

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** **001-35985**



CDW CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

26-0273989

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

200 N. Milwaukee Avenue

Vernon Hills, Illinois

(Address of principal executive offices)

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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

CDW CORPORATION AND SUBSIDIARIES**CDW CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS**

(dollars and shares in millions, except per share amounts)

Sep

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

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
Cost of sales	4,400.6
Gross profit	1,227.7
Selling and administrative expenses	749.3
Operating income	478.4
Interest expense, net	(57.4)
Other expense, net	(1.2)
Income before income taxes	419.8
Income tax expense	(104.3)
Net income	\$ 315.5
Net income per common share:	
Basic	\$ 2.35
Diluted	\$ 2.32
Weighted-average common shares outstanding:	
Basic	134.1
Diluted	135.9

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

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

	Three Months
	2024
Net income	\$ 315.5
Other comprehensive income (loss) ¹ , 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	(2.9)
Other comprehensive (loss) income	(0.1)
Comprehensive income	\$ 312.5

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

CDW CORPORATION AND SUBSIDIARIES

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 Capital	Accumulated Deficit	Comprehensive Loss		Total Stockholders' Equity		
Shares	Amount							
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								
							Paid-in Capital	Accumulated Deficit
							Amount	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 (\$0.62 per share)	—	—	0.5	(79.6)	—	(79.1)	
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, conducts the majority of the 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 holding assets related to the activities or operations.

Basis of Presentation

The accompanying unaudited interim Consolidated Financial Statements as of **September 30, 2023** **March 31, 2024** and for the three and nine months ended **September 30, 2023** **March 31, 2024** ("Interim 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 ("SEC") for interim financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with US GAAP have been omitted in the Interim Financial Statements. The presentation of the Consolidated Financial Statements requires the Company to make estimates and assumptions that affect reported amounts and related disclosures. The Interim Financial Statements contain all adjustments (consisting of a normal, recurring nature) necessary to present fairly the Company's financial position, results of operations, and cash flows 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** **2023** Consolidated Financial Statements. The significant accounting policies and estimates used in preparing these Interim 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 consolidation.

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 Program Obligations (Topic 740): Disclosure of Supplier Finance Program Obligations. This ASU requires entities that use supplier finance programs in connection with the sale of goods to disclose key terms of the programs and information about the obligations. 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 and cash flows. The ASU is 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. The Company is 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 segment 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 fiscal years beginning after December 15, 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 Company adopted this ASU in November 2023, 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 annual financial statements 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 on a prospective basis. The Company is currently evaluating the 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, December	
	2023	31, 2022
	March	
	31,	
	2024	March 31, 2024
Accounts receivable, current ⁽¹⁾	\$ 4,418.5	\$ 4,461.3
Accounts receivable, noncurrent ⁽²⁾	133.6	203.0
Total accounts receivable	<u>\$ 4,552.1</u>	<u>\$ 4,664.3</u>

(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 risk. These transfers are 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 company. For the years ended 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 recognized prior to the point in time at which the Company has no unconditional right to consideration. Contract liabilities consist of payments received from customers, or such consideration that is contractually required to be paid to the Company. The following table details information about the Company's contract balances recognized on the Consolidated Balance Sheets:

	September 30, December	
	2023	31, 2022
	March	
	31,	
	2024	March 31, 2024
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 summarizes the Company's remaining 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 establishing 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 (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 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 Company executed has interest rate collar agreements for a total notional value of \$400 million. The terms of the 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 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 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 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 interest rate collar agreements, including the period to maturity, and 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 or

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) into Interest expense, net in the period when the hedged forecasted transaction affects earnings. During the three and nine months ended September 30, 2023 March 31, 2024, a 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							
Maturity Date				Maturity Date		Interest Rate	Amount		
<i>Credit Facility</i>									
			As of December 31, As of September 30, 2023			2022			
Senior unsecured revolving loan facility									
			Interest		Interest				
		Maturity Date	Rate	Amount	Rate	Amount			
<i>Credit Facility</i>									
Senior unsecured revolving loan facility									
Senior	Senior								
unsecured	unsecured								
revolving	revolving	December							
loan facility	loan facility	2026	Variable	\$ 72.5	—	Variable	\$ 72.5		
<i>Term Loan</i>									
<i>Term Loan</i>									
Senior unsecured term loan facility									
Senior unsecured term loan facility									
Senior	Senior								
unsecured	unsecured								
term loan	term loan	December							
facility	facility	2026	Variable	684.5	Variable	784.5			
<i>Unsecured Senior Notes</i>									
<i>Unsecured Senior Notes</i>									
Senior notes due 2024									
Senior notes due 2024									
Senior notes	Senior notes	December							
due 2024	due 2024	2024	5.500 %	575.0	5.500 %	575.0			
Senior notes	Senior notes								
due 2025	due 2025	May 2025	4.125 %	600.0	4.125 %	600.0			
Senior notes	Senior notes	December							
due 2026	due 2026	2026	2.670 %	1,000.0	2.670 %	1,000.0			
Senior notes	Senior notes								
due 2028	due 2028	April 2028	4.250 %	600.0	4.250 %	600.0			
Senior notes	Senior notes	December							
due 2028	due 2028	2028	3.276 %	500.0	3.276 %	500.0			
Senior notes	Senior notes								
due 2029	due 2029	February 2029	3.250 %	700.0	3.250 %	700.0			
Senior notes	Senior notes	December							
due 2031	due 2031	2031	3.569 %	1,000.0	3.569 %	1,000.0			

