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, 2022

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	**86-0766246**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

2701 E. Insight Way, Chandler, Arizona 85286
(Address of principal executive offices) (Zip Code)
(480) 333-3000
(Registrant's telephone number, including area code)

____

6820 South Harl Avenue, Tempe, Arizona 85283

____

(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	Trading Symbol	Name of each exchange on which registered
Common stock, par value $0.01	**NSIT**	**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	☒	Accelerated filer	☐
Non-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 29, 2022 was 35,074,362.

INSIGHT ENTERPRISES, INC.
QUARTERLY REPORT ON FORM 10-Q
Three Months Ended March 31, 2022

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INSIGHT ENTERPRISES, INC.

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 including our belief that supply constraints and extended lead times for certain products could impact results into the second half of 2022; our belief that we could continue to see growth in the hardware category of net sales in North America into the second half of 2022; 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 the impact of 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; our liquidity and 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, repurchase shares of our common stock, make capital expenditures, and fund acquisitions; 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, 2021:

- 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;
- our ability to keep pace with rapidly evolving technological advances and the evolving competitive marketplace
- 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;

- changes in the IT industry and/or rapid changes in technology;
- supply constraints for hardware, including 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, 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 our convertible senior notes (the “Notes”), which has been triggered, may adversely affect the Company’s financial condition and operating 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 client demands;
- our dependence on certain key personnel and our ability to attract, train and retain skilled teammates;
- risks associated with the integration and operation of acquired businesses, including 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, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 114,758	$ 103,840
Accounts receivable, net of allowance for doubtful accounts of $16,760 and $16,941, respectively	3,025,699	2,936,732
Inventories	383,401	328,101
Other current assets	244,383	199,638
Total current assets	3,768,241	$ 3,568,311
Property and equipment, net of accumulated depreciation and amortization of $231,333 and $233,786, respectively	189,722	176,263
Goodwill	429,215	428,346
Intangible assets, net of accumulated amortization of $118,905 and $110,909, respectively	207,116	214,788
Other assets	255,494	301,372
	$ 4,849,788	$ 4,689,080
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable—trade	$ 1,623,651	$ 1,779,854
Accounts payable—inventory financing facilities	318,433	311,878
Accrued expenses and other current liabilities	390,703	423,489
Current portion of long-term debt	344,903	36
Total current liabilities	2,677,690	2,515,257
Long-term debt	373,018	361,570
Deferred income taxes	36,631	47,073
Other liabilities	223,258	255,953
	3,310,597	3,179,853
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; 35,072 shares at March 31, 2022 and 34,897 shares at December 31, 2021 issued and outstanding	351	349
Additional paid-in capital	321,959	368,282
Retained earnings	1,242,110	1,167,690
Accumulated other comprehensive loss – foreign currency translation adjustments	(25,229)	(27,094)
Total stockholders' equity	1,539,191	1,509,227
	$ 4,849,788	$ 4,689,080

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, 2022	Three Months Ended March 31, 2021
Net sales:		
Products	$ 2,310,287	$ 1,893,020
Services	340,563	300,048
Total net sales	2,650,850	2,193,068
Costs of goods sold:		
Products	2,107,209	1,721,258
Services	164,780	140,336
Total costs of goods sold	2,271,989	1,861,594
Gross profit	378,861	331,474
Operating expenses:		
Selling and administrative expenses	297,640	271,190
Severance and restructuring expenses, net	1,372	(6,740)
Earnings from operations	79,849	67,024
Non-operating (income) expense:		
Interest expense, net	8,068	9,969
Other (income) expense, net	(2,843)	388
Earnings before income taxes	74,624	56,667
Income tax expense	17,993	13,499
Net earnings	$ 56,631	$ 43,168
Net earnings per share:		
Basic	$ 1.62	$ 1.23
Diluted	$ 1.53	$ 1.18
Shares used in per share calculations:		
Basic	34,974	35,199
Diluted	36,981	36,699

See accompanying notes to consolidated financial statements.

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

	Three Months Ended March 31,	
	2022	**2021**
Net earnings	$ 56,631	$ 43,168
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	1,865	(80)
Total comprehensive income	$ 58,496	$ 43,088

See accompanying notes to consolidated financial statements.

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

	Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity
	Shares	Par Value	Shares	Amount				
Balances at December 31, 2021	34,897	$ 349	—	$ —	$ 368,282	$ (27,094)	$ 1,167,690	$ 1,509,227
Cumulative effect of accounting change	—	—	—	—	(44,731)	—	17,789	(26,942)
Issuance of common stock under employee stock plans, net of shares withheld for payroll taxes	175	2	—	—	(6,599)	—	—	(6,597)
Stock-based compensation expense	—	—	—	—	5,007	—	—	5,007
Foreign currency translation adjustments, net of tax	—	—	—	—	—	1,865	—	1,865
Net earnings	—	—	—	—	—	—	56,631	56,631
Balances at March 31, 2022	35,072	$ 351	—	$ —	$ 321,959	$ (25,229)	$ 1,242,110	$ 1,539,191
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	35,320	$ 353	—	$ —	$ 361,935	$ (15,535)	$ 1,036,413	$ 1,383,166

See accompanying notes to consolidated financial statements.

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

	Three Months Ended March 31,	
	2022	**2021**
Cash flows from operating activities:		
Net earnings	$ 56,631	$ 43,168
Adjustments to reconcile net earnings to net cash (used in) provided by operating activities:		
Depreciation and amortization	13,314	14,222
Provision for losses on accounts receivable	1,031	2,178
Non-cash stock-based compensation	5,007	4,716
Deferred income taxes	(1,715)	643
Amortization of debt discount and issuance costs	1,623	4,172
Other adjustments	(106)	(7,617)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(103,326)	93,485
Increase in inventories	(57,876)	(67,946)
Decrease in other assets	4,111	16,759
Decrease in accounts payable	(137,144)	(25,315)
Decrease in accrued expenses and other liabilities	(65,789)	(35,759)
Net cash (used in) provided by operating activities	(284,239)	42,706
Cash flows from investing activities:		
Proceeds from sale of assets	—	27,211
Purchases of property and equipment	(25,745)	(7,847)
Net cash (used in) provided by investing activities	(25,745)	19,364
Cash flows from financing activities:		
Borrowings on ABL revolving credit facility	1,151,440	897,848
Repayments on ABL revolving credit facility	(831,440)	(921,848)
Net borrowings (repayments) under inventory financing facilities	6,692	(17,782)
Other payments	(6,738)	(7,485)
Net cash provided by (used in) financing activities	319,954	(49,267)
Foreign currency exchange effect on cash, cash equivalents and restricted cash balances	969	(2,445)
Increase in cash, cash equivalents and restricted cash	10,939	10,358
Cash, cash equivalents and restricted cash at beginning of period	105,977	130,582
Cash, cash equivalents and restricted cash at end of period	$ 116,916	$ 140,940

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 with technology, solutions and services to help our clients maximize the value of Information Technology ("IT") today and drive (digital) transformation for tomorrow in North America; Europe, the Middle East and Africa ("EMEA"); and Asia-Pacific ("APAC"). As a Fortune 500-ranked global technology provider of end-to-end secure digital transformation solutions and services, 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:

Operating Segment	Geography
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 are 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, 2022 and our results of operations for the three months ended March 31, 2022 and 2021 and cash flows for the three months ended March 31, 2022 and 2021. The consolidated balance sheet as of December 31, 2021 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, 2021.

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.

Recently Issued Accounting Standards

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 was effective for fiscal years beginning after December 15, 2021, and can be adopted on either a fully retrospective or modified retrospective basis.

The Company adopted this standard effective January 1, 2022, using the modified retrospective approach. Therefore, financial statements for the three months ended March 31, 2022 are presented under the new standard, while the comparative period is not adjusted and is reported in accordance with the Company's old method of accounting. The adoption of ASU 2020-06 significantly impacts our consolidated statements of operations and consolidated balance sheets as we no longer report accreted interest on the convertible senior notes (the “Notes”) and the full par value of the Notes is reflected as debt. The cumulative effect adjustment from prior periods that we recognized in our consolidated balance sheet as adjustments to reduce additional paid in capital and increase retained earnings were $44,731,000 and $17,789,000, respectively. Had we followed the old method of accounting for the three months ended March 31, 2022 reported basic and diluted Net Earnings Per Share "EPS" would decrease by $0.06 and $0.05, respectively, from $1.62 and $1.53, respectively, to $1.56 and $1.48, respectively.

