

**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: **March 31, 2021**

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: **0-25092**



INSIGHT ENTERPRISES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

86-0766246

(I.R.S. Employer
Identification Number)

6820 South Harl Avenue, Tempe, Arizona 85283
(Address of principal executive offices) (Zip Code)

(480) 333-3000
(Registrant's telephone number, including area code)

Not Applicable

(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
Common stock, par value \$0.01

Trading Symbol
NSIT

Name of each exchange on which registered
The 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 ☒

Non-accelerated filer ☐

Accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐

No ☒

The number of shares outstanding of the issuer's common stock as of April 30, 2021 was 35,321,102.

INSIGHT ENTERPRISES, INC.
QUARTERLY REPORT ON FORM 10-Q
Three Months Ended March 31, 2021

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FORWARD-LOOKING INFORMATION

References to “the Company,” “Insight,” “we,” “us,” “our” and other similar words refer to Insight Enterprises, Inc. and its consolidated subsidiaries, unless the context suggests otherwise. Certain statements in this Quarterly Report on Form 10-Q, including statements in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part I, Item 2 of this report, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may include: projections of, and matters that affect, net sales, gross profit, gross margin, operating expenses, earnings from operations, non-operating income and expenses, net earnings or cash flows, cash needs and the payment of accrued expenses and liabilities; our future responses to and the potential impact of coronavirus strain COVID-19 (“COVID-19”) on our Company; our expectations regarding current supply constraints; the expected effects of seasonality on our business; expectations of further consolidation and trends in the Information Technology (“IT”) industry; our business strategy and our strategic initiatives, including our efforts to grow our core business in the current environment, develop and grow our global cloud business and build scalable solutions; expectations regarding partner incentives; our expectations about future benefits of our acquisitions and our plans related thereto, including potential expansion into wider regions; the increasing demand for big data solutions; the availability of competitive sources of products for our purchase and resale; our intentions concerning the payment of dividends; our acquisition strategy; our ability to offset the effects of inflation and manage any increase in interest rates; projections of capital expenditures; our plans to continue to evolve our IT systems, including migration of EMEA’s current system; the sufficiency of our capital resources, the availability of financing and our needs or plans relating thereto; the effects of new accounting principles and expected dates of adoption; the effect of indemnification obligations; projections about the outcome of ongoing tax audits; our expectations regarding future tax rates; adequate provisions for and our positions and strategies with respect to ongoing and threatened litigation and expected outcomes; our ability to expand our client relationships; our expectations that pricing pressures in the IT industry will continue; our plans to use cash flow from operations for working capital, to pay down debt, make capital expenditures, fund acquisitions, and repurchase shares of our common stock; our belief that our office facilities are adequate and that we will be able to extend our current leases or locate substitute facilities on satisfactory terms; our belief that we have adequate provisions for losses; our expectation that we will not incur interest payments under our inventory financing facilities; our expectations that future income will be sufficient to fully recover deferred tax assets; our exposure to off-balance sheet arrangements; statements of belief; and statements of assumptions underlying any of the foregoing. Forward-looking statements are identified by such words as “believe,” “anticipate,” “expect,” “estimate,” “intend,” “plan,” “project,” “will,” “may” and variations of such words and similar expressions and are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. Future events and actual results could differ materially from those set forth in, contemplated by, or underlying the forward-looking statements. There can be no assurances that results described in forward-looking statements will be achieved, and actual results could differ materially from those suggested by the forward-looking statements. Some of the important factors that could cause our actual results to differ materially from those projected in any forward-looking statements include, but are not limited to, the following, which are discussed in “Risk Factors” in Part I, Item 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2020:

- actions of our competitors, including manufacturers and publishers of products we sell;
 - our reliance on our partners for product availability, competitive products to sell and marketing funds and purchasing incentives, which can change significantly in the amounts made available and in the requirements year over year;
 - the duration and severity of the COVID-19 pandemic and its effects on our business, results of operations and financial condition, as well as the widespread outbreak of any other illnesses or communicable diseases;
 - general economic conditions, economic uncertainties and changes in geopolitical conditions;
-

INSIGHT ENTERPRISES, INC.

- changes in the IT industry and/or rapid changes in technology;
- supply constraints for devices;
- accounts receivable risks, including increased credit loss experience or extended payment terms with our clients;
- our reliance on independent shipping companies;
- the risks associated with our international operations;
- natural disasters or other adverse occurrences;
- disruptions in our IT systems and voice and data networks;
- cyberattacks or breaches of data privacy and security regulations;
- intellectual property infringement claims and challenges to our registered trademarks and trade names;
- legal proceedings, including PCM related litigation, client audits and failure to comply with laws and regulations;
- failure to comply with the terms and conditions of our commercial and public sector contracts;
- exposure to changes in, interpretations of, or enforcement trends related to tax rules and regulations;
- our potential to draw down a substantial amount of indebtedness;
- the conditional conversion feature of the convertible senior notes (the "Notes"), which if triggered, may adversely affect the Company's financial condition and operating results;
- the accounting method for convertible debt securities that may be settled in cash, such as the Notes, could have a material effect on the Company's reported financial results;
- the Company is subject to counterparty risk with respect to certain hedge and warrant transactions entered into in connection with the issuance of the Notes (the "Call Spread Transactions");
- risks associated with the discontinuation of LIBOR as a benchmark rate;
- increased debt and interest expense and decreased availability of funds under our financing facilities;
- possible significant fluctuations in our future operating results as well as seasonality and variability in customer demands;
- our dependence on certain key personnel;
- risks associated with the integration and operation of acquired businesses, including PCM and the achievement of expected synergies and benefits; and
- future sales of the Company's common stock or equity-linked securities in the public market could lower the market price for our common stock.

Additionally, there may be other risks that are otherwise described from time to time in the reports that we file with the Securities and Exchange Commission (the "SEC"). Any forward-looking statements in this report are made as of the date of this filing and should be considered in light of various important factors, including the risks and uncertainties listed above, as well as others. We assume no obligation to update, and, except as may be required by law, do not intend to update, any forward-looking statements. We do not endorse any projections regarding future performance that may be made by third parties.

PART I - FINANCIAL INFORMATION**Item 1. Financial Statements.**

INSIGHT ENTERPRISES, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)
(unaudited)

	March 31, 2021	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 138,753	\$ 128,313
Accounts receivable, net of allowance for doubtful accounts of \$15,664 and \$15,106, respectively	2,583,716	2,685,448
Inventories	253,297	185,650
Other current assets	177,927	177,039
Total current assets	3,153,693	\$ 3,176,450
Property and equipment, net of accumulated depreciation and amortization of \$254,747 and \$256,065, respectively	148,531	146,016
Goodwill	429,757	429,368
Intangible assets, net of accumulated amortization of \$111,245 and \$103,483, respectively	239,833	246,915
Other assets	282,793	311,983
	<u>\$ 4,254,607</u>	<u>\$ 4,310,732</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable—trade	\$ 1,460,172	\$ 1,461,312
Accounts payable—inventory financing facilities	309,075	356,930
Accrued expenses and other current liabilities	404,995	408,117
Current portion of long-term debt	830	1,105
Total current liabilities	2,175,072	2,227,464
Long-term debt	416,401	437,581
Deferred income taxes	33,963	33,209
Other liabilities	246,005	270,049
	<u>2,871,441</u>	<u>2,968,303</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value, 3,000 shares authorized; no shares issued	—	—
Common stock, \$0.01 par value, 100,000 shares authorized; 35,320 shares at March 31, 2021 and 35,103 shares at December 31, 2020 issued and outstanding	353	351
Additional paid-in capital	361,935	364,288
Retained earnings	1,036,413	993,245
Accumulated other comprehensive loss – foreign currency translation adjustments	(15,535)	(15,455)
Total stockholders' equity	1,383,166	1,342,429
	<u>\$ 4,254,607</u>	<u>\$ 4,310,732</u>

See accompanying notes to consolidated financial statements.

INSIGHT ENTERPRISES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

	Three Months Ended March 31,	
	2021	2020
Net sales:		
Products	\$ 1,893,020	\$ 1,848,316
Services	300,048	295,735
Total net sales	2,193,068	2,144,051
Costs of goods sold:		
Products	1,721,258	1,670,238
Services	140,336	148,477
Total costs of goods sold	1,861,594	1,818,715
Gross profit	331,474	325,336
Operating expenses:		
Selling and administrative expenses	271,190	268,863
Severance and restructuring expenses, net	(6,740)	2,144
Acquisition and integration related expenses	—	1,466
Earnings from operations	67,024	52,863
Non-operating (income) expense:		
Interest expense, net	9,969	11,826
Other expense (income), net	388	(1,563)
Earnings before income taxes	56,667	42,600
Income tax expense	13,499	8,639
Net earnings	\$ 43,168	\$ 33,961
Net earnings per share:		
Basic	\$ 1.23	\$ 0.96
Diluted	\$ 1.18	\$ 0.95
Shares used in per share calculations:		
Basic	35,199	35,233
Diluted	36,699	35,646

See accompanying notes to consolidated financial statements.

INSIGHT ENTERPRISES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2021	2020
Net earnings	\$ 43,168	\$ 33,961
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	(80)	(17,831)
Total comprehensive income	<u>\$ 43,088</u>	<u>\$ 16,130</u>

See accompanying notes to consolidated financial statements.

INSIGHT ENTERPRISES, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)
(unaudited)

	Common Stock		Treasury Stock		Additional	Accumulated	Retained	Total
	Shares	Par Value	Shares	Amount	Paid-in	Other	Earnings	Stockholders'
					Capital	Comprehensive		Equity
						Loss		
Balances at December 31, 2020	35,103	\$ 351	—	\$ —	\$ 364,288	\$ (15,455)	\$ 993,245	\$ 1,342,429
Issuance of common stock under employee stock plans, net of shares withheld for payroll taxes	217	2	—	—	(7,069)	—	—	(7,067)
Stock-based compensation expense	—	—	—	—	4,716	—	—	4,716
Foreign currency translation adjustments, net of tax	—	—	—	—	—	(80)	—	(80)
Net earnings	—	—	—	—	—	—	43,168	43,168
Balances at March 31, 2021	<u>35,320</u>	<u>\$ 353</u>	<u>—</u>	<u>\$ —</u>	<u>\$ 361,935</u>	<u>\$ (15,535)</u>	<u>\$ 1,036,413</u>	<u>\$ 1,383,166</u>

	Common Stock		Treasury Stock		Additional	Accumulated	Retained	Total
	Shares	Par Value	Shares	Amount	Paid-in	Other	Earnings	Stockholders'
					Capital	Comprehensive		Equity
						Loss		
Balances at December 31, 2019	35,263	\$ 353	—	\$ —	\$ 357,032	\$ (38,164)	\$ 841,097	\$ 1,160,318
Issuance of common stock under employee stock plans, net of shares withheld for payroll taxes	231	2	—	—	(5,289)	—	(1)	(5,288)
Stock-based compensation expense	—	—	—	—	4,409	—	—	4,409
Repurchase of treasury stock	—	—	(445)	(25,000)	—	—	—	(25,000)
Retirement of treasury stock	(445)	(5)	445	25,000	(4,504)	—	(20,491)	—
Foreign currency translation adjustments, net of tax	—	—	—	—	—	(17,831)	—	(17,831)
Net earnings	—	—	—	—	—	—	33,961	33,961
Balances at March 31, 2020	<u>35,049</u>	<u>\$ 350</u>	<u>—</u>	<u>\$ —</u>	<u>\$ 351,648</u>	<u>\$ (55,995)</u>	<u>\$ 854,566</u>	<u>\$ 1,150,569</u>

See accompanying notes to consolidated financial statements.

INSIGHT ENTERPRISES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2021	2020
Cash flows from operating activities:		
Net earnings	\$ 43,168	\$ 33,961
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	14,222	17,397
Provision for losses on accounts receivable	2,178	3,136
Non-cash stock-based compensation	4,716	4,409
Deferred income taxes	643	(509)
Amortization of debt discount	4,172	3,965
Other adjustments	(7,617)	1,297
Changes in assets and liabilities:		
Decrease in accounts receivable	93,485	22,648
Increase in inventories	(67,946)	(48,332)
Decrease in other assets	16,759	57,241
(Decrease) increase in accounts payable	(25,315)	23,277
Decrease in accrued expenses and other liabilities	(35,759)	(25,364)
Net cash provided by operating activities	42,706	93,126
Cash flows from investing activities:		
Proceeds from sale of assets held for sale	27,211	14,218
Purchases of property and equipment	(7,847)	(7,382)
Acquisitions, net of cash and cash equivalents acquired	—	(6,406)
Net cash provided by investing activities	19,364	430
Cash flows from financing activities:		
Borrowings on ABL revolving credit facility	897,848	678,197
Repayments on ABL revolving credit facility	(921,848)	(788,443)
Net repayments under inventory financing facilities	(17,782)	(764)
Repurchases of common stock	—	(25,000)
Other payments	(7,485)	(5,756)
Net cash used in financing activities	(49,267)	(141,766)
Foreign currency exchange effect on cash, cash equivalents and restricted cash balances	(2,445)	(3,615)
Increase (decrease) in cash, cash equivalents and restricted cash	10,358	(51,825)
Cash, cash equivalents and restricted cash at beginning of period	130,582	116,297
Cash, cash equivalents and restricted cash at end of period	\$ 140,940	\$ 64,472

See accompanying notes to consolidated financial statements.

