



Insight Enterprises, Inc.

Second Quarter 2018

Earnings Conference Call and Webcast

Agenda

Opening comments

CEO commentary

- Second Quarter 2018 Results
 - Consolidated Financials
 - ROIC and Free Cash Flow
 - Cardinal Acquisition Update

CFO commentary

- North America Financial Results
- EMEA Financial Results
- APAC Financial Results
- Cash Flows and Cash Conversion Cycle

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 is in today’s press release and 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 to our actual GAAP results 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.

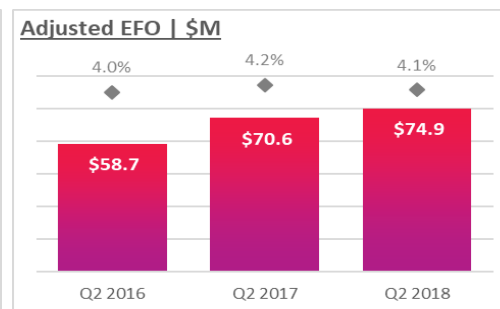
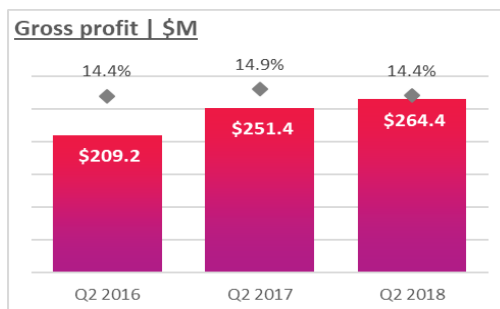
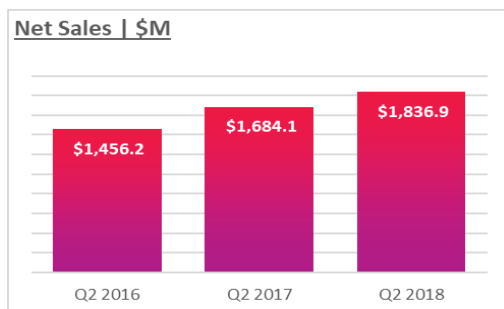
Constant currency

In some instances the Company refers to changes in net sales, gross profit and earnings from operations on a consolidated basis and in North America, EMEA and APAC excluding the effects of fluctuating foreign currency exchange rates. In computing these changes and percentages, the Company compares the current year amount as translated into U.S. dollars under the applicable accounting standards to the prior year amount in local currency translated into U.S. dollars utilizing the weighted average translation rate for the current period.

Consolidated Financial Results

US Dollar in \$M	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	change	2018	2017	change
Insight Enterprises, Inc.						
Net sales:						
Products	\$ 1,619.8	\$ 1,505.5	8%	\$ 3,201.9	\$ 2,827.5	13%
Services	217.1	178.6	22%	397.9	334.1	19%
Total net sales	1,836.9	1,684.1	9%	3,599.8	3,161.6	14%
Gross profit	264.4	251.4	5%	504.3	459.6	10%
Gross margin	14.4%	14.9%	(50 bps)	14.0%	14.5%	(50 bps)
Selling and administrative expenses	189.5	180.8	5%	377.6	358.4	5%
Severance & Restructuring Expense	0.4	1.0	(63%)	2.0	5.7	(65%)
Acquisition Related Expense	0.1	0.3	(66%)	0.1	3.2	(97%)
Earnings from Operations	\$ 74.4	\$ 69.3	7%	\$ 124.6	\$ 92.3	35%
Diluted Earnings per Share	\$ 1.44	\$ 1.11	28%	\$ 2.34	\$ 1.50	56%
Adj. Earnings from operations ⁽¹⁾	\$ 74.9	\$ 70.6	6%	\$ 126.7	\$ 101.2	25%
Adj. Diluted earnings per share ⁽¹⁾	\$ 1.45	\$ 1.14	27%	\$ 2.38	\$ 1.70	40%
Constant Currency						
Total net sales	\$ 1,836.9		7%	\$ 3,599.8		11%
Gross profit	\$ 264.4		3%	\$ 504.4		7%

* Reference "Constant currency" section on slide 3 of this presentation.



