

SECURITIES AND EXCHANGE COMMISSION

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): March 5, 2003

PC CONNECTION, INC.

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(Exact Name of Registrant as Specified in its Charter)

Delaware

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(State or Other Jurisdiction of Incorporation)

0-23827

02-0513618

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(Commission File Number)

(IRS Employer Identification No.)

Rt. 101A, 730 Milford Road, Merrimack, New Hampshire

03054

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(Address of Principal Executive Offices)

(Zip Code)

(603) 423-2000

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(Registrant's Telephone Number, Including Area Code)

Not Applicable

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(Former Name or Former Address, if Changed Since Last Report)

Item 5. Other Events and Required FD Disclosure.

On March 5, 2003, PC Connection, Inc., a Delaware corporation ("PCC"), is planning to participate in the Raymond James Institutional Investor Conference, and will be discussing various aspects of its business. During the course of those discussions, certain limited financial information and other limited facts of its business will be presented to investors. This information is included in Item 7(c) below as an Exhibit.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits.

99.1 Information for Investor Meetings.

**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.

Date: March 4, 2003

**REGISTRANT**

PC CONNECTION, INC.

By: /s/ Mark A. Gavin

Mark A. Gavin

Senior Vice President of Finance  
and Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	Information for Investor Meetings.



## PC Sales Corporation (SMB Segment)

- Leading direct marketer of information technology products and solutions
- Focused on small- and medium-sized businesses (SMBs)
- Utilize outbound telemarketing, catalog and website marketing
- Differentiated by providing superior service and value to customers
- Number of sales representatives – 341 (as of December 31, 2002)
- 2002 annual sales - \$703 million





## GovConnection, Inc. (Public Sector)

- Public sector customers are separated into four distinct market sectors:
  - Federal
  - Higher Ed
  - K – 12
  - State and Local
  
- Utilize field sales, outbound telemarketing, catalog and website





## GovConnection, Inc. (Public Sector) – (Cont'd.)

■ General seasonality of business:

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Total</u>
● Federal	15%	17%	33%	35%	100%
● Education	19	29	31	21	100
● State and Local	20	31	26	23	100

- Number of sales representatives – 99 (as of December 31, 2002)
- 2002 annual sales - \$294 million





## MoreDirect, Inc. (Large Account Segment)

*(Acquired by PC Connection, Inc. on April 5, 2002)*

- Provides efficient IT hardware procurement system for large customers
- Knowledgeable, high-level field sales account managers with 10 – 20 years experience in IT hardware
- Aggregates inventories of leading wholesale distributors and manufacturers (virtual inventory – no warehousing or logistics)