INSIGHT ENTERPRISES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. Basis of Presentation and Recently Issued Accounting Standards

We empower organizations of all sizes with Insight Intelligent Technology Solutions™ and services to maximize the business value of Information Technology ("IT") in North America; Europe, the Middle East and Africa ("EMEA"); and Asia-Pacific ("APAC"). As a Fortune 500-ranked global provider of digital innovation, cloud/data center transformation, and connected workforce solutions, together with our supply chain optimization expertise, we help clients innovate and optimize their operations to run smarter. Our company is organized in the following three operating segments, which are primarily defined by their related geographies:

<u>Operating Segment</u>	<u>Geography</u>
North America	United States and Canada
EMEA	Europe, Middle East and Africa
APAC	Asia-Pacific

Our offerings in North America and certain countries in EMEA and APAC include hardware, software and services, including cloud solutions. Our offerings in the remainder of our EMEA and APAC segments consist of largely software and certain software-related services and cloud solutions.

In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments necessary to present fairly our financial position as of March 31, 2021 and our results of operations for the three months ended March 31, 2021 and 2020 and cash flows for the three months ended March 31, 2021 and 2020. The consolidated balance sheet as of December 31, 2020 was derived from the audited consolidated balance sheet at such date. The accompanying unaudited consolidated financial statements and notes have been prepared in accordance with the rules and regulations promulgated by the SEC and consequently do not include all of the disclosures normally required by United States generally accepted accounting principles ("GAAP").

The results of operations for interim periods are not necessarily indicative of results for the full year, due in part to the seasonal nature of our business. These unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements, including the related notes thereto, in our Annual Report on Form 10-K for the year ended December 31, 2020.

The consolidated financial statements include the accounts of Insight Enterprises, Inc. and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Additionally, these estimates and assumptions affect the reported amounts of net sales and expenses during the reporting period. Actual results could differ from those estimates. On an ongoing basis, we evaluate our estimates, including those related to sales recognition, anticipated achievement levels under partner funding programs, assumptions related to stock-based compensation valuation, allowances for doubtful accounts, valuation of inventories, litigation-related obligations, valuation allowances for deferred tax assets and impairment of long-lived assets, including purchased intangibles and goodwill, if indicators of potential impairment exist.

INSIGHT ENTERPRISES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(unaudited)

Recently Issued Accounting Standards

In December 2019, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") No. 2019-12, "Simplifying the Accounting for Income Taxes." The new standard is intended to simplify various aspects of accounting for income taxes by removing specific exceptions and amending certain requirements. We adopted the new standard as of January 1, 2021. The adoption of this new standard did not have a material effect on our consolidated financial statements.

In August 2020, the FASB issued ASU No. 2020-06, "Accounting for Convertible Instruments and Contracts in an Entity's Own Equity". The new guidance is intended to simplify the accounting for certain convertible instruments with characteristics of both liability and equity. The guidance removes certain accounting models which separate the embedded conversion features from the host contract for convertible instruments. As a result, after the adoption of this guidance, an entity's convertible debt instrument will be wholly accounted for as debt. The guidance also expands disclosure requirements for convertible instruments and simplifies areas of the guidance for diluted earnings-per-share calculations by requiring the use of the if-converted method. The guidance will be effective for fiscal years beginning after December 15, 2021, with early adoption permitted for fiscal years beginning after December 15, 2020 and can be adopted on either a fully retrospective or modified retrospective basis. The Company is currently evaluating the impact the adoption of this standard will have on its consolidated financial statements; however, we expect our consolidated statements of operations and consolidated balance sheets will be significantly impacted following adoption of this new standard as we will no longer report accreted interest on the Notes and the full par value of the Notes will be reflected as debt.

There have been no other material changes in or additions to the recently issued accounting standards as previously reported in Note 1 to our Consolidated Financial Statements in Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2020 that affect or may affect our current financial statements.

2. Sales Recognition

The following table provides information about receivables and contract liabilities as of March 31, 2021 and December 31, 2020 (in thousands):

	March 31, 2021	December 31, 2020
Current receivables, which are included in "Accounts receivable, net"	\$ 2,583,716	\$ 2,685,448
Non-current receivables, which are included in "Other assets"	124,670	154,662
Contract liabilities, which are included in "Accrued expenses and other current liabilities" and "Other liabilities"	103,468	107,158

INSIGHT ENTERPRISES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(unaudited)

Changes in the contract liabilities balances during the three months ended March 31, 2021 are as follows (in thousands):

	Increase (Decrease)
	Contract
	Liabilities
Balances at December 31, 2020	\$ 107,158
Reclassification of the beginning contract liabilities to revenue, as the result of performance obligations satisfied	(34,418)
Cash received in advance and not recognized as revenue	30,728
Balances at March 31, 2021	\$ 103,468

During the three months ended March 31, 2020, the Company recognized revenue of \$19,000,000 related to its contract liabilities.

The following table includes estimated net sales related to performance obligations that are unsatisfied (or partially unsatisfied) as of March 31, 2021 that are expected to be recognized in the future (in thousands):

	Services
Remainder of 2021	\$ 100,218
2022	39,638
2023	17,094
2024 and thereafter	9,434
Total remaining performance obligations	\$ 166,384

With the exception of remaining performance obligations associated with our OneCall Support Services contracts which are included in the table above regardless of original duration, remaining performance obligations that have original expected durations of one year or less are not included in the table above. Amounts not included in the table above have an average original expected duration of eight months. Additionally, for our time and material services contracts, whereby we have the right to consideration from a client in an amount that corresponds directly with the value to the client of our performance completed to date, we recognized revenue in the amount to which we have a right to invoice as of March 31, 2021 and do not disclose information about related remaining performance obligations in the table above. Our time and material contracts have an average expected duration of 23 months.

The majority of our backlog historically has been and continues to be open cancelable purchase orders. We do not believe that backlog as of any particular date is predictive of future results, therefore we do not include performance obligations under open cancelable purchase orders, which do not qualify for revenue recognition, in the table above.

3. Assets Held for Sale

During the first quarter of 2021, we completed the sale of our three properties in Tempe, Arizona and the sale of our property in Woodbridge, Illinois for total net proceeds of approximately \$27,211,000. We intend to use the proceeds from the sales to ready our property in Chandler, Arizona to be used as our global corporate headquarters. During the first quarter of 2020, we completed the sale of our property in Irvine, California for approximately \$14,218,000.

INSIGHT ENTERPRISES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(unaudited)

4. Net Earnings Per Share ("EPS")

Basic EPS is computed by dividing net earnings available to common stockholders by the weighted average number of common shares outstanding during each period. Diluted EPS is computed on the basis of the weighted average number of shares of common stock plus the effect of dilutive potential common shares outstanding during the period using the treasury stock method. Dilutive potential common shares include outstanding restricted stock units ("RSUs") and certain shares underlying the Notes. A reconciliation of the denominators of the basic and diluted EPS calculations follows (in thousands, except per share data):

	Three Months Ended	
	March 31,	
	2021	2020
Numerator:		
Net earnings	\$ 43,168	\$ 33,961
Denominator:		
Weighted average shares used to compute basic EPS	35,199	35,233
Dilutive potential common shares due to dilutive RSUs, net of tax effect	461	413
Dilutive potential common shares due to the Notes	1,039	—
Weighted average shares used to compute diluted EPS	36,699	35,646
Net earnings per share:		
Basic	\$ 1.23	\$ 0.96
Diluted	\$ 1.18	\$ 0.95

For the three months ended March 31, 2021, none of our RSUs were excluded from the diluted EPS calculations. Certain potential outstanding shares from the warrants relating to the Call Spread Transactions were excluded from the diluted EPS calculations because their inclusion would have been anti-dilutive. For the three months ended March 31, 2020, 86,000 of our RSUs and certain potential outstanding shares from the Notes and warrants were excluded from the diluted EPS calculations because their inclusion would have been anti-dilutive.

INSIGHT ENTERPRISES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(unaudited)

5. Debt, Inventory Financing Facilities, Finance Leases and Other Financing Obligations

Debt

Our long-term debt consists of the following (in thousands):

	March 31, 2021	December 31, 2020
ABL revolving credit facility	\$ 116,000	\$ 140,000
Convertible senior notes due 2025	299,402	296,419
Finance leases and other financing obligations	1,829	2,267
Total	417,231	438,686
Less: current portion of long-term debt	(830)	(1,105)
Long-term debt	<u>\$ 416,401</u>	<u>\$ 437,581</u>

Our senior secured revolving credit facility (the "ABL facility"), has an aggregate U.S. dollar equivalent maximum borrowing amount of \$1,200,000,000, including a maximum borrowing capacity that could be used for borrowing in certain foreign currencies of \$150,000,000. From time to time and at our option, we may request to increase the aggregate amount available for borrowing under the ABL facility by up to an aggregate of the U.S. dollar equivalent of \$500,000,000, subject to customary conditions, including receipt of commitments from lenders. The ABL facility is guaranteed by certain of our material subsidiaries and is secured by a lien on certain of our assets and certain of each other borrower's and each guarantor's assets. The interest rates applicable to borrowings under the ABL facility are based on the average aggregate excess availability under the ABL facility as set forth on a pricing grid in the credit agreement. The ABL facility matures on August 30, 2024. As of March 31, 2021, eligible accounts receivable and inventory were sufficient to permit access to the full \$1,200,000,000 facility amount, of which \$116,000,000 was outstanding.

The ABL facility contains customary affirmative and negative covenants and events of default. If a default occurs (subject to customary grace periods and materiality thresholds) under the credit agreement, certain actions may be taken, including, but not limited to, possible termination of commitments and required payment of all outstanding principal amounts plus accrued interest and fees payable under the credit agreement.

Convertible Senior Notes due 2025

In August 2019, we issued \$350,000,000 aggregate principal amount of Notes that mature on February 15, 2025. The Notes bear interest at an annual rate of 0.75% payable semiannually, in arrears, on February 15th and August 15th of each year. The Notes are general unsecured obligations of Insight and are guaranteed on a senior unsecured basis by Insight Direct USA, Inc., a wholly owned subsidiary of Insight.

Holders of the Notes may convert their notes at their option at any time prior to the close of business on the business day immediately preceding June 15, 2024, under the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on December 31, 2019 (and only during such calendar quarter), if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (2) during the five business day period after any five consecutive trading day period (the "measurement period") in which the trading price per \$1,000 principal amount of Notes for each trading day of the measurement period was less than 98% of the product of the last

INSIGHT ENTERPRISES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(unaudited)

reported sale price of our common stock and the conversion rate on each such trading day; (3) if we call any or all of the Notes for redemption, at any time prior to the close of business on the second scheduled trading day immediately preceding the redemption date; or (4) upon the occurrence of specified corporate events. On or after June 15, 2024 until the close of business on the second scheduled trading day immediately preceding the maturity date, the holders may convert their notes at any time, regardless of the foregoing circumstances.

Upon conversion, we will pay or deliver cash, shares of our common stock or a combination of the two, at our discretion. We have made a policy election to settle the par value of the Notes in cash with only the conversion spread being settled in shares of our common stock. The conversion rate will initially be 14.6376 shares of common stock per \$1,000 principal amount of the Notes (equivalent to an initial conversion price of approximately \$68.32 per share of common stock). The conversion rate is subject to change in certain circumstances and will not be adjusted for any accrued and unpaid interest. In addition, following certain events that occur prior to the maturity date or following our issuance of a notice of redemption, the conversion rate is subject to an increase for a holder who elects to convert their Notes in connection with those events or during the related redemption period in certain circumstances.

If we undergo a fundamental change, the holders may require us to repurchase for cash all or any portion of their notes at a fundamental change repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date. As of March 31, 2021, none of the criteria for a fundamental change or a conversion rate adjustment had been met.

The maximum number of shares issuable upon conversion, including the effect of a fundamental change and subject to other conversion rate adjustments, would be 6,788,208.

The Notes are subject to certain customary events of default and acceleration clauses. As of March 31, 2021, no such events have occurred.

The Notes consist of the following balances reported within the consolidated balance sheets (in thousands):

	March 31, 2021	December 31, 2020
Liability:		
Principal	\$ 350,000	\$ 350,000
Less: debt discount and issuance costs, net of accumulated accretion	(50,598)	(53,581)
Net carrying amount	<u>\$ 299,402</u>	<u>\$ 296,419</u>
Equity, net of deferred tax	<u>\$ 44,731</u>	<u>\$ 44,731</u>

The remaining life of the debt discount and issuance cost accretion is approximately 3.875 years. The effective interest rate on the liability component of the Notes is 4.325%.

Interest expense resulting from the Notes reported within the consolidated statement of operations for the three months ended March 31, 2021 and 2020 is made up of contractual coupon interest, amortization of debt discount and amortization of debt issuance costs.

Convertible Note Hedge and Warrant Transaction

In connection with the issuance of the Notes, we entered into the Call Spread Transactions with respect to the Company's common stock.

INSIGHT ENTERPRISES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(unaudited)

The convertible note hedge consists of an option to purchase up to 5,123,160 common stock shares at a price of \$68.32 per share. The hedge expires on February 15, 2025 and can only be concurrently executed upon the conversion of the Notes. We paid approximately \$66,325,000 for the convertible note hedge transaction.

Additionally, we sold warrants to purchase 5,123,160 shares of common stock at a price of \$103.12 per share. The warrants expire on May 15, 2025 and can only be exercised at maturity. The Company received aggregate proceeds of approximately \$34,440,000 for the sale of the warrants.

The Call Spread Transactions have no effect on the terms of the Notes and reduce potential dilution by effectively increasing the initial conversion price of the Notes to \$103.12 per share of the Company's common stock.

Inventory Financing Facilities

On March 31, 2021, we entered into an unsecured inventory financing facility in EMEA (the "EMEA facility") with a maximum borrowing capacity of \$40,000,000. This facility will stay in effect until it is terminated by any of the parties. If balances are not paid within stated vendor terms, they will accrue interest at 0.25%, subject to adjustments upward depending on LIBOR movements, plus late charges of 1.00% per month. Amounts outstanding under this facility will be classified as accounts payable – inventory financing facility in the accompanying balance sheets.

