# Insight Enterprises, Inc.

Third Quarter 2022

Earnings Conference Call and Webcast

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# Disclosures

## Safe harbor statement

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

## Non-GAAP measures

This presentation will reference certain non-GAAP financial information as ‘Adjusted’. A reconciliation of non-GAAP financial measures presented in this document to our actual GAAP results is attached to the back of this presentation and included in the press release issued today, which you may find on the Investor Relations section of our website at investor.insight.com. These non-GAAP measures are used by the Company and its management to evaluate financial performance against budgeted amounts, to calculate incentive compensation, to assist in forecasting future performance and to compare the Company’s results to those of the Company’s competitors. The Company believes that these non-GAAP financial measures are useful to investors because they allow for greater transparency, facilitate comparisons to prior periods and the Company’s competitors’ results and assist in forecasting performance for future periods. These non-GAAP financial measures are not prepared in accordance with GAAP and may be different from non-GAAP financial measures presented by other companies. Non-GAAP financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP.

## Constant currency

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

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# Our strategy is to become THE leading **SOLUTIONS INTEGRATOR**

The pillars of our strategy are:

| Captivate | Sell | Deliver | Champion |
|---|---|---|---|
| Clients | Solutions | Differentiation | our Culture |

Solutions Integrator ≠

- Systems Integrator
- Reseller
- Distributor

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# Well Positioned to Help Organizations

### Cybersecurity
Mitigate risks and secure business assets.

### Modern Infrastructure
Architect and modernize multicloud and networking solutions to drive business transformation.

### Data and AI
Leverage analytics and AI to transform business operations and user experiences.




### Modern Apps
Create new product experiences and transform legacy applications to drive increased business value.

### Intelligent Edge
Gather and use data in the most efficient way possible to enable real-time decision-making and affect pivotal outcomes.

### Modern Workplace
Create a productive, flexible and secure workplace.

## Our services

### Consulting Services
Create competitive advantage and improve operations by aligning business goals to IT and product strategies.

### Hardware, Software and Lifecycle Services
Simplify supply chain and streamline costs across the global hardware and software lifecycle.

### Managed Services
Eliminate business disruption and strategically align resources.

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# 2027 KPIs for Success

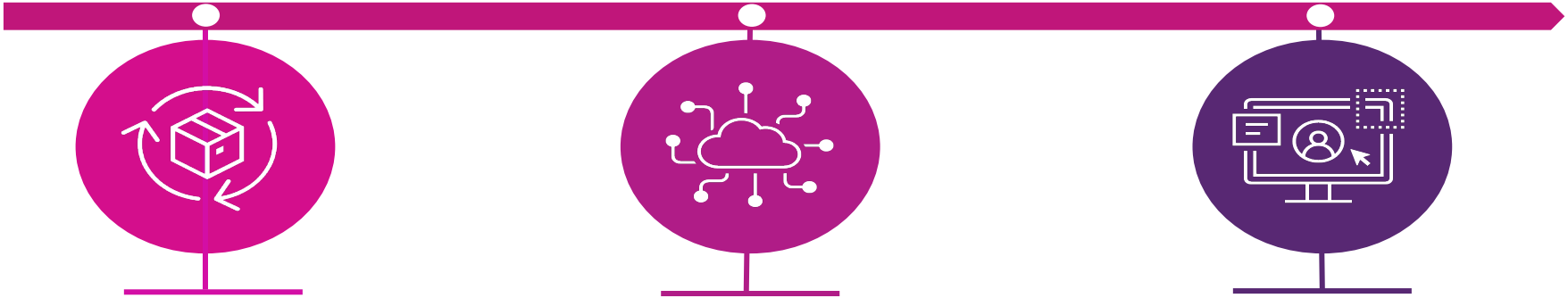
| KPIs | 2027 |
|---|---|
| **Existing:** | |
| EBITDA Margin* | 6.5% - 7.0% |
| ROIC* | >25% |
| **New Metrics:** | |
| Core services GP \| 5-year CAGR | 16% - 20% |
| Cloud GP \| 5-year CAGR | 16% - 20% |
| Adjusted DEPS* \| 5-year CAGR | 19% - 22% |
| Free cash flow as % Adjusted net income* | >90% |

*Adjusted non-GAAP basis excludes (i) severance and restructuring expenses, (ii) certain recruitment and hiring-related expenses, (iii) amortization of intangible assets, (iv) transformation costs, (v) certain acquisition and integration-related expenses, (vi) debt discount amortization, and (vii) the tax effects of each of these items, as applicable.

Note: Insight Core services is defined as services we deliver and manage. Free cash flow is defined as cash flow from operations minus capital expenditures.

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# Innovation for Large Grocer Fuels Digital Growth



## The challenge:

- Optimize data so it can be monetized
- Alleviate labor intensive tasks
- Support goal to drive 50% of growth through digital sources
- Support corporate initiative to introduce health clinics

## The solution:

- Develop real time digital pricing to respond to changes in supply and demand
- Utilize sensors to remotely adjust freezer temperatures and automatically adjust lighting
- Develop a Mobile health application to support customer engagement in new health clinics

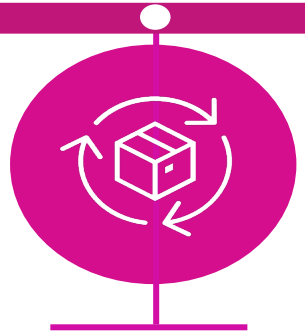
## The results:

- Significant time savings related to price updates
- Contribution to digital growth
- Improved sustainability
- Improved customer engagement and experience

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# Fire Department Cuts Emergency Response Times in Half with Real-Time Data



## The challenge:

- Shift legacy data system to cloud-based infrastructure
- Solution capable to manage hundreds of millions of pieces of incoming data
- Develop a unified view of all incoming data with real-time reporting to support decision-making



## The solution:

- Build solution around modern tools – Data Bricks, PowerBI
- Utilize Insight developed IP (LENS) to ingest data from multiple sources, rapidly centralizing and structuring data to consume in business outcomes
- Develop dashboard to see all vehicles and personnel in real time



## The results:

- Optimize staging of 15,000 vehicles and assets
- 2X faster emergency response times
- Improve safety and service for 4 million+ major metropolitan population
- Real-time data supporting 3,000+ uniformed personnel

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# Q3 2022 Performance

(Changes against prior year period)

## NET SALES

**$2.5B**

increase of 4%

constant currency up 6%**

## GROSS PROFIT

**$399M**

increase of 10%

48% services as a percent of total gross profit***

19% cloud as a percent of total gross profit***

## EARNINGS

ADJUSTED EARNINGS FROM OPERATIONS (EFO)*

**$107M** increase of 14%

GAAP $90M, up 9%

ADJUSTED DILUTED EARNINGS PER SHARE (DEPS)*

**$1.99** increase of 6%

GAAP $1.58, up 5%

## MARGINS & METRICS

GROSS MARGIN

**15.8%** up 90 bps

ADJUSTED SG&A* AS A PERCENT OF NET SALES

**11.5%** up 40 bps

GAAP 12.2%, up 80 bps

ADJUSTED SG&A* AS A PERCENT OF GROSS PROFIT

**73.2%** down 110 bps

GAAP 77.2%, up 70 bps

ADJUSTED EFO* MARGIN

**4.2%** up 40 bps

GAAP 3.6%, up 20 bps

## SERVICE DELIVERY SCALE



HEADCOUNT

Consulting, Managed, Prof & Lifecycle

**>5,500**

## CASH FLOWS AND CASH CYCLE

CASH CONVERSION CYCLE

**46 DAYS**

up 9 days

Days sales outstanding (DSO)
7 days
Days inventory outstanding (DIO)
4 days
Days purchases outstanding (DPO)
-2 days

