CDW Corp Form 8-K November 01, 2017

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

Washington, D.C. 20549
Form 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event Reported): November 1, 2017

#### **CDW CORPORATION**

(Exact Name of Registrant as Specified in Charter)

Delaware001-3598526-0273989(State or Other Jurisdiction of Incorporation)(Commission File Number)(I.R.S. Employer Identification Number)

75 Tri-State International Lincolnshire, Illinois

60069

(Address of Principal Executive Offices)

(Zip Code)

(847) 465-6000

(Registrant's telephone number, including area code)

#### None

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[	Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
]	
[	Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
]	
[	Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
]	
[	Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
]	

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company [ ]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

## Item 2.02. Results of Operations and Financial Condition.

CDW Corporation (the "Company") is furnishing under cover of this Current Report on Form 8-K a copy of its press release dated November 1, 2017 announcing its third quarter 2017 financial results. The press release is attached to this report as Exhibit 99.1 and incorporated herein by reference. The Company is furnishing this information in connection with its previously announced webcast conference call to be held on November 1, 2017 at 8:30 a.m. ET / 7:30 a.m. CT to discuss these results.

The information contained under Item 2.02 of this Current Report on Form 8-K (including Exhibit 99.1) is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

#### Item 8.01. Other Events.

## **Quarterly Cash Dividend**

On November 1, 2017, the Company also announced that its Board of Directors has declared a quarterly cash dividend of \$0.21 per common share to be paid on December 11, 2017 to all stockholders of record as of the close of business on November 24, 2017. A copy of the press release announcing the declaration of the quarterly cash dividend is attached to this report as Exhibit 99.2 and incorporated herein by reference.

#### Item 9.01. Financial Statements and Exhibits.

Exhibit No.	<u>Description</u>
<u>99.1</u>	Press release dated November 1, 2017, announcing third quarter 2017 financial results.
99.2	Press release dated November 1, 2017, announcing dividend declaration.

#### **SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

#### **CDW CORPORATION**

Date: November 1, 2017

By: /s/ Ann E. Ziegler

Ann E. Ziegler

Senior Vice President and Chief Financial Officer

==== ====== === === == LIABILITIES AND SHAREHOLDERS' EQUITY Accounts Payable \$ 11,752 \$ 6,614 \$ 18,366 Dividends Payable 3,666 3,666 Accrued liabilities 39,076 3,091 1,000 (c) 43,167 Income taxes payable 18,941 133 (133) (g) 18,941 F-3 TOOTSIE PRO FORMA COMBINED ROLL CCI ADJUSTMENTS NOTES PRO FORMA ---- --- Note (a) Notes(a),(b) Current portion of long-term debt -- 22,657 13,843 (d) 36,500 ------ Total current liabilities 73,435 32,495 14,710 120,640 ----- Deferred income taxes 22,896 3,500 (3,500) (g) 22,896 Postretirement health care & 9,671 9,671 life insurance benefits Industrial development bonds 7,500 7,500 Long-term debt 1,534 115,966 (d) 117,500 Deferred compensation & other 27,385 27,385 liabilities ----------- Total non-current liabilities 67,452 5,034 112,466 184,952 ------ ------------ Total liabilities 140,887 37,529 127,176 305,592 ------Common stock and capital in 434,047 200 (200) (f) 434,047 excess of par value Retained earnings 115,512 33,508 (33,508) (f) 115.512 Accumulated other (11,653) 148 (148) (f) (11,653) comprehensive income Treasury stock (1,992) (1,992) ------ Total shareholders' equity 535,914 33,856 (33,856) 535,914 ------ Total liabilities & \$ 676,801 \$ 71,385 \$ 93,320 PRO FORMA CONDENSED COMBINED STATEMENT OF FINANCIAL POSITION: (in thousands of US\$) (a) Certain reclassifications have been made to the historical presentation of the Tootsie Roll and CCI financial information in order to conform to the pro forma condensed combined presentation. F-4 (b) Historical financial results of CCI were prepared using the Canadian dollar as the functional currency. Such historical financial statements are presented in Canadian dollars in accordance with US GAAP. The historical US GAAP statements included elsewhere in this Form 8-K have been translated to US dollars to be consistent with Tootsie Roll's historical financial presentation. Tootsie Roll management has determined that they will consider the functional currency of CCI to be the US dollar subsequent to the acquisition. No adjustment has been included in the unaudited pro forma financial statements as it was not considered practical. (c) Under the purchase method of accounting, the total adjusted estimated purchase price as shown in the table below has been allocated to CCI's tangible and intangible assets and liabilities based on their estimated fair values as of August 30, 2004, the purchase date. The adjusted purchase price was preliminarily allocated as follows (in thousands of U.S.\$): Preliminary calculation of adjusted purchase price: Cash consideration paid for net assets acquired (see Note 7) \$218,229 Estimated direct transactions fees and expenses, and contractual severance 1,000 Less-Adjustment to purchase relating to minimum working capital (see note 1) (5,141) ----- Total adjusted purchase price \$214,088 ----- Preliminary allocation of adjusted purchase price: Net working capital based on historical book values \$ 9,606 Inventories (see note 2) 1,622 Investment in joint venture (see note 3) 10,000 Property, plant and equipment (see note 4) 41,298 Other assets 2,226 Trademarks (see note 5) 112,400 Goodwill (see note 6) 36,936 ----- Total adjusted purchase price \$214,088 ----- (1) The working capital adjustment represents the preliminary estimate of an amount that will be due Tootsie Roll from escrowed funds relating to the amount by which the minimum required working capital, as defined in the purchase agreement, exceeded the actual working capital as of the purchase date. (2) Represents the estimated purchase accounting adjustment to capitalize manufacturing profit in finished goods and work-in-process inventories. This adjustment is preliminary and is based on Tootsie Roll management's estimates and preliminary valuations. The actual adjustment

