

Insight Enterprises, Inc.

Third Quarter 2021

Earnings Conference Call and Webcast

Agenda

- Disclosures

- CEO Commentary
  - Commitment to Long-Term Priorities
  - Third Quarter 2021 Highlights
  - Cloud Migration – Shift to Digital Headquarters
  - Diverse Solutions Offerings
  - Business and Leadership Recognitions

- CFO Commentary
  - Third Quarter 2021 Financial Highlights by Region
  - Cashflow and Debt Covenants
  - 2021 Outlook

- Closing Comments

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Disclosures

- Safe harbor statement

  This presentation includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 related to Insight's plans and expectations. Statements that are not historical facts, including those related to coronavirus strain COVID-19 ("COVID-19"), our future responses to and the impact of COVID-19 on our Company, our expectations about future financial results, our expectations regarding current supply constraints, our expectations regarding backlog shipments, future expected trends in the IT market and our opportunities for growth, are forward-looking statements. These forward-looking statements are subject to assumptions, risks and uncertainties which could cause actual results or future events to differ materially from such statements. The Company undertakes no obligation to update publicly or revise any of the forward-looking statements, except as otherwise required by law. More detailed information about risk factors is included in today's press release and discussed in the Company's most recently filed periodic reports and subsequent filings with the Securities and Exchange Commission.

- Non-GAAP measures

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

  These non-GAAP measures are used by the Company and its management to evaluate financial performance against budgeted amounts, to calculate incentive compensation, to assist in forecasting future performance and to compare the Company's results to those of the Company's competitors. The Company believes that these non-GAAP financial measures are useful to investors because they allow for greater transparency, facilitate comparisons to prior periods and the Company's competitors' results and assist in forecasting performance for future periods. These non-GAAP financial measures are not prepared in accordance with GAAP and may be different from non-GAAP financial measures presented by other companies. Non-GAAP financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP.

- Constant currency

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

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Commitment to Long-Term Priorities

- Continue to innovate to capture market share in high growth areas
- Develop and deliver solutions that drive better business outcomes for clients
- Expand and scale business with strategic clients and in end markets
- Continue to optimize client experience

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Third Quarter 2021 Highlights and Expectations

- Top line growth driven by hardware net sales which were up 36% compared to prior year
- Gross margin 14.9%
- GAAP EFO up 35% from last year
- Adjusted EFO* up 30% from last year
- Adjusted return on invested capital* 14.4%, up from 11.9% last year
- Hardware booking trends strong throughout the quarter
- Elevated hardware backlog at the end of the quarter and pipeline for future sales at healthy levels
  - Expect about 50% of backlog to ship out during Q4
- Clients continued to leverage cloud solutions
  - ***21%** - Cloud as a percentage of total gross profit up more than 200 bps year over year***

* See Appendix for reconciliation of non-GAAP measures
** For the twelve-month period ended September 30, 2021

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Cloud Migration Enables Shift to Digital Headquarters

Business Challenges

- Client wanted to eliminate brick-and-mortar headquarters and transition all headquartered employees to 100% remote work
- Transition on-premises data centers to the cloud



New cloud-based infrastructure

Solution

- Cloud Economics Assessment determined Cloud Solution Provider (CSP)
- Cloud Economics Engagement determined sizing and configuration
- Professional Services supported client's migration to cloud
- Customer Infrastructure as a Service (IaaS) jumpstart performed to set up landing zone and migrate production workloads



A clear understanding of the client's migration needs

Result and impact

- Greater flexibility
- Better redundancy and resiliency
- Improved operations and automation for net-new workloads



A comprehensive cloud strategy

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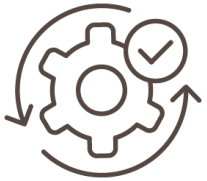
Connectivity: Changing How Clients do Business

- Wireless connectivity becoming increasingly critical part of everyday life
- Strategic partnerships create full suite of integrated network and security solutions
- Insight and Cradlepoint partnership represents Insight's commitment to offering innovative services
  - Portfolio of 5G solutions to meet business imperatives:



Availability

Fast and reliable connectivity



Interoperability

Network enhancement



Security

Secure and modern model



Manageability

Visibility and control of network

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Outlook and Long-Term Commitments

