CDW Corporation (CDW)

Updated August 26th, 2026 by Felix Martinez

Key Metrics

Current Price:	$142	**5 Year Annual Expected Total Return:**	15.5%	**Market Cap:**	$17.8B
Fair Value Price:	$197	**5 Year Growth Estimate:**	7.0%	**Ex-Dividend Date:**	08/25/26
% Fair Value:	72%	**5 Year Valuation Multiple Estimate:**	6.7%	**Dividend Payment Date:**	09/10/26
Dividend Yield:	1.8%	**5 Year Price Target**	$276	**Years Of Dividend Growth:**	13
Dividend Risk Score:	B	**Sector:**	Technology	**Rating:**	Buy

Overview & Current Events

CDW Corporation is a leading provider of technology solutions for business, government, education, and healthcare sectors. Established in 1984 and headquartered in Vernon Hills, Illinois, CDW offers a broad portfolio of products and services, including hardware, software, networking, cloud computing, and IT consulting. The company serves a wide range of customers, from small businesses to large enterprises, by helping them implement and manage IT infrastructure. CDW's business model revolves around partnering with major technology vendors, such as Cisco, Microsoft, and Dell, allowing it to deliver comprehensive solutions to its client. It has consistently reported strong financial performance, driven by growing demand for digital transformation, cloud services, and cybersecurity solutions. The company continues to expand both organically and through M&A to broaden its capabilities and market reach.

CDW Corporation reported its second-quarter earnings on August 5th, 2026. The company reported second-quarter 2026 net sales of $6.57 billion, a 10.0% increase from the prior-year period, driven by strong demand for infrastructure modernization, cloud, and AI-enabled technologies. Gross profit rose 6.3% to $1.32 billion, although gross margin declined to 20.1% from 20.8% due to product mix. Non-GAAP operating income increased 7.0% to $556 million, and non-GAAP diluted earnings per share grew 11.9% to $2.91.

Commercial segment sales advanced 9.2%, government rose 13.6%, and international operations (U.K. and Canada) jumped 22.9%, while education remained essentially flat. Operating income improved modestly to $429 million, supported by disciplined expense management despite higher compensation and workplace optimization costs. Net income was $274 million, or $2.15 per diluted share, compared with $271 million, or $2.05 per share, a year earlier.

Management highlighted CDW's role as a trusted advisor helping customers scale practical AI and technology solutions across the full stack. The board approved a quarterly dividend of $0.63 per share. Leadership remains confident in the company's ability to outpace U.S. IT addressable market growth by 200–300 basis points on a constant-currency basis through its diversified portfolio, services-led approach, and focus on long-term value creation.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$3.43	$3.83	$5.17	$6.10	$6.59	$7.97	$9.79	$9.88	$9.52	$10.02	***$10.93***	***$15.33***
DPS	$0.48	$0.69	$0.92	$1.26	$1.54	$1.70	$2.09	$2.39	$2.49	$2.50	***$2.53***	***$3.55***
Shares[1]	163.6	155.4	150.9	145.1	142.6	138.5	135.2	134.6	135.2	132.1	***131.0***	***129.0***

CDW Corporation's growth prospects remain strong, driven by increasing demand for digital transformation, cloud computing, and cybersecurity solutions across its key sectors: business, government, education, and healthcare. The company is well-positioned to capitalize on IT market trends, leveraging its partnerships with major technology vendors and expanding through strategic acquisitions. Over the past ten years, earnings have grown a CAGR of 12.6%. However, it has slowed down over the past five years to a CAGR of 6.5%. We expect the company to continue this growth rate of 7% over the next five years. We also expect the company to grow its dividend at an 7% annual rate going forward.

[1] Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

CDW Corporation (CDW)

Updated August 26th, 2026 by Felix Martinez

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/E	15.2	18.2	15.5	23.6	19.6	25.7	18.3	23.0	18.3	13.3	***13.0***	***18.0***
Avg. Yld.	0.9%	1.0%	1.1%	0.9%	1.2%	0.8%	1.2%	1.1%	1.4%	1.8%	***1.8%***	***1.3%***

The company looks undervalued at the current price. The current PE of 13.0x which is lower than the past ten years average of 19.1x. We think that a PE of 18x is fair for this company. Thus, at the current price, there is a valuation tailwind of 6.7%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

