Insight Enterprises, Inc.

Second Quarter 2023

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 our expectations about future financial results and the assumptions related thereto, our expectations regarding current supply constraints, our expectations regarding backlog shipments, our expectations relating to repurchases of our common stock, 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. Insight Enterprises, Inc. (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, earnings from operations and Adjusted earnings from operations on a consolidated basis and in North America, EMEA and APAC excluding the effects of fluctuating foreign currency exchange rates. In addition, the Company refers to changes in Adjusted diluted earnings per share on a consolidated basis 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 Clients

Sell Solutions

Deliver Differentiation

Champion our Culture

Solutions Integrator ≠

Systems Integrator

Reseller

Distributor

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Well Positioned to Help Organizations

Modern Workplace

Create a productive, flexible and secure workplace

Modern Apps

Create new product experiences and transform legacy applications to drive increased business value

Modern Infrastructure

Architect and modernize multicloud and networking solutions to drive business transformation



Intelligent Edge

Gather and utilize data in the most efficient way possible to enable real-time decision-making and affect pivotal outcomes

Data and AI

Leverage analytics and AI to transform business operations and user experiences

Cybersecurity

Mitigate risks and secure business assets

Our services

Managed Services

Eliminate business disruption and strategically align resources

Consulting Services

Create competitive advantages and improve operations by aligning business goals to IT and product strategies

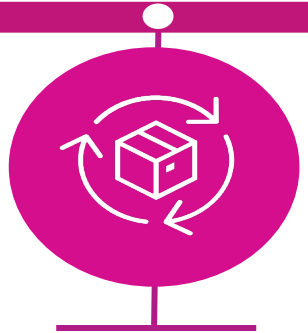
Hardware, Software and Lifecycle Services

Simplify supply chain and streamline costs across the global hardware and software lifecycle

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Early AI Client Stories



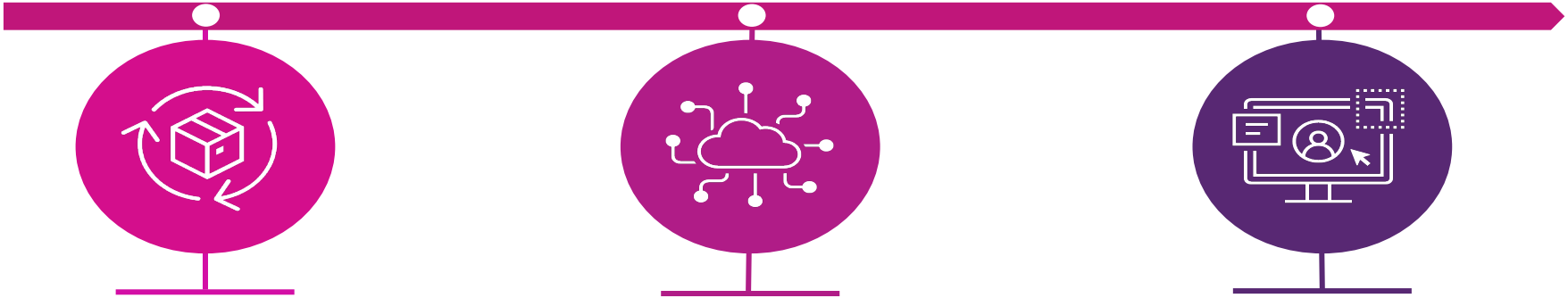


	The challenge:	The solution:
Information Synthesis for Faster Hiring:	• A recruiting firm wants to augment its recruiting process to retrieve job postings and other hiring metadata to reduce time to match candidates to roles	• Insight Lens for GenAI will be deployed to quickly design, build and deploy infrastructure to support the platform
Conversational Agent:	• A technology distributor wants to take their proof-of-concept OpenAI conversational agent to production	• Insight will provide recommendations and technical plans for their GenAI roadmap to improve efficiencies in information retrieval optimization and security management

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Machine Learning Brings New Hope for Better Patient Outcomes



The challenge:

- A healthcare service provider wanted targeted treatment recommendations for patients with high blood pressure
- The recommendations needed to be based on unique data, including patients' symptoms, medications and risk factors

The solution:

- Insight engaged to conduct a viability and workflow assessment of current hypertension treatments and use of Machine Learning (ML) in the environment
- To improve predictive accuracy nearly 800 patient data points were used or engineered for every patient encounter
- These data points were designed and assembled into a comprehensive Electronic Health Record data model

The results:

- Significantly improved predictive accuracy with ~800 patient data points informing ML model
- More personalized care, improved patient quality of life
- Healthcare cost savings and improved treatments for the hypertension patient population

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Industry and Partner Recognitions



Microsoft

- U.S. Azure Cloud Native App Development Partner of the Year
- U.S. Retail & Consumer Goods Partner of the Year
- Australia Partner of the Year
- Hong Kong Partner of the Year
- Western Europe Managed Service Provider Partner of the Year
- EMEA Surface Reseller Partner of the Year
- Canada Inclusion Changemaker Impact Award
- Canada Modern Marketing Impact Award

No. 379 FORTUNE 500

DEI BEST PLACE TO WORK FOR DISABILITY INCLUSION 2023
100 DISABILITY EQUALITY INDEX

Forbes 2023 THE BEST EMPLOYERS FOR WOMEN
POWERED BY STATISTA

Forbes 2022 WORLD'S TOP FEMALE FRIENDLY COMPANIES
POWERED BY STATISTA

BEST EMPLOYERS FOR DIVERSITY Forbes 2023
POWERED BY STATISTA

ADP Insight
Humanity at work partner of the year 2022

HUMAN RIGHTS CAMPAIGN FOUNDATION
BEST PLACES TO WORK
2022 for LGBTQ+ Equality
100% CORPORATE EQUALITY INDEX

U.S. Best Places to Work

No. 1 | Inland Northwest
No. 2 | Phoenix Business Journal
No. 4 | Columbus CEO Magazine
No. 7 | Triangle Business Journal
No. 9 | Phoenix Healthiest Employers
No. 16 | Best Tech Internships
No. 24 | Forbes Best Employers – Ohio
No. 50 | Forbes Best Employers – Arizona

International Best Places to Work

No. 1 | Hong Kong Best Workplaces
No. 1 | Singapore Best Workplaces in Tech
No. 4 | Austria Best Workplaces
No. 7 | Italy Best Workplaces
No. 11 | UK Best Workplaces
No. 11 | Australia Best Workplaces
No. 12 | Italy Best for Diversity, Equity & Inclusion
No. 13 | Spain Best Workplaces
No. 16 | UK Best Workplaces for Wellbeing
No. 22 | Best Workplaces in Europe
No. 27 | UK Best Workplaces for Women
Certified | Philippines Great Place to Work
Certified | China Great Place to Work
Certified | New Zealand Great Place to Work
Canada | Montreal Gazette Top 100 Employers
Canada | 50 Most Engaged Workplaces: **Elite 8**

