

A photograph of four business professionals (two women and two men) in professional attire, smiling and standing in a row. The background is a blue gradient with a pattern of white plus signs. The text 'Investor Presentation' and 'March 2016' is overlaid on the left side of the image.

# Investor Presentation

March 2016

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Statements in this presentation, which are not historical facts, may be deemed to be "forward-looking statements." Actual and anticipated future results may vary due to certain risks and uncertainties, including, without limitation; possible adverse effects resulting from the recent uncertainty in the economic environment and general slowdown of the U.S. economy such as our current and potential customers delaying or reducing technology purchases, increasing credit risk associated with our customers and vendors, reduction of vendor incentive programs, the possibility of additional goodwill impairment charges, and restrictions on our access to capital necessary to fund our operations; our ability to implement comprehensive plans to achieve customer account coverage, cost containment, asset rationalization, systems integration and other key strategies; our ability to secure our electronic and other confidential information and remain secure during a cyber-security attack; changes to our senior management team; the existence of demand for, and acceptance of, our products and services; significant changes in accounting standards including changes to the financial reporting of leases which could impact the demand for our leasing services, or misclassification of products and services we sell resulting in the misapplication of revenue recognition policies; our dependency on continued innovations in hardware, software and services offerings by our vendors and our ability to partner with them; our ability to adapt to changes in the IT industry and/or rapid change in product standards; our ability to hire and retain sufficient personnel; our ability to protect our intellectual property rights; our ability to raise capital and obtain non-recourse financing for our transactions; our ability to realize our investment in leased equipment; our ability to reserve adequately for credit losses; our ability to successfully integrate acquired businesses; significant adverse changes in, reductions in, or losses of relationships with major customers or vendors; the possibility of defects in our products or catalog content data; and other risks or uncertainties detailed in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2015 and other periodic filings with the Securities and Exchange Commission and available at the SEC's website at <http://www.sec.gov>.

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**Mark Marron**  
Chief Operating Officer



## ePlus at a Glance

- + Leading provider of technology solutions focused on cloud, data center, security, infrastructure, and collaboration solutions
- + Technology partners include Cisco, EMC, HP, NetApp and VMware
- + FY15 net sales: \$1.1 billion
  - 12% CAGR FY11-FY15
- + FY 15 non-GAAP earnings per share: \$5.59
  - 19% CAGR on Non-GAAP EPS FY11-FY15
- + Headquarters: Herndon, Virginia
- + Presence in 29 states
- + More than 1060 employees 12/31/15

# Experienced Leadership Team, Strong Alignment of Interest

Stable senior management team; compensation aligned with growth objectives



**Phil Norton**  
Chairman, Chief Executive Officer and President  
21 Years with ePlus  
+ 44 Years of Experience



**Mark Marron**  
Chief Operating Officer  
10 Years with ePlus  
+ 30 Years of Experience



**Elaine Marion**  
Chief Financial Officer  
17 Years with ePlus  
+ 24 Years of Experience



**Dan Farrell**  
Senior Vice President of National Professional Services  
5 Years with ePlus  
+ 31 Years of Experience