(1) Non-GAAP measures based on Insight continuing operations. See Non-GAAP information section in the Appendix of this presentation.

ROIC and Free Cash Flow

<u>US Dollar in \$Ms</u>	TTM Quarter Ended June 30, 2018		
	2018	2017	change
Return on invested capital - Adjusted			
Adjusted Earnings from operations⁽¹⁾ (net of tax)⁽²⁾	\$ 158.5	\$ 116.6	\$ 41.9
Average Equity (avg 5 quarters)	848.7	723.5	125.2
Average Debt (avg 5 quarters)	317.5	209.7	107.8
Less : Average Cash (avg 5 quarters)	177.0	186.4	(9.4)
Invested Capital	\$ 989.2	\$ 746.8	\$ 242.4
Adjusted return on invested capital⁽¹⁾	16.0%	15.6%	40 bps

<u>US Dollar in \$Ms</u>	6 Months Ended June 30,		
	2018	2017	change
Free cash flow - Adjusted			
Net cash provided by (used in) operating activities	\$ 351.0	\$ (99.3)	*
Purchases of property and equipment	(10.7)	(10.3)	4%
Net (repayments) borrowings under inventory financing facility	(15.8)	25.5	*
Adjusted free cash flow	\$ 324.5	\$ (84.1)	*

* Percentage represents a change greater than 100%

(1) Non-GAAP measures based on Insight continuing operations. See Non-GAAP information section in the Appendix of this presentation.

(2) Assumed tax rate of 28% for 2018 and 37% for 2017

Cardinal Acquisition Update



- Expertise in mobile app development, IoT, and cloud enabled BI
- 450 technical sales and service delivery teammates
- Expect to acquire for ~\$79M (net of cash acquired, subject to a final working capital adjustment)

Digital Innovation - Transportation

Drone rail inspection program

Problem

- Client wanted to improve rail safety by automating detection and alerts of track issues utilizing their BVLOS (beyond visual line of sight) drone program

Solution

- Created a near-real-time visual imagery anomaly detection solution for their unmanned military-style UAV drone rail inspection program
- Solution included a secure, scalable, automated, cost-effective mechanism to ingest data from IoT edge devices, directly into the centralized repository
- Built a scalable IoT and data architecture solution in the cloud
- Created administration friendly process for updating and extending IoT Edge devices in the field



CFO Commentary

- North America Financial Results
- EMEA Financial Results
- APAC Financial Results
- Cash Flows and Cash Conversion Cycle

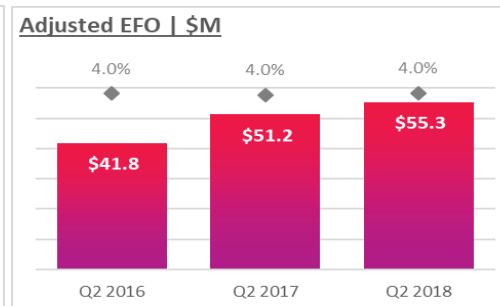
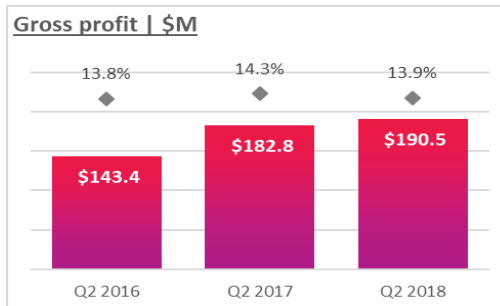
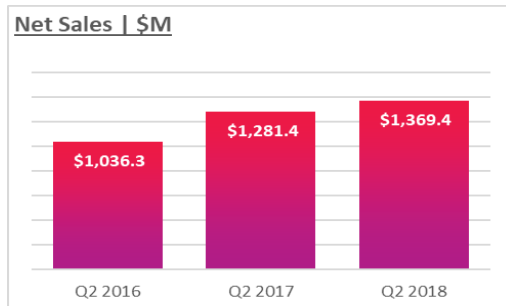
Insight North America | Financial Results