Total	Total	
unsecured	unsecured	
senior notes	senior notes	
		4,975.0
Receivable	Receivable	
financing	financing	
liability	liability	
		64.2
Receivable financing		
liability		
Receivable financing		
liability		
Other long-term	Other long-term	
obligations	obligations	
		8.1
Unamortized	Unamortized	
deferred	deferred	
financing	financing	
fees	fees	
		(30.3)
Current	Current	
maturities of	maturities of	
long-term	long-term	
debt	debt	
		(40.0)
Total long-term debt	Total long-term debt	
		\$ 5,661.5
		<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 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 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 financing. 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 period beginning after July 1, 2023. Under the amended agreement, the 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 will be drawn under the Term Loan Facility 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 nonrecourse basis, the transfers of accounts receivable could not achieve certain criteria that would allow

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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. 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 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

		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. 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, res

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

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

		Three Months		Nine Months		
		Ended	Ended	September 30,	September 30,	
		2023	2022	2023	2022	
Basic weighted-average shares outstanding	Basic weighted-average shares outstanding	134.1	135.3	134.8	135.1	
Effect of dilutive securities ⁽¹⁾	Effect of dilutive securities ⁽¹⁾	1.8	1.8	1.6	1.8	
Diluted weighted-average shares outstanding ⁽²⁾	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 other proceedings before federal, state, international, national, provincial and local authorities, 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 or liquidation in the jurisdictions for the Company's business activities outside of the US. In such cases, certain pre-petition pre-

CDW CORPORATION AND SUBSIDIARIES
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(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 will be incurred. However, the ultimate resolutions of these proceedings and matters are inherently unpredictable. As such, the Company's Consolidated Financial Statements reflect the Company's best estimate of 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 Claims Act investigation. The subsidiary is involved in the investigation due to its teaming agreements with original equipment manufacturers, and the Company is cooperating with the DOJ. At this stage of the matter, the Company is unable to assess the potential outcome.

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 make operating decisions.

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 small 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 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 and services 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 costs 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	\$2,226.5	\$ 378.4	\$2,422.1	\$ 601.3	\$ —	\$ 5,628.3		
Operating income (loss)	Operating income (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
Operating income (loss)	Operating income (loss)	203.3	47.0	234.0	32.3	(50.2)	466.4
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	
Operating income (loss)	610.9	129.2	574.9	99.2	(168.3)	1,245.9	
Depreciation and amortization expense	(62.2)	(3.6)	(44.1)	(22.7)	(70.0)	(202.6)	
Nine Months Ended							
September 30, 2022							
Net sales	\$7,866.1	\$1,515.2	\$6,700.3	\$2,228.8	\$ —	\$ 18,310.4	
Operating income (loss)	644.5	140.7	553.0	96.8	(146.4)	1,288.6	
Depreciation and amortization expense	(79.4)	(6.4)	(44.7)	(24.2)	(63.4)	(218.1)	