NET CASH FROM OPERATIONS

**$236M QTD / $(206)M YTD**

## SEGMENTS

| | NET SALES | GROSS PROFIT | ADJUSTED EFO* |
|---|---|---|---|
| NORTH AMERICA | **$2.1B** increase of 4% | **$333M** increase of 12% | **$99M** increase of 18% |
| EMEA** | **$380M** increase of 16% | **$52M** increase of 9% | **$5M** decrease of 8% |
| APAC** | **$55M** increase of 27% | **$15M** increase of 21% | **$4M** increase of 5% |

* See Appendix for reconciliation of non-GAAP measures
** Reference "Constant currency" section on slide 2 of this presentation
*** For the twelve months ended September 30, 2022

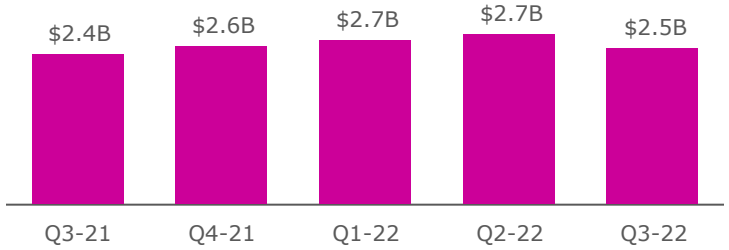
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## NET SALES

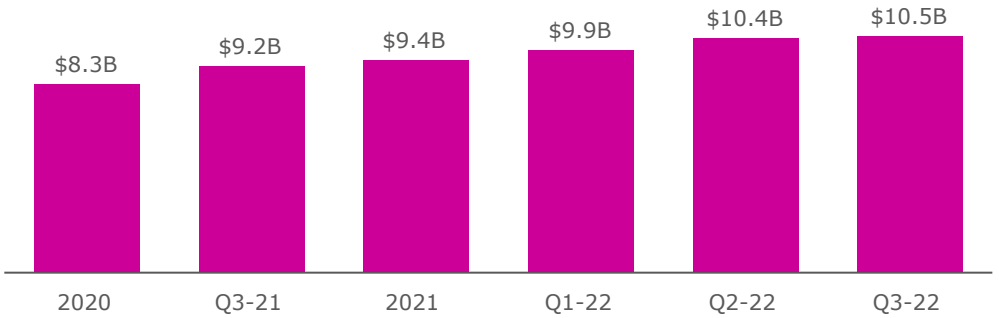
**$2.5B** ↑ increase of 4% y/y

constant currency up 6%**



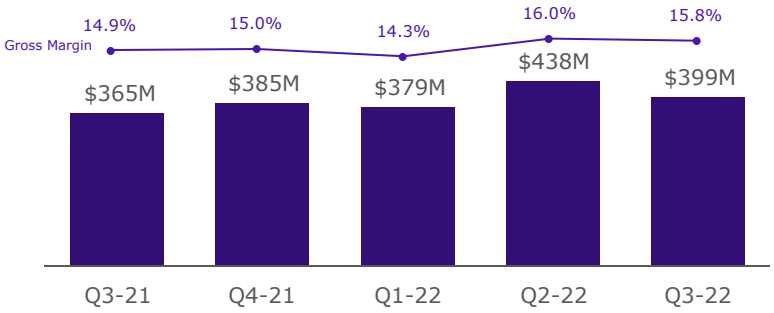

Trailing twelve months

**$10.5B*** ↑ increase of 15% y/y



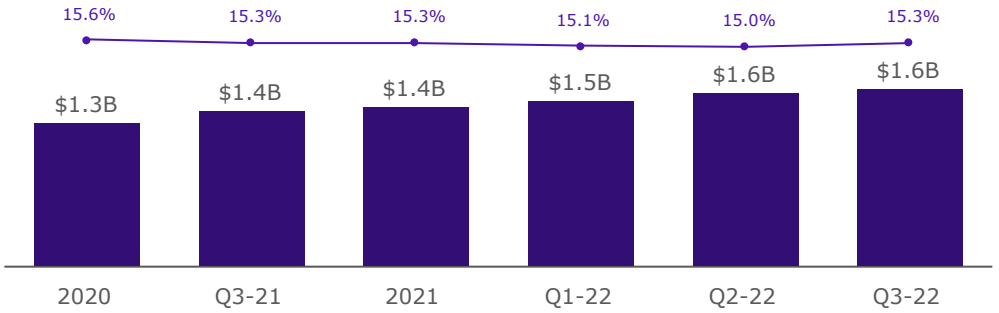

## GROSS PROFIT

**$399M** ↑ increase of 10% y/y




Trailing twelve months

**$1.6B*** ↑ increase of 14% y/y




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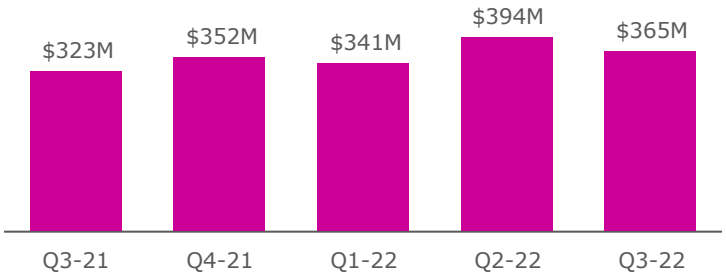
* For the twelve months ended September 30, 2022

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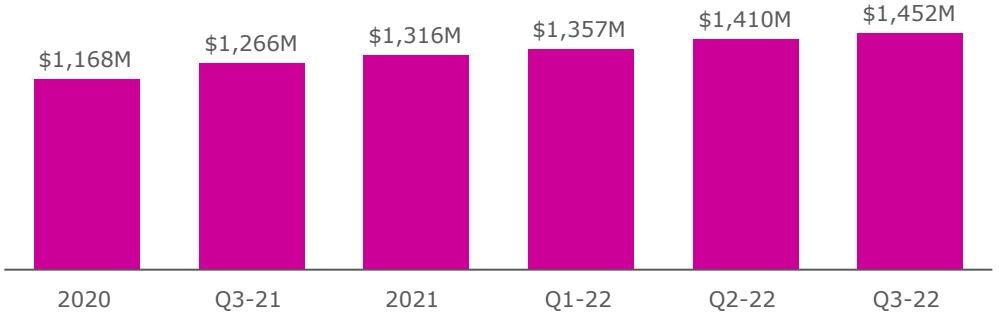
## SERVICES NET SALES