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, 2021 that affect or may affect our current financial statements.

2. Receivables, Contract Liabilities and Performance Obligations

The following table provides information about receivables and contract liabilities as of March 31, 2022 and December 31, 2021 (in thousands):

	March 31, 2022	December 31, 2021
Current receivables, which are included in “Accounts receivable, net”	$ 3,025,699	$ 2,936,732
Non-current receivables, which are included in “Other assets”	106,098	147,139
Contract liabilities, which are included in “Accrued expenses and other current liabilities” and “Other liabilities”	120,222	116,067

Changes in the contract liabilities balances during the three months ended March 31, 2022 are as follows (in thousands):

	Increase (Decrease) Contract Liabilities
Balances at December 31, 2021	$ 116,067
Reclassification of the beginning contract liabilities to revenue, as the result of performance obligations satisfied	(31,452)
Cash received in advance and not recognized as revenue	35,607
Balances at March 31, 2022	$ 120,222

During the three months ended March 31, 2021, the Company recognized revenue of $34,418,000 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, 2022 that are expected to be recognized in the future (in thousands):

	Services
Remainder of 2022	$ 109,420
2023	49,669
2024	26,963
2025 and thereafter	16,024
Total remaining performance obligations	$ 202,076

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 nine 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, 2022 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 cancellable 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 cancellable purchase orders, which do not qualify for revenue recognition, in the table above.

3. Assets Held for Sale

During the three months ended March 31, 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 used the proceeds from the sales to ready our property in Chandler, Arizona to be used as our global corporate headquarters. During the three months ended March 31, 2022, we had no assets held for sale.

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,	
	2022	**2021**
Numerator:		
Net earnings	$ 56,631	$ 43,168
Denominator:		
Weighted average shares used to compute basic EPS	34,974	35,199
Dilutive potential common shares due to dilutive RSUs, net of tax effect	330	461
Dilutive potential common shares due to the Notes	1,677	1,039
Weighted average shares used to compute diluted EPS	36,981	36,699
Net earnings per share:		
Basic	$ 1.62	$ 1.23
Diluted	$ 1.53	$ 1.18

For the three months ended March 31, 2022, 13,000 of our RSUs were excluded from the diluted EPS calculations because their inclusion would have been anti-dilutive. 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, 2021, none of our RSUs were excluded from the diluted EPS calculations and certain potential outstanding shares from the warrants were excluded from the diluted EPS calculations because their inclusion would have been anti-dilutive.

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

Debt

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

	March 31, 2022	December 31, 2021
ABL revolving credit facility	$ 373,000	$ 53,000
Convertible senior notes due 2025	344,858	308,543
Finance leases and other financing obligations	63	63
Total	717,921	361,606
Less: current portion of long-term debt	(344,903)	(36)
Long-term debt	$ 373,018	$ 361,570

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, 2022, eligible accounts receivable and inventory were sufficient to permit access to the full $1,200,000,000 facility amount, of which $373,000,000 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, 2020 (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 (the “market price trigger”); (2) during the five business day period after any five day 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 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.

The Notes exceeded the market price trigger of $88.82 in the first quarter of 2022 making the Notes convertible at the option of the holders through June 30, 2022. All of the Notes remain outstanding at March 31, 2022. The Notes are convertible at the option of the holders at March 31, 2022 and, if exercised, we are required to settle the principal amount of the Notes in cash. As such, the Notes balance net of unamortized debt issuance costs are classified as current. If the Notes continue to exceed the market price trigger in future periods, they will remain convertible at the option of the holders, and the principal amount will continue to be classified as current.

Upon conversion, we will pay or deliver cash equal to the principal amount of the Notes, plus cash or shares of our common stock or a combination of the two for any additional amounts due. 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

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(unaudited)

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, 2022, 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, 2022, no such events have occurred.

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

	March 31, 2022	December 31, 2021
Liability:		
Principal	$ 350,000	$ 350,000
Less: debt discount and issuance costs, net of accumulated accretion	(5,142)	(41,457)
Net carrying amount	$ 344,858	$ 308,543
Equity, net of deferred tax	$ —	$ 44,731

As a result of our adoption of ASU 2020-06, effective January 1, 2022, we no longer reflect any debt discount on the Notes in our consolidated balance sheet, nor do we recognize amortization of debt discount within our consolidated statement of operations. Also in January 2022, we filed an irrevocable settlement election notice with the note holders to inform them of our election to settle the principal amount of the Notes in cash. As a result of this election, at period ends where the market price, or other conversion triggers are met, the Notes will be classified in our consolidated balance sheet as current.

The remaining life of the debt issuance cost accretion is approximately 2.87 years. The effective interest rate on the principal of the Notes is 0.750%.

Interest expense resulting from the Notes reported within the consolidated statement of operations for the three months ended March 31, 2022 is made up of contractual coupon interest and amortization of debt issuance costs. Interest expense resulting from the Notes reported within the consolidated statement of operations for the three months ended March 31, 2021 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.

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.

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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

We have an unsecured inventory financing facility with MUFG Bank Ltd (“MUFG”) for $280,000,000. During the first quarter of 2022, we increased our maximum availability under our unsecured inventory financing facility with PNC Bank, N.A. (“PNC”) from $300,000,000 to $375,000,000, including the $25,000,000 facility in Canada (the "Canada facility"). We also increased our unsecured inventory financing facility with Wells Fargo in EMEA (the "EMEA facility") to $50,000,000. 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% on the MUFG facility, Canadian Dollar Offered Rate plus 4.50% on the Canada facility and LIBOR, EURIBOR, or SONIA, as applicable, plus 4.50% and 0.25% on the PNC (other than the Canada facility) 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.

As of March 31, 2022, our combined inventory financing facilities had a total maximum capacity of $705,000,000, of which $318,433,000 was outstanding.

6. Income Taxes

Our effective tax rates for the three months ended March 31, 2022 and 2021 were 24.1% and 23.8%, respectively. Our effective tax rates were higher than the United States federal statutory rate of 21.0% due primarily to state income taxes 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.

As of March 31, 2022 and December 31, 2021, we had approximately $13,347,000 and $12,664,000, respectively, of unrecognized tax benefits. Of these amounts, approximately $1,385,000 and $1,250,000, 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.

We are currently under audit in various jurisdictions for tax years 2015 through 2019. 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. Share Repurchase Program

On February 26, 2020, we announced that our Board of Directors had authorized the repurchase of up to $50,000,000 of our common stock. On May 6, 2021, we announced that our Board of Directors had authorized the repurchase of up to $125,000,000 of our common stock, including the $25,000,000 that remained available from the February 2020 authorization. As of March 31, 2022, approximately $75,000,000 remained available for repurchases under this share repurchase plan. Our share repurchases may be made on the open market, subject to Rule 10b-18 or in privately negotiated transactions, through block trades, 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.

During the three months ended March 31, 2022 and 2021, we did not repurchase any shares of our common stock.

8. 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. As of March 31, 2022, we had approximately $27,348,000 of performance bonds outstanding. 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, 2022. 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, 2022. 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. 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.

9. 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, 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.

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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, 2022 and 2021 (in thousands):

	Three Months Ended March 31, 2022			
	North America	EMEA	APAC	Consolidated
Major Offerings				
Hardware	$ 1,451,319	$ 210,623	$ 11,646	$ 1,673,588
Software	341,547	272,402	22,750	636,699
Services	271,639	48,408	20,516	340,563
	$ 2,064,505	$ 531,433	$ 54,912	$ 2,650,850
Major Client Groups				
Large Enterprise / Corporate	$ 1,438,729	$ 353,904	$ 21,429	$ 1,814,062
Commercial	441,159	18,421	14,659	474,239
Public Sector	184,617	159,108	18,824	362,549
	$ 2,064,505	$ 531,433	$ 54,912	$ 2,650,850
Revenue Recognition based on acting as Principal or Agent in the Transaction				
Gross revenue recognition (Principal)	$ 1,970,921	$ 506,862	$ 47,018	$ 2,524,801
Net revenue recognition (Agent)	93,584	24,571	7,894	126,049
	$ 2,064,505	$ 531,433	$ 54,912	$ 2,650,850

	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
	$ 1,654,781	$ 478,836	$ 59,451	$ 2,193,068
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
	$ 1,654,781	$ 478,836	$ 59,451	$ 2,193,068
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
	$ 1,654,781	$ 478,836	$ 59,451	$ 2,193,068

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, 2022 or 2021.

