



Insight Enterprises, Inc.

First Quarter 2018

Earnings Conference Call and Webcast

Agenda

Opening comments

CEO commentary

- First Quarter 2018 Results
 - Consolidated
 - Segments

CFO commentary

- Q1 Effective Tax Rate
- Adoption of ASC 606
- 2018 Cash Flow Performance

Closing comments & 2018 Guidance

Disclosures

Safe harbor statement

This presentation includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 related to Insight’s plans and expectations. Statements that are not historical facts, including statements about future trends in the IT market and our opportunities for growth, are forward-looking statements. These forward-looking statements are subject to assumptions, risks and uncertainties which could cause actual results or future events to differ materially from such statements. The Company undertakes no obligation to update publicly or revise any of the forward-looking statements, except as otherwise required by law. More detailed information about risk factors are discussed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2017.

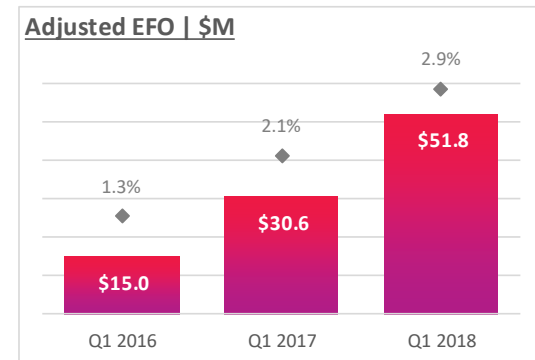
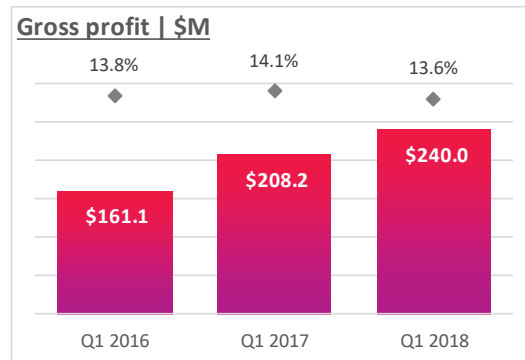
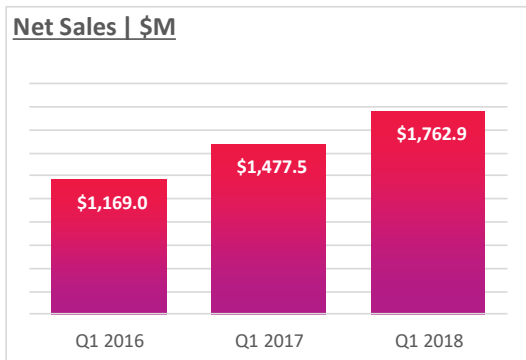
Non-GAAP measures

This presentation will reference certain non-GAAP financial information as ‘Adjusted’. A reconciliation of non-GAAP financial measures presented in this document is attached to back of this presentation and included in the press release issued today which you may find on the Investor Relations section of our website at investor.insight.com.

Consolidated Financial Results

	Three Months Ended March 31,		
	2018	2017	change
Insight Enterprises, Inc. (in millions)			
Net sales:			
Products.....	\$ 1,582.2	\$ 1,322.0	20%
Services	\$ 180.7	\$ 155.5	16%
Total net sales	\$ 1,762.9	\$ 1,477.5	19%
Gross profit.....	\$ 240.0	\$ 208.2	15%
Gross margin	13.6%	14.1%	(50 bps)
Selling and administrative expenses.....	\$ 188.2	\$ 177.6	6%
Severance and restructuring expenses	\$ 1.6	\$ 4.7	(65%)
Acquisition-related expenses.....	\$ -	\$ 2.9	*
Earnings from operations.....	\$ 50.2	\$ 23.0	119%
Net earnings	\$ 32.7	\$ 13.8	136%
Diluted earnings per share.....	\$ 0.90	\$ 0.38	137%

* Percentage change not considered meaningful.