**Kley Parkhurst**  
Senior Vice President, Corporate Development  
23 Years with ePlus  
+ 27 Years of Experience



**Darren Raiguel**  
Executive Vice President, Technology Sales  
18 Years with ePlus  
+ 23 Years of Experience



**Mark Melvin**  
Chief Technology Officer  
9 Years with ePlus  
+ 32 Years of Experience



**Steve Mencarini**  
Senior Vice President of Business Operations  
17 Years with ePlus  
+ 34 Years of Experience

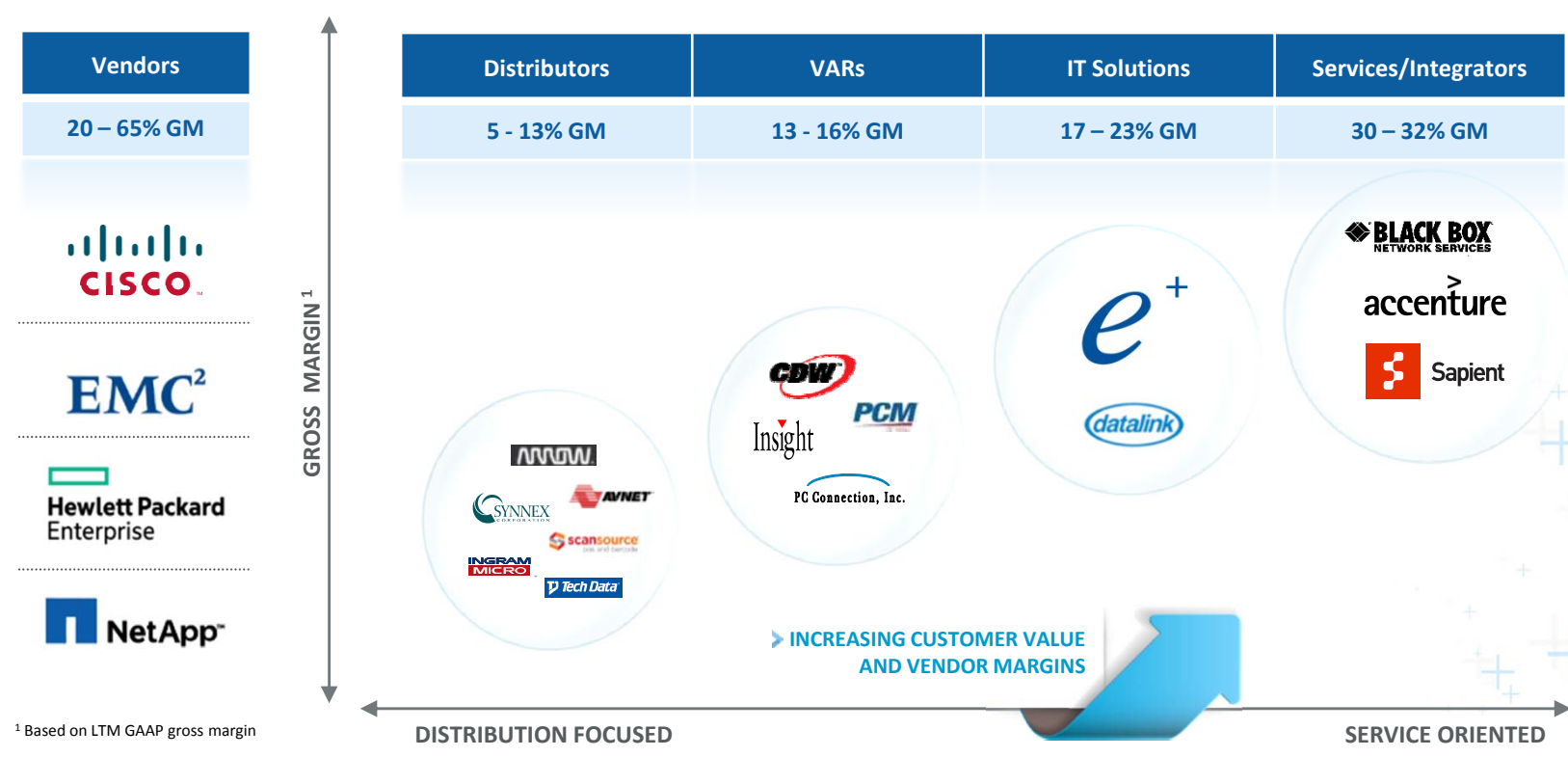


**Erica Stoecker**  
General Counsel  
14 Years with ePlus  
+ 19 Years of Experience



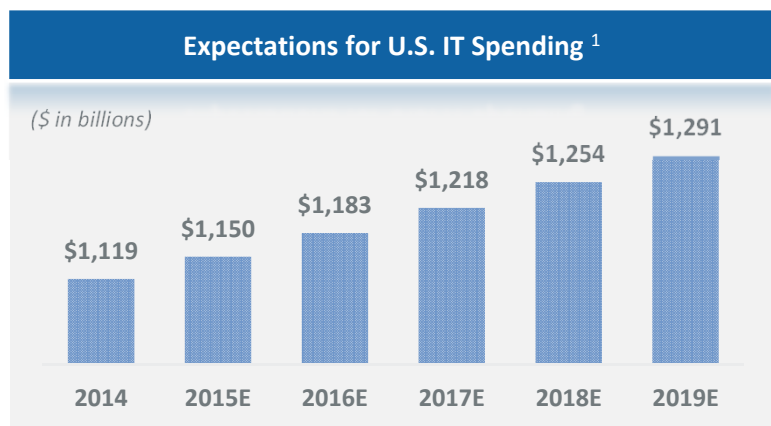
# Well Positioned within the IT Ecosystem

ePlus' range of complex solutions and services place it at the high end of the IT market