PC Connection





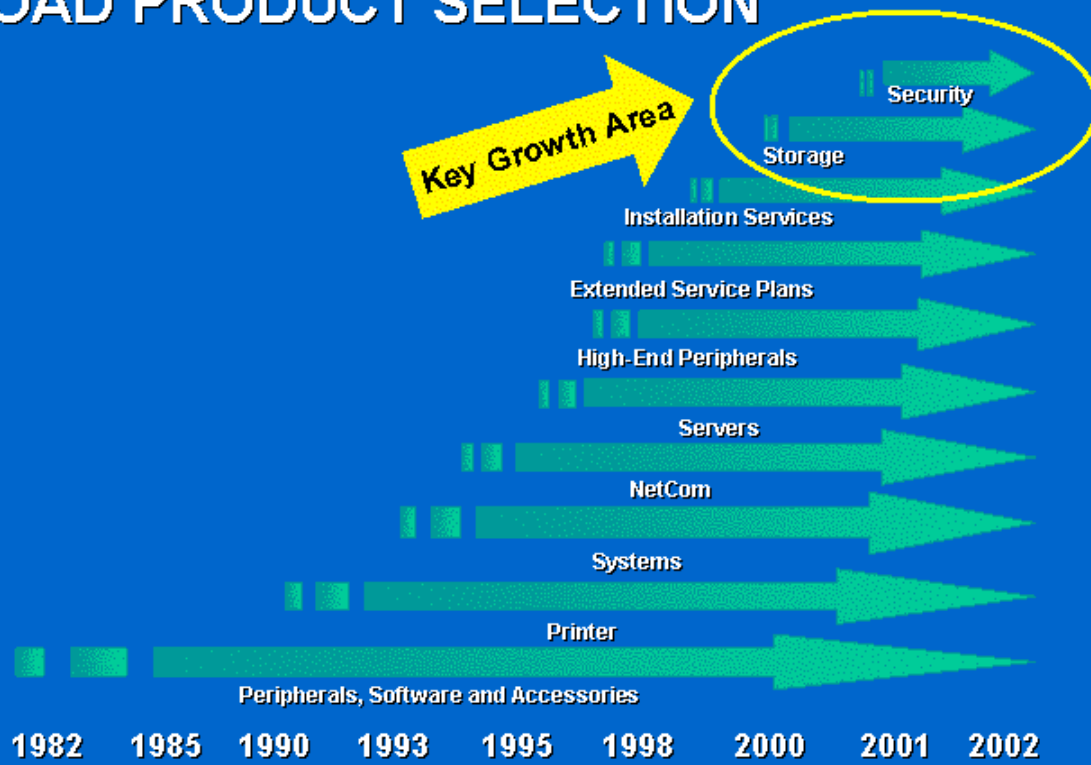
## MoreDirect, Inc. – (Cont'd.)

- Provides asset tracking, serial number and invoice data directly into customers back-end systems
- Number of sales representatives – 72 (as of December 31, 2002)
- 2002 pro forma annual sales - \$249 million

# Products – “Your Brands”

- Over 1400 Manufacturers
- \$42M of Inventory On Hand
- Distribution Partnerships (Ingram, Tech Data, Pioneer, Others)

# BROAD PRODUCT SELECTION



PC Connection

# PURSUING LARGE MARKET OPPORTUNITIES

<b>Company Segments</b>	<b>Market <sup>(1)</sup> Opportunity</b>	<b>Pro Forma Net Sales 2002 <sup>(2)</sup></b>	<b>Company Market Share</b>
<b>Small- and Medium-Sized Businesses</b>	<b>\$100,000</b>	<b>\$703</b>	<b>0.70%</b>
<b>Government &amp; Education</b>	<b>50,000</b>	<b>294</b>	<b>0.59%</b>
<b>Large Corporate Accounts</b>	<b>100,000</b>	<b>249</b>	<b>0.25%</b>
	<b>\$250,000</b>	<b>\$1,246</b>	<b>0.50%</b>

<sup>(1)</sup> IDC and PC Connection estimates

<sup>(2)</sup> The pro forma net sales assumes the acquisition of MoreDirect had taken place January 1, 2002