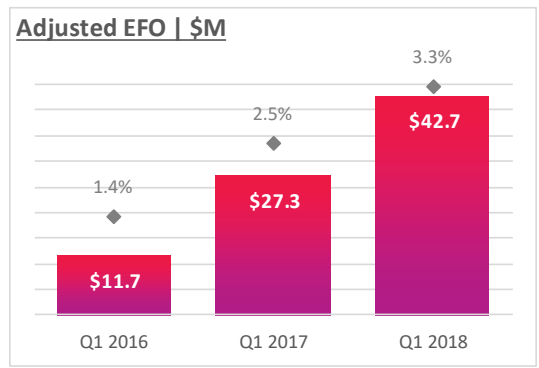
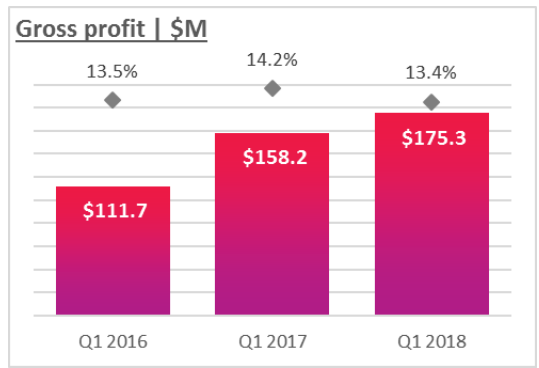
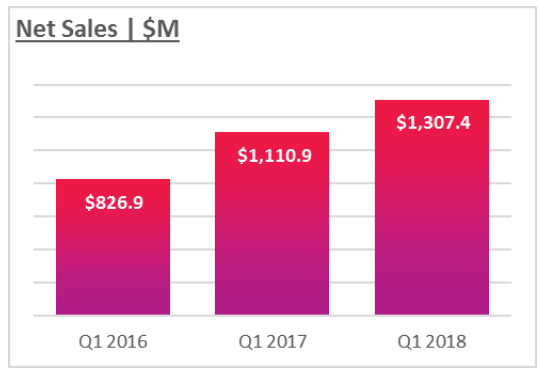


Insight North America | Financial Results

	Three Months Ended March 31,		
	2018	2017	change
North America (in millions)			
Net sales:			
Products.....	\$ 1,163.8	\$ 984.8	18%
Services.....	\$ 143.6	\$ 126.1	14%
Total net sales.....	\$ 1,307.4	\$ 1,110.9	18%
Gross profit.....	\$ 175.3	\$ 158.2	11%
Gross margin.....	13.4%	14.2%	(80 bps)
Selling and administrative expenses.....	\$ 132.6	\$ 131.0	1%
Severance and restructuring expenses.....	\$ 0.4	\$ 1.1	(60%)
Acquisition-related expenses.....	\$ -	\$ 2.9	*
Earnings from operations.....	\$ 42.3	\$ 23.2	82%
Sales Mix			**
Hardware.....	67%	64%	23%
Software.....	22%	25%	6%
Services.....	11%	11%	14%
	100%	100%	18%

* Percentage change not considered meaningful.

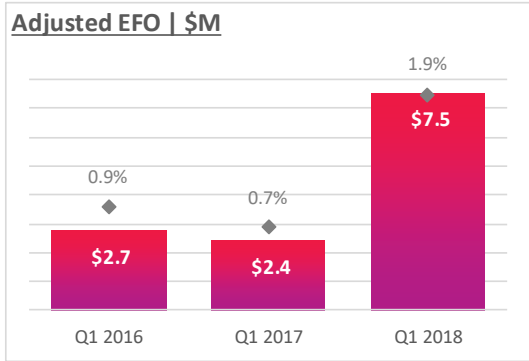
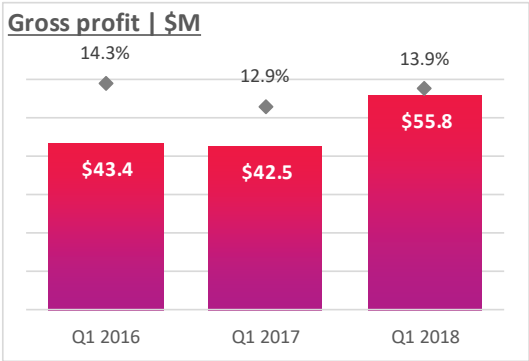
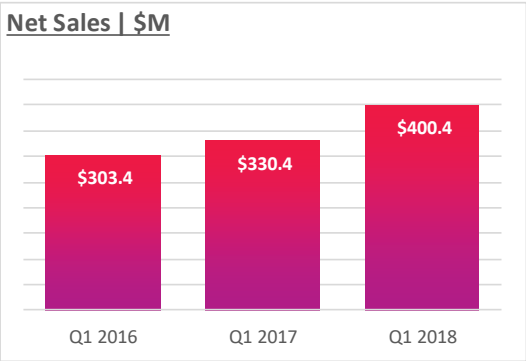
** Change in sales mix represents growth/decline in category net sales on a U.S. dollar basis and does not exclude the effects of fluctuating foreign currency exchange rates.