- Remain optimistic about prospects for the supply chain and market recovery continuing to strengthen into 2022
- Increased outlook for 2021
- Continued progress toward long-term goals highlighted at 2019 Investor Day
  - Deliver on 5-year key initiatives*
    - Grow sales faster than the market at 8-10% CAGR
    - Expand EBITDA margin to 5.0-5.5%
    - Optimize return on invested capital to a range of 19-21%
    - Increase services gross profit as a % of total GP to between 50-52%

*5-year CAGR base year is 2019

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CFO Commentary

- Third Quarter 2021 Financial Highlights by Region
- Cashflow and Debt Covenants
- 2021 Outlook



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Third Quarter 2021 Highlights

- Net Sales of $2.4 billion
- Gross margin 14.9%
- SG&A up 13.8% in US dollars, up 12.6% year over year in constant currency
  - **11.4% - *GAAP SG&A as a percent of net sales***
  - **11.1% - *Adjusted SG&A as a percent of net sales****
- GAAP EFO of $83 million
- Adjusted EFO* of $94 million
- GAAP Diluted Earnings Per share $1.51
- Adjusted Diluted Earnings Per Share* of $1.87

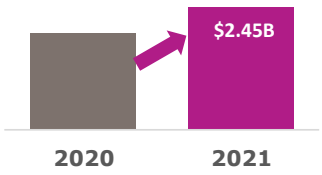
* See Appendix for reconciliation of non-GAAP measures

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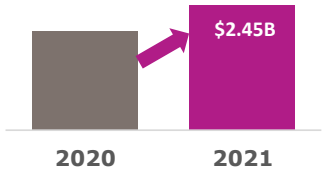
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Q3 2021 Year over Year Results

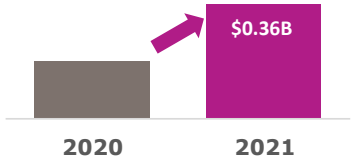
Net Sales
+26% YoY



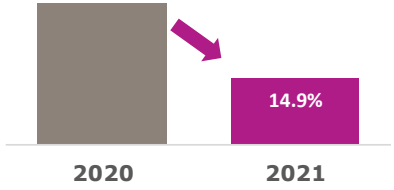
Net Sales
+25% YoY *(in constant $**)*



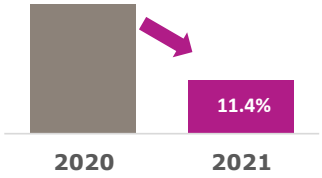
Gross Profit
+19% YoY



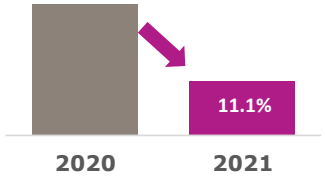
Gross Margin
-100 bps YoY



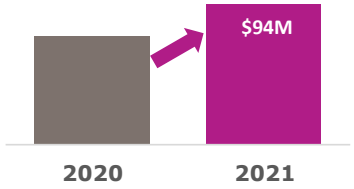
SG&A % of Net Sales
-130 bps YoY



Adjusted SG&A % of Net Sales*
-110 bps YoY

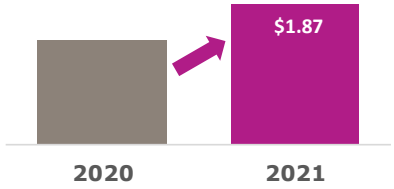


Adj EFO*
+30% YoY



GAAP Earnings from operations $83M

Adj Diluted EPS*
+36% YoY



GAAP Diluted EPS $1.51

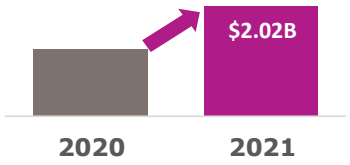
* See Appendix for reconciliation of non-GAAP measures
** Reference "Constant currency" section on slide 3 of this presentation

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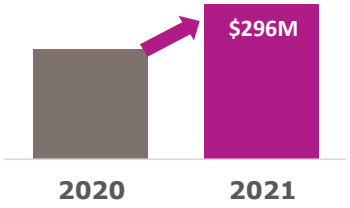
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Q3 2021 North America | Financial Results