Additionally, we have a \$250,000,000 unsecured inventory financing facility with each of MUFG Bank Ltd ("MUFG") and PNC Bank, N.A. ("PNC"). As of March 31, 2021, our combined inventory financing facilities had a total maximum capacity of \$540,000,000, of which \$309,075,000 was outstanding. The inventory financing facilities will remain in effect until they are terminated by any of the parties. If balances are not paid within stated vendor terms, they will accrue interest at prime plus 2.00%, LIBOR plus 4.50% and 0.25% on the MUFG, PNC and EMEA facilities, respectively. The PNC facility allows for an alternative rate to be identified if LIBOR is no longer available. Amounts outstanding under these facilities are classified separately as accounts payable – inventory financing facilities in the accompanying consolidated balance sheets and within cash flows from financing activities in the accompanying consolidated statements of cash flows.

6. Income Taxes

Our effective tax rate for the three months ended March 31, 2021 was 23.8%. Our effective tax rate was higher than the United States federal statutory rate of 21.0% due primarily to state income taxes, net of federal benefit, and higher taxes on earnings in foreign jurisdictions, partially offset by excess tax benefits on the settlement of employee share-based compensation and tax benefits related to research and development activities.

Our effective tax rate for the three months ended March 31, 2020 was 20.3%. Our effective tax rate was lower than the United States federal statutory rate of 21.0% due primarily to the remeasurement of acquired net operating losses to be carried back to higher tax rate years under the CARES Act, excess tax benefits on the settlement of share-based compensation and tax benefits related to research and development activities. These benefits were partially offset by state income taxes, net of federal benefit and higher taxes on earnings in foreign jurisdictions.

As of March 31, 2021, and December 31, 2020, we had approximately \$10,890,000 and \$10,546,000, respectively, of unrecognized tax benefits. Of these amounts, approximately \$817,000 and \$749,000, respectively, related to accrued interest. In the future, if recognized, the liability associated with uncertain tax positions would affect our effective tax rate. We do not believe there will be any changes to our unrecognized tax benefits over the next 12 months that would have a material effect on our effective tax rate.

INSIGHT ENTERPRISES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(unaudited)

We are currently under audit in various jurisdictions for tax years 2013 through 2018. Although the timing of the resolutions and/or closures of audits is highly uncertain, it is reasonably possible that the examination phase of these audits may be concluded within the next 12 months, which could increase or decrease the balance of our gross unrecognized tax benefits. However, based on the status of the various examinations in multiple jurisdictions, an estimate of the range of reasonably possible outcomes cannot be made at this time, but the estimated effect on our income tax expense and net earnings is not expected to be significant.

7. Commitments and Contingencies

Contractual

In the ordinary course of business, we issue performance bonds to secure our performance under certain contracts or state tax requirements. These bonds are issued on our behalf by a surety company on an unsecured basis; however, if the surety company is ever required to pay out under the bonds, we have contractually agreed to reimburse the surety company.

Management believes that payments, if any, related to these performance bonds are not probable at March 31, 2021. Accordingly, we have not accrued any liabilities related to such performance bonds in our consolidated financial statements.

Employment Contracts and Severance Plans

We have employment contracts with, and severance plans covering, certain officers and management teammates under which severance payments would become payable in the event of specified terminations without cause or terminations under certain circumstances after a change in control. In addition, vesting of outstanding nonvested RSUs would accelerate following a change in control. If severance payments under the current employment agreements or plan payments were to become payable, the severance payments would generally range from three to twenty-four months of salary.

Indemnifications

From time to time, in the ordinary course of business, we enter into contractual arrangements under which we agree to indemnify either our clients or third-party service providers from certain losses incurred relating to services performed on our behalf or for losses arising from defined events, which may include litigation or claims relating to past performance. These arrangements include, but are not limited to, the indemnification of our clients for certain claims arising out of our performance under our sales contracts, the indemnification of our landlords for certain claims arising from our use of leased facilities and the indemnification of the lenders that provide our credit facilities for certain claims arising from their extension of credit to us. Such indemnification obligations may not be subject to maximum loss clauses.

Management believes that payments, if any, related to these indemnifications are not probable at March 31, 2021. Accordingly, we have not accrued any liabilities related to such indemnifications in our consolidated financial statements.

We have entered into separate indemnification agreements with certain of our executive officers and with each of our directors. These agreements require us, among other requirements, to indemnify such officers and directors against expenses (including attorneys' fees), judgments and settlements incurred by such individual in connection with any action arising out of such individual's status or service as our executive officer or director (subject to exceptions such as where the individual failed to act in good faith or in a manner the individual reasonably believed to be in, or not opposed to, the best interests of the Company) and to advance expenses incurred by such individual with respect to which such individual may be entitled to indemnification by us.

INSIGHT ENTERPRISES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(unaudited)

There are no pending legal proceedings that involve the indemnification of any of the Company's directors or officers.

Contingencies Related to Third-Party Review

From time to time, we are subject to potential claims and assessments from third parties. We are also subject to various governmental, client and partner audits. We continually assess whether or not such claims have merit and warrant accrual. Where appropriate, we accrue estimates of anticipated liabilities in the consolidated financial statements. Such estimates are subject to change and may affect our results of operations and our cash flows.

Legal Proceedings

From time to time, we are party to various legal proceedings incidental to the business, including preference payment claims asserted in client bankruptcy proceedings, indemnification claims, claims of alleged infringement of patents, trademarks, copyrights and other intellectual property rights, employment claims, claims of alleged non-compliance with contract provisions and claims related to alleged violations of laws and regulations. We regularly evaluate the status of the legal proceedings in which we are involved to assess whether a loss is probable or there is a reasonable possibility that a loss, or an additional loss, may have been incurred and determine if accruals are required. If accruals are not required, we further evaluate each legal proceeding to assess whether an estimate of possible loss or range of possible loss can be made. Although litigation is inherently unpredictable, we believe that we have adequate provisions for any probable and estimable losses. It is possible, nevertheless, that our consolidated financial position, results of operations or liquidity could be materially and adversely affected in any particular period by the work required pursuant to any legal proceedings or the resolution of any legal proceedings during such period. Legal expenses related to defense of any legal proceeding or the negotiations, settlements, rulings and advice of outside legal counsel in connection with any legal proceedings are expensed as incurred.

In connection with the acquisition of PCM, the Company has effectively assumed responsibility for PCM litigation matters, including various disputes related to PCM's acquisition of certain assets of En Pointe Technologies in 2015. The seller of En Pointe Technologies and related entities providing various post-closing support functions to PCM have asserted claims regarding the sufficiency of earnout payments paid by PCM under the asset purchase agreement and the unwinding of the support functions post-closing. PCM has rejected and vigorously responded to those claims and is pursuing various counterclaims. The disputes are being heard by multiple courts and arbitrators in several different jurisdictions including California, Delaware and Pakistan. The Company cannot determine with certainty the costs or outcome of these matters. However, the Company is not involved in any pending or threatened legal proceedings, including the PCM litigation matters, that it believes would reasonably be expected to have a material adverse effect on its business, financial condition or results of operations.

8. Segment Information

We operate in three reportable geographic operating segments: North America; EMEA; and APAC. Our offerings in North America and certain countries in EMEA and APAC include IT hardware, software and services. Our offerings in the remainder of our EMEA and APAC segments are largely software and certain software-related services.

INSIGHT ENTERPRISES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(unaudited)

In the following table, revenue is disaggregated by our reportable operating segments, which are primarily defined by their related geographies, as well as by major product offering, by major client group and by recognition on either a gross basis as a principal in the arrangement, or on a net basis as an agent, for the three months ended March 31, 2021 and 2020 (in thousands):

Three Months Ended March 31, 2021				
	North America	EMEA	APAC	Consolidated
Major Offerings				
Hardware	\$ 1,109,489	\$ 195,971	\$ 9,565	\$ 1,315,025
Software	308,738	234,423	34,834	577,995
Services	236,554	48,442	15,052	300,048
	<u>\$ 1,654,781</u>	<u>\$ 478,836</u>	<u>\$ 59,451</u>	<u>\$ 2,193,068</u>
Major Client Groups				
Large Enterprise / Corporate	\$ 1,171,428	\$ 309,075	\$ 19,076	\$ 1,499,579
Commercial	344,045	20,533	12,667	377,245
Public Sector	139,308	149,228	27,708	316,244
	<u>\$ 1,654,781</u>	<u>\$ 478,836</u>	<u>\$ 59,451</u>	<u>\$ 2,193,068</u>
Revenue Recognition based on acting as Principal or Agent in the Transaction				
Gross revenue recognition (Principal)	\$ 1,569,641	\$ 450,977	\$ 52,863	\$ 2,073,481
Net revenue recognition (Agent)	85,140	27,859	6,588	119,587
	<u>\$ 1,654,781</u>	<u>\$ 478,836</u>	<u>\$ 59,451</u>	<u>\$ 2,193,068</u>

Three Months Ended March 31, 2020				
	North America	EMEA	APAC	Consolidated
Major Offerings				
Hardware	\$ 1,128,486	\$ 174,969	\$ 7,746	\$ 1,311,201
Software	305,163	201,082	30,870	537,115
Services	240,732	42,835	12,168	295,735
	<u>\$ 1,674,381</u>	<u>\$ 418,886</u>	<u>\$ 50,784</u>	<u>\$ 2,144,051</u>
Major Client Groups				
Large Enterprise / Corporate	\$ 1,160,748	\$ 292,288	\$ 13,025	\$ 1,466,061
Commercial	386,076	17,742	13,654	417,472
Public Sector	127,557	108,856	24,105	260,518
	<u>\$ 1,674,381</u>	<u>\$ 418,886</u>	<u>\$ 50,784</u>	<u>\$ 2,144,051</u>
Revenue Recognition based on acting as Principal or Agent in the Transaction				
Gross revenue recognition (Principal)	\$ 1,600,514	\$ 392,259	\$ 45,754	\$ 2,038,527
Net revenue recognition (Agent)	73,867	26,627	5,030	105,524
	<u>\$ 1,674,381</u>	<u>\$ 418,886</u>	<u>\$ 50,784</u>	<u>\$ 2,144,051</u>

All significant intercompany transactions are eliminated upon consolidation, and there are no differences between the accounting policies used to measure profit and loss for our segments or on a consolidated basis. Net sales are defined as net sales to external clients. None of our clients exceeded ten percent of consolidated net sales for the three months ended March 31, 2021 or 2020.

A portion of our operating segments' selling and administrative expenses arise from shared services and infrastructure that we have historically provided to them in order to realize economies of scale and to use resources efficiently. These expenses, collectively identified as corporate charges, include senior management expenses, internal audit, legal, tax, insurance services, treasury and other corporate infrastructure expenses. Charges are allocated to our operating segments, and the allocations have been determined on a basis that we consider to be a

INSIGHT ENTERPRISES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(unaudited)

reasonable reflection of the utilization of services provided to or benefits received by the operating segments.

The following tables present our results of operations by reportable operating segment for the periods indicated (in thousands):

	Three Months Ended March 31, 2021			
	North America	EMEA	APAC	Consolidated
Net sales:				
Products	\$ 1,418,227	\$ 430,394	\$ 44,399	\$ 1,893,020
Services	236,554	48,442	15,052	300,048
Total net sales	1,654,781	478,836	59,451	2,193,068
Costs of goods sold:				
Products	1,283,876	396,184	41,198	1,721,258
Services	117,416	16,617	6,303	140,336
Total costs of goods sold	1,401,292	412,801	47,501	1,861,594
Gross profit	253,489	66,035	11,950	331,474
Operating expenses:				
Selling and administrative expenses	206,806	55,447	8,937	271,190
Severance and restructuring expenses	(7,238)	498	—	(6,740)
Earnings from operations	\$ 53,921	\$ 10,090	\$ 3,013	\$ 67,024

	Three Months Ended March 31, 2020			
	North America	EMEA	APAC	Consolidated
Net sales:				
Products	\$ 1,433,649	\$ 376,051	\$ 38,616	\$ 1,848,316
Services	240,732	42,835	12,168	295,735
Total net sales	1,674,381	418,886	50,784	2,144,051
Costs of goods sold:				
Products	1,288,197	345,749	36,292	1,670,238
Services	129,256	14,363	4,858	148,477
Total costs of goods sold	1,417,453	360,112	41,150	1,818,715
Gross profit	256,928	58,774	9,634	325,336
Operating expenses:				
Selling and administrative expenses	211,203	50,244	7,416	268,863
Severance and restructuring expenses	2,122	6	16	2,144
Acquisition and integration related expenses	1,262	204	—	1,466
Earnings from operations	\$ 42,341	\$ 8,320	\$ 2,202	\$ 52,863

The following is a summary of our total assets by reportable operating segment (in thousands):

	March 31, 2021	December 31, 2020
North America	\$ 4,662,002	\$ 4,837,155
EMEA	796,315	735,771
APAC	206,986	155,761
Corporate assets and intercompany eliminations, net	(1,410,696)	(1,417,955)
Total assets	\$ 4,254,607	\$ 4,310,732

INSIGHT ENTERPRISES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(unaudited)

We recorded the following pre-tax amounts, by reportable operating segment, for depreciation and amortization in the accompanying consolidated financial statements (in thousands):

	Three Months Ended March 31,	
	2021	2020
Depreciation and amortization of property and equipment:		
North America	\$ 4,807	\$ 5,826
EMEA	1,232	1,328
APAC	142	135
	<u>6,181</u>	<u>7,289</u>
Amortization of intangible assets:		
North America	7,417	9,493
EMEA	496	506
APAC	128	109
	<u>8,041</u>	<u>10,108</u>
Total	<u>\$ 14,222</u>	<u>\$ 17,397</u>

INSIGHT ENTERPRISES, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

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

The following discussion should be read in conjunction with the consolidated financial statements and the related notes that appear elsewhere in this Quarterly Report on Form 10-Q. We refer to our customers as "clients," our suppliers as "partners" and our employees as "teammates."