**$365M** ↑ increase of 13% y/y



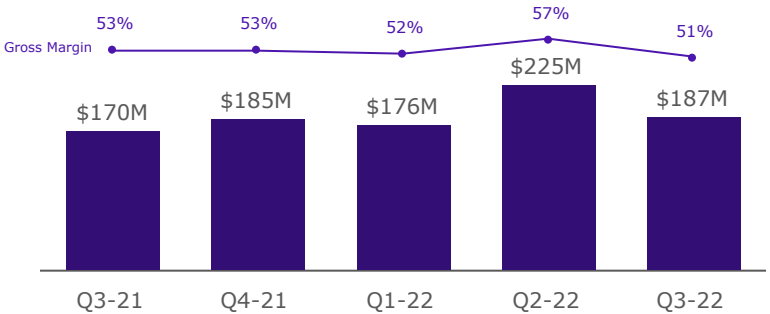

Trailing twelve months

**$1.5B*** ↑ increase of 15% y/y



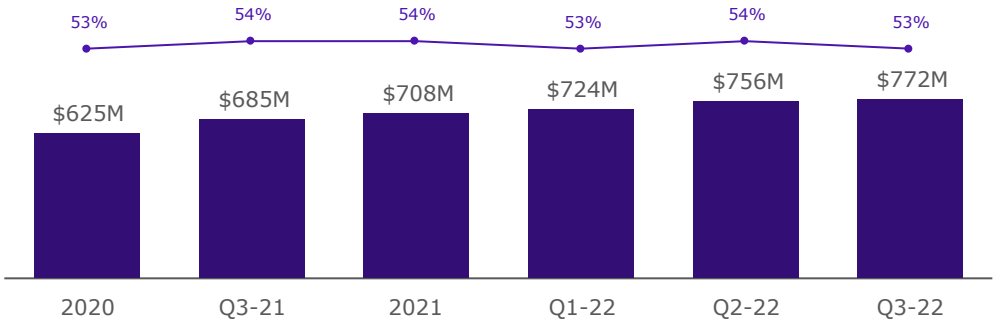

## SERVICES GROSS PROFIT

**$187M** ↑ increase of 10% y/y




Trailing twelve months

**$772M*** ↑ increase of 13% y/y



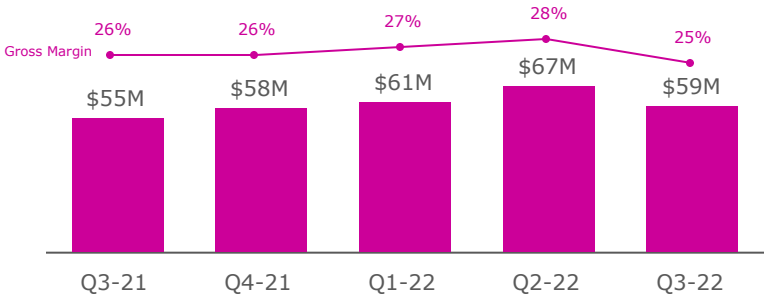

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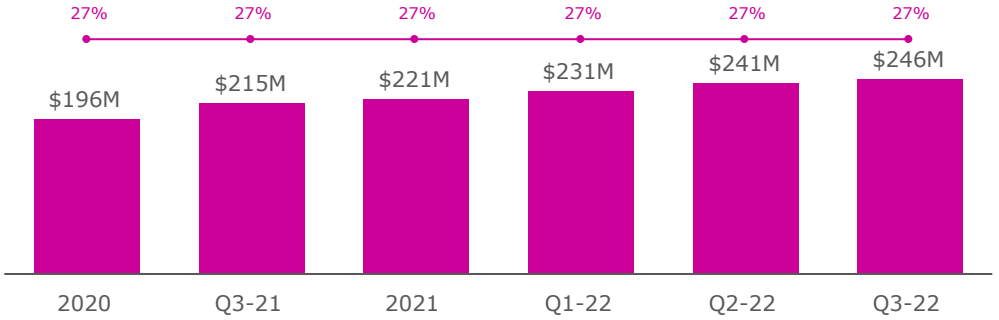
## INSIGHT CORE SERVICES GROSS PROFIT

**$59M** ↑ increase of 9% y/y



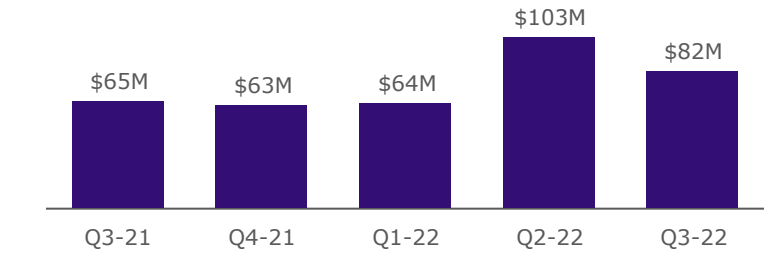

Trailing twelve months

**$246M*** ↑ increase of 14% y/y



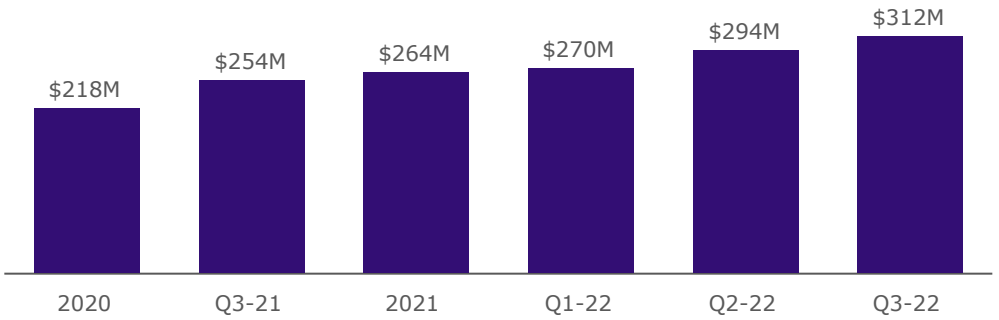

## CLOUD GROSS PROFIT

**$82M** ↑ increase of 27% y/y




Trailing twelve months

**$312M*** ↑ increase of 23% y/y




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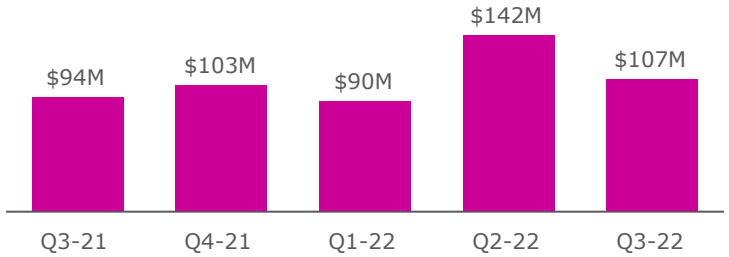
* For the twelve months ended September 30, 2022

Note: Insight Core services is defined as services we deliver and manage.

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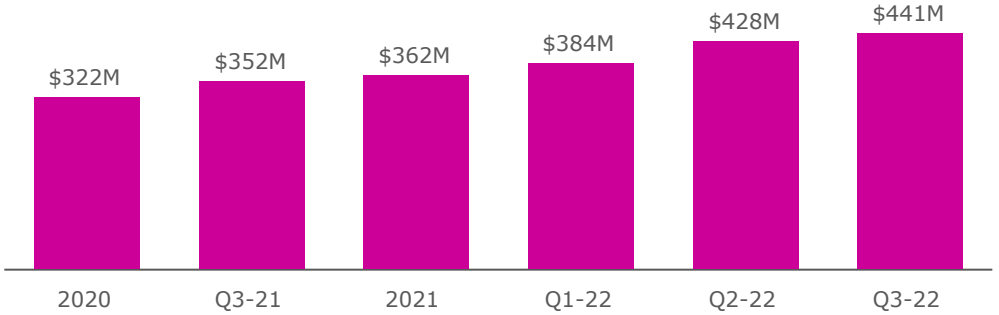
## EARNINGS ADJUSTED EARNINGS FROM OPERATIONS (EFO)**

**$107M** ↑ increase of 14% y/y



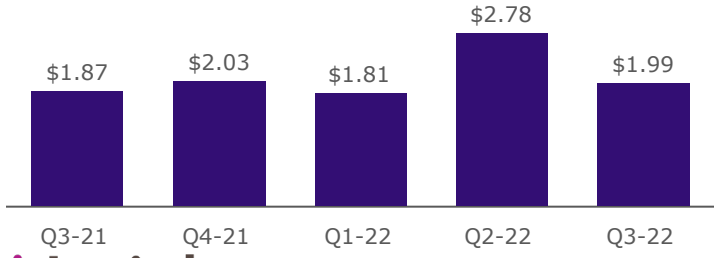

Trailing twelve months

**$441M*** ↑ increase of 25% y/y



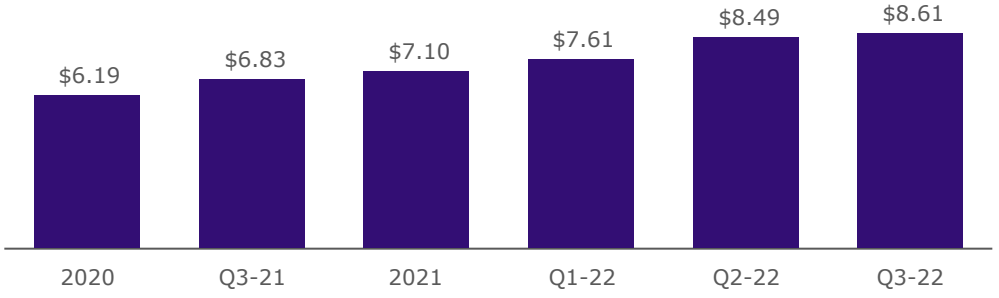

## ADJUSTED DILUTED EARNINGS PER SHARE**

**$1.99** ↑ increase of 6% y/y




Trailing twelve months

**$8.61*** ↑ increase of 26% y/y




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* For the twelve months ended September 30, 2022
** See Appendix for reconciliation of non-GAAP measures

