

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): September 17, 2002

PC CONNECTION, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

0-23827

02-0513618

(Commission File Number)

(IRS Employer Identification No.)

Rt. 101A, 730 Milford Road, Merrimack, New Hampshire 03054

(Address of Principal Executive Offices)

(Zip Code)

(603) 423-2000

(Registrant's Telephone Number, Including Area Code)

Not Applicable

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

Item 5. Other Events.

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On September 17 and 18, 2002, PC Connection, Inc., a Delaware corporation ("PCC"), is planning to participate in various investor meetings, 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.

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(c) Exhibits.

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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: September 16, 2002

REGISTRANT

PC CONNECTION, INC.

By: /s/ Mark A. Gavin

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Mark A. Gavin  
Senior Vice President of Finance  
and Chief Financial Officer

EXHIBIT INDEX

Exhibit Number -----	Description -----
99.1	Information for Investor Meetings.

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GovConnection, Inc. (TM)  
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GovConnection, Inc. (Public Sector) - (Cont'd.)

[\_] Seasonality of business:

	Q1	Q2	Q3	Q4	Total
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..Federal	15%	17%	33%	35%	100%
..Education	19	29	31	21	100
..State and Local	20	31	26	23	100

[\_] Number of sales representatives - 110 (as of June 20, 2002)

[\_] 2001 annual sales - \$289.7 million

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PC Connection  
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PURSUING LARGE MARKET OPPORTUNITIES

Company Segments	Market/(1)/ Opportunity	Pro Forma Net Sales 2001/(2)/	Company Market Share
Small- and Medium-Sized Businesses	\$100,000	\$ 891	0.89%
Government & Education	50,000	290	0.58%
Large Corporate Accounts	100,000	219	0.22%
	\$250,000	\$1,400	0.56%

/(1)/ IDC and PC Connection estimates

/(2)/ The pro forma net sales assumes the acquisition of MoreDirect had taken place January 1, 2001

PC Connection

CONSOLIDATED SALES MIX BY SEGMENT

(\$ in thousands)

2002

	Q2	Q1	Sequential % Change
SMB	\$173,871	\$185,552	(6.3)%
Public Sector	64,468	50,608	27.4%
Large Account/(1)/	57,101	51,258	11.4%
Total	\$295,440	\$287,418	2.8%

/(1)/ Assumes MoreDirect was acquired as of January 1, 2002

PC Connection

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GovConnection(TM)  
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SALES MIX BY SECTOR

(\$ in thousands)

2002

	Q2	Q1	Sequential % Change
Federal	\$26,868	\$24,119	11.4%
Education	30,453	21,182	43.8%
State & Local	7,147	5,307	34.7%
Total	\$64,468	\$50,608	27.4%

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PC Connection  
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CONSOLIDATED PRODUCT MIX /(1):/

	2002				
	Q2	% of Net Sales	Q1	% of Net Sales	% Sequential Change
Notebooks	\$44,686	15.13%	\$42,962	14.95%	4.01%
Desktops	46,013	15.57	46,253	16.09	(0.52)
Storage Devices	28,437	9.63	30,485	10.61	(6.7)
Software	41,265	13.97	36,192	12.59	14.02
Networking Communications	24,743	8.38	24,599	8.56	0.59
Printers	27,386	9.27	25,203	8.77	8.66
Videos & Monitors	28,210	9.55	29,611	10.30	4.73
Memory	10,419	3.52	9,698	3.37	7.43
Accessories/Other	44,281	14.98	42,415	14.76	4.40
	\$295,440	100.00%	\$287,418	100.00%	2.79%

(1) Assumes MoreDirect was acquired as of January 1, 2002

PC Connection

IMPROVE SALES PRODUCTIVITY

(\$ in thousands)

Company Segments	Pro Forma Net Sales 2001	Sales Reps Annual	Average Productivity	
			Annual 2001 / (1) /	Target
Small- and Medium-Sized Businesses	\$ 891,233	425	\$2,097	\$3,000
Government & Education	289,718	88	3,292	3,500
Large Corporate Accounts	219,002	63	3,476	4,000
Total/Average	\$1,399,953	576	2,430	3,200

/(1)/ The pro forma information assumes the acquisition of MoreDirect had taken place January 1, 2001

PC Connection

2001 PRO FORMA/(1)/  
 COMBINED INCOME STATEMENT  
 (\$ in thousands, except per share data)

	Historical		Pro Forma Adjustments /(3)/	Pro Forma Combined /(1)/
	PC Connection	MoreDirect		
Net Sales	\$1,180,951	\$219,002		\$1,399,953
Gross Profit	131,152	23,370		154,522
Operating Income/(2)/	13,644	11,522	\$ 630	24,536
Net Income/(2)/	8,538	10,704	4,080	15,162
EPS	\$ 0.34	\$ 0.43	\$ 0.16	\$ 0.61

/(1)/ The pro forma information assumes the acquisition of MoreDirect had taken place January 1, 2001.

/(2)/ Before restructuring costs and other charges, including stock-based compensation expense for MoreDirect, Inc.

/(3)/ Based on preliminary estimates; subject to change.

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CONSOLIDATED KEY RATIOS  
(\$ in thousands)

	2002	
	Q2	Q1
Inventory Turns	27.4	18.9
Inventory Days	12.0	15.9
Days Sales Outstanding	51.7	58.0
Days Payables Outstanding	31.2	25.5
Working Capital Days	20.9	29.5
Operating Cash Flow	\$18,295	\$8,830

PC Connection

PROFIT IMPROVEMENT INITIATIVES -  
RECENT RESULTS

	2001	(Aug. YTD) 2002
[ ] Freight Contracts/Cost Reductions	\$2,680,000	\$200,000
[ ] Telecommunications	930,000	164,000
[ ] Facilities	575,000	514,000
[ ] Advertising/Catalogs	1,150,000	125,000
[ ] Supply Chain and Distribution	440,000	379,000
[ ] Process Change/Staff Reductions	410,000	1,529,000
[ ] Other	345,000	400,000
TOTAL	\$6,530,000	\$3,311,000

PC Connection

SG&A AS A PERCENTAGE OF SALES

(% Margin)

1997	10.1%*
1998	9.1%
1999	8.5%
2000	8.6%
2001	10.0%*
Q1 02	11.6%
Q2 02	10.5%*

\* Excludes special charges

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PC Connection  
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HEADCOUNT - NON-ACCOUNT MANAGERS

	SMB - Non-Account Managers	MD - Non Account Managers	GovC - Non-Account Managers	
Q4 01	790		57	847
Q1 02	758		69	827
Q2 02	727	46	73	846
July-02	710	45	73	828

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HEADCOUNT - ACCOUNT MANAGERS

	SMB - Account Managers	GovC - Account Managers	MD - Account Managers	
Q4 01	376	88		464
Q1 02	350	118		468
Q2 02	339	110	72	521
July-02	334	111	70	515

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PC Connection  
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PROFIT IMPROVEMENT TARGETS

Current Initiatives	\$ Opportunity
Further staff reduction	\$1,500,000
Inbound freight management	150,000
Ohio workers comp	100,000
Packaging/labeling	100,000
Telecommunications	75,000

PC Connection

PROFIT IMPROVEMENT TARGETS - Cont'd.

Current Initiatives	\$ Opportunity
Facilities (Marlboro/Dover - sublease and/or space reduction)	\$500,000
Negotiate paper /processing contract	150,000
Serial number masking	150,000
AP recovery audit	100,000
	PC Connection