US Dollar in \$M	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	change	2018	2017	change
North America						
Net sales:						
Products	\$ 1,206.4	\$ 1,145.1	5%	\$ 2,370.2	\$ 2,129.9	11%
Services	163.0	136.3	20%	306.6	262.4	17%
Total net sales	1,369.4	1,281.4	7%	2,676.8	2,392.3	12%
Gross profit	190.5	182.8	4%	365.9	341.0	7%
Gross margin	13.9%	14.3%	(40 bps)	13.6%	14.3%	(70 bps)
Selling and administrative expenses	135.2	131.6	3%	267.8	262.6	2%
Severance & Restructuring Expense	0.3	0.5	(38%)	0.8	1.6	(53%)
Acquisition Related Expense	0.1	0.3	(66%)	0.1	3.2	(97%)
Earnings from Operations	\$ 54.9	\$ 50.4	9%	\$ 97.2	\$ 73.6	32%
Adj. Earnings from operations ⁽¹⁾	\$ 55.3	\$ 51.2	8%	\$ 98.0	\$ 78.5	25%
Sales Mix:						
			**			**
Hardware	66%	63%	12%	66%	63%	17%
Software	22%	26%	(10%)	22%	26%	(3%)
Services	12%	11%	20%	12%	11%	17%
	100%	100%	7%	100%	100%	12%

Constant Currency						
Total net sales	\$ 1,369.4		7%	\$ 2,676.8		12%
Gross profit	\$ 190.5		4%	\$ 365.8		7%

* Reference "Constant currency" section on slide 3 of this presentation.

** 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.



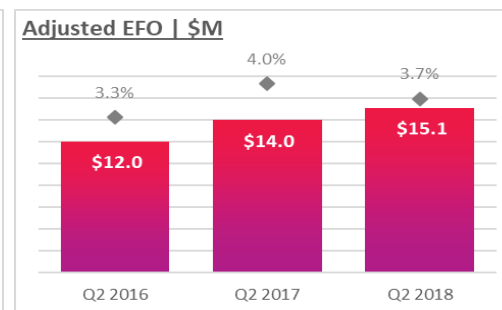
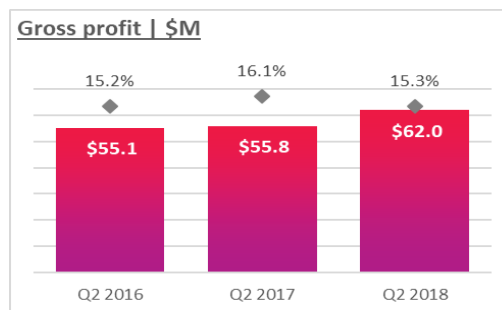
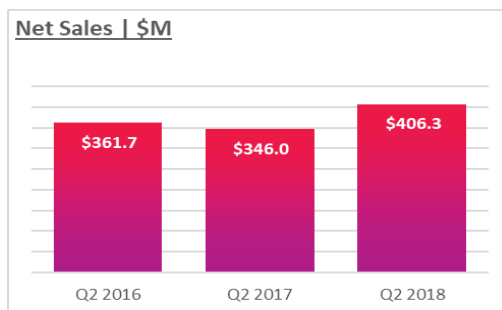
(1) Non-GAAP measures based on Insight continuing operations. See Non-GAAP information section in the Appendix of this presentation.

US Dollar in \$M	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	change	2018	2017	change
EMEA						
Net sales:						
Products	\$ 364.5	\$ 314.1	16%	\$ 736.4	\$ 622.3	18%
Services	41.8	31.9	31%	70.3	54.1	30%
Total net sales	406.3	346.0	17%	806.7	676.4	19%
Gross profit	62.0	55.8	11%	117.8	98.3	20%
Gross margin	15.3%	16.1%	(80 bps)	14.6%	14.5%	10 bps
Selling and administrative expenses	46.9	41.8	12%	95.2	81.9	16%
Severance & Restructuring Expense	0.1	0.5	(91%)	1.1	4.0	(72%)
Earnings from Operations	\$ 15.0	\$ 13.5	11%	\$ 21.5	\$ 12.4	74%
Adj. Earnings from operations ⁽¹⁾	\$ 15.1	\$ 14.0	8%	\$ 22.6	\$ 16.4	38%
Sales Mix:			**			**
Hardware	42%	36%	38%	44%	39%	36%
Software	48%	55%	2%	47%	53%	5%
Services	10%	9%	31%	9%	8%	30%
	100%	100%	17%	100%	100%	19%

Constant Currency						
Total net sales	\$ 406.3	*	10%	\$ 806.7	*	9%
Gross profit	\$ 62.0	*	4%	\$ 117.8	*	9%

* Reference "Constant currency" section on slide 3 of this presentation.