Quarterly Overview

Today, every business is a technology business. We empower organizations of all sizes with Insight Intelligent Technology Solutions™ and services to maximize the business value of information technology ("IT") in North America; Europe, the Middle East and Africa ("EMEA"); and Asia-Pacific ("APAC"). As a Fortune 500-ranked global provider of digital innovation, cloud/data center transformation, and connected workforce solutions, together with our supply chain optimization expertise, we help clients innovate and optimize their operations to run smarter. Our offerings in North America and certain countries in EMEA and APAC include hardware, software and services, including cloud solutions. Our offerings in the remainder of our EMEA and APAC segments are largely software and certain software-related services and cloud solutions.

On a consolidated basis, for the three months ended March 31, 2021:

- Net sales of \$2.2 billion increased 2% compared to the three months ended March 31, 2020. The overall increase in net sales reflects an increase in software and services net sales. Excluding the effects of fluctuating foreign currency exchange rates, net sales remained flat compared to the first quarter of 2020.
- Gross profit of \$331.5 million increased 2% compared to the three months ended March 31, 2020. Excluding the effects of fluctuating foreign currency exchange rates, gross profit was flat compared to the first quarter of 2020.
- Compared to the three months ended March 31, 2020, gross margin contracted approximately 10 basis points to 15.1% of net sales in the three months ended March 31, 2021. This decline reflects a decrease in margins on hardware and software net sales, partially offset by an increase in the mix of higher margin services net sales compared to the same period in the prior year.
- Earnings from operations increased 27%, year over year, to \$67.0 million in the first quarter of 2021 compared to \$52.9 million in the first quarter of 2020. The increase was primarily due to increased gross profit and reductions in both severance and restructuring and acquisition and integration related expenses, which were incurred in connection with the PCM acquisition. Excluding the effects of fluctuating foreign currency exchange rates, earnings from operations increased 22% year over year.
- Net earnings and diluted earnings per share were \$43.2 million and \$1.18, respectively, for the first quarter of 2021. This compares to net earnings of \$34.0 million and diluted earnings per share of \$0.95 for the first quarter of 2020.

INSIGHT ENTERPRISES, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (continued)

Recent Developments – Impact of COVID-19 and Supply Constraints on Our Business

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The pandemic has negatively impacted the global economy, disrupted global supply chains and reduced workforce participation. While we did not see a significant impact of COVID-19 on our first quarter 2021 financial results, continued supply constraints stemming from shortages of chips and displays resulted in elevated bookings as we exited the first quarter. We currently expect these supply constraints and extended lead times for certain products will begin to ease by the end of 2021.

The ultimate extent of the impact of the COVID-19 pandemic on our business operations, financial performance, and results of operations, including our ability to execute our business strategies and initiatives in the expected time frame, is currently unknown and will depend on future developments, which are highly uncertain, continuously evolving and cannot be predicted. This includes, but is not limited to, the duration and spread of the COVID-19 pandemic, its severity, the emergence and severity of its variants, the availability of vaccines and potential hesitancy to utilize them, other protective actions taken to contain the virus or treat its impact, such as restrictions on travel and transportation, and how quickly and to what extent normal economic and operating conditions can resume.

We will continue to actively monitor the situation and anticipate taking further actions as may be required by government authorities or that we determine are in the best interests of our teammates, clients and partners. It is not clear what the potential effects of any such alterations or modifications may have on our business, including the effects on our clients, teammates, and prospects, or on our financial results for the remainder of 2021. Accordingly, our current results and financial condition discussed herein may not be indicative of future operating results and trends.

Throughout the "Quarterly Overview" and "Results of Operations" sections of this "Management's Discussion and Analysis of Financial Condition and Results of Operations," we refer to changes in net sales, gross profit, selling and administrative expenses 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 the changes in amounts and percentages, we compare the current period amount as translated into U.S. dollars under the applicable accounting standards to the prior period amount in local currency translated into U.S. dollars utilizing the weighted average translation rate for the current period.

Details about segment results of operations can be found in Note 8 to the Consolidated Financial Statements in Part I, Item 1 of this report.

Our discussion and analysis of financial condition and results of operations is intended to assist in the understanding of our consolidated financial statements, including the changes in certain key items in those consolidated financial statements from period to period and the primary factors that contributed to those changes, as well as how certain critical accounting estimates affect our consolidated financial statements.

INSIGHT ENTERPRISES, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (continued)

Critical Accounting Estimates

Our consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles ("GAAP"). For a summary of significant accounting policies, see Note 1 to the Consolidated Financial Statements in Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2020. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, net sales and expenses. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results, however, may differ from estimates we have made. Members of our senior management have discussed the critical accounting estimates and related disclosures with the Audit Committee of our Board of Directors.

There have been no changes to the items disclosed as critical accounting estimates in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2020.

Results of Operations

The COVID-19 pandemic negatively impacted the global economy and disrupted global supply chains and workforce participation. While we did not observe significant impacts on our first quarter financial results we believe the ultimate extent of the impact of the COVID-19 pandemic on our future business operations, financial performance and results of operations, including our ability to execute our business strategies and initiatives in the expected time frame, is currently unknown and will depend on future developments, which are highly uncertain, continuously evolving and cannot be predicted.

The following table sets forth certain financial data as a percentage of net sales for the three months ended March 31, 2021 and 2020:

	Three Months Ended March 31,	
	2021	2020
Net sales	100.0%	100.0%
Costs of goods sold	84.9	84.8
Gross profit	15.1	15.2
Selling and administrative expenses	12.4	12.5
Severance and restructuring expenses and acquisition and integration related expenses	(0.4)	0.2
Earnings from operations	3.1	2.5
Non-operating expense, net	0.5	0.5
Earnings before income taxes	2.6	2.0
Income tax expense	0.6	0.4
Net earnings	2.0%	1.6%

We generally experience some seasonal trends in our sales of IT hardware, software and services. Software sales are typically seasonally higher in our second quarter. Business clients, particularly larger enterprise businesses in the United States, tend to spend more in our fourth quarter and less in our first quarter. Sales to the federal government in the United States are often stronger in our third quarter, while sales in the state and local government and education

INSIGHT ENTERPRISES, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (continued)

markets are also stronger in our second quarter. Sales to public sector clients in the United Kingdom are often stronger in our first quarter. These trends create overall seasonality in our consolidated results such that net sales and profitability are expected to be higher in the second and fourth quarters of the year.

Our gross profit across the business is, and will continue to be, impacted by partner incentives, which can change significantly in the amounts made available and in the related product or services sales being incentivized by the partner. Incentives from our largest partners are significant and changes in the incentive requirements, which occur regularly, could impact our results of operations to the extent we are unable to adapt our sales strategies to optimize performance under the revised programs.

Net Sales. Net sales for the three months ended March 31, 2021 increased 2%, year over year, to \$2.2 billion compared to the three months ended March 31, 2020. This net increase primarily reflects increases in our EMEA and APAC segments, while our North America segment was negatively impacted by supply constraints and extended lead times for certain products. We believe this trend in net sales may continue into the second and third quarters of 2021, when compared to the prior year. Our net sales by operating segment were as follows for the three months ended March 31, 2021 and 2020 (dollars in thousands):

	Three Months Ended March 31,		% Change
	2021	2020	
North America	\$ 1,654,781	\$ 1,674,381	(1%)
EMEA	478,836	418,886	14%
APAC	59,451	50,784	17%
Consolidated	<u>\$ 2,193,068</u>	<u>\$ 2,144,051</u>	2%

Our net sales by offering category for North America for the three months ended March 31, 2021 and 2020 were as follows (dollars in thousands):

Sales Mix	Three Months Ended March 31,		% Change
	2021	2020	
Hardware	\$ 1,109,489	\$ 1,128,486	(2%)
Software	308,738	305,163	1%
Services	236,554	240,732	(2%)
	<u>\$ 1,654,781</u>	<u>\$ 1,674,381</u>	(1%)

Net sales in North America decreased 1%, or \$19.6 million, for the three months ended March 31, 2021 compared to the three months ended March 31, 2020, primarily driven by the continued impact of supply constraints and extended product lead times. Net sales of hardware and services both decreased 2%, year to year, partially offset by an increase in software net sales of 1%, year over year. The changes for the three months ended March 31, 2021 were the result of the following:

- The decrease in hardware net sales was due to lower volume of sales to large enterprise and corporate clients. The decrease in volume of sales was largely due to impacts of supply constraints and extended product lead times resulting in our inability to clear backlog.
- The decrease in services net sales was primarily due to decreases in demand for certain services due to the impact of COVID-19 partially offset by an increase in net sales associated with cloud solution offerings and higher sales of Insight delivered services.

INSIGHT ENTERPRISES, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
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- The increase in software net sales was primarily due to a single significant transaction with a large enterprise client in the current period, partially offset by the continued migration of on-premise software to cloud solutions, reported net in services net sales.

Our net sales by offering category for EMEA for the three months ended March 31, 2021 and 2020 were as follows (dollars in thousands):

Sales Mix	Three Months Ended March 31,		% Change
	2021	2020	
Hardware	\$ 195,971	\$ 174,969	12%
Software	234,423	201,082	17%
Services	48,442	42,835	13%
	<u>\$ 478,836</u>	<u>\$ 418,886</u>	14%

Net sales in EMEA increased 14%, or \$60.0 million, for the three months ended March 31, 2021 compared to the three months ended March 31, 2020. Excluding the effects of fluctuating foreign currency exchange rates, net sales in EMEA increased 5%, year over year. Net sales of hardware, software and services increased 12%, 17% and 13%, respectively, year over year. The changes for the three months ended March 31, 2021 were the result of the following:

- The increase in software net sales was due to higher volume of sales to public sector and corporate clients, partially offset by the continued migration of on-premise software to cloud solutions.
- The increase in hardware net sales was due primarily to higher volume sales of devices and networking to public sector clients.
- The increase in services net sales was due primarily to higher volume of Insight delivered services and higher sales of cloud solutions.

Our net sales by offering category for APAC for the three months ended March 31, 2021 and 2020 were as follows (dollars in thousands):

Sales Mix	Three Months Ended March 31,		% Change
	2021	2020	
Hardware	\$ 9,565	\$ 7,746	23%
Software	34,834	30,870	13%
Services	15,052	12,168	24%
	<u>\$ 59,451</u>	<u>\$ 50,784</u>	17%

Net sales in APAC increased 17%, or \$8.7 million, for the three months ended March 31, 2021 compared to the three months ended March 31, 2020. Excluding the effects of fluctuating foreign currency exchange rates, net sales in APAC increased 2%, year over year. Net sales of hardware, software and services increased by 23%, 13% and 24%, respectively, year over year. The changes for the three months ended March 31, 2021 were the result of the following:

- The increase in software net sales was primarily due to the positive effects of exchange rates.
- The increase in services net sales was primarily due to higher sales of Insight delivered services and higher sales of cloud solutions.
- The increase in hardware net sales was primarily the result of large transactions with corporate clients.

INSIGHT ENTERPRISES, INC.
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The percentage of net sales by category for North America, EMEA and APAC were as follows for the three months ended March 31, 2021 and 2020:

Sales Mix	North America Three Months Ended March 31,		EMEA Three Months Ended March 31,		APAC Three Months Ended March 31,	
	2021	2020	2021	2020	2021	2020
Hardware	67%	68%	41%	42%	16%	15%
Software	19%	18%	49%	48%	59%	61%
Services	14%	14%	10%	10%	25%	24%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

Gross Profit. Gross profit increased 2%, or \$6.1 million, for the three months ended March 31, 2021, compared to the three months ended March 31, 2020, with gross margin contracting approximately 10 basis points to 15.1% for the three months ended March 31, 2021 compared to 15.2% for the three months ended March 31, 2020.

Our gross profit and gross profit as a percentage of net sales by operating segment were as follows for the three months ended March 31, 2021 and 2020 (dollars in thousands):

	Three Months Ended March 31,			
	2021	% of Net Sales	2020	% of Net Sales
North America	\$ 253,489	15.3%	\$ 256,928	15.3%
EMEA	66,035	13.8%	58,774	14.0%
APAC	11,950	20.1%	9,634	19.0%
Consolidated	<u>\$ 331,474</u>	<u>15.1%</u>	<u>\$ 325,336</u>	<u>15.2%</u>

North America's gross profit for the three months ended March 31, 2021 decreased 1%, or \$3.4 million, compared to the three months ended March 31, 2020. As a percentage of net sales, gross margin was flat at 15.3% for the first quarter of 2021. The year to year changes in gross margin were primarily attributable to the following:

- There was a decrease in product margin, which includes partner funding and freight, of 55 basis points offset by an increase in margin from services net sales of 53 basis points compared to the same period in the prior year.
- The decrease in product margin is primarily the result of sales of hardware and software at lower margins than in the same period in the prior year.
- The increase in margin from services net sales during the current quarter reflects an expansion in margin from cloud solutions and other services that are recorded net.

EMEA's gross profit for the three months ended March 31, 2021 increased \$7.3 million, or 12%, year over year (increasing 3% when excluding the effects of fluctuating foreign currency exchange rates), compared to the three months ended March 31, 2020. As a percentage of net sales, gross margin contracted approximately 20 basis points, year to year. The year to year net decline in gross margin was primarily attributable to a decrease in higher margin services net sales, which represented 15 basis points of the margin compression, together with a net decrease in product margin, which includes partner funding and freight, of 9 basis points.