	Three Months Ended March 31,		
	2018	2017	change
EMEA (in millions)			
Net sales:			
Products.....	\$ 371.9	\$ 308.2	21%
Services	\$ 28.5	\$ 22.2	29%
Total net sales	\$ 400.4	\$ 330.4	21%
Gross profit.....	\$ 55.8	\$ 42.5	31%
Gross margin	13.9%	12.9%	100 bps
Selling and administrative expenses.....	\$ 48.3	\$ 40.1	20%
Severance and restructuring expenses	\$ 1.1	\$ 3.5	(70%)
Earnings (loss) from operations.....	\$ 6.4	\$ (1.1)	*
Sales Mix			**
Hardware	47%	42%	35%
Software	46%	51%	9%
Services	7%	7%	29%
	<u>100%</u>	<u>100%</u>	21%

* Percentage change not considered meaningful.

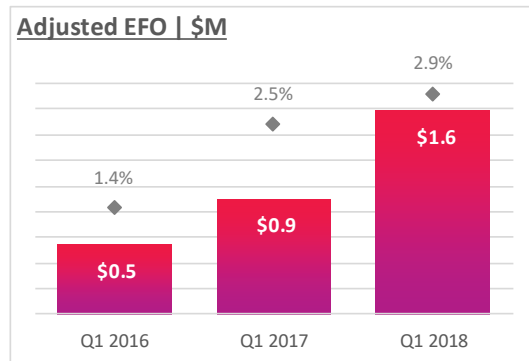
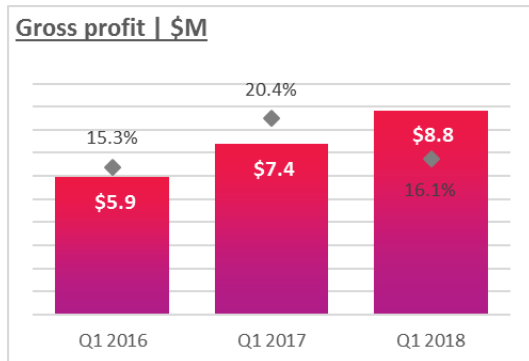
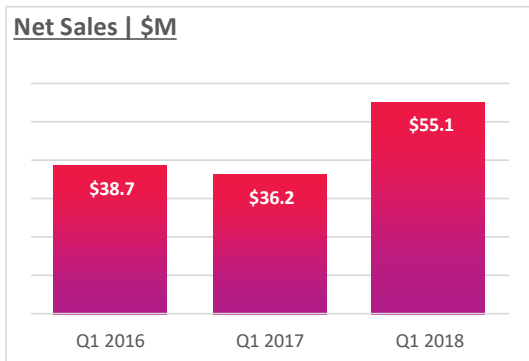
** Change in sales mix represents growth/decline in category net sales on a U.S. dollar basis and does not exclude the effects of fluctuating foreign currency exchange rates.



Insight APAC | Financial Results

	Three Months Ended December 31,		
	2018	2017	change
APAC (in millions)			
Net sales:			
Products.....	\$ 46.4	\$ 28.9	60%
Services.....	\$ 8.7	\$ 7.3	19%
Total net sales.....	\$ 55.1	\$ 36.2	52%
Gross profit.....	\$ 8.8	\$ 7.4	20%
Gross margin.....	16.1%	20.4%	(430 bps)
Selling and administrative expenses.....	\$ 7.2	\$ 6.5	12%
Severance and restructuring expenses.....	\$ 0.1	\$ 0.1	108%
Earnings from operations.....	\$ 1.5	\$ 0.8	74%
Sales Mix			**
Hardware.....	13%	11%	75%
Software.....	71%	69%	58%
Services.....	16%	20%	19%
	<u>100%</u>	<u>100%</u>	52%

** Change in sales mix represents growth/decline in category net sales on a U.S. dollar basis and does not exclude the effects of fluctuating foreign currency exchange rates.



CFO Commentary

- Q1 2018 Tax rate
- ASC 606 – Revenue Recognition
- Q1 2018 Cash Flow Performance

Cash Flows & Cash Cycle

US Dollar in \$Ms	Quarter Ended March 31,		
	2018	2017	change
Statement of cash flows			
Net cash provided by operating activities	\$ 150.7	\$ (152.1)	\$ 302.8
Acquisition, net of cash acquired	-	(180.9)	180.9
Purchases of property and equipment	(5.0)	(10.1)	5.0
Other	-	-	-
Net cash used in investing activities	\$ (5.0)	\$ (190.9)	\$ 185.9
Net (repayments) borrowings of Debt	\$ (49.8)	\$ 331.5	\$ (381.3)
Net change - inventory financing	(91.4)	(4.2)	(87.2)
Repurchases of common stock	(7.7)	-	(7.7)
Other	(4.4)	(9.2)	4.8
Net cash used in financing activities	\$ (153.2)	\$ 318.1	\$ (471.4)
Increase in cash and cash equivalents	\$ (5.6)	\$ (19.1)	\$ 13.5
Cash and cash equivalents at end of period	\$ 100.2	\$ 183.7	\$ (83.5)