** 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.



(1) Non-GAAP measures based on Insight continuing operations. See Non-GAAP information section in the Appendix of this presentation.

Insight APAC | Financial Results

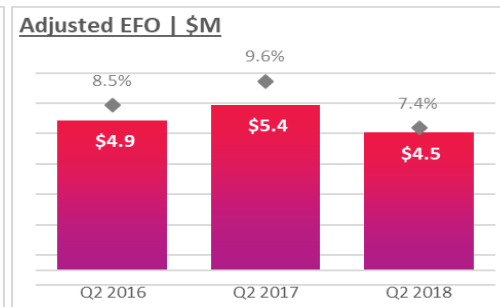
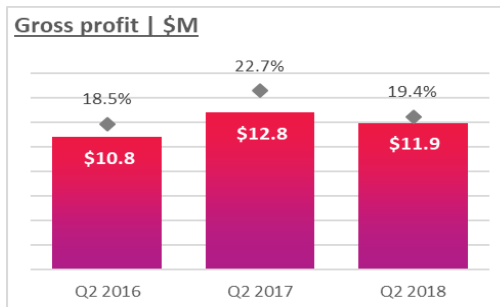
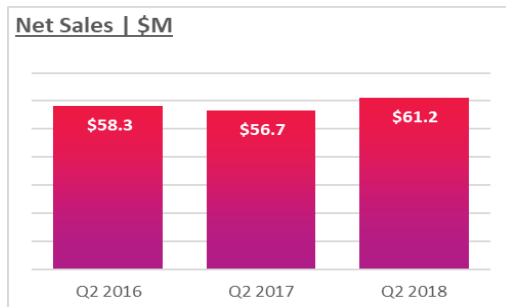
US Dollar in \$M	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	change	2018	2017	change
APAC						
Net sales:						
Products	\$ 48.9	\$ 46.4	6%	\$ 95.3	\$ 75.3	27%
Services	12.3	10.3	19%	21.0	17.6	19%
Total net sales	61.2	56.7	8%	116.3	92.9	25%
Gross profit	11.9	12.8	(7%)	20.7	20.2	2%
Gross margin	19.4%	22.7%	(330 bps)	17.8%	21.8%	(400 bps)
Selling and administrative expenses	7.4	7.4	(1%)	14.6	13.8	5%
Severance & Restructuring Expense	-	-	***	0.1	0.1	113%
Earnings from Operations	\$ 4.5	\$ 5.4	(17%)	\$ 6.0	\$ 6.3	(5%)
Adj. Earnings from operations ⁽¹⁾	\$ 4.5	\$ 5.4	(17%)	\$ 6.1	\$ 6.3	(4%)
Sales Mix:			**			**
Hardware	15%	12%	35%	14%	12%	50%
Software	65%	70%	0%	68%	69%	23%
Services	20%	18%	19%	18%	19%	19%
	100%	100%	8%	100%	100%	25%

Constant Currency						
Total net sales	\$ 61.2	*	7%	\$ 116.3	*	22%
Gross profit	\$ 11.9	*	(8%)	\$ 20.7	*	0%

* Reference "Constant currency" section on slide 3 of this presentation.

** 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.

*** Percentage change not considered meaningful.



(1) Non-GAAP measures based on Insight continuing operations. See Non-GAAP information section in the Appendix of this presentation.