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		
Three Months Ended March 31, 2024						
Three Months Ended March 31, 2024						
Three Months Ended March 31, 2024						
Corporate			Corporate		Small Business	
Geography⁽¹⁾						
United States						
United States						
United States	United States	\$2,206.8	\$ 370.3	\$2,419.4	\$ 7.3	\$ 5,003.8
Rest of World	Rest of World	19.7	8.1	2.7	594.0	624.5
Total Net sales	Total Net sales	2,226.5	378.4	2,422.1	601.3	5,628.3
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						
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 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)										
Three Months Ended September										
Geography⁽¹⁾										
United States	\$ 2,570.8	\$ 491.2	\$ 2,421							
Rest of World	7.0	—								
Total Net sales	<u>2,577.8</u>	<u>491.2</u>	<u>2,421</u>							
Major Product and Services										
Hardware	1,958.1	399.5	1,921							
Software	355.1	62.4	342							
Services	245.8	24.0	152							
Other ⁽²⁾	18.8	5.3								
Total Net sales	<u>2,577.8</u>	<u>491.2</u>	<u>2,421</u>							
Sales by Channel										
Corporate	2,577.8	—								
Small Business	—	491.2								
Government	—	—	78							
Education	—	—		1,02						
Healthcare	—	—		61						
Other	—	—								
Total Net sales	<u>2,577.8</u>	<u>491.2</u>	<u>2,421</u>							
Timing of Revenue Recognition										
Transferred at a point in time where CDW is principal	2,216.3	438.4	2,181							
Transferred at a point in time where CDW is agent	194.3	36.3	121							
Transferred over time where CDW is principal	167.2	16.5	101							
Total Net sales	<u>\$ 2,577.8</u>	<u>\$ 491.2</u>	<u>\$ 2,421</u>							
(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)										

	Nine Months Ended September 30, 2022			
	Corporate	Small Business	Public	
Geography⁽¹⁾				
United States	\$ 6,620.0	\$ 1,170.6	\$ 6,52	
Rest of World	55.2	15.4		
Total Net sales	<u>6,675.2</u>	<u>1,186.0</u>	<u>6,53</u>	
Major Product and Services				
Hardware	4,686.6	952.6	5,13	
Software	1,265.4	174.3	98	
Services	675.4	45.1	40	
Other ⁽²⁾	47.8	14.0	1	
Total Net sales	<u>6,675.2</u>	<u>1,186.0</u>	<u>6,53</u>	
Sales by Channel				
Corporate	6,675.2	—		
Small Business	—	1,186.0		
Government	—	—	2,00	
Education	—	—	2,71	
Healthcare	—	—	1,80	
Other	—	—		
Total Net sales	<u>6,675.2</u>	<u>1,186.0</u>	<u>6,53</u>	
Timing of Revenue Recognition				
Transferred at a point in time where CDW is principal	5,614.6	1,053.3	5,85	
Transferred at a point in time where CDW is agent	563.3	106.8	36	
Transferred over time where CDW is principal	497.3	25.9	30	
Total Net sales	<u>\$ 6,675.2</u>	<u>\$ 1,186.0</u>	<u>\$ 6,53</u>	

(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 as Corporate.

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

CDW CORPORATION AND SUBSIDIARIES
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(dollars in millions, except per share data, unless otherwise noted)

	Nine Months Ended September 30, 2022				
	Small				
	Corporate	Business	Public	Other	Total
Three Months Ended March 31, 2023					
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	7,866.1	1,515.2	6,700.3	2,228.8	18,310.4

Major Product and Services	Major Product and Services	Hardware	Hardware	5,931.0	1,262.7	5,364.8	1,658.2	14,216.7
Software	Software	700.0	58.9	1,177.9	177.2	888.8	359.7	2,603.6
Services	Services	700.0	58.9	432.6	432.6	202.5	202.5	1,394.0
Other ⁽²⁾	Other ⁽²⁾	57.2	16.4	14.1	14.1	8.4	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	18,310.4	
Sales by Channel	Sales by Channel							
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	18,310.4	
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	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	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. Categories are based upon

Three Months Ended September 30,						
		2023		2022		
		Percentage of Total Net		Percentage of Total Net		
Net Sales	Sales	Net Sales	Sales	Net Sales	Sales	
Three Months Ended March 31,						
Three Months Ended March 31,						
Three Months Ended March 31,						
2024				2024		
		Percentage of Total Net		Percentage of Total Net		
Net Sales	Sales	Net Sales	Sales	Net Sales	Sales	
Hardware:						
Notebooks/Mobile Devices	Notebooks/Mobile Devices	\$ 1,228.9	21.8 %	\$ 1,592.6	25.6 %	
Notebooks/Mobile Devices						
Notebooks/Mobile Devices						
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. "Management's Discussion and Analysis of Financial Condition and Results of Operations" should be read in conjunction with the unaudited 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 contains forward-looking statements that are subject to numerous risks and uncertainties. Actual results may differ materially from those contained in any forward-looking statement.

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 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 capabilities 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 virtual and cloud-based environments through approximately **10,800** **10,900** customer-facing coworkers, including sellers, highly-skilled technology specialists and advanced service many original equipment manufacturers, (“OEMs”), software publishers and cloud providers (collectively, our “vendor partners”), whose products we sell or include in the solutions we 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 US private sector 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 two segments 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 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 customer 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 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 certain terms and conditions. We are not responsible for any commitments 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 results:

- 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 environment 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.