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Q2 2023 Performance

(Changes against prior year period)

NET SALES

$2.3B

decrease of 14%

GROSS PROFIT

$433M

decrease of 1%

51% services gross profit as a % of total gross profit***, including 23% from cloud

EARNINGS

EARNINGS FROM OPERATIONS

$119M

decrease of 8%

DILUTED EARNINGS PER SHARE

$2.17

decrease of 10%

ADJUSTED EARNINGS FROM OPERATIONS*

$130M

decrease of 8%

ADJUSTED DILUTED EARNINGS PER SHARE*

$2.56

decrease of 8%

MARGINS

RECORD GROSS MARGIN

18.4%

up 240 bps

RECORD EFO MARGIN

5.0%

up 30 bps

RECORD ADJUSTED EFO* MARGIN

5.5%

up 30 bps

SERVICE DELIVERY SCALE

HEADCOUNT

Skilled, certified consulting and service delivery professionals

5,300+

CASH FLOWS AND CASH CYCLE

CASH CONVERSION CYCLE

32 DAYS

down 16 days

Days sales outstanding (DSO) +21 days
Days inventory outstanding (DIO) -3 days
Days purchases outstanding (DPO) +(34) days

NET CASH FROM OPERATIONS

$28M Q2 2023 / **$188M** H1 2023

SEGMENTS

	NET SALES	GROSS PROFIT	EFO	ADJUSTED EFO*
NORTH AMERICA	**$1.9B** decrease of 16%	**$343M** decrease of 2%	**$95M** decrease of 8%	**$105M** decrease of 9%
EMEA	**$392M** decrease of 8% decrease of 8%**	**$72M** increase of 4% increase of 3%**	**$16M** decrease of 9% decrease of 11%**	**$18M** decrease of 5% decrease of 7%**
APAC	**$61M** decrease of 13% decrease of 8%**	**$18M** flat YoY increase of 5%**	**$7M** decrease of 6% decrease of 2%**	**$7M** decrease of 5% decrease of 1%**

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* See Appendix for reconciliation of non-GAAP measures
** Reference "Constant currency" section on slide 2 of this presentation
*** For the twelve months ended June 30, 2023

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2027 KPIs for Success

KPIs	TTM Q2 2023	2027
Adjusted EBITDA Margin*	5.0%	6.5% - 7.0%
Adjusted ROIC*	15.6%	>25%
Core services GP | 5-year CAGR**	13%	16% - 20%
Cloud GP | 5-year CAGR**	23%	16% - 20%
Adjusted DEPS* | 5-year CAGR**	12%	19% - 22%
Adjusted free cash flow as % of Adjusted net earnings*	224%	>90%

*Adjusted non-GAAP basis excludes (i) severance and restructuring expenses, net, (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. Due to the inherent difficulty of forecasting these adjustments, which impact net earnings, diluted earnings per share, adjusted free cash flow, ROIC and EBITDA margin, the Company is unable to reasonably estimate the impact of such adjustments, if any, to net earnings, diluted earnings per share, adjusted free cash flow, ROIC and EBITDA. Accordingly, the Company is unable to provide a reconciliation for the 2027 forecast of GAAP to non-GAAP net earnings, diluted earnings per share, adjusted free cash flow, ROIC and EBITDA margin. See Appendix and elsewhere in this presentation for reconciliation of historical non-GAAP measures
** Baseline year for 2027 CAGR is 2022. Baseline year for TTM Q2 2023 CAGR is 2018

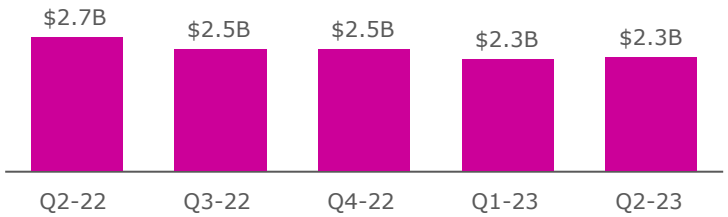
Note: Insight Core services is defined as services Insight delivers and manages. Adjusted free cash flow is defined as cash flow from operations minus capital expenditures

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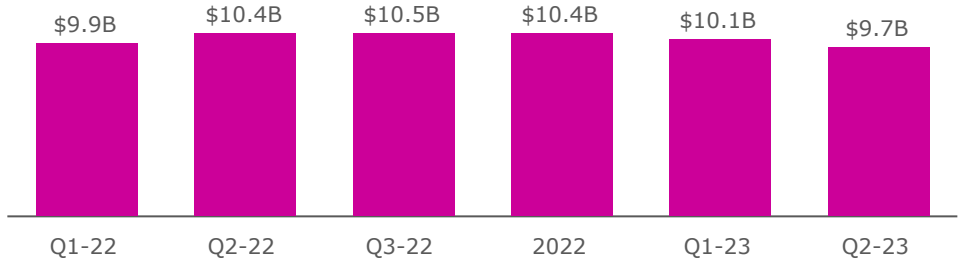
NET SALES