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 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, 2022			
	North America	**EMEA**	**APAC**	**Consolidated**
Net sales:				
Products	$ 1,792,866	$ 483,025	$ 34,396	$ 2,310,287
Services	271,639	48,408	20,516	340,563
Total net sales	2,064,505	531,433	54,912	2,650,850
Costs of goods sold:				
Products	1,625,775	449,632	31,802	2,107,209
Services	138,646	17,031	9,103	164,780
Total costs of goods sold	1,764,421	466,663	40,905	2,271,989
Gross profit	300,084	64,770	14,007	378,861
Operating expenses:				
Selling and administrative expenses	235,220	52,326	10,094	297,640
Severance and restructuring expenses	304	1,068	—	1,372
Earnings from operations	$ 64,560	$ 11,376	$ 3,913	$ 79,849

	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

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

	March 31, 2022	December 31, 2021
North America	$ 4,825,025	$ 4,920,220
EMEA	815,338	828,456
APAC	139,850	148,737
Corporate assets and intercompany eliminations, net	(930,425)	(1,208,333)
Total assets	$ 4,849,788	$ 4,689,080

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,	
	2022	2021
Depreciation and amortization of property and equipment:		
North America	$ 4,420	$ 4,807
EMEA	807	1,232
APAC	162	142
	5,389	6,181
Amortization of intangible assets:		
North America	7,348	7,417
EMEA	457	496
APAC	120	128
	7,925	8,041
Total	$ 13,314	$ 14,222

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 needs to be a technology business. We empower organizations with technology, solutions and services to help our clients maximize the value of information technology ("IT") and drive (digital) transformation for tomorrow in North America; Europe, the Middle East and Africa ("EMEA"); and Asia-Pacific ("APAC"). As a Fortune 500-ranked global technology provider of end-to-end secure digital transformation solutions and services, 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, 2022:

- Net sales of $2.7 billion increased 21% compared to the three months ended March 31, 2021. The increase in net sales reflects a double digit increase in all categories of net sales. Excluding the effects of fluctuating foreign currency exchange rates, net sales increased 22% compared to the first quarter of 2021.
- Gross profit of $378.9 million increased 14% compared to the three months ended March 31, 2021. Excluding the effects of fluctuating foreign currency exchange rates, gross profit increased 16% compared to the first quarter of 2021.
- Compared to the three months ended March 31, 2021, gross margin contracted approximately 80 basis points to 14.3% of net sales in the three months ended March 31, 2022. This decline primarily reflects an increase in hardware net sales at lower margins and a change in the mix of services net sales compared to the same period in the prior year.
- Earnings from operations increased 19%, year over year, to $79.8 million in the first quarter of 2022 compared to $67.0 million in the first quarter of 2021. The increase was primarily due to increased gross profit in the current quarter, partially offset by an increase in selling and administrative expenses and severance and restructuring expenses. Excluding the effects of fluctuating foreign currency exchange rates, earnings from operations increased 20% year over year.
- Net earnings and diluted earnings per share were $56.6 million and $1.53, respectively, for the first quarter of 2022. This compares to net earnings of $43.2 million and diluted earnings per share of $1.18 for the first quarter of 2021. Of the $0.35 year over year increase in diluted earnings per share, $0.05 was due to the change in method of accounting for the Notes beginning in January 2022.

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 9 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.

COVID-19 and Supply Chain Constraints Update

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 saw minimal negative impact of COVID-19 on our first quarter 2022 financial results, prolonged supply constraints resulted in sustained elevated backlog as we exited the quarter. We currently believe these supply constraints and extended lead times for certain products could impact results into the second half of 2022 and we expect growth in net sales in 2022 compared to 2021.

More recently, new variants of COVID-19, such as the Omicron variants, that are significantly more contagious than previous strains, have emerged. The spread of these new strains initially caused many government authorities and businesses to reimplement prior restrictions in an effort to lessen the spread of COVID-19 and its variants; however, some of these restrictions are now being lifted. 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 and its severity; the emergence and severity of its variants; the availability and efficacy of vaccines (particularly with respect to emerging strains of the virus) 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; general economic factors, such as increased inflation; supply chain constraints; labor supply issues; 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 in 2022 and beyond. Accordingly, our current results and financial condition discussed herein may not be indicative of future operating results and trends.

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, 2021. 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, 2021.

Results of Operations

The following table sets forth certain financial data as a percentage of net sales for the three and nine months ended March 31, 2022 and 2021:

	Three Months Ended March 31,	
	2022	2021
Net sales	100.0 %	100.0 %
Costs of goods sold	85.7	84.9
Gross profit	14.3	15.1
Selling and administrative expenses	11.2	12.3
Severance and restructuring expenses and acquisition and integration related expenses	0.1	(0.3)
Earnings from operations	3.0	3.1
Non-operating expense, net	0.2	0.5
Earnings before income taxes	2.8	2.6
Income tax expense	0.7	0.6
Net earnings	2.1 %	2.0 %

We generally experience some seasonal trends in our sales of IT hardware, software and services. Software sales are typically seasonally higher in our second and fourth quarter, particularly the 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 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 and related to product versus services sales are, 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 shift our focus and respond to them.

Net Sales. Net sales for the three months ended March 31, 2022 increased 21%, year over year, to $2.7 billion compared to the three months ended March 31, 2021. This increase reflects increases in our North America and EMEA segments, partially offset by a decrease in

APAC. Our net sales by operating segment were as follows for the three months ended March 31, 2022 and 2021 (dollars in thousands):

	Three Months Ended March 31,		%
	2022	2021	Change
North America	$ 2,064,505	$ 1,654,781	25 %
EMEA	531,433	478,836	11 %
APAC	54,912	59,451	(8)%
Consolidated	$ 2,650,850	$ 2,193,068	21 %

Our net sales by offering category for North America for the three months ended March 31, 2022 and 2021 were as follows (dollars in thousands):

	Three Months Ended March 31,		%
Sales Mix	2022	2021	Change
Hardware	$ 1,451,319	$ 1,109,489	31 %
Software	341,547	308,738	11 %
Services	271,639	236,554	15 %
	$ 2,064,505	$ 1,654,781	25 %

Net sales in North America increased 25% or $409.7 million, for the three months ended March 31, 2022 compared to the three months ended March 31, 2021, primarily driven by increases in hardware net sales. Net sales of hardware, software and services increased 31%, 11% and 15%, respectively, year over year. The increases for the three months ended March 31, 2022 were the result of the following:

- The increase in hardware net sales was due to higher volume of sales to large enterprise and corporate clients primarily of devices. This growth in hardware net sales was higher than expected and we believe we could continue to see growth in this category into the second half of 2022.
- The increase in services net sales was primarily due to an increase in Insight delivered services and higher sales of software maintenance.
- The increase in software net sales was primarily due to higher volume of software licensing, 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, 2022 and 2021 were as follows (dollars in thousands):

	Three Months Ended March 31,		%
Sales Mix	2022	2021	Change
Hardware	$ 210,623	$ 195,971	7 %
Software	272,402	234,423	16 %
Services	48,408	48,442	— %
	$ 531,433	$ 478,836	11 %

Net sales in EMEA increased 11% or $52.6 million, for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. Excluding the effects of fluctuating foreign currency exchange rates, net sales in EMEA increased 17%, year over year.

Net sales of hardware and software increased 7% and 16%, respectively, year over year. The increases for the three months ended March 31, 2022 were the result of the following:

- The increase in software net sales was primarily due to higher volume of sales to enterprise and public sector clients.
- The increase in hardware net sales was primarily due to higher volumes of sales to enterprise, corporate and public sector clients.
- Services net sales were flat year over year due primarily to higher volume of sales of Insight delivered services offset by decreases in fees for cloud solutions and lower volume of software maintenance.

Our net sales by offering category for APAC for the three months ended March 31, 2022 and 2021 were as follows (dollars in thousands):

Sales Mix	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	% Change
Hardware	$ 11,646	$ 9,565	22 %
Software	22,750	34,834	(35 %)
Services	20,516	15,052	36 %
	$ 54,912	$ 59,451	(8) %

Net sales in APAC decreased 8% or $4.5 million, for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. Excluding the effects of fluctuating foreign currency exchange rates, net sales in APAC decreased 3%, year to year. Net sales of hardware and services increased by 22% and 36%, respectively, year over year. Net sales of software decreased by 35%, year to year. The net changes for the three months ended March 31, 2022 were the result of the following:

- The increase in services net sales was primarily due to higher volume sales of Insight delivered services and an increase in net sales of cloud solutions.
- The increase in hardware net sales was primarily the result of higher volume of sales to enterprise and commercial clients.
- The decrease in software net sales was due to continued migration of on-premise software to cloud solutions.