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 objectives.

- Changes in spending policies, budget priorities, timing and funding levels, including current and future stimulus packages, are key factors influencing the purchasing behavior of Government, Healthcare, Education and other customers. As the duration and ongoing impact of current economic conditions remain uncertain, current and future budget priorities and

funding levels for Government, Healthcare, Education and other 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 computing. 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 management 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 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, 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 constant currency basis, 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 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 performance. We also present Free cash flow and Adjusted EBITDA as helpful information regarding 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 as helpful information regarding our liquidity and capital resources. Certain non-GAAP financial measures are also used to determine certain components of performance-based compensation 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)			
per share amounts)	2023	2022	
Three Months Ended			
March 31,			
(dollars in millions, except per share amounts and percentages)			
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 % 2
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⁾			

(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.

(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

(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.

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)									
Net sales	Net sales	\$5,628.3	100.0 %	\$6,215.5	100.0 %	Net sales			
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				
<i>Gross profit margin</i>									
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				
<i>Operating income margin</i>									
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		
<i>Net sales</i>									
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 \$6,215.5 million \$4,982.3 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. 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 Note 11 to the Consolidated Financial Statements.									
<i>Gross profit</i>									
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 \$1,050 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. 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 service. service, partially offset by lower product margin due to a higher mix of notebooks/mobile devices.									
<i>Selling and administrative expenses</i>									
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 \$749 million \$735 million for the three months ended September 30, 2022 March 31, 2023. The decrease was primarily due to reduced discretionary expenses, workplace optimization costs, partially offset by lower performance.									
<i>Operating income</i>									

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 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 effect 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 expected tax credits.

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,						D Ch	
		2023			2022				
		Three Months Ended March 31,			Three Months Ended March 31,				
		Three Months Ended March 31,			Three Months Ended March 31,				
		2024			2024				
		2024			2024				
		Percentage of Total Net Sales			Percentage of Total Net Sales				
(dollars in millions)	(dollars in millions)	Net Sales			Net Sales				
(dollars in millions)									
(dollars in millions)									
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	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	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. 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	2023	
Segments: ⁽¹⁾	Segments: ⁽¹⁾	Operating Income (dollars in millions)	Operating Margin	Operating Income (dollars in millions)	Operating Margin	Operating Income (dollars in millions)	in Operating Income	Operating Income (dollars in millions)	Operating Income	Percentage of Net Sales	Operating Income (dollars in millions)	Operating Income (dollars in millions)
Corporate	Corporate	\$ 211.1	9.5 %	\$ 203.3	7.9 %	3.8 %						
Corporate	Corporate											
Corporate											\$ 178.0	8.3 %
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 %		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 various other costs.

(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 September 30, 2022 March 31, 2023. 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 3.8% 8.3%, compared to the three months ended September 30, 2022 March 31, 2023. Corporate segment Operating income increased decreased primarily due to higher Gross profit dollars, partially offset by 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 ended September 30, 2022 March 31, 2023. 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 decreased 23.0% 7.4% due to a 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, or 4.4% 11.1%, compared to the three 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 partially offset by 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 September 30, 2022 March 31, 2023. 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 services.

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 \$32 million 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 expects 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 associated 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 the impact of acquisition-related intangible asset amortization, equity-based compensation, acquisition and integration expenses, transformation initiatives, workplace optimization and the associated costs, 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 are not a GAAP financial measure. A non-GAAP financial measure is a numerical measure of a company's performance or financial condition that either excludes or includes amounts that are not normally included or excluded in 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 describe the measures.

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 share and 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 not in accordance with generally accepted accounting principles.

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 provi also present non-GAAP financial condition measures as we believe they provide analysts, investors and management with more information regarding our liquidity and capital res 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

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 %
		\$549.0	8.8 %
		1.3 %	
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

(dollars in millions)	Three Months Ended September 30,					
	2023			2022		
	Income before taxes	Income tax expense ⁽¹⁾	Net income	Income before taxes	Income tax expense ⁽¹⁾	Net income
	income	tax	Net	income	tax	Net
Three Months Ended March 31,						
2024						
2024						

(dollars and shares in millions, except per share amounts)

(dollars and shares in millions, except per share amounts)

(dollars and shares in millions, except per share amounts)										Income before taxes	Income tax expense ⁽¹⁾	Net income	Income tax rate
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	\$29
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	\$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												
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												
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												
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⁾	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. 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

(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	
	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 in Net sales was primarily driven by lower sales in 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, refer to the "Segment Results of Operations" section.