PC Connection

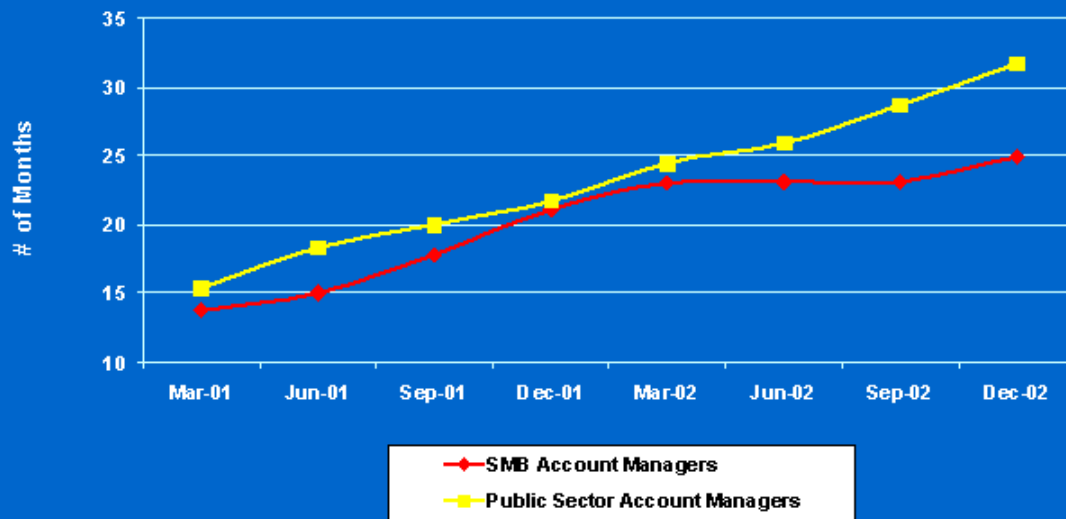
# IMPROVE SALES PRODUCTIVITY

Company Segments	Pro Forma Net Sales 2002	Sales Reps Annual	Average Productivity	
			Annual 2002 <sup>(1)</sup>	Target
Small- and Medium-Sized Businesses	\$ 703,505	341	\$2,063	\$3,000
Government & Education	293,938	99	2,969	3,500
Large Corporate Accounts	248,564	72	3,452	4,000
<b>Total/Average</b>	<b>\$1,246,007</b>	<b>512</b>	<b>\$2,434</b>	<b>\$3,200</b>

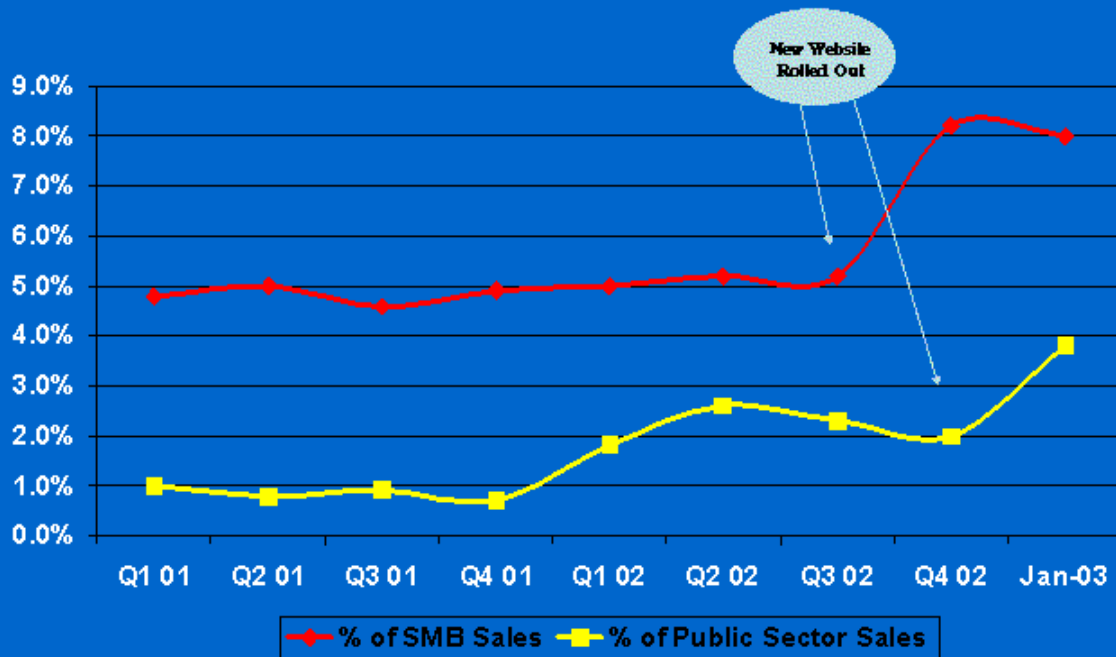
<sup>(1)</sup> The pro forma information assumes the acquisition of MoreDirect had taken place January 1, 2002