<sup>1</sup> Based on LTM GAAP gross margin

# Large TAM with Solid Fundamentals



Trends Driving IT Spending Growth

- Emerging Technologies
- Bring Your Own Device
- Focus on User Experience
- Total Cost of Ownership
- Business Efficiency
- Business Transformation

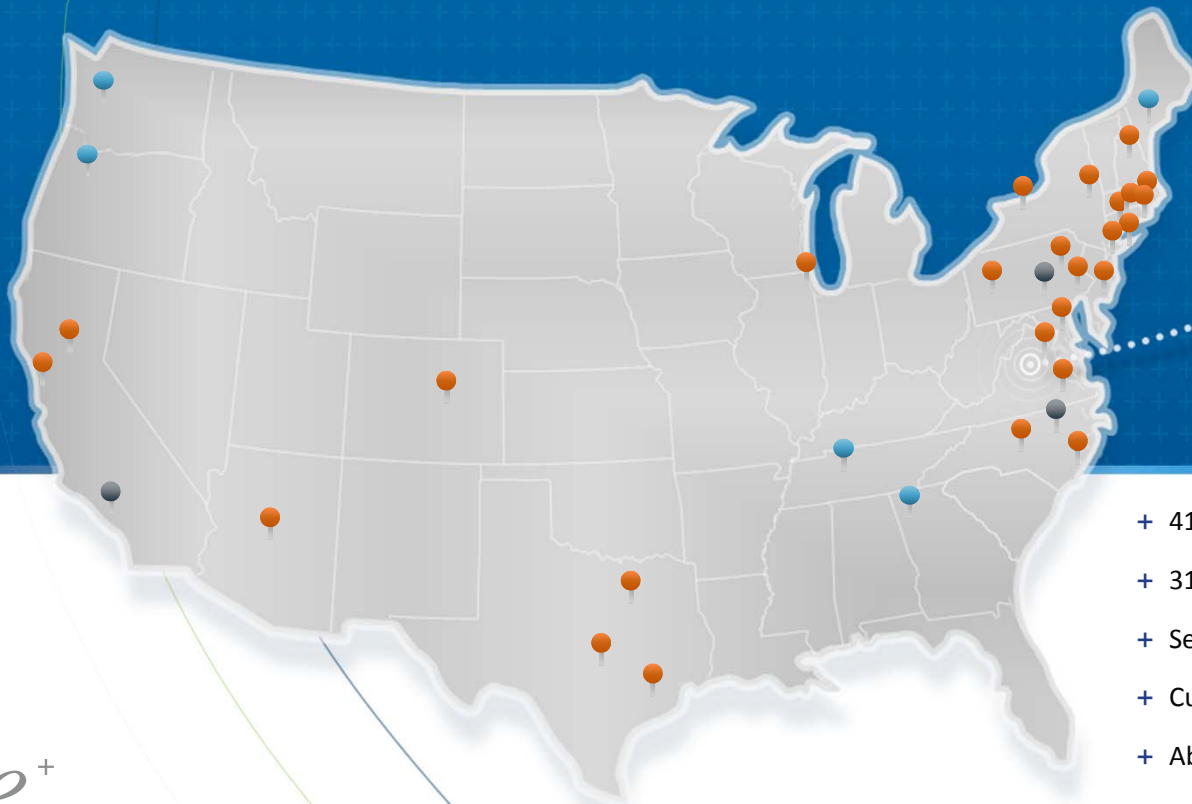
### Expected Growth for Complex IT Solutions in the U.S.<sup>2</sup>

Market	2014	2019E	CAGR
Mobility	\$6.5	\$10.8	11%
Cloud	\$26.5	\$59.6	18%
Security	\$29.6	\$43.4	8%
Managed Services	\$45.0	\$54.9	4%
Virtualization	\$2.5	\$3.2	5%
<b>Total</b>	<b>\$110.1</b>	<b>\$171.9</b>	<b>9%</b>

<sup>1</sup> Gartner, "Market Databook, 1Q15 Update," 2013-2019 End-User Spending on IT Products and Services (U.S.).