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 in Gross profit was 230 basis points to 21.4% for the nine months ended September 30, 2023. The increase in Gross profit margin was primarily driven by higher product margin due to increased margin on software as a service and 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 in Selling and administrative expenses was primarily related to the reduction of our workforce and real estate portfolio (collectively "workplace optimization") and increased payroll expenses associated with higher year-over-year coworking costs.

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.

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 variable rate 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 ratio of total taxes to total pretax income, 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
	\$	40.8 %	\$	41.1 %
Corporate	\$ 6,675.2	40.8 %	\$ 7,866.1	41.1 %
Small Business	1,186.0	7.3	1,515.2	10.0
Public:				
Government	2,008.4	12.3	1,941.8	11.0
Education	2,719.2	16.6	2,965.2	16.4
Healthcare	1,802.4	11.0	1,793.3	9.8
Total Public	6,530.0	39.9	6,700.3	39.3
Other	1,966.3	12.0	2,228.8	12.7
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		
	Operating Income	Percentage of Net Sales	Operating Income
Segments:⁽¹⁾			
Corporate	\$ 610.9	9.2 %	\$ 644.5
Small Business	129.2	10.9	140.7
Public	574.9	8.8	553.0
Other ⁽²⁾	99.2	5.0	96.8
Headquarters ⁽³⁾	(168.3)	nm*	(146.4)
Total Operating income	\$ 1,245.9	7.6 %	\$ 1,288.6

* 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 various other costs.

(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 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. This decrease was 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 offset by netcomm products and software across all sales channels.

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. This decrease was 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 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 the same period in 2022. This 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. This increase was 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 Canadian 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 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 associated costs 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 net income is defined as Net sales less 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. Non-GAAP measures used by management may differ from similar measures used by other companies.

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 excluded or included in the most directly 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 use these measures to 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 as helpful 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

(dollars in millions)	Nine Months Ended September 30,		
	2023	% of Net Sales	2022
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

(dollars in millions)	Nine Months Ended September 30,				
	2023			2022	
	Income before income taxes		Income tax expense ⁽¹⁾	Net income	Income before income taxes
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	\$ 1,344.0	\$ (346.9)	\$ 997.1	\$ 1,345.4

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

		2023	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)		
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 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 (the "Revolving Facility"). As of September 30, 2023, we had \$0.9 billion of availability for borrowings under our revolving loan facility. Our liquidity and borrowing plans are established to align with our financial needs and necessary funding to meet our operating commitments, which primarily include the purchase of inventory, payroll and general expenses. We also take into consideration our overall 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 are no assurances 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 and market 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 required until December 1, 2026.

As of September 30, 2023, we had total unsecured indebtedness of \$5.7 billion.

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 and other factors. We may repurchase these notes 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. These agreements are subject to certain conditions, such as the availability of accounts receivable and the timely payment of accounts payable. We do not incur any interest expense or other incremental expenses associated with these agreements. For additional information, see Note 4 (Inventory Financing Agreements) to the accompanying Consolidated Financial Statements.

Share Repurchase Program

During the nine months ended September 30, 2023, we repurchased 0.2 million shares of our common stock for \$450 million.

For additional 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 dividend activity for our common stock is as follows:

Dividend Amount	Declaration Date	Record Date
\$0.590	February 7, 2023	February 24, 2023

On November 1, 2023, 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 paid on May 1, 2024, to shareholders of record as of the close of business on November 24, 2023.

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, capital requirements, contractual 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,				2024
Three Months Ended March 31,				
(dollars in millions)	(dollars in millions)	2023	2022	(dollars in millions)

Net cash provided by operating activities	Net cash provided by operating activities	\$1,062.2	\$1,094.0
Investing Activities:			
Investing Activities:			
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		(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	(195.9)	(125.2)
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	(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		\$ 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	Net income					
adjusted for	adjusted for					
the impact of the non-cash items	of non-cash items					
Net income	Net income	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		\$1,062.2	\$1,094.0	\$(31.8)		
Accounts receivable ⁽²⁾						
Accounts receivable ⁽²⁾						
Merchandise inventory						
Accounts payable-trade ⁽³⁾						
Other						
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		2024
		30,	March 31,	
(in days)	(in days)	2023	2022	(in days)
Days of sales outstanding	Days of sales outstanding			
(DSO) ⁽¹⁾	(DSO) ⁽¹⁾	73	68	
Days of supply in inventory	Days of supply in inventory			
(DIO) ⁽²⁾	(DIO) ⁽²⁾	14	18	
Days of purchases outstanding	Days of purchases outstanding			
(DPO) ⁽³⁾	(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 1516 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 higher acquisition activity in 2023 and increased capital expenditures. 2023.