may differ and will be based on final valuations. F-5 (3) Represents the estimated fair value of CCI's 50% interest in the shares of Fleer Espanola S.A., and Dr. Torrents, S.A. This adjustment is preliminary and is based on Tootsie Roll management's estimate. The actual adjustment may differ and will be based on final valuations. (4) Reflects the estimated adjustments required to record CCI's property, plant and equipment at its fair value based on a preliminary valuation performed by Tootsie Roll management. The actual adjustment may differ based upon the completion of appraisals currently in process. (5) Represents amounts preliminarily allocated to trademarks with indefinite lives. The assumption used in the preliminary valuation is that the identified trademarks and trade names will not be amortized and will have indefinite remaining useful lives based on many factors and considerations, including the existing long-term awareness of the principal trademark, Dubble Bubble, and the assumption of continued use of such trademark and related brands as part of the business strategy of the combined company. These assumptions and adjustments are based on Tootsie Roll management's estimates. The adjustment also includes the elimination of CCI's historical intangible assets of \$5.408. The actual adjustment may differ based upon the completion of appraisals currently in process. (6) Represents the excess of the adjusted purchase price over the fair values of the net tangible and intangible assets acquired. (7) The cash consideration paid includes an amount for the discharge of the total of CCI's long and short-term debt outstanding at the date of acquisition. (d) Reflects adjustment relating to Tootsie Roll's bank borrowings to finance \$154,000 of the purchase price and the elimination of the total amount of CCI's long and short-term debt outstanding at the date of acquisition. (e) Reflects adjustments relating to Tootsie Roll's sale of marketable securities, primarily tax-free municipal bonds and the use of cash to finance the balance of the purchase price as well as an adjustment to eliminate the \$369 CCI historical cash balance not included in the assets purchased. (f) Represents adjustments to reflect the elimination of the historical equity of CCI. (g) Represents the adjustment to eliminate CCI's current and deferred income taxes since Tootsie Roll purchased the net assets of CCI and did not assume any tax liabilities under the terms of the purchase agreement. (h) Represents the elimination of CCI's historical balance of derivative instruments that were not included in the assets purchased by Tootsie Roll. F-6 UNAUDITED PRO FORMA CONDENSED COMBINED INCOME STATEMENT OF TOOTSIE ROLL AND CCI FOR THE YEAR ENDED DECEMBER 31, 2003 (in thousands of U.S.\$) TOOTSIE PRO FORMA COMBINED ROLL CCI ADJUSTMENTS NOTES PRO FORMA ---- --- Note(a) Notes (a),(b) Net sales \$ 392,656 \$ 74,353 \$ 467,009 Cost of sales 222,547 47,919 \$218 (c) 270,684 Selling, marketing & 77,756 28,907 106,663 administration expenses Foreign exchange gains(losses) - 17,401 (f) 17,401 Interest Expense (172) (1,019) (2,061) (d) (3,252) Investment & other income 5,766 543 (1,362) (e) 4,947 ------ Earnings before income taxes \$ 97,947 \$ 14,452 \$ (3,641) \$ 108,758 Provision for income taxes 32,933 4,651 (798) (g) 36,786 ----- Net income \$ 65,014 \$ 9,801 \$ (2,843) \$ 71,972 ======== CONDENSED COMBINED INCOME STATEMENT OF TOOTSIE ROLL AND CCI FOR THE SIX MONTHS ENDED JULY 3, 2004 (in thousands of U.S.\$) TOOTSIE PRO FORMA COMBINED ROLL CCI ADJUSTMENTS NOTES PRO FORMA ---- --- Note (a) Notes (a), (b) Net sales \$ 157,203 \$ 39,245 \$ 196,448 Cost of sales 87,481 26,118 109 (c) 113,708 Selling, marketing & 36,843 11,010 47,853 administration expenses Foreign exchange gains(losses) - (222) (f) (222) F-7 TOOTSIE PRO FORMA COMBINED ROLL CCI ADJUSTMENTS NOTES PRO FORMA ---- --- Note (a) Notes (a), (b) Interest Expense (172) (521) (1,019) (d) (1,712) Investment & other income 2,468 533 (681) (e) 2,320 ----------- Earnings before income taxes \$ 35,175 \$ 1,907 \$ (1,809) \$ 35,273 Provision for income taxes 11,854 464 (395) (g) 11,923 ------ Net income \$ 23,321 \$ 1,443 \$ (1,414) \$ 23,350 ======= Earnings per share \$.44 NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF EARNINGS: (in thousands of US\$) (a) Certain reclassifications have been made to the historical presentation of Tootsie Roll and CCI financial information in order to conform to the pro forma condensed combined presentation in US dollars. (b) Historical financial results of CCI were prepared using the Canadian dollar as the functional currency. Such historical financial statements are presented in Canadian dollars in accordance with US GAAP. The historical US GAAP statements included elsewhere in this Form 8-K have been translated to US dollars to be consistent with Tootsie Roll's historical financial presentation. Tootsie Roll management has determined that they will consider the functional currency of CCI to be the US dollar subsequent to the acquisition. No adjustment has been included in the unaudited pro forma financial statements as it was not considered practical. (c) Represents a pro forma adjustment to reflect incremental depreciation resulting from