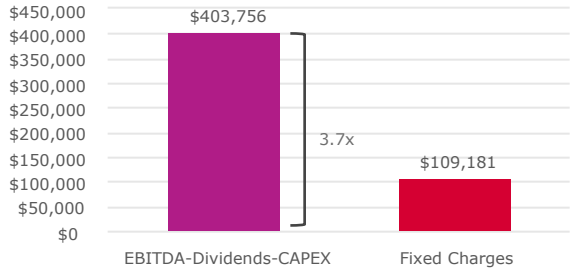
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# Liquidity and Debt Covenants

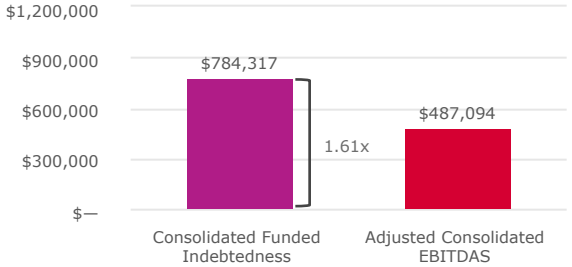
| US Dollars in $000s | Twelve Months Ended September 30, 2022 | 2021 |
|---|---|---|
| **Adjusted Consolidated EBITDA** | | |
| Net income | $ 265,264 | $ 210,600 |
| Interest expense | 41,213 | 40,838 |
| Taxes | 88,939 | 70,930 |
| Depreciation and amortization of property and equipment | 22,711 | 24,259 |
| Amortization of intangible assets | 32,763 | 32,077 |
| Other* | 15,429 | (2,096) |
| Adjusted consolidated EBITDA | $ 466,319 | $ 376,608 |
| | | |
| Add: Non-cash stock-based compensation | 20,775 | 19,923 |
| Less: Capital expenditures | (83,338) | (31,507) |
| Adjusted consolidated EBITDAS for FCCR Ratio | $ 403,756 | $ 365,024 |
| | | |
| Taxes and interest** | $ 109,181 | $ 87,380 |
| Fixed Charge Coverage Ratio | 3.7 | 4.2 |

* "Other" includes (i) severance and restructuring expenses, (ii) certain executive recruitment and hiring related expenses, (iii) transformation costs, and (iv) certain acquisition and integration related expenses.
** Tax Expense plus Interest Expense less non-cash imputed interest under the Company's inventory financing facilities and the Company's convertible notes.

## Fixed Charge Coverage




## Total Leverage Ratio




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# 2027 KPIs for Success

| KPIs | TTM 9.30.2022 | 2027 |
|---|---|---|
| **Existing:** | | |
| EBITDA Margin* | 4.4% | 6.5% - 7.0% |
| ROIC* | 15.0% | >25% |
| **New Metrics:** | | |
| Core services GP \| 5-year CAGR | 14% | 16% - 20% |
| Cloud GP \| 5-year CAGR | 30% | 16% - 20% |
| Adjusted DEPS* \| 5-year CAGR | 20% | 19% - 22% |
| Free cash flow as % Adjusted net income* | Not meaningful | >90% |

*Adjusted non-GAAP basis excludes (i) severance and restructuring expenses, (ii) certain recruitment and hiring-related expenses, (iii) amortization of intangible assets, (iv) transformation costs, (v) certain acquisition and integration-related expenses, (vi) debt discount amortization, and (vii) the tax effects of each of these items, as applicable.

Note: Insight Core services is defined as services we deliver and manage. Free cash flow is defined as cash flow from operations minus capital expenditures.

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# Full Year 2022 Outlook

| Assumptions: | | As of November 3, 2022 | As of August 4, 2022 |
|---|---|---|---|
| Full year net sales growth | *% change over prior year* | Low double digit | Low double digit |
| Interest expense | | $35 - $40 million | $30 - $35 million |
| Effective tax rate | | 25% - 26% | 25% - 26% |
| Adjusted diluted EPS* | | $8.65 - $8.75 | $8.55 - $8.75 |
| Average share count | | 35.1 to 35.2 million | 35.4 million |
| Capital expenditures | | $65 - $70 million | $65 - $70 million |

**Other Exclusions and Assumptions:**

- Excludes acquisition-related intangibles amortization expense of approximately $33 million (posted on website)
- Assumes no acquisition or integration-related, transformation or severance and restructuring expenses
- Assumes no significant change in our debt instruments

* Adjusted diluted earnings per share excludes severance and restructuring expense and other unique items as well as amortization expense related to acquired intangibles. Due to the inherent difficulty of forecasting some of these types of expenses, which impact net earnings and diluted earnings per share, the Company is unable to reasonably estimate the impact of such expenses, if any, to net earnings and diluted earnings per share. Accordingly, the Company is unable to provide a reconciliation of GAAP to non-GAAP diluted earnings per share for the full year 2022 forecast.

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# Appendix




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# Q3 2022 YTD | Financial Performance

| US Dollars in $000s, unless highlighted as constant currency* | Nine Months Ended September 30, 2022 | 2021 | Change |
|---|---|---|---|
| **Consolidated IEI** | | | |
| Net sales | $7,928,581 | $6,870,090 | 15% |
| Net sales, constant currency | | | 20% |
| Product net sales | $6,828,726 | $5,906,437 | 16% |
| Services net sales | $1,099,855 | $963,653 | 14% |
| Gross profit | $1,216,008 | $1,062,702 | 14% |
| Gross margin | 15.3% | 15.5% | (20 bps) |
| Gross profit, constant currency | | | 15% |
| Product gross profit | $628,943 | $539,354 | 17% |
| Services gross profit | $587,065 | $523,348 | 12% |
| Selling, general, and administrative expenses | $911,894 | $827,275 | 10% |
| Selling, general, and administrative expenses, constant currency | | | 13% |
| Adjusted selling, general, and administrative expenses** | $877,663 | $803,178 | 9% |
| Adjusted selling, general, and administrative expenses, constant currency** | | | 12% |
| GAAP earnings from operations | $299,684 | $238,644 | 26% |
| Adjusted earnings from operations** | $338,345 | $259,524 | 30% |
| GAAP diluted earnings per share | $5.53 | $4.27 | 30% |
| Adjusted diluted earnings per share** | $6.58 | $5.08 | 30% |

* Reference "Constant currency" section on slide 2 of this presentation
** See Appendix for reconciliation of non-GAAP measures