Financing Activities

Net cash used in financing activities decreased \$91 million for the nine months ended September 30, 2023 compared to September 30, 2022 primarily due to lower share 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 arrangements 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 Corporation, an indirect, 100% owned, domestic subsidiary (the "Guarantor Subsidiaries" and, together with Parent, the "Guarantors"). All guarantees by Parent and the Guarantors 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 Operations 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)	(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 Non-current assets	Total 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				
Long-term debt	Long-term debt	5,660.9	5,792.9		
Other liabilities	Other liabilities	542.9	641.9		
Total liabilities	Total liabilities	6,203.8	6,434.8		
<i>Statement of Operations Information</i>					
Nine Months					
(dollars in millions)	(dollars in millions)	Ended September 30, 2023	Year Ended December 31, 2022	(dollars in millions)	Three Months Ended March 31, 2024
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 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 and the 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," "possible" 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 could cause actual results 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 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 and other SEC filings and public communications. These factors include, among others, inflationary pressures; level of interest rates; CDW's relationships with customers and suppliers; the impact of the COVID-19 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 flow, capital structure, liquidity and financial condition; the impact of the Russian invasion of Ukraine and related sanctions against Russia; armed conflicts; potential interruptions of the flow of products from suppliers; decreases in sales and margins; potential adverse occurrences at one of CDW's primary facilities or third-party facilities; potential increases 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 results of our strategic initiatives; potential changes in government spending policies; potential failures to comply with applicable laws and regulations; current and future legal proceedings, including property infringement claims; changes in laws, including regulations or interpretations thereof, or the potential failure to meet stakeholder expectations on environmental sustainability; 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; potential changes in 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 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 caution you that we 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 contained in this report do not constitute an offer to sell or the solicitation of an offer to buy any of our securities. We 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, the Company's management has evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this report. There have been no changes in the Company's disclosure controls and procedures as of the end of the period covered by this report.

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. There have been no changes in the Company's disclosure controls and procedures as of the end of the period covered by this report.

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 reporting significant components of the Company's financial results and in ensuring that this information is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial 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 internal 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 is incorporated by reference into this Item 1.

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 (in millions)	Average Price Paid per Share	Total Number of Shares Purchased (in millions)
			(in millions)
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 agreements 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 market price of the shares, the volume of shares available for repurchase, and other factors. 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 (in millions)	Average Price Paid per Share	Total Number of Shares Purchased (in millions)
			(in millions)
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 plan" (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, Senior Vice President and Chief Financial 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 plan covers an 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, 2025**.

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 [May 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 ("Company"), 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 set forth in the Company and CDW Technologies, LLC, an Illinois limited liability company, as the sole member of the Company Award Notice (the "Member"))

RECITAL

The Company was organized as a Virginia limited liability company on October 14, 2010, pursuant to the Articles of Organization of the Company 2021 Long-Term Incentive Plan (the "VSOS Plan"), a restricted stock unit award (the "Award") with respect to the number of shares of the Company's common stock, par value \$0.01 per share, 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 herein

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 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 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 Holder be 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") such cash dividend, and with VSOS the number of shares subject to the Award shall increase by (i) the product of the total number of shares subject to 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 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 they relate.

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 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.

3.2. Termination of Employment.

1.2(a) Name Termination of Employment Due to Death or Disability. The name If the Holder's employment with the Company and/or a Subsidiary is "Amplified IT LLC" and its business Restriction Period by reason of the Holder's death or Disability, then in any such case, the Award shall be changed in accordance with variations and changes as the Member shall determine or deem necessary to comply with requirements termination of the jurisdictions in which the Member change employment; provided that in the Company's name shall be made by case of a termination due to Disability, (i) the Member Holder executes an assignment of the Award to the Company 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 by law. 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 other power 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 such other place in the State of Virginia as the Member, 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, Richmond, VA 23219. The registered Agent at such address is Corporation Service Company. The registered office and/or registered agent of the Company may be changed from time to time by the Member.

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.

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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 Code, if 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, 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 Holder's Retirement, as defined below, then the Award shall continue to vest in accordance with the vesting schedule set forth in the Award Notice, subject to the Covenants through the expiration of the Restriction Period.

2.1(c) The Member Termination of Employment Other Than Due to Death, Disability or Retirement. The name and address If the Holder terminates prior to the end of the Member is as follows:

<u>Name</u> CDW Technologies, LLC	<u>Address</u> 200 North Milwaukee Avenue Vernon Hills, IL 60061
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2.2 Actions Restriction Period and prior to a Change in Control for any reason other than death, Disability or Retirement, then the Award shall be forfeited to the Company.