PC Connection

# Account Manager Tenure (In Months)



# Internet Business Account Program (Excluding MoreDirect)

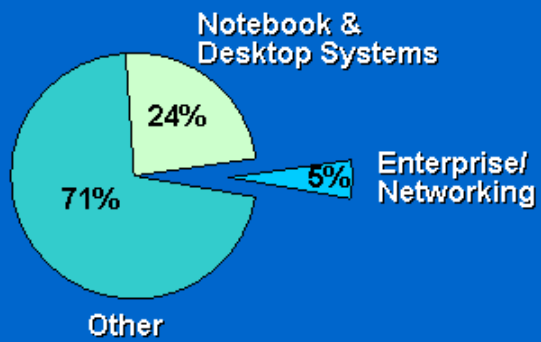


PC Connection

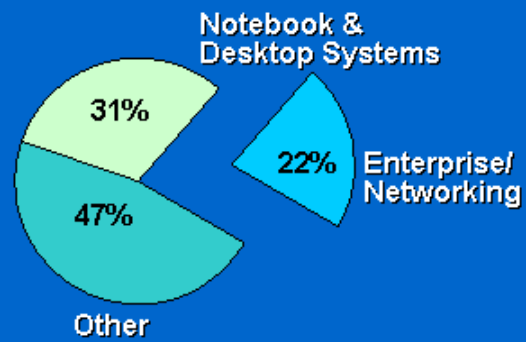
# FOCUS ON ENTERPRISE & NETWORKING

Product Mix Shifting from Desktop to Enterprise

1996



2002



PC Connection



## Near-Term Sales and Marketing Strategies

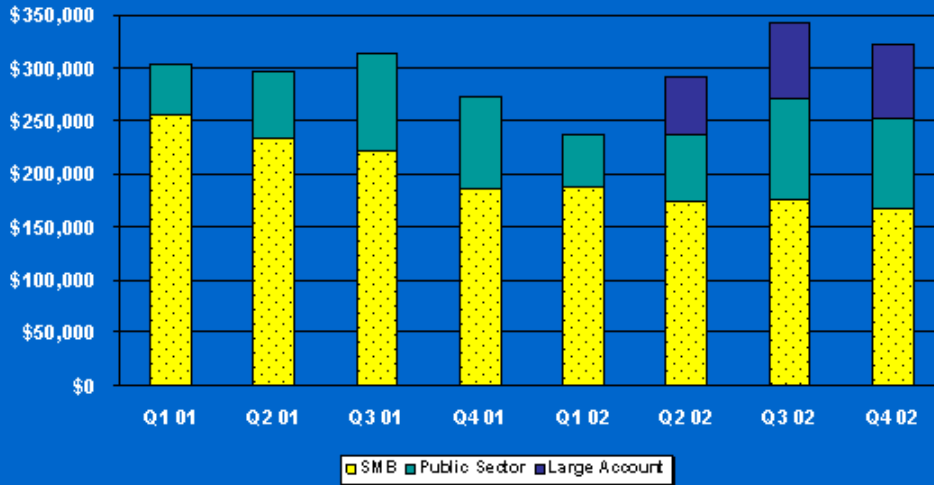
- Improve the sales productivity per Account Manager
- Realize positive results from our investment in our new website technology
- Improve gross margins
- Achieve results from recent investments in our government and education business
- Support the continuing sales success of our recently acquired subsidiary – MoreDirect