Trailing twelve months

$2.3B ⬇ decrease of 14% y/y



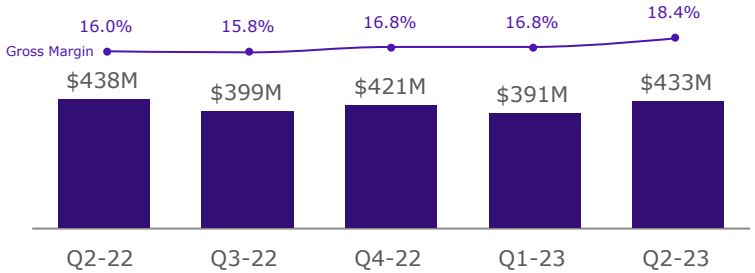
$9.7B* ⬇ decrease of 7% y/y



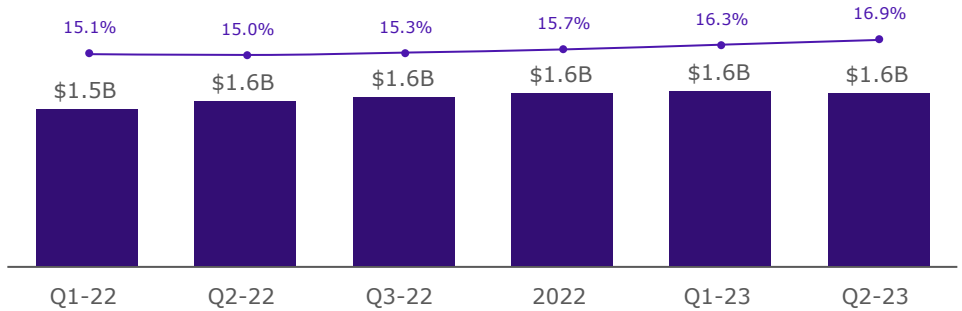
GROSS PROFIT

Trailing twelve months

$433M ⬇ decrease of 1% y/y



$1.6B* ⬆ increase of 5% y/y



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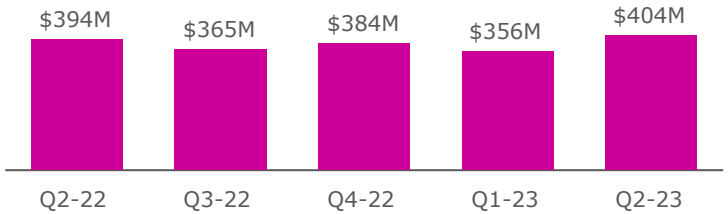
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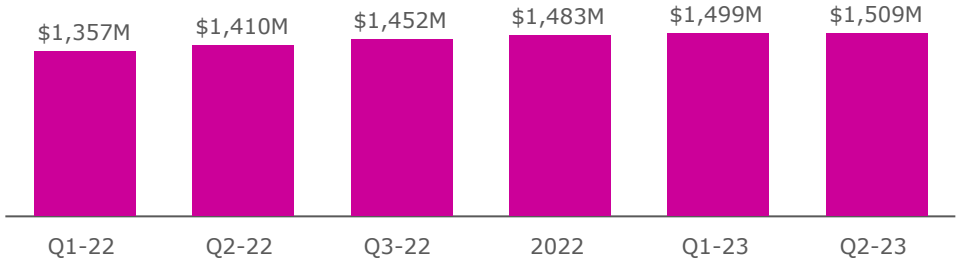
SERVICES NET SALES

Trailing twelve months

$404M ↑ increase of 2% y/y



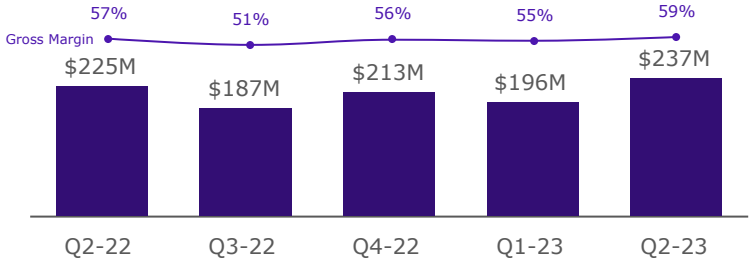
$1.5B* ↑ increase of 7% y/y



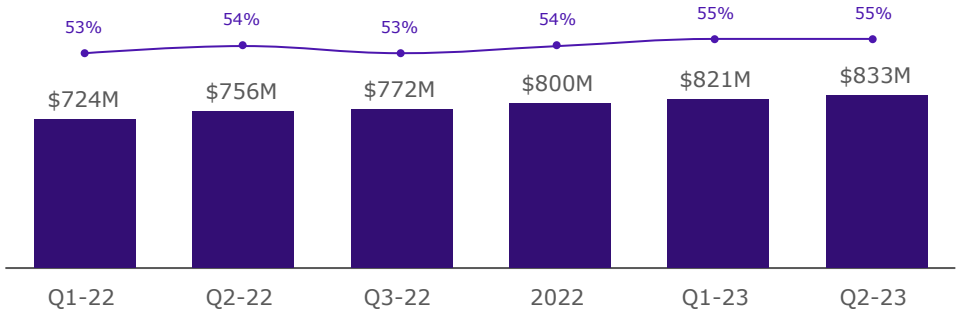
SERVICES GROSS PROFIT

Trailing twelve months

$237M ↑ increase of 6% y/y



$833M* ↑ increase of 10% y/y



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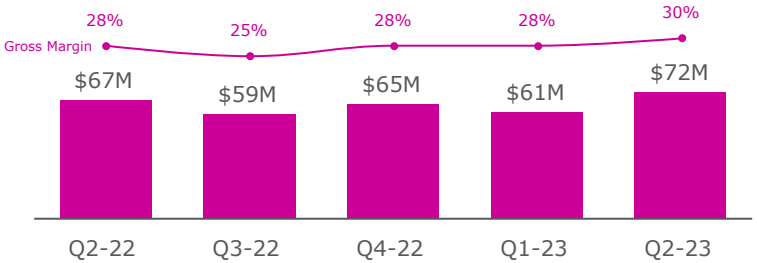
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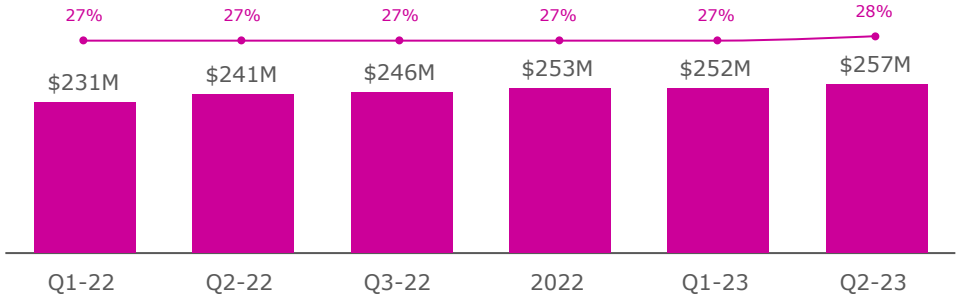
INSIGHT CORE SERVICES GROSS PROFIT