3.3. Change in Control.

(a) Vesting and Settlement of Award Not Assumed. The Member may approve in the event of a matter Change in Control prior to the Award is not effectively assumed or take any action at a meeting or without a meeting continued by the written consent surviving or acquiring corporate Board or Committee, with appropriate adjustments to the number and kind of shares, in each case, that preserve the value of the Member. Meetings and conditions of the Member may outstanding Award as in effect immediately prior to the Change in Control), the Award shall vest in its entirety as of the Award 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 in Control in compliance with Section 409A of the Code, then the Award shall be fully vested as of the date of the Change in Control but shall be paid pr

(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 Member surviving or acquiring corporation in such Change in Control (as determined by the Board or Committee, with appropriate adjustments to preserve the value of the shares subject to the Award and other material terms and conditions of the outstanding Award as in effect immediately prior to such Change in Control and the Holder executes and does not revoke a waiver and release of claims in the form prescribed by the Company within 30 days of the date of such Change in Control), (i) the Holder remains continuously employed through the end of the Restriction Period, (ii) the Company terminates the Holder's employment without Cause or the Holder terminates

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 cann 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.

2.3(a) **Liability of the Member Cause.** All debts, obligations and liabilities For purposes of this Award, "Cause" shall have the Company otherwise, shall be solely the debts, obligations and liabilities of Compensation Protection Agreement between the Company and the Member Holder (or

(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, co-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 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 Holder's Date of Birth.

4. Issuance or Delivery of Shares. Subject to Section 7.12 and except as otherwise provided for herein, within 70 days after the vesting of the shares of Common Stock under Section 3.2(a), no later than 70 days following the end of the Restriction Period under Section 3.2(a),

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 shares of Common Stock. 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. 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 respect of such shares of 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 such shares of Common Stock, and will have no right to require the Company to issue or deliver those shares of Common Stock to the Holder.

2.45. Power to Bind the Company. Clawback of Proceeds.

5.1. Clawback of Proceeds. The Member (acting as the Holder of the Award) is subject to the clawback provisions in its capacity as such) Section 5.15 of the Agreement. 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 and any Proceeds (as hereinafter defined) shall be immediately due and payable by the Holder to the Company to bind the Company to any third party. For example, 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, the Holder shall be entitled to receive 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 under 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.

2.55.2. Management Right of Setoff. The management, operation Holder agrees that by accepting the Award the Holder authorizes the Company to set off any amounts owed by the Holder pursuant to this Section 5 from any amounts payable by or on behalf of the Company or any affiliate to the Holder, including Holder as salary, wages, vacation pay, bonus or the vesting or settlement of the Award or any stock-based award. This right of setoff shall not be an election not to exercise this right of setoff with respect to any amount payable to the Holder shall not constitute a waiver of this right of setoff with respect to any other remedy.

6. Transfer Restrictions and Investment Representation.

6.1. Nontransferability of Award. The Award may not be transferred by the Holder other than by will or the laws of descent and distribution, except as otherwise provided by the Company. Except to the extent permitted by the foregoing sentence, the Award may not be sold, transferred, otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell,

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

6.2. Investment Representation. The Holder hereby covenants that (a) any sale of any share of Common Stock acquired upon the vesting of the shares of Common Stock under Section 3.2(a) shall be made in accordance with the applicable securities laws, either pursuant to an effective registration statement under the Member. The Member, acting through its duly authorized agents, is authorized Securities and Exchange Commission to file a registration statement on behalf of the Holder, or pursuant to an exemption from registration under the Securities Act and such state securities laws, or regulations and requirements of any regulatory authority having control of or supervision over the issuance of the shares and, in the name of the Company, to perform all acts and engage in all activities and transactions which it may shall in its sole discretion deem necessary or advisable.

7. Additional Terms and Conditions of Award.

7.1. Withholding Taxes.

(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 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; (ii) 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 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; (iii) 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 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 (iv) 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's 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 is required to satisfy the maximum individual statutory rate in the Holder's jurisdiction, then the number of shares of Common Stock to be delivered or 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 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 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 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 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 conclusive.