Cash Flows & Cash Cycle

US Dollar in \$Ms	Six Months Ended June 30,		
	2018	2017	change
Statement of cash flows			
Net cash provided by operating activities	\$ 351.0	\$ (99.3)	\$ 450.3
Acquisition, net of cash acquired	-	(180.9)	180.9
Purchases of property and equipment	(10.6)	(10.3)	(0.3)
Other	-	-	-
Net cash used in investing activities	\$ (10.6)	\$ (191.2)	\$ 180.6
Net (repayments) borrowings of debt	\$ (149.1)	\$ 255.1	\$ (404.2)
Net (repayments) borrowings under inventory financing facility	(15.8)	25.5	(41.3)
Repurchases of common stock	(22.1)	-	(22.1)
Other	(5.5)	(9.9)	4.4
Net cash used in financing activities	\$ (192.5)	\$ 270.7	\$ (463.2)
Increase (decrease) in cash, cash equivalents and restricted cash	\$ 142.2	\$ (7.9)	\$ 150.1
Cash, cash equivalents and restricted cash at end of period	\$ 249.7	\$ 198.0	\$ 51.7

US Dollar in \$Ms	6 Months Ended June 30,		
	2018	2017	change
Free cash flow - Adjusted			
Net cash provided by (used in) operating activities	\$ 351.0	\$ (99.3)	*
Purchases of property and equipment	(10.7)	(10.3)	4%
Net (repayments) borrowings under inventory financing facility	(15.8)	25.5	*
Adjusted free cash flow	\$ 324.5	\$ (84.1)	*

	Quarter Ended June 30,		
	2018	2017	change
Cash conversion cycle			
Days sales outstanding ("DSOs")	107	98	9
Days inventory outstanding ("DIOs")	11	12	(1)
Days purchases outstanding ("DPOs")	(98)	(95)	(3)
Cash conversion cycle	20	15	5

* Percentage represents a change greater than 100%

Closing Comments – 2018 Outlook

- 2018 sales expected to grow in the high-single to low double digit range
- Adjusted diluted earnings per share are expected to be between \$4.50 and \$4.60 per share for the full year
- Effective tax rate expected between 26% and 27% for the balance of the year
- Cash flow from operations expected to be between \$180 and \$220 million for the full year
- Capital Expenditures expected between \$15 and \$20 million for the full year
- Assumes average share count of approximately 36.0 million shares
- Does not reflect additional share repurchases under current authorization
- 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 June 30,			Six Months Ended June 30,		
	2018	2017	2016	2018	2017	2016
Adjusted Consolidated Earnings from Operations (in millions):						
GAAP consolidated EFO	\$ 74.4	\$ 69.3	\$ 58.1	\$ 124.6	\$ 92.3	\$ 71.7
Severance and restructuring expenses	0.4	1.0	0.9	2.0	5.7	2.3
Gain on sale of real estate for which a non-cash impairment charge was previously reported.....	-	-	(0.3)	-	-	(0.3)
Acquisition-related expenses.....	0.1	0.3	-	0.1	3.2	-
Adjusted non-GAAP consolidated EFO.....	<u>\$ 74.9</u>	<u>\$ 70.6</u>	<u>\$ 58.7</u>	<u>\$ 126.7</u>	<u>\$ 101.2</u>	<u>\$ 73.7</u>

Adjusted Consolidated Net Earnings (in millions):						
GAAP consolidated net earnings	\$ 51.5	\$ 40.2	\$ 35.0	\$ 84.2	\$ 54.1	\$ 41.9
Severance and restructuring expenses	0.4	1.0	0.9	2.0	5.7	2.3
Gain on sale of real estate for which a non-cash impairment charge was previously reported.....	-	-	(0.3)	-	-	(0.3)
Acquisition-related expenses.....	0.1	0.3	-	0.1	3.2	-
Income taxes on non-GAAP adjustments	(0.2)	(0.3)	(0.1)	(0.4)	(1.6)	(0.7)
Adjusted non-GAAP consolidated net earnings.....	<u>\$ 51.8</u>	<u>\$ 41.2</u>	<u>\$ 35.5</u>	<u>\$ 85.9</u>	<u>\$ 61.4</u>	<u>\$ 43.2</u>

Adjusted Diluted EPS:						
GAAP consolidated diluted EPS	\$ 1.44	\$ 1.11	\$ 0.96	\$ 2.34	\$ 1.50	\$ 1.13
Severance and restructuring expenses	0.01	0.03	0.02	0.05	0.16	0.06
Gain on sale of real estate for which a non-cash impairment charge was previously reported.....	-	-	(0.01)	-	-	(0.01)
Acquisition-related expenses.....	-	0.01	-	-	0.09	-
Income taxes on non-GAAP adjustments	-	(0.01)	-	(0.01)	(0.05)	(0.01)
Adjusted non-GAAP consolidated diluted EPS.....	<u>\$ 1.45</u>	<u>\$ 1.14</u>	<u>\$ 0.97</u>	<u>\$ 2.38</u>	<u>\$ 1.70</u>	<u>\$ 1.17</u>