Trailing twelve months

$72M ↑ increase of 7% y/y



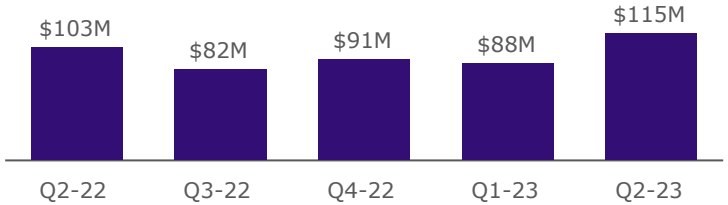
$257M* ↑ increase of 6% y/y



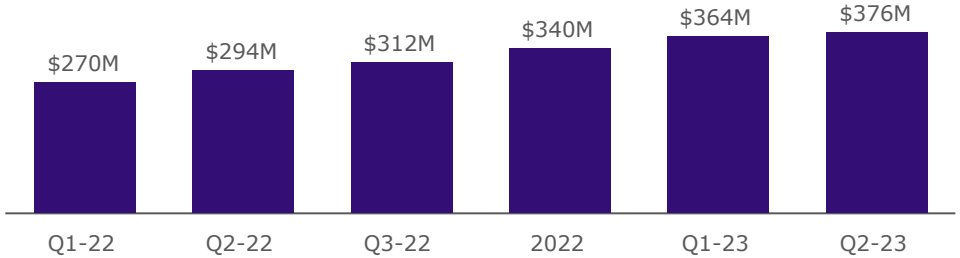
CLOUD GROSS PROFIT

Trailing twelve months

$115M ↑ increase of 12% y/y



$376M* ↑ increase of 28% y/y



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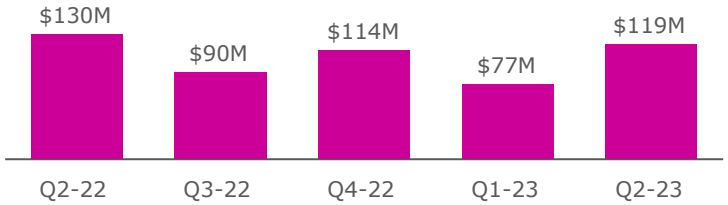
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Note: Insight Core services is defined as services Insight delivers and manages

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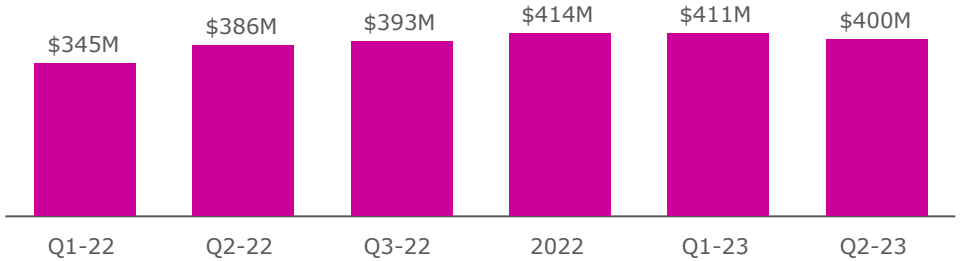
EARNINGS FROM OPERATIONS

Trailing twelve months

$119M ↓ decrease of 8% y/y



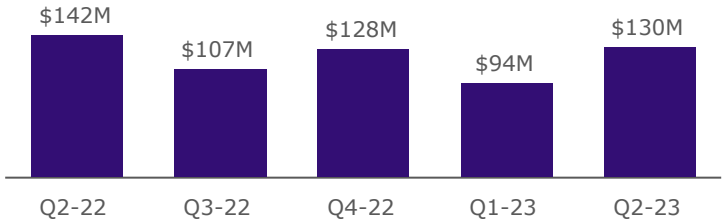
$400M* ↑ increase of 4% y/y



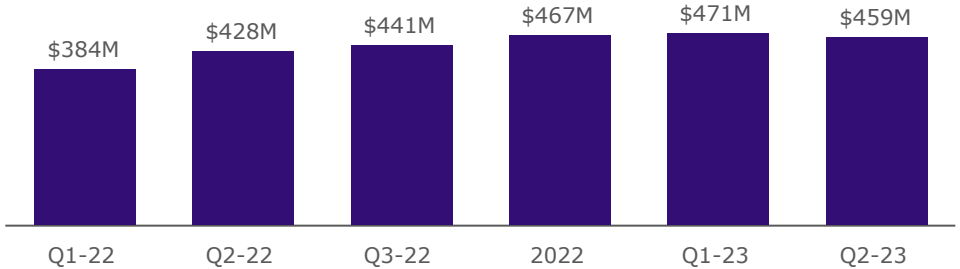
ADJUSTED EARNINGS FROM OPERATIONS**

Trailing twelve months

$130M ↓ decrease of 8% y/y



$459M* ↑ increase of 7% y/y



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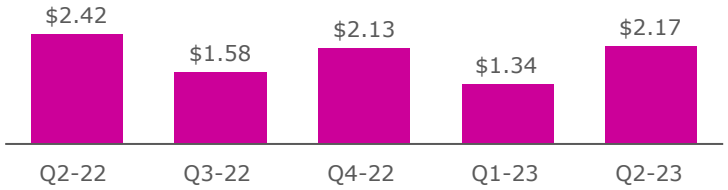
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** See Appendix for reconciliation of non-GAAP measures

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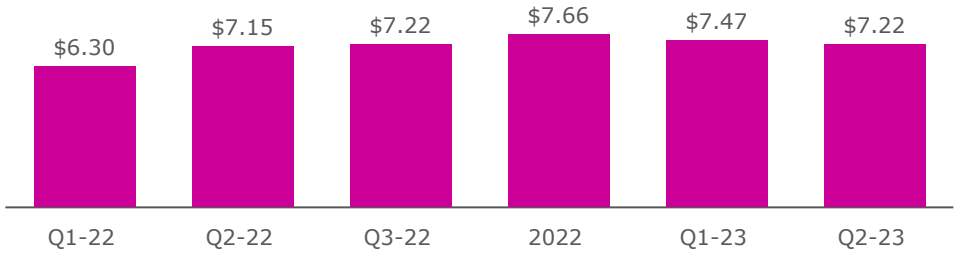
DILUTED EARNINGS PER SHARE

Trailing twelve months

$2.17 ↓ decrease of 10% y/y



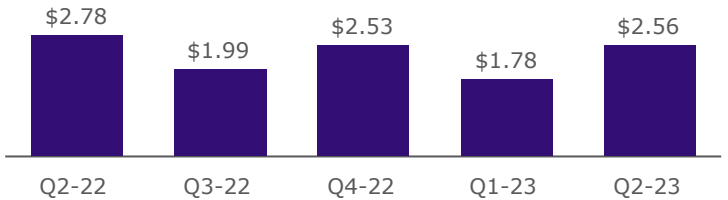
$7.22* ↑ increase of 1% y/y



ADJUSTED DILUTED EARNINGS PER SHARE**

Trailing twelve months

$2.56 ↓ decrease of 8% y/y



$8.86* ↑ increase of 4% y/y



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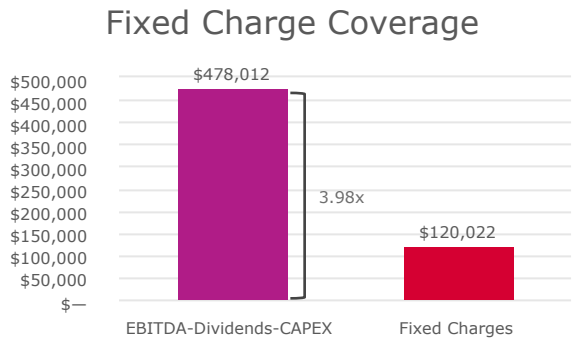
* For the twelve months ended June 30, 2023
** See Appendix for reconciliation of non-GAAP measures

