

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

	<b>December 31,</b>	
	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 154.0	\$ 205.8
Accounts receivable, net of allowance for doubtful accounts of \$7.9 and \$7.0, respectively	3,002.2	2,671.2
Merchandise inventory	611.2	454.3
Miscellaneous receivables	395.1	316.4
Prepaid expenses and other	171.6	149.1
Total current assets	4,334.1	3,796.8
Operating lease right-of-use assets	131.8	—
Property and equipment, net	363.1	156.1
Goodwill	2,553.0	2,462.8
Other intangible assets, net	594.1	712.2
Other assets	23.3	39.8
<b>Total Assets</b>	<b>\$ 7,999.4</b>	<b>\$ 7,167.7</b>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable-trade	\$ 1,835.0	\$ 1,577.1
Accounts payable-inventory financing	429.9	429.3
Current maturities of long-term debt	34.1	25.3
Contract liabilities	252.2	178.3
Accrued expenses and other current liabilities:		
Compensation	212.3	186.4
Advertising	147.9	119.2
Sales and income taxes	88.6	55.5
Other	491.4	232.0
Total current liabilities	3,491.4	2,803.1
Long-term liabilities:		
Debt	3,283.2	3,183.3
Deferred income taxes	62.4	141.9
Operating lease liabilities	131.1	—
Other liabilities	71.0	64.2
Total long-term liabilities	3,547.7	3,389.4
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; 143.0 and 147.7 shares outstanding, respectively	1.4	1.5
Paid-in capital	3,095.3	2,996.9
Accumulated deficit	(2,018.6)	(1,892.6)
Accumulated other comprehensive loss	(117.8)	(130.6)
Total stockholders' equity	960.3	975.2
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 7,999.4</b>	<b>\$ 7,167.7</b>

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

**CDW CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(dollars in millions, except per share amounts)

	Year Ended December 31,		
	2019	2018	2017
Net sales	\$ 18,032.4	\$ 16,240.5	\$ 14,832.9
Cost of sales	14,992.5	13,533.6	12,382.7
Gross profit	3,039.9	2,706.9	2,450.2
Selling and administrative expenses	1,713.1	1,537.1	1,410.0
Advertising expense	193.2	182.5	173.7
Operating income	1,133.6	987.3	866.5
Interest expense, net	(159.4)	(148.6)	(150.5)
Other (expense) income, net	(24.5)	1.8	(55.3)
Income before income taxes	949.7	840.5	660.7
Income tax expense	(212.9)	(197.5)	(137.6)
Net income	<u>\$ 736.8</u>	<u>\$ 643.0</u>	<u>\$ 523.1</u>
Net income per common share:			
Basic	\$ 5.08	\$ 4.26	\$ 3.37
Diluted	\$ 4.99	\$ 4.19	\$ 3.31
Weighted-average common shares outstanding:			
Basic	145.1	150.9	155.4
Diluted	147.8	153.6	158.2

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

	Year Ended December 31,		
	2019	2018	2017
<b>Cash flows from operating activities:</b>			
Net income	\$ 736.8	\$ 643.0	\$ 523.1
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	267.1	265.6	260.9
Equity-based compensation expense	48.5	40.7	43.7
Deferred income taxes	(87.9)	(56.1)	(172.7)
Other	29.0	10.9	62.4
Changes in assets and liabilities:			
Accounts receivable	(244.8)	(365.1)	(136.8)
Merchandise inventory	(153.0)	(46.8)	16.9
Other assets	(10.9)	25.2	(117.8)
Accounts payable-trade	194.1	271.2	231.5
Other liabilities	248.3	117.3	66.5
Net cash provided by operating activities	1,027.2	905.9	777.7
<b>Cash flows used in investing activities:</b>			
Capital expenditures	(236.3)	(86.1)	(81.1)
Acquisition of businesses, net of cash acquired	(95.1)	—	—
Net cash used in investing activities	(331.4)	(86.1)	(81.1)
<b>Cash flows used in financing activities:</b>			
Proceeds from borrowings under revolving credit facilities	2,445.5	686.7	1,560.7
Repayments of borrowings under revolving credit facilities	(2,394.5)	(686.7)	(1,560.7)
Repayments of long-term debt	(23.5)	(21.6)	(14.9)
Proceeds from issuance of long-term debt	600.0	—	2,083.0
Payments to extinguish long-term debt	(539.0)	—	(2,121.3)
Net change in accounts payable-inventory financing	(1.3)	(67.4)	(84.0)
Repurchases of common stock	(657.2)	(522.3)	(534.0)
Payment of incentive compensation plan withholding taxes	(21.4)	(33.9)	(49.6)
Dividend payments	(183.4)	(139.4)	(106.9)
Other	25.0	29.8	9.0
Net cash used in financing activities	(749.8)	(754.8)	(818.7)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>2.2</b>	<b>(3.4)</b>	<b>2.6</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(51.8)</b>	<b>61.6</b>	<b>(119.5)</b>
<b>Cash and cash equivalents – beginning of period</b>	<b>205.8</b>	<b>144.2</b>	<b>263.7</b>
<b>Cash and cash equivalents – end of period</b>	<b>\$ 154.0</b>	<b>\$ 205.8</b>	<b>\$ 144.2</b>
<b>Supplementary disclosure of cash flow information:</b>			
Interest paid	\$ (154.2)	\$ (148.8)	\$ (148.5)
Taxes paid, net	\$ (272.2)	\$ (261.2)	\$ (275.7)

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