The percentage of net sales by category for North America, EMEA and APAC were as follows for the three months ended March 31, 2022 and 2021:

	North America Three Months Ended March 31,		EMEA Three Months Ended March 31,		APAC Three Months Ended March 31,	
Sales Mix	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Hardware	70 %	67 %	40 %	41 %	21 %	16 %
Software	17 %	19 %	51 %	49 %	42 %	59 %
Services	13 %	14 %	9 %	10 %	37 %	25 %
	100 %	100 %	100 %	100 %	100 %	100 %

Gross Profit. Gross profit increased 14%, or $47.4 million, for the three months ended March 31, 2022, compared to the three months ended March 31, 2021, with gross margin contracting approximately 80 basis points to 14.3% for the three months ended March 31, 2022 compared to 15.1% for the three months ended March 31, 2021.

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, 2022 and 2021 (dollars in thousands):

	Three Months Ended March 31,			
	2022	% of Net Sales	2021	% of Net Sales
North America	$ 300,084	14.5 %	$ 253,489	15.3 %
EMEA	64,770	12.2 %	66,035	13.8 %
APAC	14,007	25.5 %	11,950	20.1 %
Consolidated	$ 378,861	14.3 %	$ 331,474	15.1 %

North America's gross profit for the three months ended March 31, 2022 increased 18%, or $46.6 million, compared to the three months ended March 31, 2021. As a percentage of net sales, gross margin contracted approximately 80 basis points to 14.5% for the first quarter of 2022. The year-to-year declines in gross margin were primarily attributable to the following:

- There was a decrease in margin from services net sales of 74 basis points and a decrease in margin from product net sales, which includes partner funding and freight, of 4 basis points compared to the same period in the prior year.
- The decrease in margin from services net sales during the current quarter reflects a contraction in margin from warranty net sales, Insight delivered services and various other services recognized on a net basis.
- The decrease in product margin is primarily the result of higher sales of lower margin products, including devices, than in the same period in the prior year.

EMEA's gross profit for the three months ended March 31, 2022 decreased $1.3 million, or 2%, year to year (increasing 3% when excluding the effects of fluctuating foreign currency exchange rates), compared to the three months ended March 31, 2021. As a percentage of net sales, gross margin contracted approximately 160 basis points, year to year. The year to year net decline in gross margin was primarily attributable to a decrease in product margin, including partner funding and freight, of 86 basis points and a decrease in margin on services net sales, including cloud solutions and Insight delivered services, of 74 basis points. The decrease in product margin is primarily the result of sales of hardware at lower margins than in the same period in the prior year. The decrease in services margin is primarily the result of lower net sales of cloud solutions, software maintenance and other services recognized on a net basis partially offset by expanded margin on Insight delivered services.

APAC's gross profit for the three months ended March 31, 2022 increased $2.1 million, or 17%, compared to the three months ended March 31, 2021 (increasing 23% when excluding fluctuating foreign currency exchange rates). As a percentage of net sales, gross margin expanded approximately 540 basis points, year over year. The increase in gross margin in the first quarter of 2022 compared to the first quarter of 2021 was due to an increase in gross margin on services net sales of 607 basis points. This expansion was partially offset by a decrease in gross margin on product net sales, which includes partner funding and freight, of 66 basis points. The expanded margin in services net sales was driven by increased margins on Insight delivered services and higher volume of cloud solutions recognized on a net basis.

Operating Expenses.

Selling and Administrative Expenses. Selling and administrative expenses increased $26.5 million, or 10% (increasing 11% when excluding fluctuating foreign currency exchange rates), for the three months ended March 31, 2022 compared to the three months ended March 31, 2021.

Selling and administrative expenses decreased approximately 110 basis points as a percentage of net sales in the first quarter of 2022 compared to the first quarter of 2021. The overall net increase in selling and administrative expenses reflects a $16.5 million increase in personnel costs, including teammate benefits expenses primarily related to increases in overall teammate headcount and increases in variable compensation in the current year. There were also increases in professional fees of $7.5 million, including fees incurred for special projects, other expenses of $1.7 million and travel and entertainment costs of $1.6 million, year over year. These increases were partially offset by a decrease in depreciation and amortization expense of $0.7 million, year to year.

Severance and Restructuring Expenses, Net. During the three months ended March 31, 2022, we recorded severance and restructuring expense, net of adjustments, of approximately $1.4 million. Comparatively, during the three months ended March 31, 2021, we recorded severance and restructuring expense, net of adjustments, of approximately $1.3 million. The charges primarily related to a realignment of certain roles and responsibilities. Prior period severance charges were offset by gains on sale of properties of $8.0 million.

Earnings from Operations. Earnings from operations increased 19%, or $12.8 million, for the three months ended March 31, 2022, compared to the three months ended March 31, 2021. 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, 2022 and 2021 (dollars in thousands):

	Three Months Ended March 31,			
	2022	% of Net Sales	2021	% of Net Sales
North America	$ 64,560	3.1 %	$ 53,921	3.3 %
EMEA	11,376	2.1 %	10,090	2.1 %
APAC	3,913	7.1 %	3,013	5.1 %
Consolidated	$ 79,849	3.0 %	$ 67,024	3.1 %

North America's earnings from operations for the three months ended March 31, 2022 increased $10.6 million, or 20%, compared to the three months ended March 31, 2021. As a percentage of net sales, earnings from operations decreased by approximately 20 basis points to 3.1%. The increase in earnings from operations was primarily driven by an increase in gross profit, partially offset by a net increase in selling and administrative expenses when compared to the three months ended March 31, 2021. Earnings from operations decreased as a percentage of net sales primarily due to gross profit increasing at a slower rate than net sales.

EMEA's earnings from operations for the three months ended March 31, 2022 increased $1.3 million, or 13% (increasing 17% when excluding the effects of fluctuating foreign currency exchange rates), compared to the three months ended March 31, 2021. As a percentage of net sales, earnings from operations was flat at 2.1% as a result of declines in gross profit offset by decrease in selling and administrative expenses.

APAC's earnings from operations for the three months ended March 31, 2022 increased $900,000, or 30% (increasing 34% when excluding the effects of fluctuating foreign currency exchange rates), compared to the three months ended March 31, 2021. As a percentage of net sales, earnings from operations increased by approximately 200 basis points to 7.1%. The increase in earnings from operations as a percentage of net sales was driven by the increase in gross profit, partially offset by an increase in selling and administrative expenses compared to the three months ended March 31, 2021.

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, 2022 decreased 19%, or $1.9 million, compared to the three months ended March 31, 2021. The decrease was due to no imputed interest under the Notes in the three months ended March 31, 2022, partially offset by higher average daily balances and higher interest rates under our ABL facility, as well as increased imputed interest under our inventory financing facilities.

There was no imputed interest under the Notes for the three months ended March 31, 2022, following our adoption of ASU 2020-06 effective January 1, 2022, compared to $2.6 million for the three months ended March 31, 2021. Imputed interest under our inventory financing facilities was $4.3 million for the three months ended March 31, 2022 compared to $3.6 million for the three months ended March 31, 2021. The increase in imputed interest under our inventory financing facilities was a result of expanded use of the facilities. For a 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 24.1% for the three months ended March 31, 2022 was higher than our effective tax rate of 23.8% for the three months ended March 31, 2021. The increase in our effective tax rate was due to a reduction in excess tax benefits on the settlement of employee share-based compensation, partially offset by a decrease in the valuation allowance recorded against certain tax attributes.

Liquidity and Capital Resources

The following table sets forth certain consolidated cash flow information for the three months ended March 31, 2022 and 2021 (in thousands):

	Three Months Ended March 31,	
	2022	**2021**
Net cash (used in) provided by operating activities	$ (284,239)	$ 42,706
Net cash (used in) provided by investing activities	(25,745)	19,364
Net cash provided by (used in) financing activities	319,954	(49,267)
Foreign currency exchange effect on cash, cash equivalent and restricted cash balances	969	(2,445)
Increase in cash, cash equivalents and restricted cash	10,939	10,358
Cash, cash equivalents and restricted cash at beginning of period	105,977	130,582
Cash, cash equivalents and restricted cash at end of period	$ 116,916	$ 140,940

Cash and Cash Flow

- Our primary uses of cash during the three months ended March 31, 2022 were to fund our working capital requirements.
- Operating activities used $284.2 million in cash during the three months ended March 31, 2022, compared to cash provided by operating activities of $42.7 million during the three months ended March 31, 2021.