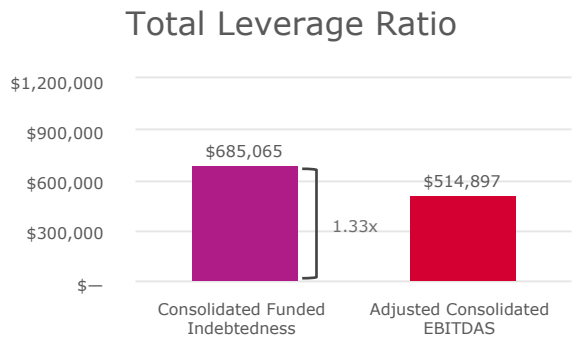
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Adjusted EBITDA and Debt Covenants

US Dollars in $000s	Twelve Months Ended June 30, 2023	2022
Adjusted Consolidated EBITDA		
Net earnings	$ 265,247	$ 263,431
Interest expense	46,391	39,366
Taxes	90,328	88,404
Depreciation and amortization of property and equipment	25,335	21,927
Amortization of intangible assets	33,658	31,765
Other*	24,999	9,996
Adjusted consolidated EBITDA	$ 485,958	$ 454,889
Net earnings as a % of net sales	2.7%	2.5%
Adjusted consolidated EBITDA margin	5.0%	4.4%
Add: Non-cash stock-based compensation	28,939	19,260
Less: Capital expenditures	(36,885)	(82,498)
Adjusted consolidated EBITDAS for FCCR Ratio	$ 478,012	$ 391,651
Taxes and interest**	$ 120,022	$ 104,012
Fixed Charge Coverage Ratio	4.0	3.8

* "Other" includes (i) severance and restructuring expenses, net, (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





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Full Year 2023 Outlook

Assumptions:	As of August 3, 2023	As of May 2, 2023
Gross profit growth	low to mid single digit	mid single digit
Adjusted diluted EPS*	$9.40 - $9.60	$9.90 - $10.10
Interest expense	$46 - $48 million	$46 - $50 million
Effective tax rate	26%	25% - 26%
Capital expenditures	$45 - $50 million	$55 - $60 million
Average share count	34.8 million	34.8 million

Other Exclusions and Assumptions:

- Average share count for the full year of 34.8 million shares includes estimated potential dilution from the warrants relating to the Call Spread Transactions, net of share repurchases completed in the first six months of 2023
- Excludes acquisition-related intangibles amortization expense of approximately $32 million (posted on website)
- Assumes no acquisition or integration-related, transformation or severance and restructuring expenses, net
- Assumes no significant change in our debt instruments

* Adjusted diluted earnings per share excludes severance and restructuring expense, net 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, diluted earnings per share and selling and administrative expenses, the Company is unable to reasonably estimate the impact of such expenses, if any, to net earnings, diluted earnings per share and selling and administrative expenses. Accordingly, the Company is unable to provide a reconciliation of GAAP to non-GAAP diluted earnings per share for the full year 2023 forecast

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Appendix



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Q2 2023 YTD | Financial Performance

US Dollars in $000s, except for per share data	Six Months Ended June 30, 2023	2022	Change
Consolidated IEI			
Net sales	$4,673,543	$5,394,227	(13)%
Net sales, constant currency*			(12)%
Product net sales	$3,913,254	$4,659,529	(16)%
Services net sales	$760,289	$734,698	3%
Gross profit	$824,505	$816,750	1%
Gross margin	17.6%	15.1%	250 bps
Gross profit, constant currency*			2%
Product gross profit	$391,077	$416,425	(6)%
Services gross profit	$433,428	$400,325	8%
GAAP earnings from operations	$196,072	$209,405	(6)%
Adjusted earnings from operations**	$223,665	$231,251	(3)%
GAAP diluted earnings per share	$3.51	$3.95	(11)%
Adjusted diluted earnings per share**	$4.34	$4.60	(6)%

* 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	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23
Net Sales YoY	23%	4%	(2)%	(12)%	(14)%
Gross Margin	16.0%	15.8%	16.8%	16.8%	18.4%
GAAP EFO	$129.6M	$90.3M	$114.0M	$77.5M	$118.6M
GAAP EFO YoY	46%	9%	22%	(3)%	(8)%
GAAP EFO Margin	4.7%	3.6%	4.6%	3.3%	5.0%
Adjusted EFO*	$141.7M	$107.1M	$128.3M	$94.0M	$129.7M
Adjusted EFO* YoY	45%	14%	25%	5%	(8)%
Adjusted EFO* Margin	5.2%	4.2%	5.1%	4.0%	5.5%
GAAP Diluted EPS	$2.42	$1.58	$2.13	$1.34	$2.17
GAAP Diluted EPS YoY	53%	5%	26%	(12)%	(10)%
Adjusted Diluted EPS*	$2.78	$1.99	$2.53	$1.78	$2.56
Adjusted Diluted EPS* YoY	46%	6%	25%	(2)%	(8)%

Twelve Months Ended	Q1-22	Q2-22	Q3-22	2022	Q1-23	Q2-23
Net Sales YoY	18%	20%	15%	11%	2%	(7)%
Gross Margin	15.1%	15.0%	15.3%	15.7%	16.3%	16.9%
GAAP EFO	$344.9M	$386.0M	$393.1M	$413.7M	$411.3M	$400.4M
GAAP EFO YoY	21%	29%	22%	25%	19%	4%
GAAP EFO Margin	3.5%	3.7%	3.7%	4.0%	4.1%	4.1%
Adjusted EFO*	$383.7M	$427.7M	$441.3M	$466.6M	$471.0M	$459.0M
Adjusted EFO* YoY	18%	30%	25%	29%	23%	7%
Adjusted EFO* Margin	3.9%	4.1%	4.2%	4.5%	4.7%	4.7%
GAAP Diluted EPS	$6.30	$7.15	$7.22	$7.66	$7.47	$7.22
GAAP Diluted EPS YoY	24%	33%	25%	29%	19%	1%
Adjusted Diluted EPS*	$7.61	$8.49	$8.61	$9.11	$9.09	$8.86
Adjusted Diluted EPS* YoY	23%	34%	26%	28%	19%	4%