APAC's gross profit for the three months ended March 31, 2021 increased \$2.3 million, or 24%, compared to the three months ended March 31, 2020 (increasing 10% when excluding fluctuating foreign currency exchange rates). As a percentage of net sales, gross margin increased approximately 110 basis points, year over year. The increase in gross margin in the first quarter of

INSIGHT ENTERPRISES, INC.
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2021 compared to the first quarter of 2020 was due to an increase in gross margin on product net sales, which includes partner funding and freight, of 81 basis points and an increase in gross margin on services net sales, including cloud solutions, of 32 basis points.

Operating Expenses.

Selling and Administrative Expenses. Selling and administrative expenses increased \$2.3 million, or 1%, (decreasing 2% when excluding fluctuating foreign currency exchange rates) for the three months ended March 31, 2021 compared to the three months ended March 31, 2020. Our selling and administrative expenses by major expense type for the three months ended March 31, 2021 and 2020 were as follows (dollars in thousands):

	Three Months Ended March 31,	
	2021	2020
Personnel costs, including teammate benefits	\$ 220,051	\$ 201,815
Depreciation and amortization	13,433	17,397
Facility expenses	9,531	10,978
Legal and professional fees	4,482	5,825
Travel and entertainment	1,316	7,165
Marketing	2,149	3,461
Other	20,228	22,222
Total	<u>\$ 271,190</u>	<u>\$ 268,863</u>

Selling and administrative expenses decreased approximately 10 basis points as a percentage of net sales in the first quarter of 2021 compared to the first quarter of 2020. The overall net increase in selling and administrative expenses reflects an \$18.2 million net increase in personnel costs, including teammate benefits expenses primarily related to one-time benefits received in the prior year and increased variable compensation in the current year. This increase was partially offset by a decrease in travel and entertainment and marketing costs of \$5.8 million and \$1.3 million, respectively, reflecting cost control measures taken in response to COVID-19. There were also decreases in depreciation and amortization, other expenses, facility expenses, and legal and professional fees of \$4.0 million, \$2.0 million, \$1.4 million and \$1.3 million, respectively, year to year.

Severance and Restructuring Expenses, Net. During the three months ended March 31, 2021, we recorded severance expense, net of adjustments, of approximately \$1.3 million. The charges primarily related to a realignment of certain roles and responsibilities. Current period severance charges were offset by gains on sale of properties of \$8.0 million. Comparatively, during the three months ended March 31, 2020, we recorded severance expense, net of adjustments, of approximately \$2.1 million.

INSIGHT ENTERPRISES, INC.
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Earnings from Operations. Earnings from operations increased 27%, or \$14.2 million, for the three months ended March 31, 2021, compared to the three months ended March 31, 2020. Our earnings from operations and earnings from operations as a percentage of net sales by operating segment were as follows for the three months ended March 31, 2021 and 2020 (dollars in thousands):

	Three Months Ended March 31,			
	2021	% of Net Sales	2020	% of Net Sales
North America	\$ 53,921	3.3%	\$ 42,341	2.5%
EMEA	10,090	2.1%	8,320	2.0%
APAC	3,013	5.1%	2,202	4.3%
Consolidated	<u>\$ 67,024</u>	3.1%	<u>\$ 52,863</u>	2.5%

North America's earnings from operations for the three months ended March 31, 2021 increased \$11.6 million, or 27%, compared to the three months ended March 31, 2020. As a percentage of net sales, earnings from operations increased by approximately 80 basis points to 3.3%. The increase in earnings from operations was primarily driven by gains realized on the sale of properties, a net decrease in selling and administrative expenses and no acquisition and integration related expenses in the current period when compared to the three months ended March 31, 2020.

EMEA's earnings from operations for the three months ended March 31, 2021 increased \$1.8 million, or 21% (increasing 9% when excluding the effects of fluctuating foreign currency exchange rates), compared to the three months ended March 31, 2020. As a percentage of net sales, earnings from operations increased by approximately 10 basis points to 2.1%. The increase in earnings from operations was primarily driven by an increase in gross profit, partially offset by an increase in selling and administrative expenses compared to the three months ended March 31, 2020.

APAC's earnings from operations for the three months ended March 31, 2021 increased \$811,000, or 37% (increasing 23% when excluding the effects of fluctuating foreign currency exchange rates), compared to the three months ended March 31, 2020. As a percentage of net sales, earnings from operations increased by approximately 80 basis points to 5.1%. The increase in earnings from operations was primarily driven by an increase in gross profit, partially offset by an increase in selling and administrative expenses compared to the three months ended March 31, 2020.

Non-Operating (Income) Expense.

Interest Expense, Net. Interest expense, net primarily relates to borrowings under our financing facilities and imputed interest under our inventory financing facilities and the Notes, partially offset by interest income generated from interest earned on cash and cash equivalent bank balances. Interest expense, net for the three months ended March 31, 2021 decreased 16%, or \$1.9 million, compared to the three months ended March 31, 2020. The decrease was due primarily to lower average daily balances and lower borrowing rates under our ABL facility, which was partially offset by increased imputed interest under our inventory financing facilities and the Notes.

Imputed interest under the Notes was \$2.6 million for the three months ended March 31, 2021, compared to \$2.5 million for the three months ended March 31, 2020. Imputed interest under our inventory financing facilities was \$3.6 million for the three months ended March 31, 2021 compared to \$2.8 million for the three months ended March 31, 2020. The increase in imputed interest under our inventory financing facilities was a result of expanded use of the facilities, in part as a result of expanded payment terms during the current period. For a

INSIGHT ENTERPRISES, INC.
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description of our various financing facilities, see Note 5 to our Consolidated Financial Statements in Part I, Item 1 of this report.

Income Tax Expense. Our effective tax rate of 23.8% for the three months ended March 31, 2021 was higher than our effective tax rate of 20.3% for the three months ended March 31, 2020. The increase in our effective tax rate for the three months ended March 31, 2021 compared to the three months ended March 31, 2020 was partially due to the rate impact of tax benefits associated with the CARES Act which did not recur in 2021.

Liquidity and Capital Resources

The following table sets forth certain consolidated cash flow information for the three months ended March 31, 2021 and 2020 (in thousands):

	Three Months Ended March 31,	
	2021	2020
Net cash provided by operating activities	\$ 42,706	\$ 93,126
Net cash provided by investing activities	19,364	430
Net cash used in financing activities	(49,267)	(141,766)
Foreign currency exchange effect on cash, cash equivalent and restricted cash balances	(2,445)	(3,615)
Increase (decrease) in cash, cash equivalents and restricted cash	10,358	(51,825)
Cash, cash equivalents and restricted cash at beginning of period	130,582	116,297
Cash, cash equivalents and restricted cash at end of period	<u>\$ 140,940</u>	<u>\$ 64,472</u>

Cash and Cash Flow

- Our primary uses of cash during the three months ended March 31, 2021 were to pay down our debt balances and to fund our working capital requirements.
- Operating activities provided \$42.7 million in cash during the three months ended March 31, 2021, compared to \$93.1 million during the three months ended March 31, 2020.
- We had net repayments under our inventory financing facilities of \$17.8 million during the three months ended March 31, 2021, compared to net repayments of \$764,000 during the three months ended March 31, 2020.
- Net repayments under our ABL facility during the three months ended March 31, 2021 and 2020 were \$24.0 million and \$110.2 million, respectively.
- Capital expenditures were \$7.8 million and \$7.4 million for the three months ended March 31, 2021 and 2020, respectively.
- We received proceeds from the sale of our properties held for sale of \$27.2 million in the three months ended March 31, 2021 compared to proceeds of \$14.2 million in the three months ended March 31, 2020.
- During the three months ended March 31, 2020, we repurchased an aggregate of \$25.0 million of our common stock, pursuant to a repurchase program approved in February 2020. There were no share repurchases in the three months ended March 31, 2021.

We expect that cash flows from operations, together with the funds available under our financing facilities, will be adequate to support our presently anticipated cash and working capital requirements for operations over the next 12 months. We believe that we have a strong balance sheet and healthy liquidity position. The Company had capacity of up to \$1.2 billion under our ABL facility as of March 31, 2021. For the remainder of 2021, we plan to be prudent in our use of cash, using available cash to fund business operations and to pay down our ABL facility and inventory financing facilities.

INSIGHT ENTERPRISES, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
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Net cash provided by operating activities

- Cash flow from operating activities in the first three months of 2021 was \$42.7 million compared to \$93.1 million in the first three months of 2020.
- The decrease in cash flow from operating activities was primarily driven by an increase in working capital needs, including investments in inventory to support specific client programs and additional short-term demand in the first three months of 2021 compared to the first three months of 2020.

Our consolidated cash flow operating metrics were as follows:

	Three Months Ended March 31,	
	2021	2020
Days sales outstanding in ending accounts receivable ("DSOs") (a)	106	104
Days inventory outstanding ("DIOs") (b)	11	11
Days purchases outstanding in ending accounts payable ("DPOs") (c)	(86)	(77)
Cash conversion cycle (days) (d)	31	38

- (a) Calculated as the balance of current accounts receivable, net at the end of the quarter divided by daily net sales. Daily net sales is calculated as net sales for the quarter divided by 90 and 91 days in 2021 and 2020, respectively.
- (b) Calculated as average inventories divided by daily costs of goods sold. Average inventories is calculated as the sum of the balances of inventories at the beginning of the quarter plus inventories at the end of the quarter divided by two. Daily costs of goods sold is calculated as costs of goods sold for the quarter divided by 90 and 91 days in 2021 and 2020, respectively.
- (c) Calculated as the sum of the balances of accounts payable – trade and accounts payable – inventory financing facilities at the end of the quarter divided by daily costs of goods sold. Daily costs of goods sold is calculated as costs of goods sold for the quarter divided by 90 and 91 days in 2021 and 2020, respectively.
- (d) Calculated as DSOs plus DIOs, less DPOs.

- Our cash conversion cycle was 31 days in the first quarter of 2021, down 7 days from the first quarter of 2020.
- The net changes were a result of a 2 day increase in DSOs and a 9 day increase in DPOs. Excluding the impacts of software netting, DSOs decreased due to improvements in aging of receivables. The increase in DPOs was primarily due to increases in balances in the current period in part due to the extension of terms on our inventory financing facilities.
- We expect that cash flow from operations will be used, at least partially, to fund working capital as we typically pay our partners on average terms that are shorter than the average terms we grant to our clients to take advantage of supplier discounts.
- We intend to use cash generated in the remainder of 2021 in excess of working capital needs, to pay down our ABL facility and inventory financing facilities.

Net cash provided by investing activities

- We received proceeds from the sale of properties held for sale of \$27.2 million in the first three months of 2021 compared to proceeds of \$14.2 million in the first three months of 2020.
- Capital expenditures were \$7.8 million and \$7.4 million for the three months ended March 31, 2021 and 2020, respectively.
- We acquired vNext in February 2020 for \$6.4 million.

INSIGHT ENTERPRISES, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
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- We expect capital expenditures for the full year 2021 to be in a range of \$75.0 million to \$85.0 million, the majority of which will be used to ready our global corporate headquarters and to fund technology-related projects.

Net cash used in financing activities

- During the three months ended March 31, 2021, we had net repayments under our ABL facility that decreased our outstanding long-term debt balance by \$24.0 million.
- During the three months ended March 31, 2020, we had net repayments under our ABL facility that decreased our outstanding long-term debt balance by \$110.2 million.
- We had net repayments under our inventory financing facilities of \$17.8 million during the three months ended March 31, 2021 compared to net repayments of \$764,000 during the three months ended March 31, 2020.
- During the three months ended March 31, 2020, we repurchased an aggregate of \$25.0 million of our common stock, pursuant to a repurchase program approved in February 2020, with no comparable repurchases during the three months ended March 31, 2021.

Financing Facilities

Our debt balance as of March 31, 2021 was \$417.2 million, including our finance lease obligations for certain IT equipment and other financing obligations.

- Our objective is to pay our debt balances down while retaining adequate cash balances to meet overall business objectives.
- The Notes are subject to certain events of default and certain acceleration clauses. As of March 31, 2021, no such events have occurred.
- Our ABL facility contains various covenants customary for transactions of this type, including complying with a minimum receivable and inventory requirement and meeting monthly, quarterly and annual reporting requirements. The credit agreement contains customary affirmative and negative covenants and events of default. At March 31, 2021, we were in compliance with all such covenants.

We also have agreements with financial intermediaries to facilitate the purchase of inventory from various suppliers under certain terms and conditions.

- These amounts are classified separately as accounts payable – inventory financing facilities in our consolidated balance sheets.
- Our inventory financing facilities have an aggregate availability for vendor purchases of \$540.0 million, of which \$309.1 million was outstanding at March 31, 2021.

Undistributed Foreign Earnings

Cash and cash equivalents held by foreign subsidiaries are generally subject to U.S. income taxation upon repatriation to the United States. As of March 31, 2021, we had approximately \$118.8 million in cash and cash equivalents in certain of our foreign subsidiaries, primarily residing in Australia, Canada and the Netherlands. Certain of these cash balances will be remitted to the United States by paying down intercompany payables generated in the ordinary course of business or through actual dividend distributions.

INSIGHT ENTERPRISES, INC.
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Off-Balance Sheet Arrangements

We have entered into off-balance sheet arrangements, which include indemnifications. The indemnifications are discussed in Note 7 to the Consolidated Financial Statements in Part I, Item 1 of this report and such discussion is incorporated by reference herein. We believe that none of our off-balance sheet arrangements have, or are reasonably likely to have, a material current or future effect on our business, financial condition or results of operations.

Recently Issued Accounting Standards

The information contained in Note 1 to the Consolidated Financial Statements in Part I, Item 1 of this report concerning a description of recently issued accounting standards which affect or may affect our financial statements, including our expected dates of adoption and the estimated effects on our results of operations and financial condition, is incorporated by reference herein.

Contractual Obligations

There have been no material changes in our reported contractual obligations, as described under "Contractual Obligations" in "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources" in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2020.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Except as described below, there have been no material changes in our reported market risks, as described in “Quantitative and Qualitative Disclosures About Market Risk” in Part II, Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2020.