Free cash flow			
Net cash provided by operating activities	\$ 150.7	\$ (152.1)	199%
Purchases of property and equipment	(5.0)	(10.1)	-50%
Net change - inventory financing	(91.4)	(4.2)	2090%
Free cash flow	\$ 54.3	\$ (166.3)	133%

Cash conversion cycle			
Days sales outstanding ("DSOs")	89	85	4
Days inventory outstanding ("DIOs")	12	11	1
Days purchases outstanding ("DPOs")	66	67	(1)
Cash conversion cycle	35	29	6

Closing Comments – 2018 Outlook

- 2018 sales expected to grow in the mid to high-single digit range
- Adjusted diluted earnings per share are expected to be between \$4.35 and \$4.45 per share for the full year
- Effective tax rate between 26% and 27%
- Capital Expenditures between \$15 and \$20 million
- Assumes average share count of approximately 36.0 million shares

- Does not include severance, restructuring or acquisition expenses*

** Due to the inherent difficulty of forecasting these types of expenses, which impact net earnings and diluted earnings per share, the Company is unable to reasonably estimate the related impact of such expenses, if any, to net earnings and diluted earnings per share. Accordingly, the Company is unable to provide a reconciliation of GAAP to non-GAAP diluted earnings per share for the full year 2018 forecast.*

Appendix – Reconciliation of GAAP to Non-GAAP Financial Measures

	Three Months Ended March 31,		
	2018	2017	2016
Adjusted Consolidated Earnings from Operations (in millions):			
GAAP consolidated EFO	\$ 50.2	\$ 23.0	\$ 13.6
Severance and restructuring expenses.....	1.6	4.7	1.4
Acquisition-related expenses	-	2.9	-
Adjusted non-GAAP consolidated EFO	<u>\$ 51.8</u>	<u>\$ 30.6</u>	<u>\$ 15.0</u>
Adjusted Consolidated Net Earnings (in millions):			
GAAP consolidated net earnings	\$ 32.7	\$ 13.8	\$ 6.8
Severance and restructuring expenses.....	1.6	4.7	1.4
Acquisition-related expenses	-	2.9	-
Income taxes on non-GAAP adjustments.....	(0.2)	(1.2)	(0.5)
Adjusted non-GAAP consolidated net earnings	<u>\$ 34.1</u>	<u>\$ 20.2</u>	<u>\$ 7.7</u>
Adjusted Consolidated Diluted EPS:			
GAAP consolidated diluted EPS.....	\$ 0.90	\$ 0.38	\$ 0.18
Severance and restructuring expenses.....	0.05	0.13	0.04
Acquisition-related expenses	-	0.08	-
Income taxes on non-GAAP adjustments.....	(0.01)	(0.03)	(0.01)
Adjusted non-GAAP consolidated diluted EPS	<u>\$ 0.94</u>	<u>\$ 0.56</u>	<u>\$ 0.21</u>

Appendix – Reconciliation of GAAP to Non-GAAP Financial Measures (continued)

	Three Months Ended March 31,		
	2018	2017	2016
Adjusted North America Earnings from Operations (in millions):			
GAAP EFO from North America segment.....	\$ 42.3	\$ 23.2	\$ 10.5
Severance and restructuring expenses.....	0.4	1.1	1.2
Acquisition-related expenses	<u>-</u>	<u>2.9</u>	<u>-</u>
Adjusted non-GAAP EFO from North America segment.....	<u>\$ 42.7</u>	<u>\$ 27.2</u>	<u>\$ 11.7</u>
Adjusted EMEA Earnings from Operations (in millions):			
GAAP EFO from EMEA segment	\$ 6.4	\$ (1.1)	\$ 2.7
Severance and restructuring expenses.....	<u>1.1</u>	<u>3.5</u>	<u>-</u>
Adjusted non-GAAP EFO from EMEA segment	<u>\$ 7.5</u>	<u>\$ 2.4</u>	<u>\$ 2.7</u>
Adjusted APAC Earnings from Operations (in millions):			
GAAP EFO from APAC segment	\$ 1.5	\$ 0.8	\$ 0.4
Severance and restructuring expenses.....	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>
Adjusted non-GAAP EFO from APAC segment.....	<u>\$ 1.6</u>	<u>\$ 0.9</u>	<u>\$ 0.5</u>
Adjusted Free Cash Flow (in millions):			
Net cash provided by (used in) operating activities.....	\$ 150.7	\$ (152.0)	\$ (46.9)
Purchases of property and equipment	(5.0)	(10.0)	(2.9)
Net repayments under inventory financing facility	<u>(91.4)</u>	<u>(4.2)</u>	<u>(4.3)</u>
Adjusted non-GAAP free cash flow.....	<u>\$ 54.3</u>	<u>\$ (166.2)</u>	<u>\$ (54.1)</u>