* See Appendix for reconciliation of non-GAAP measures

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Services Financial Metrics

Three Months Ended	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23
Services Revenue	$394M	$365M	$384M	$356M	$404M
Services Revenue YoY	16%	13%	9%	5%	2%
Services Gross Profit	$225M	$187M	$213M	$196M	$237M
Insight Core Services Gross Profit	$67M	$59M	$65M	$61M	$72M
Agent Services* Gross Profit	$157M	$127M	$148M	$136M	$165M
Services Gross Profit YoY	16%	10%	15%	12%	6%
Insight Core Services Gross Profit YoY	18%	9%	11%	—%	7%
Agent Services* Gross Profit YoY	16%	10%	17%	18%	5%
Services Gross Margin	57%	51%	56%	55%	59%
Insight Core Services Gross Margin	28%	25%	28%	28%	30%
Agent Services* Gross Margin	100%	100%	100%	100%	100%

Twelve Months Ended	Q1-22	Q2-22	Q3-22	2022	Q1-23	Q2-23
Services Revenue	$1,357M	$1,410M	$1,452M	$1,483M	$1,499M	$1,509M
Services Revenue YoY	16%	16%	15%	13%	11%	7%
Services Gross Profit	$724M	$756M	$772M	$800M	$821M	$833M
Insight Core Services Gross Profit	$231M	$241M	$246M	$253M	$252M	$257M
Agent Services* Gross Profit	$493M	$514M	$526M	$547M	$568M	$576M
Services Gross Profit YoY	14%	14%	13%	13%	13%	10%
Insight Core Services Gross Profit YoY	18%	17%	14%	14%	9%	6%
Agent Services* Gross Profit YoY	12%	13%	12%	12%	15%	12%
Services Gross Margin	53%	54%	53%	54%	55%	55%
Insight Core Services Gross Margin	27%	27%	27%	27%	27%	28%
Agent Services* Gross Margin	100%	100%	100%	100%	100%	100%

* Represents agent services other than those included in Insight Core services

Note 1: Insight Core services is defined as services Insight delivers and manages
Note 2: Numbers may not foot due to immaterial rounding

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Reconciliation of GAAP to Non-GAAP Financial Measures*

US Dollars in $000s, except per share data	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Adjusted Consolidated Earnings from Operations:					
GAAP consolidated EFO	$ 118,611	$ 129,556	$ 88,469	196,072	$ 209,405
Amortization of intangible assets	8,285	7,904	8,068	16,595	15,829
Other	2,812	4,234	1,127	10,998	6,017
Adjusted non-GAAP consolidated EFO	$ 129,708	$ 141,694	$ 97,664	$ 223,665	$ 231,251
GAAP EFO as a percentage of net sales	5.0%	4.7%	4.0%	4.2%	3.9%
Adjusted non-GAAP EFO as a percentage of net sales	5.5%	5.2%	4.4%	4.8%	4.3%
Adjusted Consolidated Net Earnings:					
GAAP consolidated net earnings	$ 80,482	$ 89,184	$ 58,561	$ 130,454	$ 145,815
Amortization of intangible assets	8,285	7,904	8,068	16,595	15,829
Amortization of debt discount and issuance costs	—	—	3,013	—	—
Other	2,812	4,234	1,127	10,998	6,017
Income taxes on non-GAAP adjustments	(3,032)	(3,078)	(3,042)	(7,233)	(5,478)
Adjusted non-GAAP consolidated net earnings	$ 88,547	$ 98,244	$ 67,727	$ 150,814	$ 162,183
Adjusted Diluted Earnings Per Share:					
GAAP diluted EPS	$ 2.17	$ 2.42	$ 1.58	$ 3.51	$ 3.95
Amortization of intangible assets	0.22	0.21	0.21	0.45	0.43
Amortization of debt discount and issuance costs	—	—	0.08	—	—
Other	0.08	0.11	0.03	0.30	0.16
Income taxes on non-GAAP adjustments	(0.08)	(0.08)	(0.08)	(0.19)	(0.15)
Impact of benefit from note hedge	0.17	0.12	0.09	0.27	0.21
Adjusted non-GAAP diluted EPS	$ 2.56	$ 2.78	$ 1.91	$ 4.34	$ 4.60
Shares used in diluted EPS calculation	37,039	36,821	37,135	37,123	36,901
Impact of benefit from note hedge	(2,516)	(1,539)	(1,660)	(2,413)	(1,608)
Shares used in Adjusted non-GAAP diluted EPS calculation	34,523	35,282	35,475	34,710	35,293

* 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, net, (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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Reconciliation of GAAP to Non-GAAP Financial Measures* (continued)

US Dollars in $000s	Three Months Ended June 30, 2023	2022
Adjusted North America Earnings from Operations:		
GAAP EFO from North America segment	$ 95,436	$ 104,273
Amortization of intangible assets	7,766	7,356
Other	1,757	4,027
Adjusted non-GAAP EFO from North America segment	$ 104,959	$ 115,656
Adjusted EMEA Earnings from Operations:		
GAAP EFO from EMEA segment	$ 16,267	$ 17,968
Amortization of intangible assets	408	430
Other	1,007	207
Adjusted non-GAAP EFO from EMEA segment	$ 17,682	$ 18,605
Adjusted APAC Earnings from Operations:		
GAAP EFO from APAC segment	$ 6,908	$ 7,315
Amortization of intangible assets	111	118
Other	48	—
Adjusted non-GAAP EFO from APAC segment	$ 7,067	$ 7,433

* Adjusted earnings from operations excludes (i) severance and restructuring expenses, net, (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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Reconciliation of GAAP to Non-GAAP Financial Measures* (continued)

US Dollars in $000s		Twelve Months Ended June 30, 2023
Adjusted Free Cash Flow:		
Net cash provided by operating activities	$	728,063
Less: Purchases of property and equipment		36,885
Adjusted non-GAAP free cash flow	$	691,178
Net cash used in investing activities	$	(21,374)
Net cash used in financing activities	$	(645,470)
Adjusted Consolidated Net Earnings:		
GAAP consolidated net earnings	$	265,247
Amortization of intangible assets		33,658
Other		24,999
Income taxes on non-GAAP adjustments		(15,061)
Adjusted non-GAAP consolidated net earnings	$	308,843
Net cash provided by operating activities as % net earnings		274%
Adjusted free cash flow as % of adjusted net earnings		224%

* 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, net, (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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Reconciliation of GAAP to Non-GAAP Financial Measures (continued)

US Dollars in $000s	Twelve Months Ended June 30, 2023	2022
Return on Invested Capital:		
GAAP consolidated EFO	$ 400,367	$ 385,973
Amortization of intangible assets	33,658	31,765
Other[5]	24,999	9,996
Adjusted non-GAAP consolidated EFO	$ 459,024	$ 427,734
Income tax expense[1]	119,346	111,211
Adjusted non-GAAP consolidated EFO, net of tax	$ 339,678	$ 316,523
Average stockholders' equity[2]	$ 1,602,902	$ 1,502,453
Average debt[2]	737,496	631,123
Average cash[2]	(161,900)	(114,258)
Invested Capital	$ 2,178,498	$ 2,019,318
Adjusted non-GAAP ROIC (from GAAP consolidated EFO)[3]	13.6%	14.1%
Adjusted non-GAAP ROIC (from non-GAAP consolidated EFO)[4]	15.6%	15.7%