Although our Notes are based on a fixed rate, changes in interest rates could impact the fair market value of such Notes. As of March 31, 2021, the fair market value of our Notes was \$513 million. For additional information about our Notes, see Note 5 to our Consolidated Financial Statements in Part I, Item 1 of this report.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer, as of the end of the period covered by this report, evaluated the effectiveness of our disclosure controls and procedures (as such term is defined under Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) and determined that as of March 31, 2021 our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Change in Internal Control over Financial Reporting

There was no change in the Company’s internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) in the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

Inherent Limitations of Internal Control Over Financial Reporting

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Part II – OTHER INFORMATION**Item 1. Legal Proceedings.**

For a discussion of legal proceedings, see “– Legal Proceedings” in Note 7 to the Consolidated Financial Statements in Part I, Item 1 of this report, which section is incorporated by reference herein.

Item 1A. Risk Factors.

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, Item 1A, “Risk Factors”, in our Annual Report on Form 10-K for the year ended December 31, 2020 (the “Annual Report”), which could materially affect our business, financial condition or future results. The risks described in our Annual Report are not the only risks facing the Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business, financial condition or operating results.

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

There were no unregistered sales of equity securities during the three months ended March 31, 2021.

We have never paid a cash dividend on our common stock, and we currently do not intend to pay any cash dividends in the foreseeable future. Our ABL facility contains certain covenants that, if not met, restrict the payment of cash dividends.

Issuer Purchases of Equity Securities

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
January 1, 2021 through January 31, 2021	—	\$ —	—	\$ 25,000,004
February 1, 2021 through February 28, 2021	—	—	—	25,000,004
March 1, 2021 through March 31, 2021	—	—	—	25,000,004
Total	—	\$ —	—	—

On February 26, 2020, we announced that our Board of Directors had authorized the repurchase of up to \$50 million of our common stock. There is no stated expiration date for this share repurchase plan. As of March 31, 2021, \$25 million remained available for repurchases under this share repurchase plan.

On May 6, 2021, we announced that our Board of Directors had authorized the repurchase of up to \$125 million of common stock, including the \$25 million that remained available from the February 2020 authorization. There is no stated expiration date for this share repurchase plan.

In accordance with the share repurchase plan, share repurchases may be made on the open market, subject to Rule 10b-18 or in privately negotiated transactions, through block trades,

INSIGHT ENTERPRISES, INC.

through 10b5-1 plans or otherwise, at management's discretion. The amount of shares purchased and the timing of the purchases will be based on market conditions, working capital requirements, general business conditions and other factors. We intend to retire the repurchased shares.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Not applicable.

INSIGHT ENTERPRISES, INC.

Item 6. Exhibits.

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed/Filing Date
		Form	File No.	Exhibit Number	Filing Date	
3.1	Amended and Restated Certificate of Incorporation of Insight Enterprises, Inc.	10-K	000-25092	3.1	February 17, 2006	
3.2	Certificate of Amendment of Amended and Restated Certificate of Incorporation of Insight Enterprises, Inc.	8-K	000-25092	3.1	May 21, 2015	
3.3	Amended and Restated Bylaws of Insight Enterprises, Inc.	8-K	000-25092	3.2	May 21, 2015	
4.1	Specimen Common Stock Certificate (P)	S-1	33-86142	4.1	January 20, 1995	
10.1	Executive Management Separation Plan					
10.2	Amendment to the Service Agreement dated October 25, 2013 between Insight Technology Solutions GmbH and Wolfgang Ebermann	8-K	000-25092	10.1	January 6, 2021	
31.1	Certification of Chief Executive Officer Pursuant to Securities Exchange Act Rule 13a-14					
31.2	Certification of Chief Financial Officer Pursuant to Securities Exchange Act Rule 13a-14					
32.1	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					
101.INS	Inline 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 (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101)					
(P)	Paper exhibit.					

INSIGHT ENTERPRISES, INC.

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.

Date: May 6, 2021

INSIGHT ENTERPRISES, INC.

By: /s/ Kenneth T. Lamneck

Kenneth T. Lamneck
President and Chief Executive Officer
(Duly Authorized Officer)

By: /s/ Glynis A. Bryan

Glynis A. Bryan
Chief Financial Officer
(Principal Financial Officer)

By: /s/ Rachael A. Crump

Rachael A. Crump
Global Corporate Controller
(Principal Accounting Officer)

INSIGHT ENTERPRISES, INC.
EXECUTIVE MANAGEMENT SEPARATION PLAN
Effective August 29, 2019

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ARTICLE I -
INTRODUCTION

Effective as of January 1, 2008, Insight Enterprises, Inc. adopted the Insight Enterprises, Inc. Executive Management Separation Plan (the "Plan"). The purpose of the Plan is to ensure the Company of the continued employment and attention and dedication to duty of its executive management team and to seek to promote the availability of their continued service, notwithstanding the possibility or occurrence of a Qualifying Event. By execution of this document, Insight Enterprises, Inc. hereby amends and restates the Plan in its entirety, effective as of August 29, 2019 (the "Effective Date"). This amended and restated Plan document applies only to a Participant who (1) incurs a Qualifying Event on or after the Effective Date and (2) who incurs a Separation from Service on or after the Effective Date.

ARTICLE II -
DEFINITIONS

2.1 **Definitions.** When a word or phrase appears in the Plan with the initial letter capitalized, and the word or phrase does not commence a sentence, the word or phrase shall generally be a term defined in Article I (**Introduction**) or this Article II. The following words and phrases used in the Plan with the initial letter capitalized shall have the meanings set forth below, unless a clearly different meaning is required by the context in which the word or phrase is used or the word or phrase is defined for a limited purpose elsewhere in the Plan document:

(a) **Accrued Benefits.** A Participant's Base Salary, Equity Compensation and other cash or noncash benefits previously earned, vested or accrued prior to the Participant's Separation Date for which the Participant is entitled to payment under the applicable Company plan or policy or applicable law, as well as reimbursement for reasonable and necessary business expenses incurred by a Participant through the Separation Date and for which reimbursement has been or will be sought in accordance with the Company's applicable expense reimbursement policies.

(b) **Affiliate.** An Affiliate is (1) any member of a "controlled group of corporations" (within the meaning of Section 414(b) of the Code as modified by Section 415(h) of the Code) that includes Insight Enterprises, Inc. as a member of the group; and (2) any member of a group of trades or businesses under common control (within the meaning of Section 414(c) of the Code as modified by Section 415(h) of the Code) that includes Insight Enterprises, Inc. as a member of the group.

(c) **Base Salary.** The annualized amount a Participant is entitled to receive as wages or salary on the Separation Date, excluding all bonus, overtime, commissions, incentive, health and other additive compensation, and amounts designated by the Company as payment toward reimbursement of expenses, regardless of whether any such amounts are deferred.

(d) **Board.** The Board of Directors of Insight Enterprises, Inc.

(e) **Cause.** Cause shall mean:

(1) The misappropriation (or attempted misappropriation) of any of the funds or property of the Company or any Affiliate;

(2) The conviction of, or the entering of a guilty plea or plea of no contest with respect to, a felony or misdemeanor that involves moral turpitude or a fraudulent act;

(3) Willful and significant or repeated neglect of duties;

(4) Acts of material dishonesty, disloyalty or insubordination toward the Company or any Affiliate;

(5) Material violation of the code of ethics, insider trading, any confidentiality, noncompetition, or nonsolicitation covenants or any material policy of the Company or any Affiliate, *e.g.*, anti-harassment policy, with respect to the Company's business or operations;

(6) Significant or repeated deficiency with respect to performance objectives reasonably assigned by the Company or the Company's designee; or

(7) Insolvency of the Company.

(f) Code. The Internal Revenue Code of 1986, as amended.

(g) Company. Insight Enterprises, Inc. and any successor thereto. Except as used in Articles XII (Amendment and Termination) and XV (Administration), "Company" also includes all U.S. Affiliates of Insight Enterprises, Inc. with U.S. operations that have adopted the Plan. The list of Affiliates that have adopted the Plan as of the Effective Date are listed on Exhibit A. Exhibit A may be updated from time to time by the Company's Senior Vice President, Human Resources or in the absence of a Senior Vice President, Human Resources, the Company's most senior human resources leader.

(h) Compensation Committee. The Compensation Committee of the Board, or such Committee's designee.

(i) Disability. A Participant has a "Disability" if he or she has been determined to be "Totally Disabled" or "Partially Disabled" in accordance with either of the Company's group long-term disability or short-term disability plans.

(j) Effective Date. This Plan is amended and restated effective August 29, 2019 and shall apply only to a Participant who performs services as an Employee on and after such date.

(k) Employee. A full-time employee of the Company who is paid from the payroll department of the Company, who regularly works in the United States and for whom the Company withholds U.S. employment taxes (*e.g.*, income tax, FICA) from the employee's pay. Part-time employees, temporary employees, temporary agency employees, leased employees, non-payroll workers, W-2 contractor employees and independent contractors of the Company are not "Employees" and are ineligible to participate in this Plan, regardless of how the relationship with the Company subsequently may be characterized.

(l) Equity Compensation. Stock options, restricted stock units, restricted stock, performance shares and other equity incentive awards.

(m) ERISA. The Employee Retirement Income Security Act of 1974, as amended.

(n) Good Reason. The occurrence of any of the following events, without a Participant's prior written consent, that is not cured by the Company within 30 calendar days after receipt of written notice from the Participant of such event and that results in the Participant's termination of employment within 90 calendar days of such event:

(1) Reduction in Base Salary. A material diminution in a Participant's Base Salary following a Reduction in Force or Other Restructuring; *provided, however*, that this paragraph shall not apply in the case of a Reduction in Force or Other Restructuring in which substantially all Participants are subject to substantially similar reductions; or

(2) Relocation. Following a Reduction in Force or Other Restructuring, a material change in the geographic location at which the Participant must work.

(o) Participant. An Employee of the Company who has satisfied the eligibility requirements for participation in the Plan as set forth in Article III (Eligibility and Participation).

(p) Plan. This Executive Management Separation Plan, as it may be amended from time to time.

(q) Plan Administrator. The Plan Administrator shall be the Insight Enterprises, Inc. Benefits Administration Committee or its designee.

(r) Qualifying Event. A "Qualifying Event" has the meaning prescribed by Article IV (Qualifying Event).

(s) Reduction in Force or Other Restructuring. A reorganization or other organizational change or restructuring of Company operations that results in the termination, reassignment, or reduction in regularly scheduled hours of work, pay, or benefits of two or more employees at the same time.

(t) Release. A "Release" has the meaning prescribed in Section 7.7 (Release and Waiver and Restrictive Covenants).

(u) Separation Date. A Participant's last date of employment.

(v) Separation from Service. A Participant incurs a "Separation from Service" if either of the following occurs: (1) the termination of a Participant's employment with the Company and all Affiliates; or (2) a permanent reduction in the level of bona fide services the Participant provides to the Company and all Affiliates to an amount that is 20% or less of the average level of bona fide services the Participant provided to the Company and all Affiliates in the immediately preceding 36 months, with the level of bona fide service calculated in accordance with Treas. Reg. § 1.409A-1(h)(1)(ii).

A Participant's employment relationship is treated as continuing while the Participant is on military leave, sick leave, or other bona fide leave of absence (if the period of such leave does not exceed six months, or if longer, so long as the Participant's right to reemployment with the Company or an Affiliate is provided either by statute or contract). If the Participant's period of leave exceeds six months and the Participant's right to reemployment is not provided either by statute or by contract, the employment relationship is deemed to terminate on the first day immediately following the expiration of such six-month period. Whether a termination of employment has occurred will be determined based on all of the facts and circumstances and in accordance with regulations issued by the United States Treasury Department pursuant to Section 409A of the Code.

Solely for purposes of determining whether a Participant has incurred a Separation from Service, the term "Affiliate" shall have the meaning assigned in Treas. Reg. § 1.409A-1(h)(3) (which generally requires 50% common ownership).

(w) Severance Benefits. The benefits payable to a Participant in accordance with Section 7.1 (Description of Severance Benefits for All Participants).

(x) Year of Credited Service. A 12-month period during which an Employee performs services for the Company or an Affiliate. Years of Credited Service shall be prorated based on the number days during the 12-month period in which the Employee performed services for the Company or an Affiliate. If the Employee's employment with the Company includes a break in employment that resulted in a termination of employment and a rehiring, then only the Years of Service in the last period of employment will be considered Years of Service.

Any Employee who was employed by an entity or its affiliates (an "Acquired Entity") that was acquired by the Company or its Affiliates on the closing date of the transaction pursuant to which the Company or its Affiliates acquired the Acquired Entity shall receive credit for all service with the Acquired Entity as if such service were performed for the Company and subject to the remaining terms of the Plan. Such service will be credited on a reasonably uniform basis for all such Employees.

ARTICLE III **ELIGIBILITY AND PARTICIPATION**

3.1 Eligibility. A "Participant" is an Employee who is classified by the Plan Administrator as a Director, Vice President, Senior Vice President or higher.

3.2 Certain Employees Ineligible for Benefits. The following Employees shall be ineligible to receive Severance Benefits under this Plan:

(a) Employees whose employment is terminated by the Company as a result of outsourcing or of a sale or acquisition by another entity and employment is continued with the outsource vendor or successor owner;

(b) Employees who, in connection with an outsourcing or sale or acquisition situation, are offered employment by the outsource vendor or successor owner and the Employee declines such job offer;

- (c) Employees who do not incur a Separation from Service for any reason including because the Employee remains employed by the Company or any Affiliate of the Company or is retained on a substantially full-time basis as a consultant or contractor of the Company;
- (d) Employees who terminate employment or who are terminated for reasons other than a Qualifying Event;
- (e) Employees whose employment with the Company is terminated for Cause;
- (f) Employees whose employment with the Company is terminated by reason of Disability or death;
- (g) Employees who are entitled to receive severance benefits under an employment agreement or other plan, program or agreement sponsored by the Company or an Affiliate. For the avoidance of doubt, any employee who is eligible to receive benefits pursuant to the PCM, Inc. Separation Plan shall be ineligible to receive benefits under this Plan; or
- (h) Employees who are employed by an Affiliate that has not adopted the Plan.