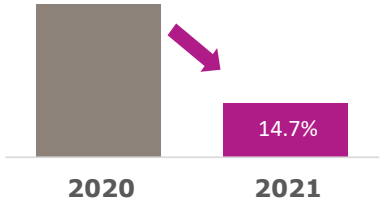
Net Sales
+30% YoY



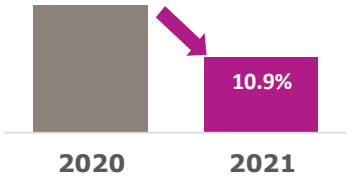
Gross Profit
+20% YoY



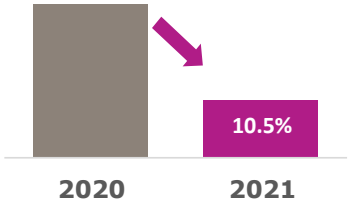
Gross Margin
-120 bps YoY



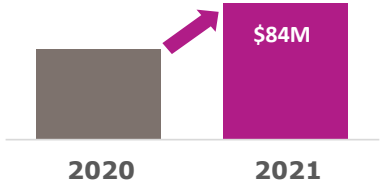
SG&A % of Net Sales
-140 bps YoY



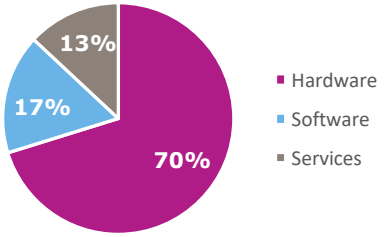
Adj SG&A % of Net Sales*
-130 bps YoY



Adj EFO*
+31% YoY



Sales Mix



GAAP Earnings from operations $74M

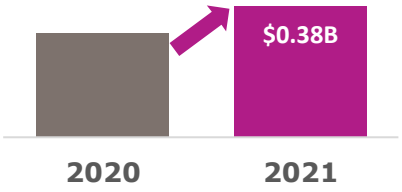
* See Appendix for reconciliation of non-GAAP measures

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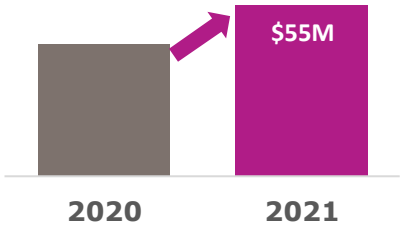
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Q3 2021 EMEA | Financial Results

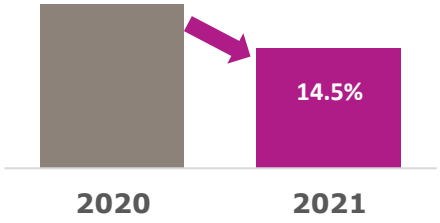
Net Sales
+7% YoY *(in constant $**)*



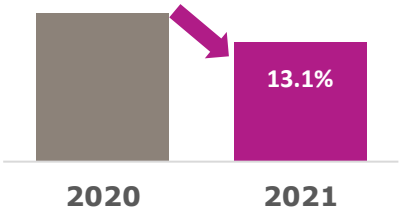
Gross Profit
+6% YoY *(in constant $**)*



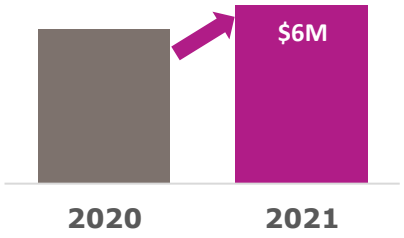
Gross Margin
-20 bps YoY



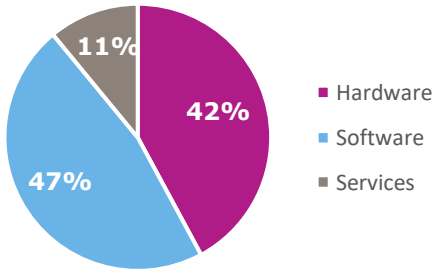
SG&A % of Net Sales
-20 bps YoY



Adj EFO*
+3% YoY *(in constant $**)*



Sales Mix



GAAP Earnings from Operations $5M

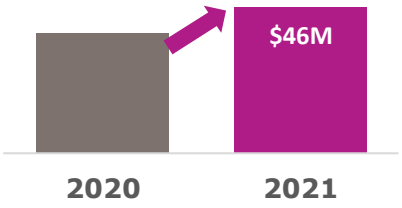
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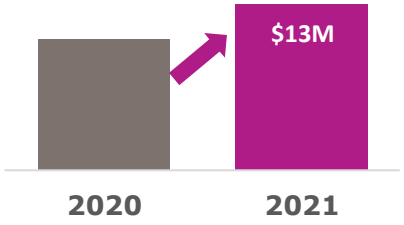
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Q3 2021 APAC | Financial Results