[1] Assumed tax rate of 26.0%
[2] Average of previous five quarters
[3] Computed as GAAP consolidated EFO, net of tax of $104,095 and $100,353 for the twelve months ended June 30, 2023 and 2022, respectively, divided by invested capital
[4] Computed as Adjusted non-GAAP consolidated EFO, net of tax, divided by invested capital
[5] Includes transformation costs of $21.1 million and $1.6 million for the twelve months ended June 30, 2023 and 2022, respectively

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

US Dollars in $000s, except per share data	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Three Months Ended December 31, 2022	Three Months Ended December 31, 2021	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Adjusted Consolidated Earnings from Operations:						
GAAP consolidated EFO	$ 90,279	$ 83,151	$ 114,016	$ 93,417	$ 77,461	$ 79,849
Amortization of intangible assets	8,986	7,988	8,077	7,948	8,310	7,925
Other	7,829	2,396	6,172	1,583	8,186	1,783
Adjusted non-GAAP consolidated EFO	$ 107,094	$ 93,535	$ 128,265	$ 102,948	$ 93,957	$ 89,557
GAAP EFO as a percentage of net sales	3.6%	3.4%	4.6%	3.6%	3.3%	3.0%
Adjusted non-GAAP EFO as a percentage of net sales	4.2%	3.8%	5.1%	4.0%	4.0%	3.4%
Adjusted Consolidated Net Earnings:						
GAAP consolidated net earnings	$ 57,316	$ 55,483	$ 77,477	$ 62,133	$ 49,972	$ 56,631
Amortization of intangible assets	8,986	7,988	8,077	7,948	8,310	7,925
Amortization of debt discount and issuance costs	—	3,049	—	3,079	—	—
Other	7,829	2,396	6,172	1,583	8,186	1,783
Income taxes on non-GAAP adjustments	(4,295)	(3,172)	(3,533)	(3,192)	(4,201)	(2,400)
Adjusted non-GAAP consolidated net earnings	$ 69,836	$ 65,744	$ 88,193	$ 71,551	$ 62,267	$ 63,939
Adjusted Diluted Earnings Per Share:						
GAAP diluted EPS	$ 1.58	$ 1.51	$ 2.13	$ 1.69	$ 1.34	$ 1.53
Amortization of intangible assets	0.25	0.22	0.22	0.22	0.22	0.21
Amortization of debt discount and issuance costs	—	0.08	—	0.08	—	—
Other	0.22	0.07	0.17	0.04	0.22	0.05
Income taxes on non-GAAP adjustments	(0.12)	(0.09)	(0.10)	(0.09)	(0.11)	(0.06)
Impact of benefit from note hedge	0.06	0.08	0.11	0.09	0.11	0.08
Adjusted non-GAAP diluted EPS	$ 1.99	$ 1.87	$ 2.53	$ 2.03	$ 1.78	$ 1.81
Shares used in diluted EPS calculation	36,340	36,745	36,336	36,871	37,207	36,981
Impact of benefit from note hedge	(1,187)	(1,509)	(1,459)	(1,604)	(2,310)	(1,677)
Shares used in Adjusted non-GAAP diluted EPS calculation	35,153	35,236	34,877	35,267	34,897	35,304

* 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, net, (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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Reconciliation of GAAP to Non-GAAP Financial Measures* (continued)

US Dollars in $000s, except per share data	TTM Q1-21	TTM Q2-21	TTM Q3-21	2021	TTM Q1-22	TTM Q2-22	TTM Q3-22	2022	TTM Q1-23	TTM Q2-23
Adjusted Consolidated Earnings from Operations:										
GAAP consolidated EFO	$ 285,736	$ 300,017	$ 321,686	$ 332,061	$ 344,886	$ 385,973	$ 393,101	$ 413,700	$ 411,312	$ 400,367
Amortization of intangible assets	35,468	33,522	32,077	32,045	31,929	31,765	32,763	32,892	33,277	33,658
Other	2,928	(3,566)	(2,096)	(1,634)	6,889	9,996	15,429	20,018	26,421	24,999
Adjusted non-GAAP consolidated EFO	$ 324,132	$ 329,973	$ 351,667	$ 362,472	$ 383,704	$ 427,734	$ 441,293	$ 466,610	$ 471,010	$ 459,024
GAAP EFO as a percentage of net sales	3.4%	3.5%	3.5%	3.5%	3.5%	3.7%	3.7%	4.0%	4.1%	4.1%
Adjusted non-GAAP EFO as a percentage of net sales	3.9%	3.8%	3.8%	3.8%	3.9%	4.1%	4.2%	4.5%	4.7%	4.7%
Adjusted Consolidated Net Earnings:										
GAAP consolidated net earnings	$ 181,847	$ 194,023	$ 210,600	$ 219,345	$ 232,808	$ 263,431	$ 265,264	$ 280,608	$ 273,949	$ 265,247
Amortization of intangible assets	35,468	33,522	32,077	32,045	31,929	31,765	32,763	32,892	33,277	33,658
Amortization of debt discount and issuance costs	11,737	11,864	11,994	12,124	9,141	6,128	3,079	—	—	—
Other	2,928	(3,566)	(2,096)	(1,634)	6,889	9,996	15,429	20,018	26,421	24,999
Income taxes on non-GAAP adjustments	(12,342)	(10,317)	(10,154)	(10,325)	(11,806)	(11,843)	(12,966)	(13,306)	(15,107)	(15,061)
Adjusted non-GAAP consolidated net earnings	$ 219,638	$ 225,526	$ 242,421	$ 251,555	$ 268,961	$ 299,477	$ 303,569	$ 320,212	$ 318,540	$ 308,843
Adjusted Diluted Earnings Per Share:										
GAAP diluted EPS	$ 5.09	$ 5.36	$ 5.77	$ 5.95	$ 6.30	$ 7.15	$ 7.22	$ 7.66	$ 7.47	$ 7.22
Amortization of intangible assets	0.99	0.93	0.88	0.87	0.86	0.86	0.89	0.90	0.91	0.92
Amortization of debt discount and issuance costs	0.33	0.33	0.33	0.33	0.25	0.17	0.08	—	—	—
Other	0.08	(0.10)	(0.06)	(0.04)	0.19	0.27	0.42	0.55	0.72	0.68
Income taxes on non-GAAP adjustments	(0.35)	(0.29)	(0.28)	(0.28)	(0.32)	(0.32)	(0.35)	(0.36)	(0.41)	(0.41)
Impact of benefit from note hedge	0.06	0.12	0.19	0.27	0.33	0.36	0.35	0.36	0.40	0.45
Adjusted non-GAAP diluted EPS	$ 6.20	$ 6.35	$ 6.83	$ 7.10	$ 7.61	$ 8.49	$ 8.61	$ 9.11	$ 9.09	$ 8.86
Shares used in diluted EPS calculation	35,708	36,176	36,526	36,863	36,933	36,855	36,753	36,620	36,676	36,731
Impact of benefit from note hedge	(260)	(674)	(1,052)	(1,453)	(1,612)	(1,583)	(1,501)	(1,466)	(1,624)	(1,868)
Shares used in Adjusted non-GAAP diluted EPS calculation	35,448	35,502	35,474	35,410	35,321	35,272	35,252	35,154	35,052	34,863