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# Consolidated IEI Financial Metrics

| Three Months Ended | Q3-21 | Q4-21 | Q1-22 | Q2-22 | Q3-22 |
|---|---|---|---|---|---|
| Net Sales YoY | 26% | 12% | 21% | 23% | 4% |
| *Gross margin* | 14.9% | 15.0% | 14.3% | 16.0% | 15.8% |
| GAAP EFO | $83.2M | $93.4M | $79.8M | $129.6M | $90.3M |
| GAAP EFO YoY | 35% | 12% | 19% | 46% | 9% |
| *GAAP EFO Margin* | 3.4% | 3.6% | 3.0% | 4.7% | 3.6% |
| Adjusted EFO* | $93.5M | $102.9M | $89.6M | $141.7M | $107.1M |
| Adjusted EFO* YoY | 30% | 12% | 31% | 45% | 14% |
| *Adjusted EFO* Margin* | 3.8% | 4.0% | 3.4% | 5.2% | 4.2% |
| GAAP Diluted EPS | $1.51 | $1.69 | $1.53 | $2.42 | $1.58 |
| GAAP Diluted EPS YoY | 37% | 13% | 30% | 53% | 5% |
| Adjusted Diluted EPS* | $1.87 | $2.03 | $1.81 | $2.78 | $1.99 |
| Adjusted Diluted EPS* YoY | 36% | 15% | 39% | 46% | 6% |

| Trailing Twelve Months | 2020 | Q3-21 | 2021 | Q1-22 | Q2-22 | Q3-22 |
|---|---|---|---|---|---|---|
| Net Sales YoY | 8% | 10% | 13% | 18% | 20% | 15% |
| *Gross margin* | 15.6% | 15.3% | 15.3% | 15.1% | 15.0% | 15.3% |
| GAAP EFO | $271.6M | $321.7M | $332.1M | $344.9M | $386.0M | $393.1M |
| GAAP EFO YoY | 13% | 26% | 22% | 21% | 29% | 22% |
| *GAAP EFO Margin* | 3.3% | 3.5% | 3.5% | 3.5% | 3.7% | 3.7% |
| Adjusted EFO* | $322.4M | $351.7M | $362.5M | $383.7M | $427.7M | $441.3M |
| Adjusted EFO* YoY | 14% | 13% | 12% | 18% | 30% | 25% |
| *Adjusted EFO* Margin* | 3.9% | 3.8% | 3.8% | 3.9% | 4.1% | 4.2% |
| GAAP Diluted EPS | $4.87 | $5.77 | $5.95 | $6.30 | $7.15 | $7.22 |
| GAAP Diluted EPS YoY | 10% | 26% | 22% | 24% | 33% | 25% |
| Adjusted Diluted EPS* | $6.19 | $6.83 | $7.10 | $7.61 | $8.49 | $8.61 |
| Adjusted Diluted EPS* YoY | 14% | 14% | 15% | 23% | 34% | 26% |

* See Appendix for reconciliation of non-GAAP measures

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# Services Financial Metrics

| Three Months Ended | Q3-21 | Q4-21 | Q1-22 | Q2-22 | Q3-22 |
|---|---|---|---|---|---|
| Services Revenue | $323M | $352M | $341M | $394M | $365M |
| Services Revenue YoY | 18% | 17% | 14% | 16% | 13% |
| Services Gross Profit | $170M | $185M | $176M | $225M | $187M |
| Insight Core Services Gross Profit | $55M | $58M | $61M | $67M | $59M |
| Agent Services* Gross Profit | $116M | $127M | $115M | $157M | $127M |
| Services Gross Profit YoY | 16% | 14% | 10% | 16% | 10% |
| Insight Core Services Gross Profit YoY | 19% | 12% | 20% | 18% | 9% |
| Agent Services * Gross Profit YoY | 15% | 15% | 6% | 16% | 10% |
| Services Gross Margin | 53% | 53% | 52% | 57% | 51% |
| Insight Core Services Margin | 26% | 26% | 27% | 28% | 25% |
| Agent Services* Margin | 100% | 99% | 100% | 100% | 100% |

| Trailing Twelve Months | 2020 | Q3-21 | 2021 | Q1-22 | Q2-22 | Q3-22 |
|---|---|---|---|---|---|---|
| Services Revenue | $1,168M | $1,266M | $1,316M | $1,357M | $1,410M | $1,452M |
| Services Revenue YoY | 17% | 9% | 13% | 16% | 16% | 15% |
| Services Gross Profit | $625M | $685M | $708M | $724M | $756M | $772M |
| Insight Core Services Gross Profit | $196M | $215M | $221M | $231M | $241M | $246M |
| Agent Services* Gross Profit | $429M | $470M | $487M | $493M | $514M | $526M |
| Services Gross Profit YoY | 18% | 13% | 13% | 14% | 14% | 13% |
| Insight Core Services Gross Profit YoY | 17% | 5% | 13% | 18% | 17% | 14% |
| Agent Services* Gross Profit YoY | 18% | 16% | 14% | 12% | 13% | 12% |
| Services Gross Margin | 53% | 54% | 54% | 53% | 54% | 53% |
| Insight Core Services Margin | 27% | 27% | 27% | 27% | 27% | 27% |
| Agent Services* Margin | 100% | 100% | 100% | 100% | 100% | 100% |

Note 1: Insight Core services is defined as services we deliver and manage.
Note 2: Numbers may not foot due to immaterial rounding.
* Represents agent services other than those included in Insight Core services.

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

| US Dollars in $000s, except per share data | Three Months Ended September 30, 2022 | 2021 | 2020 | Nine Months Ended September 30, 2022 | 2021 |
|---|---|---|---|---|---|
| **Adjusted Consolidated Earnings from Operations:** | | | | | |
| GAAP consolidated EFO | $ 90,279 | $ 83,151 | $ 61,482 | 299,684 | $ 238,644 |
| Amortization of intangible assets | 8,986 | 7,988 | 9,433 | 24,815 | 24,097 |
| Other | 7,829 | 2,396 | 926 | 13,846 | (3,217) |
| Adjusted non-GAAP consolidated EFO | $ 107,094 | $ 93,535 | $ 71,841 | $ 338,345 | $ 259,524 |
| | | | | | |
| GAAP EFO as a percentage of net sales | 3.6% | 3.4% | 3.1% | 3.8% | 3.5% |
| Adjusted non-GAAP EFO as a percentage of net sales | 4.2% | 3.8% | 3.7% | 4.3% | 3.8% |
| | | | | | |
| **Adjusted Consolidated Net Earnings:** | | | | | |
| GAAP consolidated net earnings | $ 57,316 | $ 55,483 | $ 38,906 | $ 203,131 | $ 157,212 |
| Amortization of intangible assets | 8,986 | 7,988 | 9,433 | 24,815 | 24,097 |
| Amortization of debt discount and issuance costs | — | 3,049 | 2,919 | — | 9,045 |
| Other | 7,829 | 2,396 | 926 | 13,846 | (3,217) |
| Income taxes on non-GAAP adjustments | (4,295) | (3,172) | (3,335) | (9,773) | (7,133) |
| Adjusted non-GAAP consolidated net earnings | $ 69,836 | $ 65,744 | $ 48,849 | $ 232,019 | $ 180,004 |
| | | | | | |
| **Adjusted Diluted Earnings Per Share:** | | | | | |
| GAAP diluted EPS | $ 1.58 | $ 1.51 | $ 1.10 | $ 5.53 | $ 4.27 |
| Amortization of intangible assets | 0.25 | 0.22 | 0.27 | 0.68 | 0.65 |
| Amortization of debt discount and issuance costs | — | 0.08 | 0.08 | — | 0.25 |
| Other | 0.22 | 0.07 | 0.02 | 0.38 | (0.09) |
| Income taxes on non-GAAP adjustments | (0.12) | (0.09) | (0.09) | (0.27) | (0.19) |
| Impact of benefit from note hedge | 0.06 | 0.08 | — | 0.26 | 0.19 |
| Adjusted non-GAAP diluted EPS | $ 1.99 | $ 1.87 | $ 1.38 | $ 6.58 | $ 5.08 |
| | | | | | |
| Shares used in diluted EPS calculation | 36,340 | 36,745 | 35,348 | 36,714 | 36,860 |
| Impact of benefit from note hedge | (1,187) | (1,509) | — | (1,468) | (1,403) |
| Shares used in Adjusted non-GAAP diluted EPS calculation | 35,153 | 35,236 | 35,348 | 35,246 | 35,457 |

* The non-GAAP financial measures are referred to as "Adjusted". Adjusted earnings from operations, Adjusted net earnings and Adjusted diluted earnings per share exclude (i) severance and restructuring expenses, (ii) certain executive recruitment and hiring-related expenses, (iii) amortization of intangible assets, (iv) transformation costs, (v) certain acquisition and integration-related expenses, (vi) debt discount amortization, and (vii) the tax effects of each of these items, as applicable.