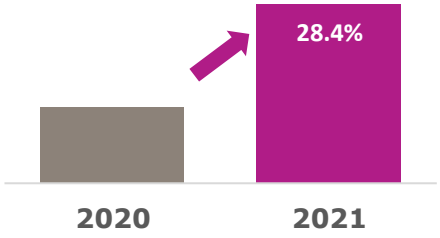
Net Sales
+21% YoY *(in constant $**)*



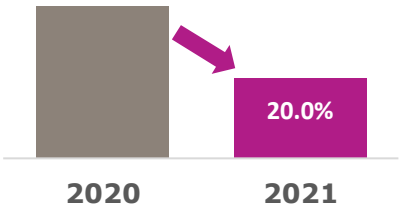
Gross Profit
+26% YoY *(in constant $**)*



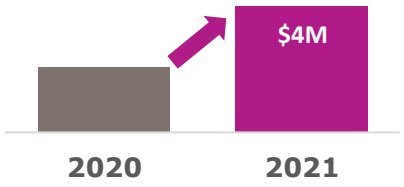
Gross Margin
+110 bps YoY



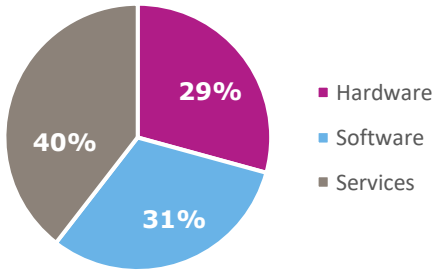
SG&A % of Net Sales
-80 bps YoY



Adj EFO*
+52% YoY *(in constant $**)*



Sales Mix



GAAP Earnings from Operations $4M

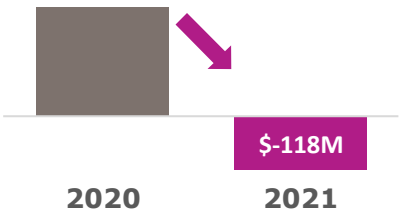
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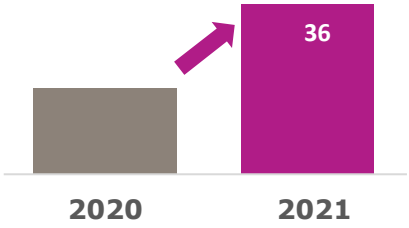
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Q3 2021 | Cash Flows and Cash Cycle