# Improve Product Margins

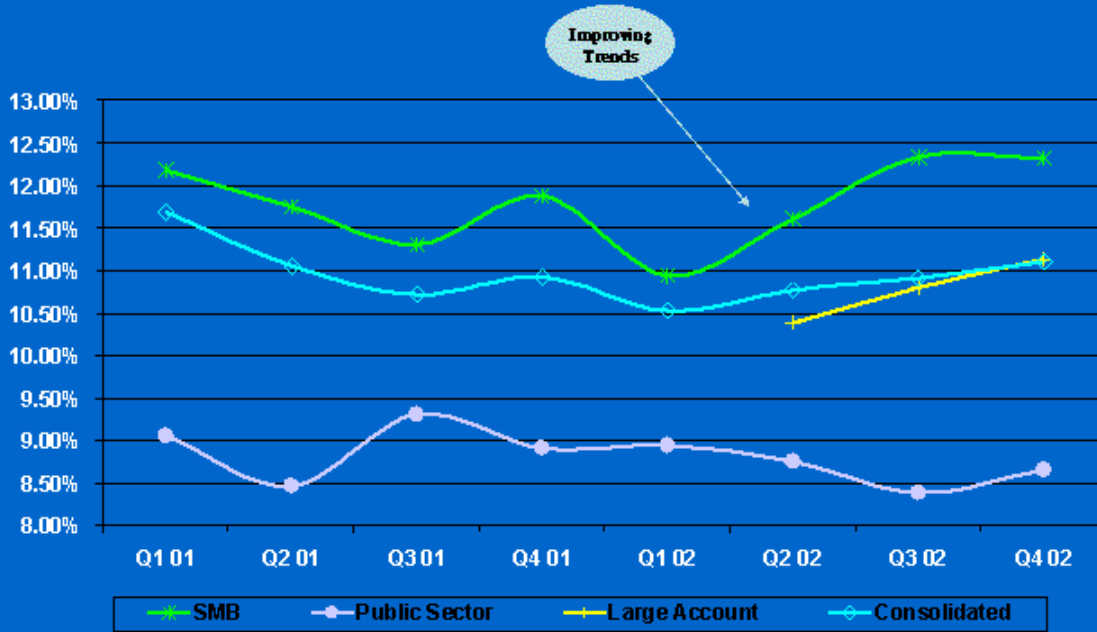
- Enhancement of add-on sales for accessories and consumables
- Increase sales of enterprise-class products as a percent of total net sales
- Increase account penetration with PC Connection and third-party value-added service offerings
- Greater focus on solution sales
- Greater utilization of vendor rebate programs