- We received proceeds from the sale of assets, including our properties held for sale, of $27.2 million in the three months ended March 31, 2021 with no comparable proceeds in the three months ended March 31, 2022.
- Capital expenditures were $25.7 million and $7.8 million for the three months ended March 31, 2022 and 2021, respectively.
- During the three months ended March 31, 2022 and 2021 we did not repurchase any of our common stock.
- Net borrowings under our ABL facility during the three months ended March 31, 2022 were $320.0 million compared to net repayments of $24.0 million during the three months ended March 31, 2021.
- We had net borrowings under our inventory financing facilities of $6.7 million during the three months ended March 31, 2022 compared to net repayments of $17.8 million during the three months ended March 31, 2021.

We anticipate that cash flows from operations, together with the funds available under our financing facilities, will be adequate to support our expected cash and working capital requirements for operations as well as other strategic investments over the next 12 months. We expect existing cash and cash flows from operations to continue to be sufficient to fund our operating cash activities and cash commitments for investing and financing activities, such as capital expenditures, strategic acquisitions, repurchases of our common stock, debt repayments and repayment of our inventory financing facilities. We currently expect to fund known cash commitments beyond the next twelve months through operating cash activities or other available financing resources.

Net cash (used in) provided by operating activities

- Cash flow used in operating activities in the first three months of 2022 was $284.2 million compared to cash provided by operating activities of $42.7 million in the first three months of 2021.
- The decrease in cash flow from operating activities was primarily driven by growth in hardware net sales and changes in partner mix, including increased volume with distributors with early payment terms.

Our consolidated cash flow operating metrics were as follows:

	Three Months Ended March 31,	
	2022	**2021**
Days sales outstanding in ending accounts receivable ("DSOs") [(a)]	103	106
Days inventory outstanding ("DIOs") [(b)]	15	13
Days purchases outstanding in ending accounts payable ("DPOs") [(c)]	(77)	(86)
Cash conversion cycle (days) [(d)]	41	33

(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 days.
(b) Calculated as the balance of inventories 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 days.
(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 days.
(d) Calculated as DSOs plus DIOs, less DPOs.

- Our cash conversion cycle was 41 days in the first quarter of 2022, up 8 days from the first quarter of 2021.
- The net changes were a result of a 9 day decrease in DPOs and a 2 day increase in DIOs partially offset by a three day decrease in DSOs. The decrease in DPOs was primarily due to change in partner mix, including increased volume with distributors with early payment terms, partially offset by increases in balances 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 2022 in excess of working capital needs to pay down our ABL facility and inventory financing facilities.

Net cash (used in) provided by investing activities

- We received proceeds from the sale of assets, including properties held for sale of $27.2 million for the three months ended March 31, 2021 with no comparable activity in 2022.
- Capital expenditures were $25.7 million and $7.8 million for the three months ended March 31, 2022 and 2021, respectively.
- We expect capital expenditures for the full year 2022 to be in a range of $65.0 to $70.0 million, including the final completion of our global corporate headquarters.

Net cash provided by (used in) financing activities

- During the three months ended March 31, 2022, we had net borrowings under our ABL facility that increased our outstanding long-term debt balance by $320.0 million.
- 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.
- We had net borrowings under our inventory financing facilities of $6.7 million during the three months ended March 31, 2022 compared to net repayments of $17.8 million during the three months ended March 31, 2021.
- During the three months ended March 31, 2022 and 2021, we did not repurchase any of our common stock.

Financing Facilities

Our debt balance as of March 31, 2022 was $717.9 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, 2022, 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, 2022, 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 $705.0 million, of which $318.4 million was outstanding at March 31, 2022.

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, 2022, we had approximately $82.8 million in cash and cash equivalents in certain of our foreign subsidiaries, primarily residing in Australia, Canada, the Netherlands and New Zealand. 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.

Off-Balance Sheet Arrangements

We have entered into off-balance sheet arrangements, which include indemnifications. The indemnifications are discussed in Note 8 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 "Cash Requirements From 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, 2021.

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, 2021.

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, 2022, the fair market value of our Notes was $575 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, 2022 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 8 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, 2021 (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, 2022.

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, 2022 through January 31, 2022	—	$ —	—	$ 75,032,025
February 1, 2022 through February 28, 2022	—	—	—	75,032,025
March 1, 2022 through March 31, 2022	—	—	—	75,032,025
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. 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. As of March 31, 2022, approximately $75 million remained available for repurchases under 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, through 10b5-1 plans or otherwise, at management's discretion. The number 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.

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Item 6. Exhibits.

		Incorporated by Reference				
Exhibit Number	**Exhibit Description**	**Form**	**File No.**	**Exhibit Number**	**Filing Date**	**Filed/Furnished Herewith**
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 Employment Agreement between Insight Enterprises, Inc. and Daniel Burger					X
31.1	Certification of Chief Executive Officer Pursuant to Securities Exchange Act Rule 13a-14					X
31.2	Certification of Chief Financial Officer Pursuant to Securities Exchange Act Rule 13a-14					X
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					X
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					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101)					X

(p) Paper exhibit.

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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 5, 2022 **INSIGHT ENTERPRISES, INC.**

By: /s/ Joyce A. Mullen
Joyce A. Mullen
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)

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (this "Agreement") is entered into as of March __, 2022 by and between Daniel (Dee) Burger ("Executive"), an individual, and Insight Enterprises, Inc., (the "Company") (together, the "Parties").

WHEREAS, the Company desires to employ Executive on a full-time basis and the Executive desires to be so employed, subject to the terms and conditions set forth in this Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Company and Executive agree as follows:

1. **Position and Title**. The Company will employ Executive as its President, North America, reporting to the Company's Chief Executive Officer, and Executive accepts employment to serve in such capacity, all upon the terms and conditions set forth in this Agreement.

2. **Employment Commencement Date**. Executive will commence his employment as President, North America under the terms of this Agreement starting on May __, 2022 (the "Commencement Date").

3. **Duties and Responsibilities**. Executive shall have such duties and responsibilities as are consistent with Executive's position as President, North America as determined by the Chief Executive Officer of the Company. Executive shall perform his duties faithfully and to the best of his ability and shall devote the whole of his professional time, attention and energies to the performance of his work responsibilities. Executive shall not serve on the Boards of Directors of any other public, private or non-profit company or entity without the consent of the Chief Executive Officer.

4. **Location**. The location of Executive's principal place of employment shall be in the Company's principal executive offices in Chandler, Arizona; provided, however, that Executive shall travel and perform services outside of this area as reasonably required for the proper performance of Executive's duties under this Agreement.

5. **Term**. Subject to the provisions for earlier termination set forth in Section 7, the term of Executive's employment hereunder shall commence on the Commencement Date and continue for the period of one (1) year following the Commencement Date (the "Initial Term"). The Initial Term will automatically renew for additional, successive one (1)-year periods (each a "Renewal Term") unless either party provides written notice of such party's intent not to continue this Agreement (the Initial Term and any Renewal Terms shall be referred to herein as the "Term"). If the Company gives notice of non-renewal, the Agreement shall cease ten (10) days after providing notice, and such termination shall be treated as a termination without cause with Executive receiving the post-termination compensation and benefits outlined in Section 8(c). If the Executive resigns or terminates his employment without good reason, Executive shall only be entitled to the compensation in Section 8(a).

6. **Compensation**.

(a) **Base Salary**. During the Term, the Company shall pay to Executive an annualized base salary, payable in accordance with the Company's payroll practices in effect from time to time, at the rate of $625,000 per year (the "Base Salary").

(b) **One-Time Signing Bonus.** The Company shall pay to Executive a one-time signing bonus in the amount of $500,000 (the "Signing Bonus"). The Signing Bonus will be paid in two installments: (i) $250,000 on October 31, 2022 and (ii) $250,000 on April 30, 2023 and will be taxable income. If Executive resigns from the Company prior to completing one year of employment with the Company, Executive will be required to reimburse the Company for the full amount of the Signing Bonus.