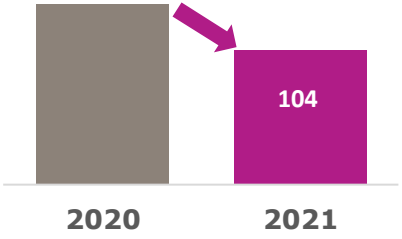
Net cash from operations



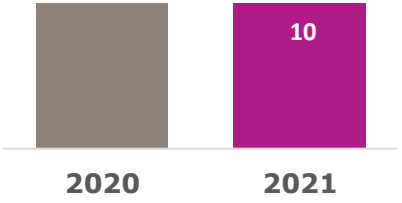
Cash Conversion Cycle
+11 days YoY



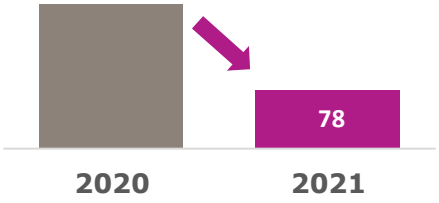
Days sales outstanding
-4 days YoY



Days inventory outstanding
+0 days YoY



Days purchases outstanding
-15 days YoY



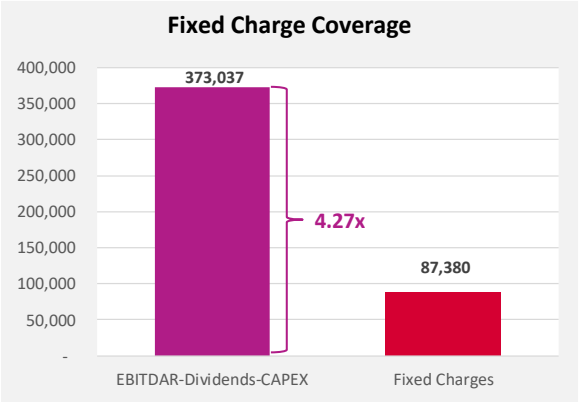
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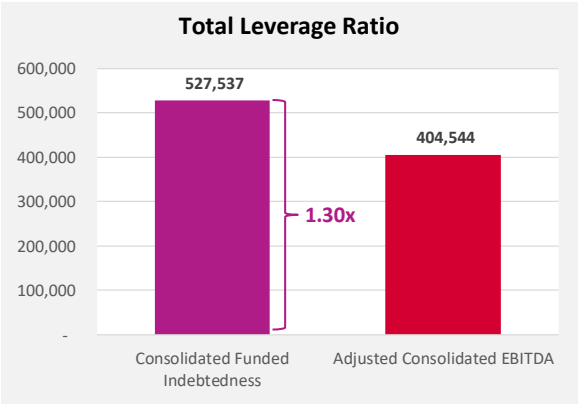
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Liquidity and Debt Covenants

US Dollar in $000s	Twelve Months Ended Sep 30, 2021	2020
Adjusted Consolidated EBITDA:		
Net Income	$ 210,600	$ 162,202
Interest Expense	40,838	43,469
Taxes	70,930	49,912
Depreciation and amortization of property and equipment	24,259	28,852
Amortization of intangible assets	32,077	39,636
Non-cash stock-based compensation	19,923	15,870
Other*	5,917	17,654
Adjusted Consolidated EBITDA	$ 404,544	$ 357,595
Less Capital Expenditures	(31,507)	$ (72,852)
Adjusted Consolidated EBITDA for FCCR Ratio	$ 373,037	$ 284,743
Taxes and interest **	$ 87,380	$ 70,934
Fixed Charge Coverage Ratio	4.3	4.0





* "Other" includes (i) severance and restructuring expenses, net, (ii) acquisition and integration related expenses, and (iii) impairment of property and equipment, as applicable.

** Tax Expense plus Interest Expense less non-cash imputed interest under the Inventory Financing Facility and the Company's Convertible Notes as discussed in Management's Discussion and Analysis – Interest Expense, Net