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

| US Dollars in $000s | Three Months Ended September 30, 2022 | 2021 |
|---|---|---|
| **Adjusted North America Earnings from Operations:** | | |
| GAAP EFO from North America segment | $ 82,262 | $ 74,269 |
| Amortization of intangible assets | 8,468 | 7,372 |
| Other | 7,792 | 1,999 |
| Adjusted non-GAAP EFO from North America segment | $ 98,522 | $ 83,640 |
| **Adjusted EMEA Earnings from Operations:** | | |
| GAAP EFO from EMEA segment | $ 4,210 | $ 4,988 |
| Amortization of intangible assets | 404 | 494 |
| Other | 35 | 397 |
| Adjusted non-GAAP EFO from EMEA segment | $ 4,649 | $ 5,879 |
| **Adjusted APAC Earnings from Operations:** | | |
| GAAP EFO from APAC segment | $ 3,807 | $ 3,894 |
| Amortization of intangible assets | 114 | 122 |
| Other | 2 | — |
| Adjusted non-GAAP EFO from APAC segment | $ 3,923 | $ 4,016 |

* Adjusted earnings from operations excludes (i) severance and restructuring expenses, (ii) certain executive recruitment and hiring-related expenses, (iii) amortization of intangible assets, (iv) transformation costs, (v) certain acquisition and integration-related expenses, and (vi) the tax effects of each of these items, as applicable.

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

| US Dollars in $000s | Twelve Months Ended September 30, 2022 | 2021 |
|---|---|---|
| **Return on invested capital:** | | |
| GAAP consolidated EFO | $ 393,101 | $ 321,686 |
| Amortization of intangible assets | 32,763 | 32,077 |
| Other | 15,429 | (2,096) |
| Adjusted non-GAAP consolidated EFO * | $ 441,293 | $ 351,667 |
| Income tax expense** | 114,736 | 91,433 |
| Adjusted non-GAAP consolidated EFO, net of tax | $ 326,557 | $ 260,234 |
| | | |
| Average stockholders' equity*** | $ 1,546,245 | $ 1,367,940 |
| Average debt*** | 757,603 | 432,693 |
| Average cash*** | (120,026) | (111,493) |
| Invested Capital | $ 2,183,822 | $ 1,689,140 |
| | | |
| Adjusted non-GAAP ROIC (from GAAP consolidated EFO) **** | 13.32% | 14.09% |
| Adjusted non-GAAP ROIC (from non-GAAP consolidated EFO) ***** | 14.95% | 15.41% |

* The adjusted non-GAAP consolidated EFO amount used for the Adjusted non-GAAP ROIC calculation excludes amortization of intangible assets. This calculation remains consistent with the metric utilized in management's compensation plan.
** Assumed tax rate of 26.0%.
*** Average of previous five quarters.
**** Computed as GAAP consolidated EFO, net of tax of $102,206 and $83,638 for the twelve months ended September 30, 2022 and September 30, 2021, respectively, divided by invested capital.
***** Computed as Adjusted non-GAAP consolidated EFO, net of tax, divided by invested capital.

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

| US Dollars in $000s | Three Months Ended September 30, 2022 | Three Months Ended September 30, 2021 | Nine Months Ended September 30, 2022 | Nine Months Ended September 30, 2021 |
|---|---|---|---|---|
| **Adjusted Consolidated Selling and Administrative Expenses:** | | | | |
| GAAP selling and administrative expenses | $ 308,253 | $ 278,998 | $ 911,894 | $ 827,275 |
| Less: Other* | 16,089 | 7,988 | 34,231 | 24,097 |
| Adjusted non-GAAP selling and administrative expenses | $ 292,164 | $ 271,010 | $ 877,663 | $ 803,178 |
| | | | | |
| GAAP selling and adminstrative expenses | 12.2% | 11.4% | 11.5% | 12.1% |
| Adjusted non-GAAP selling and administrative expenses | 11.5% | 11.1% | 11.1% | 11.7% |
| | | | | |
| **Adjusted North America Selling and Administrative Expenses:** | | | | |
| GAAP selling and administrative expenses | $ 249,745 | $ 219,714 | $ 728,833 | $ 640,420 |
| Less: Other* | 15,571 | 7,372 | 32,588 | 22,229 |
| Adjusted non-GAAP selling and administrative expenses | $ 234,174 | $ 212,342 | $ 696,245 | $ 618,191 |
| | | | | |
| GAAP selling and adminstrative expenses | 11.9% | 10.9% | 11.4% | 11.8% |
| Adjusted non-GAAP selling and administrative expenses | 11.2% | 10.5% | 10.9% | 11.4% |

* "Other" includes (i) amortization of intangible assets, (ii) certain executive recruitment and hiring-related expenses, and (iii) transformation costs.

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

| US Dollars in $000s | Three Months Ended September 30, 2022 | Three Months Ended September 30, 2021 | Nine Months Ended September 30, 2022 | Nine Months Ended September 30, 2021 |
|---|---|---|---|---|
| **Adjusted EMEA Selling and Administrative Expenses:** | | | | |
| GAAP selling and administrative expenses | $ 47,527 | $ 50,062 | $ 151,225 | $ 159,466 |
| Less: Other* | 404 | 494 | 1,291 | 1,491 |
| Adjusted non-GAAP selling and administrative expenses | $ 47,123 | $ 49,568 | $ 149,934 | $ 157,975 |
| | | | | |
| GAAP selling and adminstrative expenses | 12.5% | 13.1% | 11.3% | 12.5% |
| Adjusted non-GAAP selling and administrative expenses | 12.4% | 13.0% | 11.2% | 12.4% |
| | | | | |
| **Adjusted APAC Selling and Administrative Expenses:** | | | | |
| GAAP selling and administrative expenses | $ 10,981 | $ 9,222 | 31,836 | 27,389 |
| Less: Other* | 114 | 122 | 352 | 377 |
| Adjusted non-GAAP selling and administrative expenses | $ 10,867 | $ 9,100 | $ 31,484 | $ 27,012 |
| | | | | |
| GAAP selling and adminstrative expenses | 20.0% | 20.0% | 17.7% | 17.3% |
| Adjusted non-GAAP selling and administrative expenses | 19.8% | 19.7% | 17.5% | 17.1% |

* "Other" includes amortization of intangible assets.