(c) **Incentive Compensation**. Executive will participate in the Company's Annual Cash Incentive Plan (the "Incentive Plan") and the bonus target will be at 100% of your base salary, at 100% attainment of objectives and payable on the date that the Company pays annual Incentive Plan payments to other employees. Executive's payout for 2022 will be prorated for the portion of the year he works for the Company. The Company reserves the right to change the terms and conditions of the Incentive Plan.

(d) **Equity Participation**. For 2022, Executive will participate in annual service-based and performance-based restricted stock unit ("RSU") incentive plans in the same percentages as other senior executives of the Company. The design and awards under any such future plans are at the discretion of the Insight Board of Directors Compensation Committee. The RSU grants will be subject to the terms and conditions of the Insight Enterprises, Inc. 2020 Omnibus Plan, as amended (the "Equity Plan"), and the applicable agreements evidencing the grant.

(e) **One-Time Equity Grant**. Executive will receive a one-time grant of RSUs having an aggregate value equal to $2,000,000, based on the Company's closing stock price on the grant date. The one-time RSU grant will be subject to the terms and conditions of the Equity Plan and the applicable agreement evidencing the grant. The grant date will be the fifteenth day of the month following Executive's Commencement Date. The RSUs granted pursuant to this Section 6(e) will vest on a service basis in equal installments over a period of two (2) years on the anniversaries of the grant date, provided that Executive remains employed by the Company on each anniversary.

(f) **Employee Benefits**. During the Term, Executive shall be eligible to participate in all health benefits, insurance programs, retirement plans and other employee benefit plans and programs generally available to other executive employees of the Company.

(g) **Business Expenses**. During the Term, Executive shall be entitled to reimbursement for reasonable business expenses incurred in the performance of his duties hereunder and in accordance with the Company's expense reimbursement policies as they exist from time to time or as otherwise approved by the Chief Executive Officer.

(h) **Vacation**. Executive shall be entitled participate in the Company's Flexible Vacation Program in accordance with the Company's policies and procedures applicable to other executive employees of the Company.

7. **Termination of Employment**. Prior to the expiration of the Term, Executive's employment under this Agreement shall terminate:

(a) Immediately upon the death of Executive;

(b) After ten (10) days' written notice by the Company to Executive on account of Executive's Disability. "Disability" means that Executive with or without any accommodation required by law is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Company. The effective date of Executive's Disability is the last day of the third month for which Executive receives the income replacement benefits;

(c) After ten (10) days' written notice by the Company to Executive stating that Executive's employment is being terminated without "Cause" (as defined below) or due to non-renewal of the Agreement.

(d) After ten (10) days' written notice by the Executive to the Company stating that Executive is resigning from his employment with the Company for any reason other than "Good Reason" (as defined herein).

(e) Immediately upon written notice by the Company to Executive for Cause. For purposes of this Agreement, "Cause" shall be defined as:

(i) the misappropriation (or attempted misappropriation) of any of the Company's funds or property;

(ii) the conviction of, or the entering of a guilty plea or a plea of no contest with respect to a felony;

(iii) repeated willful and significant neglect of duties;

(iv) acts of material dishonesty toward the Company;

(v) repeated material violation of any material written policy with respect to the Company's business or operations;

(vi) repeated significant deficiencies with respect to performance objectives assigned by the Chief Executive Officer of the Company; or

(vii) Executive's material breach of this Agreement (after notice and an opportunity to cure).

(f) As provided in this Section 7(f), upon written notice by Executive to the Company stating that Executive is resigning from his employment with the Company for "Good Reason." For purposes of this Agreement, "Good Reason" shall be defined as:

(i) a material diminution in Executive's authority, duties or responsibilities without his consent;

(ii) a material reduction in Executive's Base Salary, other than as part of a Company salary reduction program that includes senior executives of the Company;

(iii) any material act or acts of dishonesty by the Company directed toward or affecting Executive;

(iv) any illegal act or instruction directly affecting Executive by Company, which is not withdrawn after the Company is notified of the illegality by Executive; or

(v) the Company's material breach of this Agreement;

provided, however, that Executive must resign within 180 days of the initial occurrence of any of the foregoing circumstances and must provide written notice to the Chief

Executive Officer of the facts and circumstances he alleges constitute Good Reason within ninety (90) days of the first occurrence of such fact or circumstance or Executive shall be deemed to have waived Executive's right to terminate for Good Reason with respect to any such facts or circumstances; provided, further, that none of the actions set forth in (i)-(v) above shall constitute Good Reason if the action is cured or otherwise remedied by the Company within thirty (30) business days after receiving written notice from the Executive.

8. **Compensation in the Event of Termination**.

(a) **Cause or Resignation**. If Executive's employment terminates under Paragraph 7(d) or (e), Executive shall receive (i) payment of any earned but unpaid Base Salary earned up to and including the date of termination, and (ii) reimbursement of any unreimbursed business expenses (together, the "Accrued Obligations").

(b) **Death or Disability**. If Executive's employment terminates under Paragraph 7(a) or (b), Executive, or Executive's estate, if applicable, shall receive the Accrued Obligations and any vested benefits Executive, or Executive's estate, may be entitled to receive under any Company disability or insurance plan or other applicable employee benefit plan. Executive or Executive's estate, as the case may be, also shall be entitled to receive the following:

(i) A single lump sum payment equal to ninety (90) days of Executive's Base Salary as in effect on the date of Executive's death or Disability;

(ii) With respect to any Incentive Plan with annual objectives, a single lump sum cash payment in an amount equal to a prorated portion (based on the number of calendar days that have elapsed during the year) of the payment to which Executive would be entitled under the Incentive Plan (had Executive's death or Disability not occurred) for the calendar year in which Executive died or became Disabled.

The payment to which Executive or Executive's estate is entitled pursuant to paragraph (i) will be paid within thirty (30) days of Executive's death or the effective date of Executive's Disability, as the case may be. The payments to which Executive is entitled pursuant to paragraphs (ii) shall be made within the time period described in the applicable Incentive Plan. In no event will the payments due pursuant to paragraphs (i) or (iii) be made later than March 15 of the year following the year in which Executive dies or the effective date of Executive's Disability occurs.

(c) **Without Cause or by Executive for Good Reason**. If Executive's employment terminates prior to the expiration of the Term under Paragraph 7(c) or (f), Executive shall receive the Accrued Obligations. Executive also shall be entitled to receive the following:

(i) severance pay in an amount equal to 100% of Executive's Base Salary in effect on the date Executive's employment is terminated (the "Severance Payment"); and

(ii) with respect to any Incentive Plan with annual objectives, a prorated portion (based on the number of calendar days that have elapsed during the year) of the payment to which Executive would be entitled under the Incentive Plan (had Executive's employment not been terminated) for the calendar year in which Executive's employment is terminated.

(iii) continue to receive life, disability, accident and group health and dental insurance benefits, at substantially the levels Executive was receiving immediately prior to

Executive's termination of employment, for a period of time expiring upon the earlier of: (1) the end of the period of twelve (12) months following Executive's Separation from Service, or (2) the day on which Executive becomes eligible to receive any substantially similar benefits under any plan or program of any other employer or source without being required to pay any premium with respect thereto. Company will satisfy the obligation to provide the health and dental insurance benefits pursuant to this Section 8(c)(iii) by either paying for or reimbursing Executive for the actual cost of COBRA coverage (and Executive shall cooperate with Company in all respects in securing and maintaining such benefits, including exercising all appropriate COBRA elections and complying with all terms and conditions of such coverage in a manner to minimize the cost). Similarly, Company will reimburse Executive for the cost of comparable coverage for all other insurance benefits that are not subject to the COBRA continuation rules. It will be Executive's responsibility to procure such benefits and Company will promptly reimburse Executive for the premiums for such benefits in the specified amount upon Executive's submission of an invoice or other acceptable proof of payment. Company's obligation under this paragraph will cease with respect to a particular type of coverage when and if Executive becomes eligible to receive substantially similar coverage with a successor employer.

Subject to Section 15 herein, the Severance Payment will be paid in equal installments over a period of twelve (12) months in accordance with the Company's regular paydays and commencing on the Company's first regular payday that falls at least sixty (60) days following Executive's termination of employment; provided that (i) Executive has timely executed (and not revoked) a general release and waiver of all claims in a form acceptable to the Company ("General Release") and (ii) any period of revocation applicable to such General Release has passed; provided, further, that the General Release shall be made available to Executive no later than five (5) days following the date of Executive's termination of employment under Sections 7(c) or (f) herein. As shall be further described in the General Release, Executive shall have either twenty-one (21) or forty-five (45) days following receipt of the General Release to consider its execution and seven (7) days following the execution of the General Release to revoke it. If Executive fails to execute the General Release in a timely manner, or revokes the General Release, the benefits provided pursuant to this Section 8(c) (other than the Accrued Obligations) will not be due.