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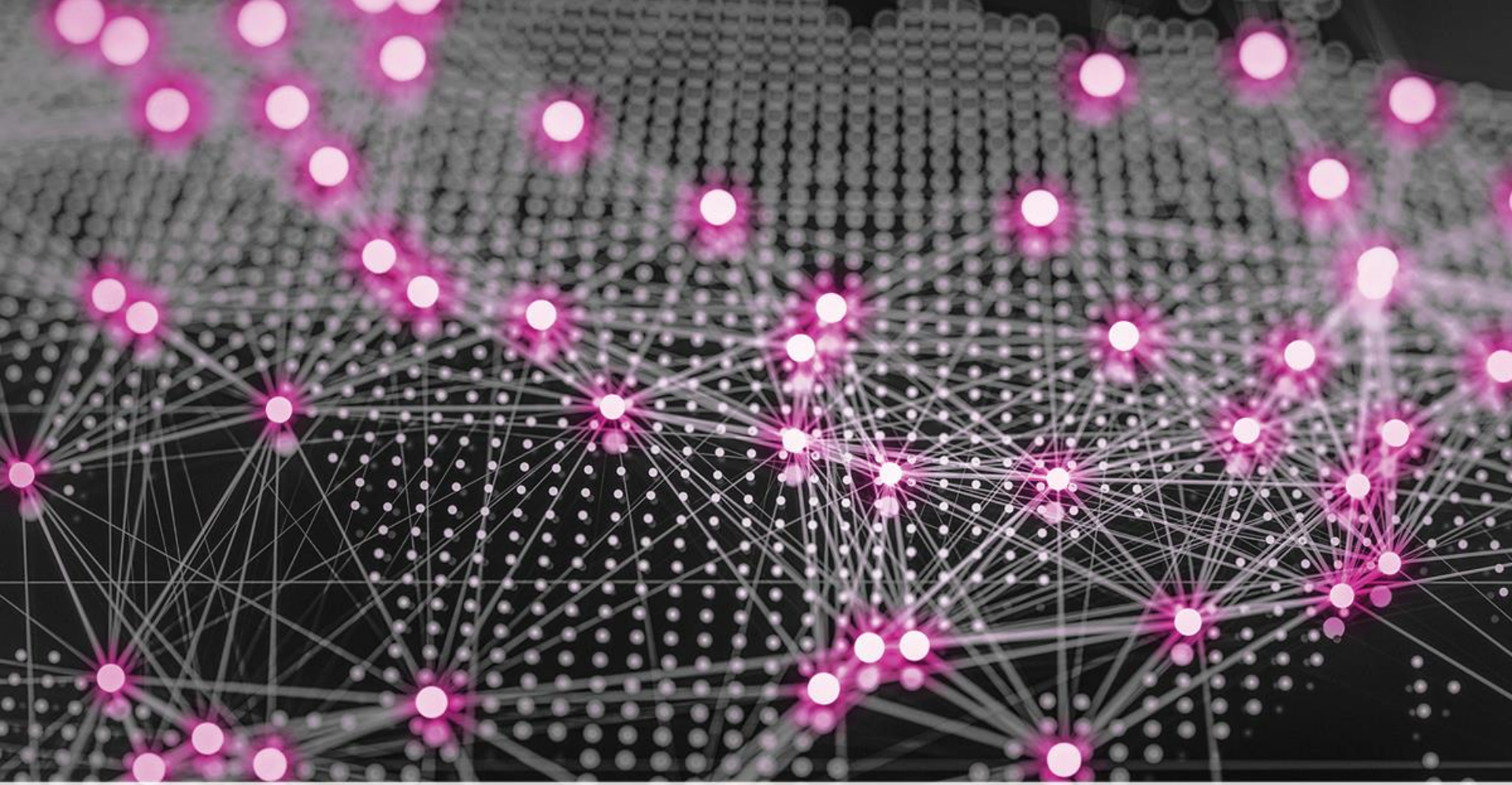
Full Year 2021 Outlook

- Adjusted diluted earnings per share* is expected to be between $7.00 and $7.10 per share for the full year 2021
- 2021 net sales expected to grow low double digits over prior year
- Assumptions:
  - Interest expense between $25 and $28 million
  - Adjusted SG&A as a percent of net sales will be 11.7%**
  - Effective tax rate of 25% to 26% for the full year 2021
  - Capital expenditures of $65 to $75 million, including the build out of our new corporate headquarters
  - Average share count for the full year of 35.5 million shares
- Exclusions:
  - acquisition related intangibles amortization expense of approximately $32 million (posted on website)
  - amortization of convertible debt discount and issuance costs reported in interest expense of approximately $12 million (posted on website)
  - acquisition-related or severance and restructuring expenses.

* Adjusted diluted earnings per share excludes severance and restructuring expense and other unique items as well as Amortization expense related to acquired intangibles and non-cash imputed interest on convertible notes. Due to the inherent difficulty of forecasting some of these types of expenses, which impact net earnings and diluted earnings per share, the Company is unable to reasonably estimate the impact of such expenses, if any, to net earnings and diluted earnings per share. Accordingly, the Company is unable to provide a reconciliation of GAAP to non-GAAP diluted earnings per share for the full year 2021 forecast.

** Due to the inherent difficulty of forecasting these types of expenses, the Company is unable to provide a reconciliation of GAAP to non-GAAP selling and administrative expenses for the full year 2021 forecast.

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Appendix

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Appendix – Reconciliation of GAAP to Non-GAAP Financial Measures*