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

	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	2016	2018	2017	2016
Adjusted North America Earnings from Operations (in millions):						
GAAP EFO from North America segment	\$ 54.9	\$ 50.4	\$ 41.5	\$ 97.2	\$ 73.6	\$ 52.0
Severance and restructuring expenses.....	0.3	0.5	0.6	0.7	1.6	1.8
Gain on sale of real estate for which a non-cash impairment charge was previously reported	-	-	(0.3)	-	-	(0.3)
Acquisition-related expenses	0.1	0.3	-	0.1	3.2	-
Adjusted non-GAAP EFO from North America segment	<u>\$ 55.3</u>	<u>\$ 51.2</u>	<u>\$ 41.8</u>	<u>\$ 98.0</u>	<u>\$ 78.5</u>	<u>\$ 53.5</u>
Adjusted EMEA Earnings from Operations (in millions):						
GAAP EFO from EMEA segment.....	\$ 15.0	\$ 13.5	\$ 11.7	\$ 21.5	\$ 12.4	\$ 14.4
Severance and restructuring expenses.....	0.1	0.5	0.3	1.1	4.0	0.3
Adjusted non-GAAP EFO from EMEA segment	<u>\$ 15.1</u>	<u>\$ 14.0</u>	<u>\$ 12.0</u>	<u>\$ 22.6</u>	<u>\$ 16.4</u>	<u>\$ 14.7</u>
Adjusted APAC Earnings from Operations (in millions):						
GAAP EFO from APAC segment	\$ 4.5	\$ 5.4	\$ 4.9	\$ 6.0	\$ 6.2	\$ 5.4
Severance and restructuring expenses.....	-	-	-	0.1	0.1	0.1
Adjusted non-GAAP EFO from APAC segment.....	<u>\$ 4.5</u>	<u>\$ 5.4</u>	<u>\$ 4.9</u>	<u>\$ 6.1</u>	<u>\$ 6.3</u>	<u>\$ 5.5</u>

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

	Six Months Ended June 30,		
	2018	2017	2016
Adjusted free cash flow (in millions):			
Net cash provided by (used in) operating activities	\$ 351.0	\$ (99.3)	\$ (4.6)
Purchases of property and equipment	(10.7)	(10.3)	(5.0)
Net (repayments) borrowings under inventory financing facility	(15.8)	25.5	49.4
Adjusted non-GAAP free cash flow	<u>\$ 324.5</u>	<u>\$ (84.1)</u>	<u>\$ 39.8</u>

	Twelve Months Ended June 30,		
	2018	2017	2016
Adjusted Return on Invested Capital (in millions):			
GAAP consolidated EFO	\$ 211.5	\$ 169.4	\$ 134.9
Severance and restructuring expenses	5.3	8.0	6.1
Acquisition-related expenses	0.2	7.7	-
Loss on sale of foreign entity	3.1	-	-
Non-cash real estate impairment, net of gain on sale	-	-	0.5
Adjusted non-GAAP consolidated EFO	220.1	185.1	141.5
Income tax expense*	61.6	68.5	52.4
Adjusted non-GAAP consolidated EFO, net of tax	<u>\$ 158.5</u>	<u>\$ 116.6</u>	<u>\$ 89.1</u>
Average stockholders' equity**	\$ 848.7	\$ 723.5	\$ 677.7
Average debt**	317.5	209.7	91.9
Average cash**	(177.0)	(186.4)	(172.1)
Invested Capital	<u>\$ 989.2</u>	<u>\$ 746.8</u>	<u>\$ 597.5</u>
Adjusted non-GAAP ROIC***	16.02%	15.61%	14.91%

* Assumed tax rate of 28% for 2018 and 37% for 2017.

** Average of previous five quarters.

*** Computed as Adjusted non-GAAP consolidated EFO, net of tax divided by invested capital.