# Net Sales By Segment

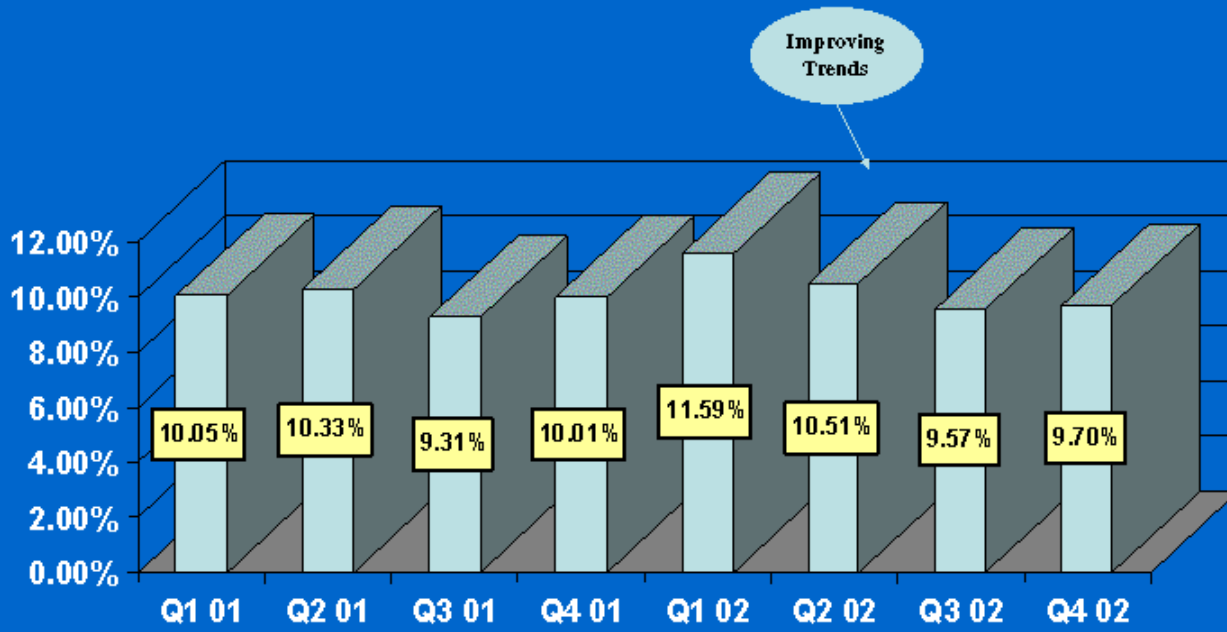
Sales Trends—Stable  
to Improving



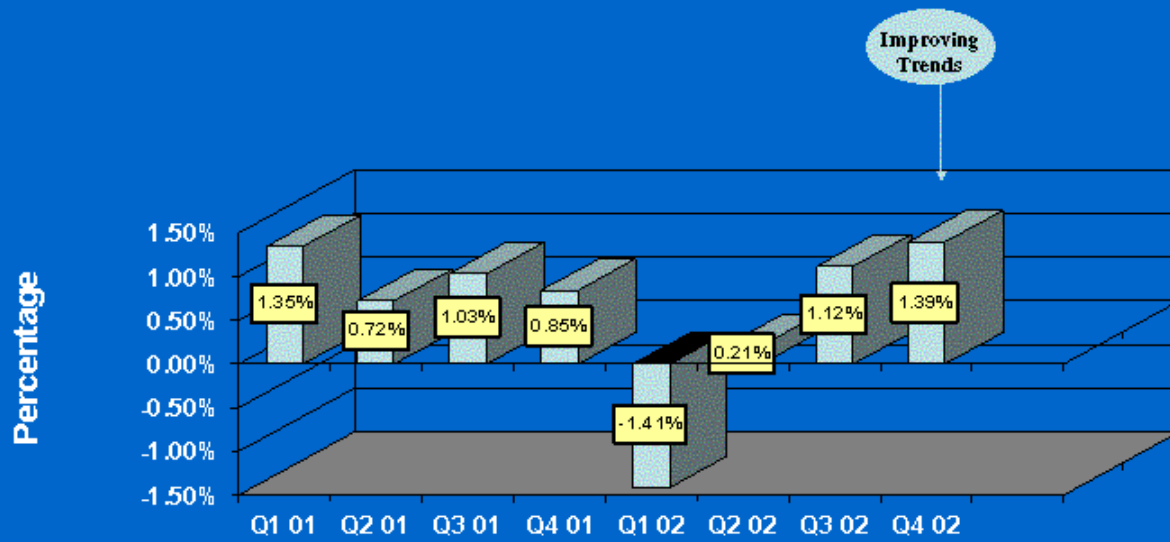
# Gross Profit Margin as a % of Net Sales