US Dollar in $000s, except per share data	Three Months Ended Sep 30, 2021	Three Months Ended Sep 30, 2020	Nine Months Ended Sep 30, 2021	Nine Months Ended Sep 30, 2020
Adjusted Consolidated Earnings from Operations:				
GAAP consolidated EFO	$ 83,151	$ 61,482	$ 238,644	$ 188,533
Amortization of intangible assets	7,988	9,433	24,097	29,555
Other	2,396	926	(3,217)	12,157
Adjusted non-GAAP consolidated EFO	$ 93,535	$ 71,841	$ 259,524	$ 230,245
	-	-	-	-
Adjusted Consolidated Net Earnings:				
GAAP consolidated net earnings	$ 55,483	$ 38,906	$ 157,212	$ 119,252
Amortization of intangible assets	7,988	9,433	24,097	29,555
Amortization of debt discount and issuance costs	3,049	2,919	9,045	8,636
Other	2,396	926	(3,217)	12,157
Income taxes on non-GAAP adjustments	(3,172)	(3,335)	(7,133)	(12,562)
Adjusted non-GAAP consolidated net earnings	$ 65,744	$ 48,849	$ 180,004	$ 157,038
	-	-	-	-
Adjusted Diluted EPS:				
GAAP diluted EPS	$ 1.51	$ 1.10	$ 4.27	$ 3.37
Amortization of intangible assets	0.22	0.27	0.65	0.83
Amortization of debt discount and issuance costs	0.08	0.08	0.25	0.24
Other	0.07	0.02	(0.09)	0.34
Income taxes on non-GAAP adjustments	(0.09)	(0.09)	(0.19)	(0.35)
Impact of benefit from note hedge	0.08	-	0.19	-
Adjusted non-GAAP diluted EPS	$ 1.87	$ 1.38	$ 5.08	$ 4.43
Shares used in diluted EPS calculation	36,745	35,348	36,860	35,418
Impact of benefit from note hedge	(1,509)	-	(1,403)	-
Shares used in Adjusted non-GAAP diluted EPS calculation	$ 35,236	$ 35,348	$ 35,457	$ 35,418

* Adjusted consolidated earnings from operations, Adjusted consolidated net earnings and Adjusted diluted earnings per share exclude (i) severance and restructuring expenses, (ii) certain acquisition and integration related expenses, (iii) amortization of intangible assets, and (iv) the tax effects of each of these items, as applicable. Adjusted consolidated net earnings and Adjusted diluted earnings per share also exclude amortization of debt discount and issuance costs associated with the issuance of the Company's convertible senior notes due 2025.

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

US Dollar in $000s	Three Months Ended Sep 30, 2021	Three Months Ended Sep 30, 2020	Nine Months Ended Sep 30, 2021	Nine Months Ended Sep 30, 2020
Adjusted North America Earnings from Operations:				
GAAP EFO from North America segment	$ 74,269	$ 54,244	$ 192,309	$ 148,653
Amortization of intangible assets	7,372	8,730	22,229	27,594
Other	1,999	891	(4,361)	9,790
Adjusted non-GAAP EFO from North America segment	$ 83,640	$ 63,865	$ 210,177	$ 186,037
Adjusted EMEA Earnings from Operations:				
GAAP EFO from EMEA segment	$ 4,988	$ 4,843	$ 34,410	$ 31,073
Amortization of intangible assets	494	585	1,491	1,625
Other	397	19	1,135	2,322
Adjusted non-GAAP EFO from EMEA segment	$ 5,879	$ 5,447	$ 37,036	$ 35,020
Adjusted APAC Earnings from Operations:				
GAAP EFO from APAC segment	$ 3,894	$ 2,395	$ 11,925	$ 8,807
Amortization of intangible assets	122	118	377	336
Other	-	16	9	45
Adjusted non-GAAP EFO from APAC segment	$ 4,016	$ 2,529	$ 12,311	$ 9,188

* Adjusted consolidated earnings from operations, Adjusted consolidated net earnings and Adjusted diluted earnings per share exclude (i) severance and restructuring expenses, (ii) certain acquisition and integration related expenses, (iii) amortization of intangible assets, and (iv) the tax effects of each of these items, as applicable.

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

US Dollar in $000s	Twelve Months Ended Sep 30, 2021	2020
Adjusted Return on Invested Capital:		
GAAP consolidated EFO	$ 321,679	$ 255,549
Other	5,917	17,654
Adjusted non-GAAP consolidated EFO*	327,596	273,203
Income tax expense**	85,175	71,033
Adjusted non-GAAP consolidated EFO, net of tax	$ 242,421	$ 202,170
Average stockholders' equity***	$ 1,367,940	$ 1,176,754
Average debt***	432,693	636,215
Average cash***	(111,493)	(109,396)
Invested Capital	$ 1,689,140	$ 1,703,573
ROIC (from GAAP consolidated EFO)****	14.09%	11.10%
ROIC (from Adjusted non-GAAP consolidated EFO)*****	14.35%	11.87%