9. **Change in Control of Company**.

(a) **Eligibility to Receive Benefits**. If a Change in Control (as defined in Section 9(c)) occurs, Executive shall be entitled to the benefits provided in Section 9(b) if, prior to the expiration of twelve (12) months after the Change in Control (i) Executive terminates employment with the Company for Good Reason in accordance with the requirements of Section 7(f) or (ii) the Company terminates Executive's employment without Cause pursuant to Section 7(c).

(b) **Receipt of Benefits**. If Executive is entitled to receive benefits pursuant to Section 9(a) hereof:

(i) Executive shall receive (1) the Accrued Obligations; (2) severance pay in an amount equal to: (a) 100% of the Executive's highest annualized Base Salary in effect on any date during the Initial Term or any Renewal Term, plus (b) with respect to any Incentive Plan with annual objectives, a prorated portion (based on the number of calendar days that have elapsed during the year) of the payment to which Executive would be entitled under the Incentive Plan (had Executive's employment not been terminated) for the calendar year in which Executive's employment is terminated.

(ii) Executive shall be entitled to continue to receive life, disability, accident and group health and dental insurance benefits, at substantially the levels Executive was receiving immediately prior to Executive's termination of employment, for a period of time expiring upon the earlier of: (1) the end of the period of twelve (12) months following Executive's Separation from Service, or (2) the day on which Executive becomes eligible to receive any substantially similar benefits under any plan or program of any other employer or source without being required to pay any premium with respect thereto. Company will satisfy the obligation to provide the health and dental insurance benefits pursuant to this Section 9(b)(ii) by either paying for or reimbursing Executive for the actual cost of COBRA coverage (and Executive shall cooperate with Company in all respects in securing and maintaining such benefits, including exercising all appropriate COBRA elections and complying with all terms and conditions of such coverage in a manner to minimize the cost). Similarly, Company will reimburse Executive for the cost of comparable coverage for all other insurance benefits that are not subject to the COBRA continuation rules. It will be Executive's responsibility to procure such benefits and Company will promptly reimburse Executive for the premiums for such benefits in the specified amount upon Executive's submission of an invoice or other acceptable proof of payment. Company's obligation under this paragraph will cease with respect to a particular type of coverage when and if Executive becomes eligible to receive substantially similar coverage with a successor employer

(iii) Executive shall be vested in any and all equity-based plans and agreements of Company in which Executive had an interest, vested or contingent. If applicable law prohibits such vesting, then Company shall pay to Executive in a single lump sum cash payment in an amount equal to the value of benefits and rights that would have, but for such prohibition, been vested in Executive.

(iv) Subject to Section 15 herein, the benefits provided pursuant to this Section 9(b) (other than the Accrued Obligations) will be paid in a single lump sum on the Company's first regular payday that falls at least sixty (60) days following Executive's termination of employment; provided that (1) Executive has timely executed (and not revoked) a general release and waiver of all claims in a form acceptable to the Company ("General Release") and (2) any period of revocation applicable to such General Release has passed; provided, further, that the General Release shall be made available to Executive no later than five (5) days following the date of Executive's termination of employment under Sections 7(c) or (f) herein. As shall be further described in the General Release, Executive shall have either twenty-one (21) or forty-five (45) days following receipt of the General Release to consider its execution and seven (7) days following the execution of the General Release to revoke it. If Executive fails to execute the General Release in a timely manner, or revokes the General Release, the benefits provided by this Section 9(b) (other than the Accrued Obligations) will not be due. The Incentive Plan payments to which Executive is entitled for the year or quarter of the Executive's termination shall be made within the time period described in the applicable Incentive Plan, provided Executive has timely executed and not revoked a General Release as described above. In no event will the Incentive Plan payments be made later than March 15 of the year following the year in which Executive's employment is terminated.

(c) **Change in Control Defined**. For purposes of this Agreement, "Change in Control" shall have the meaning set forth in the Equity Plan.

(d) **Cap on Payments**.

(i) **General Rules**. The Internal Revenue Code (the "Code") imposes significant tax consequences on Executive and Company if the total payments made to Executive due, or deemed due, to a "change in control" (as such term is defined in Section 280G(b)(2)(A)(i) of the Code and the regulations adopted thereunder) exceed prescribed limits. For example, if Executive's "Base Period Income" is $100,000 and Executive's "Total Payments" exceed 299% of such Base Period Income (the "Cap"), Executive will be subject to an excise tax under Section 4999 of the Code of 20% of all amounts paid to Executive in excess of $100,000. In other words, if Executive's Cap is $299,999, Executive will not be subject to an excise tax if Executive receives exactly $299,999. If Executive receives $300,000, Executive will be subject to an excise tax of $40,000 (20% of $200,000).

(ii) **Reduction of Payments**. Subject to the exception described in Section 9(d)(iii), in order to avoid the excise tax imposed by Section 4999 of the Code, one or more of the payments or benefits to which Executive is entitled that is not subject to Section 409A of the Code shall be reduced until the Total Payments equal the Cap. For purposes of this limitation:

(1) No portion of the Total Payments shall be taken into account which, in the opinion of the Consultant retained pursuant to Section 9(d)(iv), does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code;

(2) A payment shall be reduced only to the extent necessary so that the Total Payments constitute reasonable compensation for services actually rendered within the meaning of Section 280G(b)(4) of the Code or are otherwise not subject to disallowance as deductions, in the opinion of the Consultant; and

(3) The value of any non-cash benefit or any deferred payment of benefit included in the Total Payments shall be determined in accordance with Section 280G of the Code and the regulations issued thereunder.

(4) If after the reductions called for by the preceding provisions of this Section 9(d)(ii), the Total Payments continue to exceed the Cap, the payments or benefits to which, Executive is entitled and which are subject to Section 409A shall be reduced proportionally until the Total Payments equal the Cap.

(iii) **Exception**. The payment limitation called for by Section 9(d)(ii) shall not apply if Executive' s "Uncapped Benefit" exceeds Executive' s "Capped Benefit" by more than 25%. The Consultant selected pursuant to Section 9(d)(iv) will calculate Executive's Uncapped Benefit and Executive' s Capped Benefit. For this purpose, the "Uncapped Benefit" is equal to the Total Payments to which Executive is entitled prior to the application of Section 9(d)(ii). Executive's "Capped Benefit" is the amount to which Executive will be entitled after application of the limitations of Section 9(d)(ii).

(iv) **Consultant**. Company will retain a "Consultant" to advise Company with respect to the applicability of any Section 4999 excise tax with respect to Executive's Total Payments. The Consultant shall be a law firm, a certified public accounting firm, and/or a firm nationally recognized as providing executive compensation consulting services. All determinations concerning Executive's Capped Benefit and Executive's Uncapped Benefit (as well as any assumptions to be used in making such determinations) shall be made by the Consultant selected pursuant to this Section 9(d)(iv). The Consultant shall provide Executive and Company with a written explanation of its conclusions. All fees and expenses of the Consultant shall be borne by Company. The Consultant's determination shall be binding on Executive and Company.

(v) **Special Definitions**. For purposes of this Section 9(d), the following specialized terms will have the following meanings:

(1) **"Base Period Income."** "Base Period Income" is an amount equal to Executive' s "annualized includable compensation" for the "base period" as defined in Sections 280G(d)(l) and (2) of the Code and the regulations adopted thereunder.

Generally, Executive 's "annualized includable compensation" is the average of Executive's annual taxable income from Company for the "base period," which is the five (5) calendar years prior to the year in which the change in control occurs.

(2) **"<u>Cap" or "280G Cap</u>."** "Cap" or "280G Cap" shall mean an amount equal to 2.99 times Executive' s Base Period Income. This is the maximum amount which Executive may receive without becoming subject to the excise tax imposed by Section 4999 of the Code or which Company may pay without loss of deduction under Section 280G of the Code.

(3) **"<u>Total Payments</u>."** The "Total Payments" include any "payments in the nature of compensation" (as defined in Section 280G of the Code and the regulations adopted thereunder), made pursuant to this Agreement or otherwise, to or for Executive's benefit, the receipt of which is contingent or deemed contingent on a change in control and to which Section 280G of the Code applies.