ARTICLE IV **QUALIFYING EVENT**

4.1 **Benefits Due to Qualifying Event Only.** A Participant shall be entitled to Severance Benefits only if the Participant's employment is terminated due to a Qualifying Event and the Participant signs and delivers a Release pursuant to Section 7.7 (**Release and Waiver and Restrictive Covenants**). A Qualifying Event includes any of the following:

- (a) The Company's elimination of the Participant's position in connection with a Reduction in Force or Other Restructuring;
- (b) The Company's elimination of the Participant's position and the Participant is offered a new position, but the Participant terminates his or her employment for Good Reason; or
- (c) The Company's termination of the Participant's employment without Cause unrelated to a Reduction in Force or Other Restructuring.

No termination of employment described in this Article IV constitutes a "Qualifying Event" unless such termination of employment also is a Separation from Service. For the avoidance of doubt, a Participant is not entitled to Severance Benefits if the Company reduces the level of services the Participant provides to the Company or an Affiliate. Rather, a complete termination of employment must occur.

ARTICLE V
EVENTS THAT DO NOT TRIGGER SEVERANCE BENEFITS

5.1 Termination for Cause or Without Good Reason. A Participant shall not be entitled to Severance Benefits if the Participant's employment with the Company is terminated by the Company for Cause or if the Participant voluntarily terminates employment without Good Reason.

5.2 Termination by Reason of Disability or Death. A Participant shall not be entitled to Severance Benefits if the Participant's employment with the Company is terminated by reason of Disability or death.

ARTICLE VI
TERMINATION PROCEDURES

A Participant shall receive advance written notice of a termination by the Company in connection with a Qualifying Event when practicable, but in no event is advance written notice required.

ARTICLE VII
SEVERANCE BENEFITS

7.1 Description of Severance Benefits for All Participants. Upon a Qualifying Event, and if the Participant signs, delivers and does not revoke a Release in a form to the satisfaction of the Company in accordance with Section 7.7 (Release and Waiver and Restrictive Covenants) within the period specified therein, the Participant shall be entitled to the following:

(a) Severance Payments. The Company shall pay the greater of: (1) one week of Base Salary for each Year of Credited Service, up to a maximum of 26 weeks; or (2) the following benefits based on the Participant's position with the Company at the time of Separation from Service: (A) three months of Base Salary for Directors, (B) six months of Base Salary for Vice Presidents, and (C) twelve months of Base Salary for Senior Vice Presidents and higher.

(b) Additional Lump Sum Payment. The Company shall provide a Participant with an additional lump sum payment equal to \$2,500.

(c) Outplacement Assistance. The Company shall provide outplacement assistance to the Participant through an outside management consulting firm selected by the Company and at the sole cost of the Company. The Company has the sole discretion to select the level of service and the firm selected for these services.

7.2 Form and Timing of Severance Benefits.

(a) The Severance Payments described in Section 7.1(a) (Description of Severance Benefits for All Participants – Severance Payments) shall be paid in installments in accordance with the Company's normal payroll periods and practices, commencing with the payroll period following the date on which the Release the Participant executed becomes fully effective and nonrevocable.

(b) The lump sum benefit described in Section 7.1(b) (Description of Severance Benefits for All Participants – Additional Lump Sum Payment) shall be paid in a single lump sum within ten (10) days following the date on which the Release the Participant executed becomes fully effective and nonrevocable.

(c) The Severance Benefits described in Section 7.1(c) (Description of Severance Benefits for All Participants – Outplacement Assistance) will begin to be provided by the Company to the Participant beginning on the first day of the month following the Participant's Separation Date.

(d) Notwithstanding anything to the contrary herein, no Severance Benefits under this Plan shall exceed two times the lesser of (1) the sum of the Participant's total annualized compensation based upon the annual rate of pay for services provided to the Company for the calendar year preceding the calendar year in which the Participant's Separation Date occurs (adjusted for any increase during that year that was expected to continue indefinitely if the Participant had not terminated employment), or (2) the maximum amount that may be taken into account under a qualified plan pursuant to Code Section 401(a)(17), as adjusted for inflation (for 2019, this amount is \$280,000), for the year in which the Participant's Separation Date occurs. In addition, all Severance Benefits shall be paid no later than December 31 of the second calendar year following the calendar year in which the Participant's Separation Date occurs.

7.3 Withholding of Taxes and Other Required Deductions. The Company shall withhold from any amounts payable under this Plan all federal, state, local or other taxes and other deductions that are legally required to be withheld.

7.4 Accrued Benefits. Notwithstanding anything to the contrary contained in this Plan, on termination of employment of any Participant, the Company shall pay to the Participant any Accrued Benefits in accordance with the Company's policy on the Participant's Separation Date.

7.5 Relation to Other Severance Programs or Payments. Severance Benefits are not intended to duplicate other comparable post-termination payments or benefits under any plan, program, policy or agreement between the Participant and the Company or any Affiliate, regardless of the event triggering such payments or benefits, or under applicable law (such as the WARN Act). Further, the Severance Benefits due under this Plan are not intended to duplicate any other post-termination payments or benefits for which the Participant may be eligible under applicable law (e.g., MGL c.149, § 24L (added by St.2018, c.228, § 21)). Should such payments or benefits be due, the Participant's Severance Benefits shall be treated as having been paid to satisfy such payments or benefits (to the extent payable by the Company) or shall be reduced by such payments or benefits. In either case, the Plan Administrator in its sole and exclusive judgment shall determine how to apply this provision and may override this or other provisions in this Plan in doing so. No Severance Benefits will be payable under this Plan to an Employee who is entitled to receive severance benefits under an employment agreement or other agreement unless the employment agreement or other agreement specifically states otherwise. Notwithstanding the foregoing, any payment made pursuant to this Section 7.5 shall be made in compliance with Section 409A of the Code.

7.6 Potential Limitations on Severance Benefits and Payments.

(a) Cap on Benefits. Section 4999 of the Code imposes an excise tax (currently 20%) on a Participant if the total payments and certain other benefits received by the Participant due to a “change in control” (which, for this purpose, has the meaning ascribed to it in Section 280G of the Code and the related regulations) exceed prescribed limits. In order to avoid this excise tax and the related adverse tax consequences for Company, the payments and benefits to which a Participant will be entitled pursuant under the Plan will be limited so that the sum of such payments and benefits, when combined with all other “payments in the nature of compensation” (as that term is defined in Section 280G of the Code and related regulations), the receipt of which is contingent on a change in control, will not exceed an amount equal to the maximum amount that can be payable without the imposition of the Section 4999 excise tax (which maximum amount is referred to below as the “Capped Benefit”).

(b) Exception. The limitation described above will not apply if the Participant’s “Uncapped Benefit” minus the Section 4999 excise taxes exceeds the Participant’s Capped Benefit. For this purpose, a Participant’s “Uncapped Benefit” is equal to the total payments to which the Participant will be entitled pursuant to this Plan, or otherwise, without regard to the limitation described in Section 7.6(a).

(c) Calculating the Capped and Uncapped Benefits. If the Company believes that Section 7.6(a) may result in a reduction of the payments to which a Participant is entitled under this Plan, it will so notify such Participant as soon as possible. The Company will then, at its expense, retain a “Consultant” (which shall be a certified public accounting firm and/or a firm of recognized executive compensation consultants working with a law firm or certified public accounting firm) to provide a determination concerning whether the Participant’s total payments and benefits under this Plan or otherwise will result in the imposition of the Section 4999 excise tax and, if so, whether the Participant is subject to the limitations of Section 7.6(a) or, alternatively, whether the exception described in Section 7.6(b) applies.

If the Consultant determines that the limitations of Section 7.6(a) apply, then the payments and benefits to which the Participant is entitled under the Plan and otherwise will be reduced to the extent necessary to eliminate the excess. In making such reduction, the Company first will reduce the amount of the Participant’s payments under this Plan and, if necessary, any other payments to which the Participant is entitled under any other arrangement that do not constitute “non-qualified deferred compensation” that is subject to Section 409A of the Code. The Company will reduce the amount of any payments or benefits payable to the Participant that are subject to Section 409A of the Code only to the extent reductions in addition to those described in the preceding sentence are necessary to avoid the Section 4999 excise tax. If the reduction of any payments or benefits which are subject to Section 409A of the Code becomes necessary to avoid the imposition of the excise tax, the Company first will reduce the non-equity based payments or benefits on a proportional basis. To the extent additional reductions are necessary to avoid the excise tax, the Company will then reduce the equity based payments or benefits on a proportional basis.

If the Consultant so requests, a firm of recognized executive compensation consultants selected by the Company (which may, but is not required to be, the Consultant) shall provide an opinion, upon which such Consultant may rely, as to the reasonableness of any item of

compensation as reasonable compensation for services rendered before or after the change in control.

If the Company believes that the limitations of Section 7.6(a) are applicable, it will nonetheless make payments to the Participant, at the times described in Section 7.2 (Form and Timing of Severance Benefits), in the maximum amount that it believes may be paid without exceeding such limitations. The balance, if any, will then be paid if due after the opinions called for above have been received.

If the amount paid to the Participant by the Company is ultimately determined by the Internal Revenue Service to have exceeded the limitations of this Section 7.6, the Participant must repay the excess promptly on demand of the Company. If it is ultimately determined by the Consultant or the Internal Revenue Service that a greater payment should have been made to the Participant, the Company shall pay the Participant the amount of the deficiency, together with interest thereon from the date such amount should have been paid to the date of such payment so that the Participant will have received or be entitled to receive the maximum amount to which the Participant is entitled under the Plan. For purposes of this Section 7.6, the applicable interest rate shall be the prime rate published by the Wall Street Journal from the date the amounts described in the preceding sentence should have been paid to the Participant.

As a general rule, the Consultant's determination shall be binding on the Participant and the Company. Section 280G and the excise tax rules of Section 4999, however, are complex and uncertain and, as a result, the Internal Revenue Service may disagree with the Consultant's conclusions. If the Internal Revenue Service determines that the Capped Benefit is actually lower than calculated by the Consultant, the Capped Benefit will be recalculated by the Consultant. Any payment over that revised Capped Benefit will then be repaid by the Participant to Company. If the Internal Revenue Service determines that the actual Capped Benefit exceeds the amount calculated by the Consultant, the Company shall pay the Participant any shortage.

The Company has the right to challenge any determinations made by the Internal Revenue Service. If the Company agrees to indemnify a Participant from any taxes, interest and penalties that may be imposed upon the Participant (including any taxes, interest and penalties on the amounts paid pursuant to the Company's indemnification agreement), the Participant must cooperate fully with the Company in connection with any such challenge. The Company shall bear all costs associated with the challenge of any determination made by the Internal Revenue Service and the Company shall control all such challenges.

A Participant must notify the Company in writing of any claim or determination by the Internal Revenue Service that, if upheld, would result in the payment of excise taxes. Such notice shall be given as soon as possible but in no event later than 15 days following the Participant's receipt of notice of the Internal Revenue Service's position.

(d) Effect of Repeal or Inapplicability. In the event that the provisions of Sections 280G and 4999 of the Code are repealed without succession, this Section 7.6 shall be of no further force or effect. Moreover, if the provisions of Sections 280G and 4999 of the Code do not apply to impose the excise tax on payments under this Plan, then the provisions of this Section 7.6 shall not apply.

7.7 Release and Waiver and Restrictive Covenants. Notwithstanding any other provision of this Plan, the right of a Participant to receive Severance Benefits hereunder shall be subject to the execution by the Participant of a release and waiver of all claims and execution of a restrictive covenant agreement that includes but is not limited to, nondisparagement covenants, noncompetition covenants, confidentiality covenants and nonsolicitation of clients and employees covenants (collectively, the “Release”), such Release to be in a form provided by the Company.

The Participant shall generally receive the Release on the Participant’s Separation Date and in no event more than five business days following the Participant’s Separation Date. To receive Severance Benefits under this Plan, the Participant must sign and return the Release within the 21- or 45-day (as applicable) period specified in the Release and then refrain from revoking the Release within the seven-day revocation period described in the Release, provided, however, the foregoing time period to review the Release may be shorter and there may be no revocation right if the Participant is under age 40. If the Participant is employed in Massachusetts at the time of the Qualifying Event, then the Participant shall receive seven business days to consider whether to revoke the Release and the Participant will receive that right regardless of his or her age. No Severance Benefits will be payable under this Plan if a Participant revokes the Release or unless the Participant signs and returns the Release in a timely manner.

7.8 Reemployment. In no event shall a Participant be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Participant under any of the provisions of this Plan, nor shall the amount of any payment hereunder be reduced by any compensation earned by a Participant as a result of employment by another employer.

ARTICLE VIII

FORFEITURE OF SEVERANCE BENEFITS

8.1 Future Services with the Company. If a Participant provides services to the Company or an Affiliate (as an employee, independent contractor, consultant or otherwise) within the period after the Participant’s Separation Date during which he or she is receiving Severance Benefits, and does so without the prior written approval of the Company’s Chief Executive Officer or his or her delegate, the Participant shall repay (or, if the Severance Benefits have not yet been provided to the Participant, forfeit) a pro rata amount of the Severance Benefits previously paid or provided by the Company.