* 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, net, (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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Reconciliation of GAAP to Non-GAAP Financial Measures* (continued)

US Dollars in $000s, except per share data		2018
Adjusted Consolidated Net Earnings:		
GAAP consolidated net earnings	$	163,677
Amortization of intangible assets		15,737
Other		3,706
Income taxes on non-GAAP adjustments		(4,767)
Adjusted non-GAAP consolidated net earnings	$	178,353
Adjusted Diluted Earnings Per Share:		
GAAP diluted EPS	$	4.55
Amortization of intangible assets		0.43
Other		0.10
Income taxes on non-GAAP adjustments		(0.13)
Impact of benefit from note hedge		—
Adjusted non-GAAP diluted EPS	$	4.95
Shares used in diluted EPS calculation		36,009
Impact of benefit from note hedge		—
Shares used in Adjusted non-GAAP diluted EPS calculation		36,009

* 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, net, (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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Financial Results by Offering Category

US Dollars in $000s	Q2-21	Q3-21	Q4-21	FY 2021	Q1-22	Q2-22	Q3-22	Q4-22	FY 2022	Q1-23	Q2-23
Consolidated IEI by Offering Category											
Hardware	$ 1,350,944	$ 1,592,495	$ 1,631,046	$ 5,889,510	$ 1,673,588	$ 1,731,116	$ 1,572,275	$ 1,473,916	$ 6,450,895	$ 1,328,845	$ 1,310,273
Software	538,234	531,744	582,644	2,230,617	636,699	618,126	596,922	645,145	2,496,892	638,800	635,336
Total Products	1,889,178	2,124,239	2,213,690	8,120,127	2,310,287	2,349,242	2,169,197	2,119,061	8,947,787	1,967,645	1,945,609
Agent Services	142,955	122,632	136,513	521,687	126,049	168,373	138,617	159,546	592,585	143,543	178,948
Insight Delivered Services	197,368	200,650	215,820	794,299	214,514	225,762	226,540	224,003	890,819	212,759	225,039
Total Services	340,323	323,282	352,333	1,315,986	340,563	394,135	365,157	383,549	1,483,404	356,302	403,987
Total Net Sales	$ 2,229,501	$ 2,447,521	$ 2,566,023	$ 9,436,113	$ 2,650,850	$ 2,743,377	$ 2,534,354	$ 2,502,610	$ 10,431,191	$ 2,323,947	$ 2,349,596
Product Cost	$ 1,715,729	$ 1,930,096	$ 2,013,825	$ 7,380,908	$ 2,107,209	$ 2,135,895	$ 1,956,679	$ 1,911,469	$ 8,111,252	$ 1,772,729	$ 1,749,448
Services Cost	147,089	152,880	167,343	607,648	164,780	169,593	178,417	170,582	683,372	159,903	166,958
Total Cost of Goods Sold	$ 1,862,818	$ 2,082,976	$ 2,181,168	$ 7,988,556	$ 2,271,989	$ 2,305,488	$ 2,135,096	$ 2,082,051	$ 8,794,624	$ 1,932,632	$ 1,916,406
Product Gross Profit	$ 173,449	$ 194,143	$ 199,865	$ 739,219	$ 203,078	$ 213,347	$ 212,518	$ 207,592	$ 836,535	$ 194,916	$ 196,161
Services Gross Profit	193,234	170,402	184,990	708,338	175,783	224,542	186,740	212,967	800,032	196,399	237,029
Total Gross Profit	$ 366,683	$ 364,545	$ 384,855	$ 1,447,557	$ 378,861	$ 437,889	$ 399,258	$ 420,559	$ 1,636,567	$ 391,315	$ 433,190
% of Total Net Sales											
Hardware	61%	65%	64%	62%	63%	63%	62%	59%	62%	57%	56%
Software	24%	22%	23%	24%	24%	23%	24%	26%	24%	27%	27%
Total Products	85%	87%	86%	86%	87%	86%	86%	85%	86%	85%	83%
Agent Services	6%	5%	5%	6%	5%	6%	5%	6%	6%	6%	8%
Insight Delivered Services	9%	8%	8%	8%	8%	8%	9%	9%	9%	9%	10%
Total Services	15%	13%	14%	14%	13%	14%	14%	15%	14%	15%	17%
% of Total Services Net Sales											
Agent Services	42%	38%	39%	40%	37%	43%	38%	42%	40%	40%	44%
Insight Delivered Services	58%	62%	61%	60%	63%	57%	62%	58%	60%	60%	56%

Note: Numbers may not foot or cross foot due to immaterial rounding

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Convertible Senior Notes

- Insight Convertible Senior Notes - $350 million principal
- Required to settle the convertible notes principal/par value in cash
- Excess required to be settled in shares resulting in dilution in GAAP reported Diluted Earnings Per Share ("DEPS")
- 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:

NSIT stock price	Relevance of 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	Price at issuance of Notes	—	—	—	—	—
$ 68.32	Conversion price of Notes	—	—	—	—	—
$ 88.82	Market trigger price	1,182,606	(1,182,606)	—	1,182,606	—
$ 103.12	Warrants strike price	1,729,056	(1,729,056)	—	1,729,056	—
$ 120.00	Example average quarterly stock price	2,206,493	(2,206,493)	720,658	2,927,151	720,658
$ 140.00	Example average quarterly stock price	2,623,160	(2,623,160)	1,349,587	3,972,747	1,349,587
$ 150.00	Example average quarterly stock price	2,789,827	(2,789,827)	1,601,158	4,390,985	1,601,158

Example calculation - net shares owed on Warrants	Warrants issued [a]	Excess ave. share price [b]	Value of excess [c = a x b]	Dilutive shares [d = c / $120]
$120 average share price for quarter	5,123,160	$ 16.88	$ 86,478,941	720,658

*Additional shares to be included in our weighted average shares outstanding calculation for each quarter

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