(vi) **<u>Effect of Repeal</u>**. In the event that the provisions of Sections 280G and 4999 of the Code are repealed without succession, Section 9(d) shall be of no further force or effect.

(vii) **<u>Employment by Successor</u>**. For purposes of this Agreement, employment by a successor of Company or a successor of any subsidiary of Company that has assumed this Agreement shall be considered to be employment by Company or one of its subsidiaries. As a result, if Executive is employed by such a successor following a Change in Control, Executive will not be entitled to receive the benefits provided by Section 9 unless Executive's employment with the successor is subsequently terminated without Cause or for Good Reason within twelve (12) months following the Change in Control.

10. **<u>Confidentiality, Intellectual Property, Non-Solicitation, and Non-Competition Agreement</u>**. As a condition of employment, Executive also must sign the Confidentiality, Intellectual Property, Non-Solicitation and Non-Competition Agreement, which is attached as Exhibit A to this Agreement.

11. **<u>Applicable Law</u>**. This Agreement and any disputes or claims arising hereunder shall be construed in accordance with, governed by and enforced under the laws of the State of Arizona without regard for any rules of conflicts of law.

12. **<u>Company Policies</u>**.

(a) **<u>General Company Policies</u>**. Except where inconsistent with the terms of this Agreement, Executive agrees that he will be subject to, and comply with, the employment policies and procedures established by the Company from time to time.

(b) **<u>Company Stock Ownership Guidelines</u>**. Executive agrees that he will be subject to the Company's stock ownership guidelines.

(c) **<u>Clawback</u>**. To the extent required by law or Company policy, the Company may require Executive to repay to the Company any bonus or other incentive-based or equity-based compensation paid to Executive.

13. **<u>Section 16 of the Securities Exchange Act</u>**. If, at the time Executive's employment is terminated for any reason, Executive is a person designated to file pursuant to Section 16 of the Securities Exchange Act of 1934 (the "1934 Act"), Executive will provide to

the Company a written representation in a form acceptable to the Company that all reportable pre-termination securities transactions relating to Executive have been reported.

14. **Withholding**. The Company may effect withholdings from the payments due to Executive under this Agreement for the payment of taxes and other lawful withholdings or required employee contributions, in accordance with applicable law.

15. **Section 409A**.

(a) It is the intention of the Company and Executive that this Agreement not result in unfavorable tax consequences to Executive under Section 409A of the Code ("Section 409A"). To the extent applicable, it is intended that the Agreement comply with the provisions of Section 409A, but the Company does not warrant or guarantee that the Agreement is either excepted from the requirements of Section 409A or that the Agreement complies with Section 409A. The Agreement will be administered and interpreted in a manner consistent with this intent, and any provision that would cause the Agreement to fail to satisfy Section 409A will have no force and effect until amended to comply therewith (which amendment may be retroactive to the extent permitted by Section 409A). The Company and Executive agree to work together in good faith in an effort to comply with Section 409A including, if necessary, amending this Agreement based on further guidance issued by the Internal Revenue Service from time to time, provided that the Company shall not be required to assume any increased economic burden. Executive remains solely responsible for any adverse tax consequences imposed upon him by Section 409A.

(b) Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A, Executive shall not be considered to have terminated employment with the Company for purposes of the Agreement and no payments shall be due to him under the Agreement which are payable upon his termination of employment until he would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A.

(c) To the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to the Agreement during the six-month period immediately following Executive's termination of employment shall instead be paid within thirty (30) days following the first business day after the date that is six months following his termination of employment (or upon his death, if earlier). If it is determined that all or a portion of the payments due pursuant to this Agreement are subject to Section 409A of the Code, and if the General Release consideration period and revocation period spans two calendar years, the payments provided pursuant to this Agreement that are subject to Section 409A shall not begin until the second calendar year. Executive may not elect the taxable year of the distribution. In addition, for purposes of this Agreement, each amount to be paid or benefit to be provided to the Executive pursuant to this Agreement shall be construed as a separate identified payment for purposes of Section 409A.

16. **Dispute Resolution**. The Parties agree that any controversy, dispute or claim arising out of or relating to the Agreement or breach thereof, including without limitation Executive's employment with or separation of employment from Company, and all claims, to the extent allowable by law, that Company or any of its representatives engaged in conduct prohibited on any basis under any federal, state, or local statute, including federal or state discrimination statutes or public policy, shall be resolved by final, binding and conclusive arbitration in Maricopa County, Arizona, with a sole arbitrator to be mutually agreed upon by the Parties. The Parties shall bear equally the cost of the arbitrator. The arbitration shall occur within thirty (30) days of selection of the arbitrator and shall be administered by the American

Arbitration Association under its Employment Arbitration Rules and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Any arbitration award may, in the discretion of the arbitrator, include reasonable attorneys' fees and costs of the prevailing party. "Attorneys' fees and costs" mean all reasonable pre-award expenses, administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone costs, witness fees and attorneys' fees. Any award of attorney's fees and costs to which Executive may be entitled shall be paid by Company, on or before December 31 of the calendar year following the year of the conclusion of the arbitration. Either party may apply to the arbitrator to seek injunctive relief until the arbitration award is rendered or the matter is otherwise resolved. Either party also may, without waiving any remedy under the Agreement, seek from any court having jurisdiction any interim or provisional relief, including a temporary restraining order, an injunction both preliminary and final, and any other appropriate equitable relief, that is necessary to protect the rights or property of that party, pending the retention of the arbitrator.

17. **No Conflict**. Executive hereby represents and warrants that he is under no conflicting duty or contractual or other legal obligation that would prevent him from executing this Agreement or performing the duties of Senior Vice President of Finance for the Company.

18. **No Waivers**. The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver of any such provision, nor prevent such party thereafter from enforcing such provision or any other provision of this Agreement. Rights granted the parties hereto herein are cumulative and the election of one shall not constitute a waiver of such party's right to assert all other legal remedies available under the circumstances.

19. **Notices**. All notices or other communications hereunder shall be in writing and shall be deemed to have been duly given (i) when delivered personally or by local courier, (ii) upon confirmation of receipt when such notice or other communication is sent by facsimile, or (iii) one day after timely delivery to an overnight delivery courier. The addresses for such notices shall be as follows:

TO THE COMPANY:

Insight Enterprises, Inc.
Attn: Chief Executive Officer
6820 South Harl Avenue
Tempe, Arizona 85283

TO EXECUTIVE:

At the most recent address on file in the records of the Company.

20. **Severability**. The provisions of this Agreement are severable and if any provision of this Agreement shall be held to be invalid or otherwise unenforceable, in whole or in part, the remainder of the provisions, or enforceable parts thereof, shall not be affected thereby unless as a result of such severing the remaining provisions or enforceable parts do not substantially reflect the intention of the parties in entering into this Agreement.

21. **Successors and Assigns**. This is an agreement for personal services and may not be assigned by Executive. The rights and obligations of the parties under this Agreement shall inure to the benefit of and be binding upon their successors, heirs and assigns, including the survivor upon any merger, consolidation or combination of the Company with any other entity.

22. **Entire Agreement and Amendments**. This Agreement sets forth the entire agreement of the parties hereto and supersedes all prior agreements, negotiations, understandings and covenants (except as otherwise provided herein) with respect to the subject matter hereof, including any offer letter provided to Executive. This Agreement may be amended, modified or canceled only by mutual agreement of the parties and only in writing.

23. **Counterparts**. This Agreement may be executed in two (2) counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

INSIGHT ENTERPRISES, INC.	**DANIEL (DEE) BURGER**
/s/ Joyce Mullen______________________	/s/ Daniel Burger_______________________
By: Joyce A. Mullen	
Its: Chief Executive Officer	

INSIGHT ENTERPRISES, INC.

Exhibit 31.1

CERTIFICATION

I, Joyce A. Mullen, 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 5, 2022**

By: **/s/ Joyce A. Mullen**
Joyce A. Mullen
Chief Executive Officer

Exhibit 31.2

INSIGHT ENTERPRISES, INC.

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 5, 2022**

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

INSIGHT ENTERPRISES, INC.

Exhibit 32.1

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, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), we, Joyce A. Mullen, 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/ Joyce A. Mullen
Joyce A. Mullen
Chief Executive Officer
May 5, 2022

By: /s/ Glynis A. Bryan
Glynis A. Bryan
Chief Financial Officer
May 5, 2022