fair value adjustments to CCI's property, plant and equipment. The amount of this adjustment and the assumptions regarding useful lives are preliminary and based on Tootsie Roll management's estimates as they relate to the underlying fair values and useful lives. The actual adjustment may differ based on final valuations. (d) Reflects pro forma adjustment for interest expense relating to Tootsie Roll's bank borrowings to finance \$154,000 of the purchase price. The debt is subject to a variable interest rate of LIBOR plus .175% to .225% dependent on an applicable margin as defined by the loan agreement. The rate applied in determining the pro forma adjustment is 2.00%. If a rate of 2.125% had been applied, an additional \$192 of interest expense would have been reflected in the pro forma adjustment. (e) Reflects pro forma adjustment for tax-free interest income relating to Tootsie Roll's sale of marketable securities, primarily tax free municipal F-8 bonds, to finance \$64,229 of the purchase price. The after tax interest rate used to determine the tax-free interest income adjustment is 2.12%. (f) The pro forma statement of earnings reflects \$17,401 of foreign exchange gains for the year ended December 31, 2003. These gains principally comprise the net change in the market value of forward foreign exchange contracts outstanding as of the beginning and end of the indicated periods (\$10,159), early settlement of outstanding hedges (\$2,708), and net settlement of derivatives on their maturity dates (\$4,534). Foreign exchange losses for the six months ended July 3, 2004 were \$222. Although CCI's Canadian GAAP historical financial statements reflected hedge accounting through the use of derivatives, CCI did not meet the hedge accounting requirements under US GAAP and therefore marked to market all of its open derivative positions in each of the periods presented in the pro forma financial information. Tootsie Roll management has determined that they will consider the functional currency of CCI to be the US dollar which is different from the assumptions used in the presentation of the historical financial statements and therefore Tootsie Roll does not consider the CCI foreign exchange gains to be indicative of future results. (g) Income taxes were provided at 35%, the statutory rate, net of the effect of the adjustment to tax free interest income relating to the sale of marketable securities. F-9 EXHIBIT INDEX EXHIBIT NO. DESCRIPTION ----- Exhibit 2.1 Purchase Agreement dated August 11, 2004 among the Company, Concord, certain of Concord's affiliates and Concord's stockholders. \* Exhibit 2.2 First Amendment to Purchase Agreement dated August 27, 2004 among the Company, certain of the Company's affiliates, Concord, certain of Concord's affiliates and Concord's stockholders. \* Exhibit 10.1 Loan Agreement dated August 27, 2004 between the Company and Bank of America, N.A. \* Exhibit 99.1 The unaudited financial statements of Concord and its affiliates for the period ended June 27, 2004, and the audited financial statements for the year ended December 31, 2003 are attached hereto as Exhibit 99.1 and are incorporated herein by reference. \* Previously filed