
November **May 1, 2023** 2024

**CERTIFICATION PURSUANT TO SECTION 1350 OF CHAPTER 63
OF TITLE 18 OF THE UNITED STATES CODE**

I, Christine A. Leahy, the chief executive officer of CDW Corporation ("CDW"), certify that (i) the Quarterly Report on Form 10-Q for the three months ended **September 30, 2023** complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the 10-Q fairly presents, in all material respects, the financial condition and results of operations of CDW Corporation.

/s/ Christine A. Leahy
Christine A. Leahy
Chair, President and Chief Executive Officer
CDW Corporation
November **May 1, 2023** 2024

**CERTIFICATION PURSUANT TO SECTION 1350 OF CHAPTER 63
OF TITLE 18 OF THE UNITED STATES CODE**

I, Albert J. Miralles, the chief financial officer of CDW Corporation ("CDW"), certify that (i) the Quarterly Report on Form 10-Q for the three months ended **September 30, 2023** meets the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the 10-Q fairly presents, in all material respects, the financial condition and results of operations of CDW Corporation.

/s/ Albert J. Miralles

Albert J. Miralles

Senior Vice President and Chief Financial Officer

CDW Corporation

November **May 1, 2023** **2024**

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