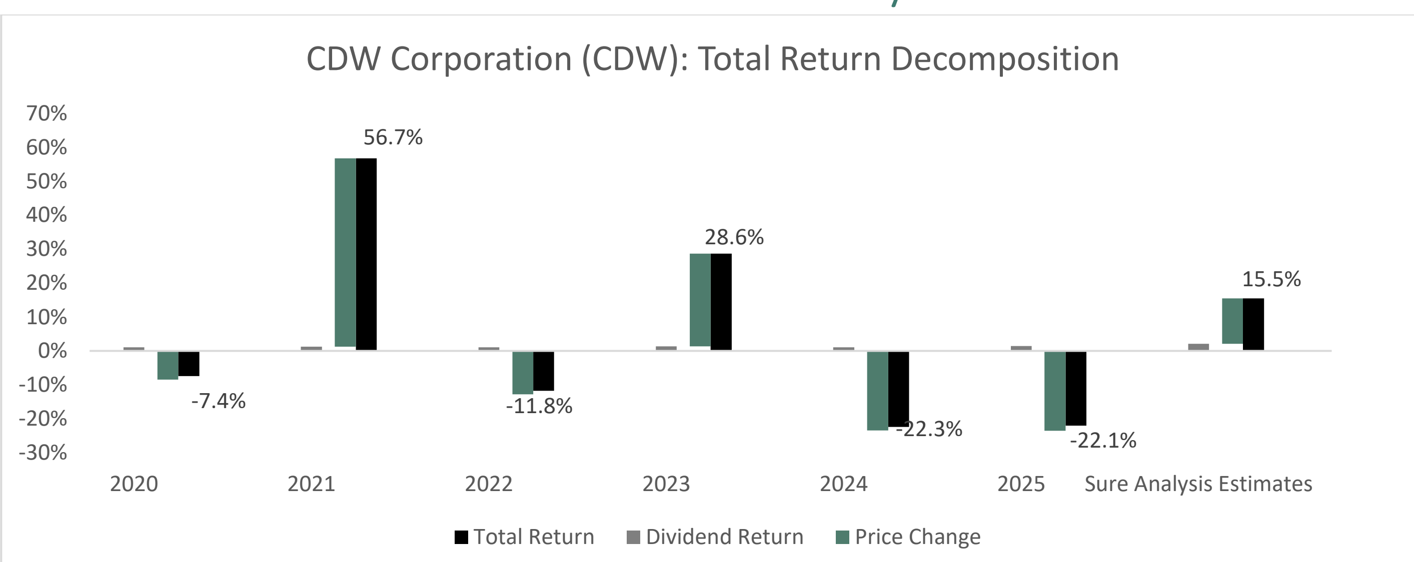
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	14%	18%	18%	21%	23%	21%	21%	24%	26%	25%	***23%***	***23%***

CDW's competitive advantage lies in its extensive portfolio of technology solutions, strong partnerships with leading technology vendors, and its ability to offer tailored IT solutions to a wide range of clients, from small businesses to large enterprises. The company's deep expertise in cloud computing, security, and networking, combined with its consultative approach, enables it to serve as a trusted advisor to its customers. Its diverse customer base across industries such as business, government, healthcare, and education also provide stability, even during economic fluctuations. The company has a debt-to-equity ratio of 1.8, which is a good level, and it does cover the interest by 7.3 times. Currently, the company has an investment grade rating of BBB- from S&P Credit rating.

Final Thoughts & Recommendation

Investing in CDW Corporation carries risks related to economic downturns, which can lead to reduced IT spending by businesses, government, and other sectors. The company also faces competitive pressures from both large technology vendors and smaller niche players in the IT solutions space. Additionally, shifts in technology trends or customer preferences, such as rapid changes in cloud or cybersecurity needs, could impact its ability to maintain growth and profitability. Thus, at the current price, we rate the stock as a buy because of the expected five-year annual return of 15.5%.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

CDW Corporation (CDW)

Updated August 26th, 2026 by Felix Martinez

Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	13,673	14,833	16,241	18,032	18,468	20,821	23,749	21,376	21000	22,424
Gross Profit	2,328	2,450	2,707	3,040	3,210	3,569	4,687	4,652	4602	4,873
Gross Margin	17.0%	16.5%	16.7%	16.9%	17.4%	17.1%	19.7%	21.8%	21.9%	21.7%
SG&A Exp.	1,508	1,584	1,720	1,906	2,031	2,150	2,951	2,972	2951	3,218
D&A Exp.	255	261	266	267	426	191	291	271	275	296
Operating Profit	820	867	987	1,134	1,179	1,419	1,735	1,681	1651	1,656
Operating Margin	6.0%	5.8%	6.1%	6.3%	6.4%	6.8%	7.3%	7.9%	7.9%	7.4%
Net Profit	425	523	643	737	789	989	1,115	1,104	1078	1,067
Net Margin	3.1%	3.5%	4.0%	4.1%	4.3%	4.7%	4.7%	5.2%	5.1%	4.8%
Free Cash Flow	541	697	820	791	1,156	685	1,208	1,451	1155	1088
Income Tax	248	138	198	213	214	309	373	346	358	361

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	6,948	6,967	7,168	7,999	9,345	13,199	13,132	13,285	14680	16028
Cash & Equivalents	264	144	206	154	1,410	258	315	589	504	619
Accounts Receivable	2,169	2,329	2,671	3,002	3,213	4,499	4,461	4,568	5136	6312
Inventories	452	412	454	611	760	928	800	668	605	563
Goodwill & Int.	3,511	3,377	3,175	3,147	3,041	6,011	5,833	5,783	5977	5849
Total Liabilities	5,903	5,981	6,193	7,039	8,048	12,494	11,528	11,242	12330	13422
Accounts Payable	1,073	1,318	1,577	1,835	2,088	3,114	2,821	2,881	3381	4220
Long-Term Debt	3,234	3,236	3,209	3,696	4,397	7,169	5,923	5,645	5843	4622
Shareholder's Equity	1,046	986	975	960	1,297	706	1,603	2,043	2353	2606
D/E Ratio	3.09	3.28	3.29	3.85	3.39	10.16	3.69	2.76	2.48	2.22

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	6.2%	7.5%	9.1%	9.7%	9.1%	8.8%	8.5%	8.4%	7.7%	7.0%
Return on Equity	39.7%	51.5%	65.6%	76.1%	69.9%	98.7%	96.5%	60.6%	49.0%	43.0%
ROIC	9.8%	12.3%	15.3%	16.7%	15.2%	14.6%	14.5%	14.5%	12.9%	12.0%
Shares Out.	163.6	155.4	150.9	145.1	142.6	138.5	135.2	134.6	135.2	132.1
Revenue/Share	82.37	93.76	105.73	122.01	127.54	148.19	173.35	156.83	155.32	169.75
FCF/Share	3.26	4.40	5.34	5.35	7.99	4.87	8.82	10.64	8.54	8.24

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.