8.2 Violation of the Company’s Codes of Ethics or Business Conduct or the Participant’s Restrictive Covenants. Notwithstanding any other provision of this Plan, if it is determined by the Company that a Participant has violated the Company’s Codes of Ethics or Business Conduct, or violated any restrictive covenants contained in the Participant’s Release or any other restrictive covenants contained in an agreement with the Company or in any other Company plan or program, the Participant shall be required to repay to the Company an amount equal to the economic value of all Severance Benefits already provided to the Participant under this Plan, and the Participant shall forfeit all unpaid benefits under this Plan. Additional forfeiture provisions may apply under other agreements between the Participant and the Company, and any such forfeiture provisions shall remain in full force and effect.

8.3 Remedies Cumulative. All remedies afforded the Company under this Plan are cumulative in nature and in no way limit the remedies available to the Company under any other Company plan, program, policy or agreement. The remedies under this Plan are also available to the Company in addition to every other remedy provided by law, including but not limited to the ability to seek injunctive relief and money damages.

ARTICLE IX - **EMPLOYMENT STATUS AND RIGHTS**

9.1 Employment Status. This Plan does not constitute a contract of employment or impose on the Company any obligation to retain the Participant as an Employee, to change the status of the Participant's employment or to change the Company's policies regarding termination of employment. Unless otherwise provided in a written contract with the Company, the Participant remains an at-will employee of the Company.

9.2 Includable Compensation. Severance Benefits shall not be counted as "compensation" for purposes of determining benefits under other benefit plans, programs, policies and agreements, except to the extent expressly provided therein. Except as otherwise specifically provided for in this Plan, a Participant's rights and benefits under any of the Company's other benefit plans, programs, policies and agreements continue to be subject to the respective terms of those plans, programs, policies and agreements.

9.3 Attention and Effort. This Plan is not intended to modify in any way a Participant's obligation, during the term of his or her employment with the Company, to devote all of his or her productive time, ability, attention and effort to the business and affairs of the Company and the discharge of the responsibilities assigned to him or her, and to use his or her best efforts to perform faithfully and efficiently such responsibilities.

ARTICLE X - **TYPE OF PLAN**

This Plan is intended to be, and shall be interpreted as, an unfunded employee welfare benefit plan (within the meaning of Section 3(1) of ERISA) for a select group of management or highly compensated employees (within the meaning of Section 2520.104-24 of Department of Labor Regulations).

ARTICLE XI - **SUCCESSORS AND ASSIGNMENTS**

11.1 Assumption Required. This Plan shall bind any successor, its assets or its businesses (whether direct or indirect, by purchase, merger, consolidation or otherwise) in the same manner and to the same extent that the Company would be obligated under this Plan if no succession had taken place. In the case of any transaction in which a successor would not by the foregoing provision or by operation of law be bound by this Plan, the Company shall require such successor expressly and unconditionally to assume and to agree to perform the Company's obligations under this Plan, in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

11.2 Assignment. This Plan shall inure to the benefit of and shall be enforceable by a Participant's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If a Participant should die while any amount would still be payable to the Participant under this Plan had the Participant continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Plan to the Participant's estate. A Participant's rights under this Plan shall not otherwise be transferable or subject to lien or attachment.

11.3 Enforcement. This Plan constitutes an enforceable contract between the Company and each Participant.

ARTICLE XII

AMENDMENT AND TERMINATION

12.1 General. Insight Enterprises, Inc. reserves the right to amend or terminate this Plan at any time, subject to the following exceptions:

(a) No amendment or termination of the Plan shall impair or abridge the obligations of the Company already incurred. No obligation exists until there has been a Qualifying Event with respect to a Participant on or after the Effective Date.

(b) No amendment or termination of the Plan shall affect the rights of a Participant who (1) incurs a Qualifying Event on or after the Effective Date and (2) who incurs a Separation from Service on or after the Effective Date.

(c) Notwithstanding the foregoing, the Plan may be amended at will at any time and from time to time by Insight Enterprises, Inc. to reflect changes necessary due to revisions to, or interpretations of: (1) ERISA; (2) the Code; or (3) any other provision of applicable state or federal law.

(d) Notwithstanding any provision of this Plan to the contrary, no amendment may be made if it will result in a violation of Section 409A of the Code and any such amendment shall at no time have any legal validity.

The form of any amendment or termination of this Plan shall be a written instrument signed by a duly authorized officer of the Company, certifying that the amendment or termination has been approved by the Company.

ARTICLE XIII

GOVERNING LAW, JURISDICTION AND VENUE

This Plan is a "top hat" employee benefit plan subject to ERISA's enforcement provisions, and it shall be interpreted, administered and enforced in accordance with that law. To the extent that state law is applicable, the statutes and common law of the State of Arizona shall apply, without reference to principles of conflict or choice of law. This Plan will be subject to the exclusive jurisdiction and venue of the federal or state courts of the State of Arizona, Maricopa County to resolve issues that may arise out of or relate to this Plan or its subject matter.

ARTICLE XIV
VALIDITY AND SEVERABILITY

The invalidity or unenforceability of any provision of this Plan shall not affect the validity or enforceability of any other provision of this Plan, which other provision shall remain in full force and effect, and any prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

ARTICLE XV
ADMINISTRATION

15.1 Administration. The Plan Administrator has all power and authority necessary or convenient to administer this Plan, including, but not limited to, the exclusive authority and discretion: (a) to construe and interpret this Plan; (b) to decide all questions of eligibility for and the amount of benefits under this Plan; (c) to prescribe procedures to be followed and the forms to be used by the Participants pursuant to this Plan; and (d) to request and receive from all Participants such information as the Plan Administrator determines is necessary for the proper administration of this Plan. All actions taken and all determinations made by the Plan Administrator will be final and binding on all persons claiming any interest in or under this Plan. To the extent the Plan Administrator has been granted discretionary authority under this Plan, the Plan Administrator's prior exercise of such authority shall not obligate it to exercise its authority in a like fashion thereafter.

15.2 Claims Procedures.

(a) Initial Claim. A claim for benefits under the Plan must be submitted in writing to the Director, Human Resources.

(1) Notice of Decision. Written notice of the disposition of the claim shall be furnished to the claimant within a reasonable period of time, but not later than ninety (90) days after receipt of the claim by the Director, Human Resources, unless the Director, Human Resources determines that special circumstances require an extension of time for processing the claim. If the Director, Human Resources determines that an extension is required, written notice (including an explanation of the special circumstances requiring an extension and the date by which the Director, Human Resources expects to render the benefits determination) shall be furnished to the claimant prior to the termination of the original ninety (90)-day period. In no event shall such extension exceed a period of ninety (90) days from the end of the initial ninety (90)-day period. If the claim is denied, the notice required pursuant to this Section shall set forth the following:

- (i) The specific reason or reasons for the adverse determination;
- (ii) Special reference to the specific Plan provisions upon which the determination is based;
- (iii) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and

(iv) An explanation of the Plan's appeal procedure and the time limits applicable to an appeal, including a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA.

(b) Appeal Procedures. Every claimant shall have the right to appeal an adverse benefits determination to the Plan Administrator (including, but not limited to, whether the Participant's Separation from Service was for Cause). Such an appeal may be accomplished by a written notice of appeal filed with the Plan Administrator within sixty (60) days after receipt by the claimant of written notification of the adverse benefits determination. Claimants shall have the opportunity to submit written comments, documents, records, and other information relating to the claim for benefits. Claimants will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits, such relevance to be determined in accordance with Section 15.2(c) below. The appeal shall take into account all comments, documents, records, and other information submitted by claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

(1) Notice of Decision. Notice of a decision on appeal shall be furnished to the claimant within a reasonable period of time, but not later than sixty (60) days after receipt of the appeal by the Plan Administrator unless the Plan Administrator determines that special circumstances (such as the need to hold a hearing if the Plan Administrator determines that a hearing is required) require an extension of time for processing the claim. If the Plan Administrator determines that an extension is required, written notice (including an explanation of the special circumstances requiring an extension and the date by which the Plan Administrator expects to render the benefits determination) shall be furnished to the claimant prior to the termination of the original sixty (60)-day period. In no event shall such extension exceed a period of sixty (60) days from the end of the initial sixty (60)-day period. The notice required by the first sentence of this Section shall be in writing, shall be set forth in a manner calculated to be understood by the claimant and, in the case of an adverse benefit determination, shall set forth the following:

- (i) The specific reason or reasons for the adverse determination;
- (ii) Reference to the specific Plan provisions upon which the determination is based;
- (iii) A statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits, such relevance to be determined in accordance with Section 15.2(c), below; and

(iv) An explanation of the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on appeal.

(c) Definition of Relevant. For purposes of this Section, a document, or other information shall be considered “relevant” to the claimant’s claim if such document, record or other information:

- (1) Was relied upon in making the benefit determination;
- (2) Was submitted, considered or generated in the course of making the benefit determination, without regard to whether such document, record or other information was relied upon in making the benefit determination; or
- (3) Demonstrates compliance with the administrative processes and safeguards required pursuant to this Section 15.2 on making the benefit determination.

(d) Decisions Final; Procedures Mandatory. To the extent permitted by law, a decision on review or appeal shall be binding and conclusive upon all persons whomsoever. To the extent permitted by law, completion of the claims procedures described in this Section shall be a mandatory precondition that must be complied with prior to commencement of a legal or equitable action in connection with the Plan by a person claiming rights under the Plan. The Plan Administrator may, in its sole discretion, waive these procedures as a mandatory precondition to such an action.

(e) Time for Filing Legal or Equitable Action. Any legal or equitable action filed in connection with the Plan by a person claiming rights under the Plan must be commenced not later than the earlier of: (1) the shortest applicable statute of limitations provided by law; or (2) two (2) years of the date the written copy of the Plan Administrator’s decision on review is delivered to the claimant in accordance with Section 15.2(b)(1).

15.3 Notice. Any notice required to be delivered by the Company or the Plan Administrator or by a Participant under this Plan shall be deemed delivered to the Company or to the Participant when deposited in the U.S. mail, addressed to the Company’s Vice President, Human Resources or to the Participant at his or her last known address as reflected on the books and records of the Company.

ARTICLE XVI

CODE SECTION 409A

16.1 Ban on Deferral. Under no circumstances may the time or schedule of any payment made or benefit provided pursuant to this Plan be subject to a further deferral except as otherwise permitted or required pursuant to regulations and other guidance issued pursuant to Section 409A of the Code.

16.2 No Elections. No Participant has any right to make any election regarding the time or form of any payment due under this Plan nor may any Participant elect to receive cash or any other allowance in lieu of medical, dental, vision or prescription coverage or outplacement assistance.

16.3 Compliance with Section 409A. This Plan shall be operated in compliance with Section 409A of the Code and each provision of this Plan shall be interpreted, to the extent possible, to either comply with Section 409A or to qualify for an exception to the requirements

of Section 409A. To the extent that an Participant becomes entitled to receive Severance Benefits under the terms of the Plan, and, at the time of the Participant's Separation from Service, he or she is a "specified employee" within the meaning of Treasury Regulation Section 1.409A-1(i), any portion of the Severance Benefits payable to such Participant that is subject to Code Section 409A and applicable guidance thereunder shall be paid on the date that is six (6) months following the date of the Participant's Separation from Service. For purposes of Section 409A, the right to a series of installment payments under this Plan shall be treated as a right to a series of separate payments under Treasury Regulation Section 1.409A-2(b)(2)(iii). Any reimbursements or in-kind benefits provided pursuant to this Plan are subject to the following conditions: (1) the expenses eligible for reimbursement or the amount of in-kind benefits provided in one taxable year shall not affect the expenses eligible for reimbursement or the amount of in-kind benefits provided in any other taxable year; (2) all expenses incurred in one calendar year must be reimbursed no later than the last day of the next calendar year; and (3) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

* * * * *

IN WITNESS WHEREOF, the Company has caused this Plan document to be executed by its duly authorized representative on this 29th day of August 2019.

INSIGHT ENTERPRISES, INC.

By: /s/ Jennifer Vasin

Its: SVP, Human Resources

EXHIBIT A

Participating Affiliates as of the Effective Date

Insight Direct USA, Inc.
Insight Direct Worldwide, Inc.
Insight North America, Inc.
Insight Public Sector, Inc.
Insight Receivables Holding, LLC
Insight Receivables, LLC
Insight Technology Solutions, Inc.
Calence, LLC
Calence Physical Security Solutions LLC
BlueMetal Architects, Inc.
Insight Application Services, Inc.
Cardinal Solutions Group, Inc
Cardinal Solutions Group-Georgia, LLC
Cardinal Solutions Group-Florida, LLC
Cardinal Solutions Group-North Carolina, LLC
Cardinal Solutions Group-Tennessee, LLC

CERTIFICATION

I, Kenneth T. Lamneck, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Insight Enterprises, Inc.;
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, results of operations and cash flows of the registrant as of, and 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(e) and 15d-15(e)) and internal control over financial reporting (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 material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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 and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, 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.

Date: May 6, 2021

By: /s/ Kenneth T. Lamneck
Kenneth T. Lamneck
Chief Executive Officer

CERTIFICATION

I, Glynis A. Bryan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Insight Enterprises, Inc.;
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, results of operations and cash flows of the registrant as of, and 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(e) and 15d-15(e)) and internal control over financial reporting (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 material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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 and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, 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.

Date: May 6, 2021

By: /s/ Glynis A. Bryan
Glynis A. Bryan
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Insight Enterprises, Inc. (the "Company") for the quarter ended March 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Kenneth T. Lamneck, Chief Executive Officer of the Company, and Glynis A. Bryan, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of our knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Kenneth T. Lamneck

**Kenneth T. Lamneck
Chief Executive Officer
May 6, 2021**

By: /s/ Glynis A. Bryan

**Glynis A. Bryan
Chief Financial Officer
May 6, 2021**