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## PC Connection, Inc. Q3 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator instructions). We do have first question from Brian Alexander with Raymond James.

#### Brian Alexander - Raymond James

Thanks. Good morning, guys. If you could just talk about the progression of revenue during the quarter, particularly in SMB and large corporate and to what extent those trends weakened throughout the quarter, and then into October, since we've already effectively completed the month here. Have you seen any stabilization in the SMB or the large corporate space, primarily? Thanks.

#### Timothy McGrath

Good morning, Brian. This is Tim, and I will take that. So, overall, the calendarization throughout the quarter was similar to what we've experienced in the past with an increasing rate of sales throughout the quarter. On a segment basis, SMB and enterprise were both soft throughout the quarter. Again, although the months did progress as you would expect, they were both soft. Public Sector, the sales demand was solid throughout the quarter. So looking into October, we are seeing still that softness in demand in both our enterprise and SMB segments. So while it's too soon to call the quarter I would say that for now this trend continues.

#### Brian Alexander - Raymond James

And just to make sure I understand that trend, when you look at it on a year-over-year basis for each month, did each month throughout the third quarter get progressively worse on a year-over-year basis? And has that rate of deterioration continued into October? I realize that the overall quarter was soft and you probably saw better sales in September than you did in July and August. But I'm just wondering on a year-over-year basis was there a continued deterioration over the last four months?

#### Timothy McGrath

So, Brian, if I understand the question correctly, in percent terms, it's fairly consistent to year-over-year in terms of percent of business done in that month. There is no doubt that it's softer and we did see in the mid month of the quarter some real softness. We did recover in September and we are off to a soft start to October.

#### Brian Alexander - Raymond James

Okay. So it doesn't sound like we've seen any sort of change in that trend. On the pricing front, you mentioned competitive pricing, and I'm just wondering if that was across segments, across product lines. Or was it more specific within certain product categories, certain customer sets, et cetera?

**Timothy McGrath**

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