* The adjusted non-GAAP consolidated EFO amount used for the Adjusted non-GAAP ROIC calculation does not exclude amortization of intangible assets. This calculation remains consistent with the metric utilized in management's compensation plan.
** Assumed tax rate of 26.0%.
*** Average of previous five quarters.
**** Computed as GAAP consolidated EFO, net of tax of $83,637 and $66,443 for the twelve months ended September 30, 2021, and 2020, respectively, divided by invested capital.
***** Computed as Adjusted non-GAAP consolidated EFO, net of tax, divided by invested capital.

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

US Dollar in $000s	Three Months Ended Sep 30, 2021	2020
Adjusted Consolidated Selling and Administrative Expenses:		
GAAP selling and administrative expenses	$ 278,998	$ 245,155
Less: Amorization of intangible assets	(7,988)	(9,433)
Adjusted non-GAAP selling and administrative expenses	271,010	235,722
GAAP selling and administrative expenses	11.4%	12.7%
Adjusted non-GAAP selling and administrative expenses	11.1%	12.2%

US Dollar in $000s	Three Months Ended Sep 30, 2021	2020
Adjusted North America Selling and Administrative Expenses:		
GAAP selling and administrative expenses	$ 219,714	$ 192,033
Less: Amorization of intangible assets	(7,372)	(8,730)
Adjusted non-GAAP selling and administrative expenses	212,342	183,303
GAAP selling and administrative expenses	10.9%	12.3%
Adjusted non-GAAP selling and administrative expenses	10.5%	11.8%

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Appendix - Convertible Senior Notes

Insight's policy elected for settlement of the convertible notes is principal/par value in cash with the excess being settled in shares resulting in dilution in GAAP reported Diluted Earnings Per Share ("DEPS"). The DEPS incremental shares for GAAP reporting purposes are not issued at the time of reporting and are a non-GAAP exclusion for the Company (up to the strike price of the warrants of $103.12). The bond hedge effectively raises the potential dilution point of the convertible note and call spread from $68.32 up to $103.12, as illustrated below:

Diluted Earnings Per Share (DEPS) incremental number of shares* for various NSIT stock price examples:

NSIT Stock price	Net shares owed on Convertible Notes	Net shares received from bond hedge	Net shares owed on Warrants	GAAP additional dilution	Non-GAAP additional dilution
$ 51.56	-	-	-	-	-
$ 68.32	-	-	-	-	-
$ 80.00	747,951	(747,951)	-	747,951	-
$ 85.70	1,038,835	(1,038,835)	-	1,038,835	-
$ 103.12	1,728,847	(1,728,847)	-	1,728,847	-
$ 110.00	1,941,133	(1,941,133)	212,286	2,153,418	212,286
$ 115.00	2,079,473	(2,079,473)	350,626	2,430,098	350,626

Balance sheet classification impacts of Sales price conversion trigger being met**:

NSIT Stock price *	Non current debt	Equity (APIC)	Current debt	Temporary equity
$ 51.56	308,500	46,431	-	-
$ 68.32	308,500	46,431	-	-
$ 80.00	308,500	46,431	-	-
$ 88.82	-	-	308,500	46,431
$ 110.00	-	-	308,500	46,431
$ 115.00	-	-	308,500	46,431

* NSIT assumed stock price for 20 out of last 30 trading days in the period
** The Balance Sheet impacts only apply post adoption of ASU 2020-06 on January 1, 2022.

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Appendix - Convertible Senior Notes

Insight Convertible Senior Notes - $350 Million

Relevant NSIT stock prices:

- Price at issuance - $51.56
- Conversion ratio price equivalent - $68.32 ← Triggered potential additional shares in GAAP DEPS*
- Sales price conversion trigger - $88.82
- Bond hedge strike price - $68.32
- Warrants strike price - $103.12 ← Potential dilution to existing shareholders**
- Assumed accreted value - $308.5 Million

* No automatic redemption trigger, expect convertible notes will remain outstanding for foreseeable future. GAAP diluted earnings per share (DEPS) are for reporting purposes only, no incremental shares were actually issued.

** Principal amount would be settled in cash and only premium above $103.12 would result in actual shares being issues

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