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

| US Dollars in $000s, except per share data | Three Months Ended December 31, 2020 | Three Months Ended December 31, 2021 | Three Months Ended March 31, 2021 | Three Months Ended March 31, 2022 | Three Months Ended June 30, 2021 | Three Months Ended June 30, 2022 |
|---|---|---|---|---|---|---|
| **Adjusted Consolidated Earnings from Operations:** | | | | | | |
| GAAP consolidated EFO | $ 83,042 | $ 93,417 | $ 67,024 | $ 79,849 | $ 88,469 | $ 129,556 |
| Amortization of intangible assets | 7,980 | 7,948 | 8,041 | 7,925 | 8,068 | 7,904 |
| Other | 1,121 | 1,583 | (6,740) | 1,783 | 1,127 | 4,234 |
| Adjusted non-GAAP consolidated EFO | $ 92,143 | $ 102,948 | $ 68,325 | $ 89,557 | $ 97,664 | $ 141,694 |
| | | | | | | |
| GAAP EFO as a percentage of net sales | 3.6% | 3.6% | 3.1% | 3.0% | 4.0% | 4.7% |
| Adjusted non-GAAP EFO as a percentage of net sales | 4.0% | 4.0% | 3.1% | 3.4% | 4.4% | 5.2% |
| | | | | | | |
| **Adjusted Consolidated Net Earnings:** | | | | | | |
| GAAP consolidated net earnings | $ 53,388 | $ 62,133 | $ 43,168 | $ 56,631 | $ 58,561 | $ 89,184 |
| Amortization of intangible assets | 7,980 | 7,948 | 8,041 | 7,925 | 8,068 | 7,904 |
| Amortization of debt discount and issuance costs | 2,949 | 3,079 | 2,983 | — | 3,013 | — |
| Other | 1,121 | 1,583 | (6,740) | 1,783 | 1,127 | 4,234 |
| Income taxes on non-GAAP adjustments | (3,021) | (3,192) | (919) | (2,400) | (3,042) | (3,079) |
| Adjusted non-GAAP consolidated net earnings | $ 62,417 | $ 71,551 | $ 46,533 | $ 63,939 | $ 67,727 | $ 98,243 |
| | | | | | | |
| **Adjusted Diluted Earnings Per Share:** | | | | | | |
| GAAP diluted EPS | $ 1.50 | $ 1.69 | $ 1.18 | $ 1.53 | $ 1.58 | $ 2.42 |
| Amortization of intangible assets | 0.23 | 0.22 | 0.22 | 0.21 | 0.21 | 0.21 |
| Amortization of debt discount and issuance costs | 0.08 | 0.08 | 0.08 | — | 0.08 | — |
| Other | 0.03 | 0.04 | (0.18) | 0.05 | 0.03 | 0.11 |
| Income taxes on non-GAAP adjustments | (0.08) | (0.09) | (0.03) | (0.06) | (0.08) | (0.08) |
| Impact of benefit from note hedge | — | 0.09 | 0.03 | 0.08 | 0.09 | 0.12 |
| Adjusted non-GAAP diluted EPS | $ 1.76 | $ 2.03 | $ 1.30 | $ 1.81 | $ 1.91 | $ 2.78 |
| | | | | | | |
| Shares used in diluted EPS calculation | 35,523 | 36,871 | 36,699 | 36,981 | 37,135 | 36,821 |
| Impact of benefit from note hedge | — | (1,604) | (1,039) | (1,677) | (1,660) | (1,539) |
| Shares used in Adjusted non-GAAP diluted EPS calculation | 35,523 | 35,267 | 35,660 | 35,304 | 35,475 | 35,282 |

* The non-GAAP financial measures are referred to as "Adjusted". Adjusted earnings from operations, Adjusted net earnings and Adjusted diluted earnings per share exclude (i) severance and restructuring expenses, (ii) certain executive recruitment and hiring-related expenses, (iii) amortization of intangible assets, (iv) transformation costs, (v) certain acquisition and integration-related expenses, (vi) debt discount amortization, and (vii) the tax effects of each of these items, as applicable.

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

| US Dollars in $000s, except per share data | 2019 | TTM Q3-20 | 2020 | TTM Q1-21 | TTM Q2-21 | TTM Q3-21 | 2021 | TTM Q1-22 | TTM Q2-22 | TTM Q3-22 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Adjusted Consolidated Earnings from Operations:** | | | | | | | | | | |
| GAAP consolidated EFO | $ 240,594 | $ 255,549 | $ 271,575 | $ 285,736 | $ 300,017 | $ 321,686 | $ 332,061 | $ 344,886 | $ 385,973 | $ 393,101 |
| Amortization of intangible assets | 22,985 | 38,950 | 37,535 | 35,468 | 33,522 | 32,077 | 32,045 | 31,929 | 31,765 | 32,763 |
| Other | 18,268 | 17,654 | 13,278 | 2,928 | (3,566) | (2,096) | (1,634) | 6,889 | 9,996 | 15,429 |
| Adjusted non-GAAP consolidated EFO | $ 281,847 | $ 312,153 | $ 322,388 | $ 324,132 | $ 329,973 | $ 351,667 | $ 362,472 | $ 383,704 | $ 427,734 | $ 441,293 |
| | | | | | | | | | | |
| GAAP EFO as a percentage of net sales | 3.1% | 3.1% | 3.3% | 3.4% | 3.5% | 3.5% | 3.5% | 3.5% | 3.7% | 3.7% |
| Adjusted non-GAAP EFO as a percentage of net sales | 3.6% | 3.7% | 3.9% | 3.9% | 3.8% | 3.8% | 3.8% | 3.9% | 4.1% | 4.2% |
| | | | | | | | | | | |
| **Adjusted Consolidated Net Earnings:** | | | | | | | | | | |
| GAAP consolidated net earnings | $ 159,407 | $ 162,202 | $ 172,640 | $ 181,847 | $ 194,023 | $ 210,600 | $ 219,345 | $ 232,808 | $ 263,431 | $ 265,264 |
| Amortization of intangible assets | 22,985 | 38,950 | 37,535 | 35,468 | 33,522 | 32,077 | 32,045 | 31,929 | 31,765 | 32,763 |
| Amortization of debt discount and issuance costs | 4,223 | 11,461 | 11,585 | 11,737 | 11,864 | 11,994 | 12,124 | 9,141 | 6,128 | 3,079 |
| Other | 18,268 | 17,654 | 13,278 | 2,928 | (3,566) | (2,096) | (1,634) | 6,889 | 9,996 | 15,429 |
| Income taxes on non-GAAP adjustments | (10,073) | (17,075) | (15,583) | (12,342) | (10,317) | (10,154) | (10,325) | (11,806) | (11,843) | (12,966) |
| Adjusted non-GAAP consolidated net earnings | $ 194,810 | $ 213,192 | $ 219,455 | $ 219,638 | $ 225,526 | $ 242,421 | $ 251,555 | $ 268,961 | $ 299,477 | $ 303,569 |
| | | | | | | | | | | |
| **Adjusted Diluted Earnings Per Share:** | | | | | | | | | | |
| GAAP diluted EPS | $ 4.43 | $ 4.57 | $ 4.87 | $ 5.09 | $ 5.36 | $ 5.77 | $ 5.95 | $ 6.30 | $ 7.15 | $ 7.22 |
| Amortization of intangible assets | 0.64 | 1.10 | 1.06 | 0.99 | 0.93 | 0.88 | 0.87 | 0.86 | 0.86 | 0.89 |
| Amortization of debt discount and issuance costs | 0.12 | 0.32 | 0.33 | 0.33 | 0.33 | 0.33 | 0.33 | 0.25 | 0.17 | 0.08 |
| Other | 0.51 | 0.50 | 0.37 | 0.08 | (0.10) | (0.06) | (0.04) | 0.19 | 0.27 | 0.42 |
| Income taxes on non-GAAP adjustments | (0.28) | (0.48) | (0.44) | (0.35) | (0.29) | (0.28) | (0.28) | (0.32) | (0.32) | (0.35) |
| Impact of benefit from note hedge | — | — | — | 0.06 | 0.12 | 0.19 | 0.27 | 0.33 | 0.36 | 0.35 |
| Adjusted non-GAAP diluted EPS | $ 5.42 | $ 6.01 | $ 6.19 | $ 6.20 | $ 6.35 | $ 6.83 | $ 7.10 | $ 7.61 | $ 8.49 | $ 8.61 |
| | | | | | | | | | | |
| Shares used in diluted EPS calculation | 35,959 | 35,502 | 35,444 | 35,708 | 36,176 | 36,526 | 36,863 | 36,933 | 36,855 | 36,753 |
| Impact of benefit from note hedge | — | — | — | (260) | (674) | (1,052) | (1,453) | (1,612) | (1,583) | (1,501) |
| Shares used in Adjusted non-GAAP diluted EPS calculation | 35,959 | 35,502 | 35,444 | 35,448 | 35,502 | 35,474 | 35,410 | 35,321 | 35,272 | 35,252 |

* The non-GAAP financial measures are referred to as "Adjusted". Adjusted earnings from operations, Adjusted net earnings and Adjusted diluted earnings per share exclude (i) severance and restructuring expenses, (ii) certain executive recruitment and hiring-related expenses, (iii) amortization of intangible assets, (iv) transformation costs, (v) certain acquisition and integration-related expenses, (vi) debt discount amortization, and (vii) the tax effects of each of these items, as applicable.