7.5. Successors. This Agreement shall be binding upon and inure to the Act. The Member is an agentbenefit of any successor or successor who shall, upon the actionsdeath of the MemberHolder, 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 or more individuals to be officers 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 are provided in this Agreement including shall be made, if to the power Company, to execute documents on behalf of CDW Corporation, Attn: General Counsel, 60061, and if to the Holder, to the last known mailing address of the Company subject to Holder contained in the records of the Company. All notices, requests or other communications 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 manner provided in this Agreement. The notice, request or other communication shall be deemed to be received upon personal delivery, upon confirmation of receipt of facsimile or electronic mail, or upon delivery to the address entitled thereto if by United States mail or express courier service; provided, however, that if a notice, request or other communication sent to the Member is not received during regular business hours, it shall be deemed to be received on the next business day. Unless otherwise specified, if a title is assigned to a next succeeding business corporation, the assignment of such title shall constitute the delegation of authority, duties and obligations of the title to the next succeeding business corporation.

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 to 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 be 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

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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 other 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 Member 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 may appoint Vice President as the Chief Executive Officer may from time to time deem expedient and may designate for such officers titles that appropriate. 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 executive 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 shall be held by the 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 additional 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 Company 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's

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

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(b) The occurrence of any other event that causes the dissolution of a limited liability company under the Act.

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 affect such Member's interest in the Company, nor shall such an insolvency event, including a bankruptcy filing, by or against a Member effect a deemed assignment, transfer, withdrawal or dissolution of such Member's interest in the Company, nor otherwise have any effect whatsoever on such Member's interest.

ARTICLE VII

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

ARTICLE VIII

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 a 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

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8.27.8. Right to Indemnification. Agreement Subject to the limitations and conditions as provided in this PlanArticle VIII, each person made a party 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 acknowledging 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, partners enterprise, shall be indemnified by the Company parties with respect to the fullest extent permitted under applicable law, as the same exists or may 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 limit 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 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 of this Agreement. Indemnification under this Article VIII shall continue Holder with respect to the subject matter hereof, and may not be modified after Person who has ceased to serve in writing signed by the capacity which initially entitled such Person to indemnity hereunder. The rights granted pur

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 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 functionary of the Company, or was 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 a Proceeding for indemnification under Article VIII, provided that the payment of such expenses incurred by any such Person in advance of the final disposition of the Proceeding is made only upon delivery to the Company of a written affirmation by such Person of his or her good faith belief that he or she is 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 he or she is not entitled to be indemnified under this Article VIII or otherwise.

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 a Proceeding for 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 he or she is not entitled to be indemnified under this Article VIII or otherwise.

8.4.7.11. Indemnification of Employees Amendment and Agents Waiver. The Company may indemnify and advance expenses amend the 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 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 enforceability 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 or similar functionary of the Company, or was 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 a Proceeding for 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 he or she is not entitled to be indemnified under this Article VIII or otherwise.

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

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participation in a Proceeding related to or arising out of (i) the business six-month anniversary of the Company at the request of the Company as a manager, director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of the Company, or was or is threatened to be made a named defendant or 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, or any other right which a Manager, officer or other Person indemnified pursuant to this Article VIII may have or hereafter acquire under any law (code, 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 functionary of the Company, or was or is threatened to be made a named defendant or respondent in the Proceeding in advance of the final disposition of the Proceeding other than a Proceeding for 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 he or she is not entitled to be indemnified under this Article VIII or otherwise.

8.8 Savings Clause. If this Article VIII or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, hold harmless each Manager, officer or any other Person indemnified pursuant to this Article VIII as to costs, charges and expenses (including reasonable expenses) paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative to the fullest extent permitted by law, have been invalidated and 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, transactions contemplated by that certain Equity Purchase Agreement, dated as of March 15, 2021, by and among CDW Technologies, LLC, a Chesapeake IT, Inc., 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

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

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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

<u>Name of Member</u>	<u>Number of Common Units</u>
CDW Technologies, LLC	1

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**CERTIFICATION PURSUANT TO RULE 13a-14(a) 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, in light of the circumstances under which such statements were 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 of the registrant as of the close of the period covered by 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 that information required to be disclosed by the registrant in the reports it files under the Exchange Act is accumulated and communicated to me, and to allow me to approve or disapprove of such disclosure controls and procedures, or caused such procedures to be disseminated to our consolidated subsidiaries, as 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 these disclosure controls and procedures, 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 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 auditors (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 adversly affect our ability to record, process, summarize 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 1, 2023

**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 of the registrant as of the date of the report and the results of its operations 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 Rules 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 that information required to be disclosed by the registrant in the reports it files or submits under the Exchange Act is accumulated and communicated to us, and to allow for the preparation and report of financial statements for external purposes in accordance with generally accepted accounting principles;
 - 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 disclosure controls and procedures, as of the end of the period 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 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 auditors (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 adversly affect our ability to record, process, summarize 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** fully complies with the reporting 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 the registrant.

/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** (the "Report") 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 Report fairly presents, in all material respects, the financial condition and results of operations of CDW.

/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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