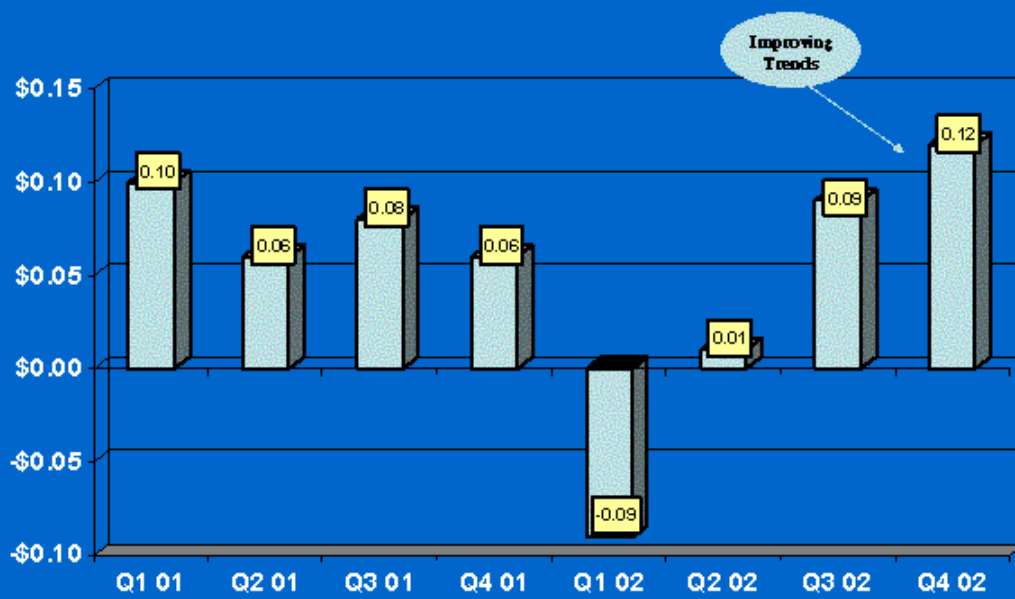
# S, G & A as a Percentage of Sales



# Operating Income (Loss) as a Percentage of Sales

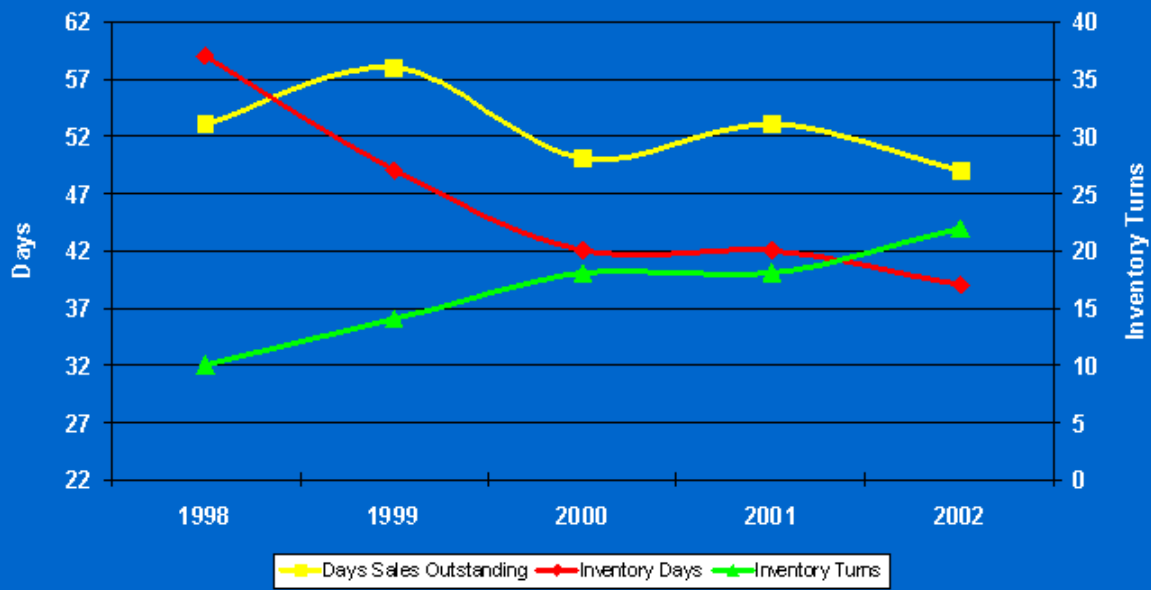


# Diluted Earnings Per Share



PC Connection

# Asset Utilization





# Financial Model

	1998	1999	2000	2001	2002	Two Year Target Ranges
<b>Revenue Growth</b>	33.0%	44.0%	33.0%	(18.0)%	-	15 –20%
<b>EPS Growth</b>	29.0%	44.0%	30.0%	(75.0)%	(57.0)%	30% +
<b>Gross Profit Margin</b>	12.4%	12.0%	12.2%	11.1%	10.8%	11.0 – 11.5%
<b>SG&amp;A <sup>(1)</sup></b>	9.1%	8.5%	8.6%	9.9%	10.2%	8.5% - 9.0%
<b>Operating Margin</b>	3.0%	3.5%	3.6%	1.0%	.5%	2.0% - 2.5%
<b>Inventory Turns</b>	10X	14X	18X	18X	22X	25 – 28X
<b>Days Sales Outstanding (DSO)</b>	53	58	50	53	49	40 – 43 Days

<sup>(1)</sup> Excluded restructuring costs and other special charges

PC Connection