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

| US Dollars in $000s, except per share data | | 2017 |
|---|---|---|
| **Adjusted Consolidated Net Earnings:** | | |
| GAAP consolidated net earnings | $ | 90,683 |
| Amortization of intangible assets | | 16,812 |
| Amortization of debt discount and issuance costs | | — |
| Other | | 15,977 |
| Income taxes on non-GAAP adjustments | | (8,946) |
| Tax expense related to U.S. federal tax reform | | 13,363 |
| Adjusted non-GAAP consolidated net earnings | $ | 127,889 |
| | | |
| **Adjusted Diluted Earnings Per Share:** | | |
| GAAP diluted EPS | $ | 2.50 |
| Amortization of intangible assets | | 0.47 |
| Amortization of debt discount and issuance costs | | — |
| Other | | 0.44 |
| Income taxes on non-GAAP adjustments | | (0.25) |
| Impact of benefit from note hedge | | — |
| Tax expense related to U.S. federal tax reform | | 0.37 |
| Adjusted non-GAAP diluted EPS | $ | 3.53 |
| | | |
| Shares used in diluted EPS calculation | | 36,207 |
| Impact of benefit from note hedge | | — |
| Shares used in Adjusted non-GAAP diluted EPS calculation | | 36,207 |

* The non-GAAP financial measures are referred to as "Adjusted". Adjusted earnings from operations, Adjusted net earnings and Adjusted diluted earnings per share exclude (i) severance and restructuring expenses, (ii) certain executive recruitment and hiring-related expenses, (iii) amortization of intangible assets, (iv) transformation costs, (v) certain acquisition and integration-related expenses, (vi) debt discount amortization, and (vii) the tax effects of each of these items, as applicable.

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# Financial Results by Offering Category

| US Dollars in $000s | Q3-20 | Q4-20 | FY 2020 | Q1-21 | Q2-21 | Q3-21 | Q4-21 | FY 2021 | Q1-22 | Q2-22 | Q3-22 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Consolidated IEI by Offering Category** | | | | | | | | | | | |
| Hardware | $ 1,173,151 | $ 1,399,661 | $ 5,068,073 | $ 1,315,025 | $ 1,350,944 | $ 1,592,495 | $ 1,631,046 | $ 5,889,510 | $ 1,673,588 | $ 1,731,116 | $ 1,572,275 |
| Software | 488,417 | 589,677 | 2,104,082 | 577,995 | 538,234 | 531,744 | 582,644 | 2,230,617 | 636,699 | 618,126 | 596,922 |
| Total Products | 1,661,568 | 1,989,338 | 7,172,155 | 1,893,020 | 1,889,178 | 2,124,239 | 2,213,690 | 8,120,127 | 2,310,287 | 2,349,242 | 2,169,197 |
| Agent Services | 107,061 | 117,617 | 456,746 | 119,587 | 142,955 | 122,632 | 136,513 | 521,687 | 126,049 | 168,373 | 138,617 |
| Insight Delivered Services | 167,849 | 184,360 | 711,678 | 180,461 | 197,368 | 200,650 | 215,820 | 794,299 | 214,514 | 225,762 | 226,540 |
| Total Services | 274,910 | 301,977 | 1,168,424 | 300,048 | 340,323 | 323,282 | 352,333 | 1,315,986 | 340,563 | 394,135 | 365,157 |
| Total Net Sales | $ 1,936,478 | $ 2,291,315 | $ 8,340,579 | $ 2,193,068 | $ 2,229,501 | $ 2,447,521 | $ 2,566,023 | $ 9,436,113 | $ 2,650,850 | $ 2,743,377 | $ 2,534,354 |
| | | | | | | | | | | | |
| Product Cost | $ 1,500,312 | $ 1,808,504 | $ 6,497,001 | $ 1,721,258 | $ 1,715,729 | $ 1,930,096 | $ 2,013,825 | $ 7,380,908 | $ 2,107,209 | $ 2,135,895 | $ 1,956,679 |
| Services Cost | 128,603 | 140,157 | 543,636 | 140,336 | 147,089 | 152,880 | 167,343 | 607,648 | 164,780 | 169,593 | $ 178,417 |
| Total Cost of Goods Sold | $ 1,628,915 | $ 1,948,661 | $ 7,040,637 | $ 1,861,594 | $ 1,862,818 | $ 2,082,976 | $ 2,181,168 | $ 7,988,556 | $ 2,271,989 | $ 2,305,488 | $ 2,135,096 |
| | | | | | | | | | | | |
| Product Gross Profit | $ 161,256 | $ 180,834 | $ 675,154 | $ 171,762 | $ 173,449 | $ 194,143 | $ 199,865 | $ 739,219 | $ 203,078 | $ 213,347 | $ 212,518 |
| Services Gross Profit | 146,307 | 161,820 | 624,788 | 159,712 | 193,234 | 170,402 | 184,990 | 708,338 | 175,783 | 224,542 | $ 186,740 |
| Total Gross Profit | $ 307,563 | $ 342,654 | $ 1,299,942 | $ 331,474 | $ 366,683 | $ 364,545 | $ 384,855 | $ 1,447,557 | $ 378,861 | $ 437,889 | $ 399,258 |
| | | | | | | | | | | | |
| **% of Total Net Sales** | | | | | | | | | | | |
| Hardware | 61% | 61% | 61% | 60% | 61% | 65% | 64% | 62% | 63% | 63% | 62% |
| Software | 25% | 26% | 25% | 26% | 24% | 22% | 23% | 24% | 24% | 23% | 24% |
| Total Products | 86% | 87% | 86% | 86% | 85% | 87% | 86% | 86% | 87% | 86% | 86% |
| Agent Services | 6% | 5% | 5% | 5% | 6% | 5% | 5% | 6% | 5% | 6% | 5% |
| Insight Delivered Services | 9% | 8% | 9% | 8% | 9% | 8% | 8% | 8% | 8% | 8% | 9% |
| Total Services | 14% | 13% | 14% | 14% | 15% | 13% | 14% | 14% | 13% | 14% | 14% |
| | | | | | | | | | | | |
| **% of Total Services Net Sales** | | | | | | | | | | | |
| Agent Services | 39% | 39% | 39% | 40% | 42% | 38% | 39% | 40% | 37% | 43% | 38% |
| Insight Delivered Services | 61% | 61% | 61% | 60% | 58% | 62% | 61% | 60% | 63% | 57% | 62% |

Note: Numbers may not foot due to immaterial rounding

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# Appendix - Convertible Senior Notes

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

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

| NSIT Stock price | Net shares owed on Convertible Notes | Net shares received from bond hedge | Net shares owed on Warrants | GAAP additional dilution | Non-GAAP additional dilution |
|---|---|---|---|---|---|
| $ 51.56 | - | - | - | - | - |
| $ 68.32 | - | - | - | - | - |
| $ 80.00 | 746,160 | (746,160) | - | 746,160 | - |
| $ 85.70 | 1,038,835 | (1,038,835) | - | 1,038,835 | - |
| $ 103.12 | 1,728,847 | (1,728,847) | - | 1,728,847 | - |
| $ 110.00 | 1,941,133 | (1,941,133) | 320,305 | 2,261,438 | 320,305 |
| $ 115.00 | 2,079,473 | (2,079,473) | 529,038 | 2,608,511 | 529,038 |

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# Appendix - Convertible Senior Notes

Insight Convertible Senior Notes - $350 Million

Relevant NSIT stock prices:

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

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

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

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