<sup>2</sup> Gartner, "Forecast: IT Services, Worldwide, 2013-2019, 1Q15 Update," 2014-2019 Cloud Access (U.S.); Gartner, "Forecast: Information Security, Worldwide, 2012-2018, 4Q14 Update," 2013-2018 Security Spending (U.S.); Gartner, "Forecast: IT Services, Worldwide, 2013-2019, 1Q15 Update," 2014-2019 Data Center Outsourcing, Colocation, Hosting (U.S.); Gartner, "Forecast: Enterprise Software Markets, Worldwide, 2012-2019, 1Q15 Update" 2013-2019 Virtualization Infrastructure Software (U.S.); Gartner, "Forecast: PCs, Ultramobiles and Mobile Phones Worldwide, 2012-2019, 1Q15 Update" 2013-2019 Ultramobiles purchased by business customers (U.S.).

Our footprint  
means we are never far away.



Regional Offices



Sales Offices



Managed Services Centers



- + 416 sales resources
- + 316 engineering professionals
- + Serving middle-market clients to large multinational enterprises
- + Customer-centric project management
- + Ability to deploy complex solutions globally



# Targeted M&A Strategy with Track Records of Success



- + December 2015 (\$16.6 million)
- + Expand security offerings
- + UK location to serve UK and global customers



- + February 2012 (\$7.0 million)
- + SoCal Cisco reseller
- + Acquired new customers and west coast NOC



- + August 2014 (\$10.5 million)
- + Sacramento Cisco VAR, largest Cisco VAR to State
- + Grow western SLED business



- + January 2012 (\$2.2 million)
- + Northern New England
- + Gained state contracts and Cisco Call Center Express expertise



- + November 2013 (\$2.8 million)
- + Rochester area reseller with storage expertise
- + Strengthened position as leading US FlexPod reseller



- + June 2011 (\$5.0 million)
- + Security expertise and Security Operations Center (SOC)
- + Acquired nationwide security sales capabilities

*Note: amounts in parenthesis represent purchase price.*

We listen to customers and hand craft solutions that drive **MORE** outcomes.



#### **CLOUD**

- + Private, Hybrid, and Public
- + Cloud Networking
- + Disaster Recovery as a Service
- + Assessments

#### **DATA CENTER**

- + Automation and Orchestration
- + Virtualization
- + Compute
- + Storage
- + Assessments

#### **SECURITY**

- + Perimeter
- + Data
- + Executive Consulting
- + Managed Security
- + Assessments

#### **INFRASTRUCTURE**

- + Mobility and Wireless
- + Networking
- + Client Devices
- + Peripherals and Accessories
- + Assessments

#### **COLLABORATION**

- + Unified Communications
- + Premise and Cloud Based Video
- + Web Collaboration
- + Assessments

# Expanding Professional and Managed Services

Assessment Led, Consultative Approach:  
Focus on Customer Business Outcomes

## SERVICE HIGHLIGHTS

- + Expanded services headcount
- + Grew managed service center locations from 1 to 3
- + Consistent growth in services revenue

## KEY SERVICES

- + Enhanced Maintenance Support
- + Managed Services
- + Staffing
- + Executive Services Portfolio

**SERVICES REVENUE GENERATES A HIGHER GROSS MARGIN**



# Independent Provider with Deep Strategic Relationships



## SELECTED STRATEGIC PARTNERS



## COMPLEMENTED BY ADDITIONAL RELATIONSHIPS



- + Excellent channel partner for ePlus, representing 49% of technology sales <sup>1</sup>
- + Networking, security, converged infrastructure
- + ePlus engineers are trained in 26 different Cisco product lines



- + Represents ~8% of technology sales <sup>1</sup>
- + Converged infrastructure, enterprise storage, networking and virtualization



- + NetApp Star Partner and Professional Services Partner
- + Network storage and services focused applications, such as virtualization, file server consolidation, private cloud, and public cloud



- + ePlus professionals maintain a variety of EMC engineering certifications
- + Networking storage and services



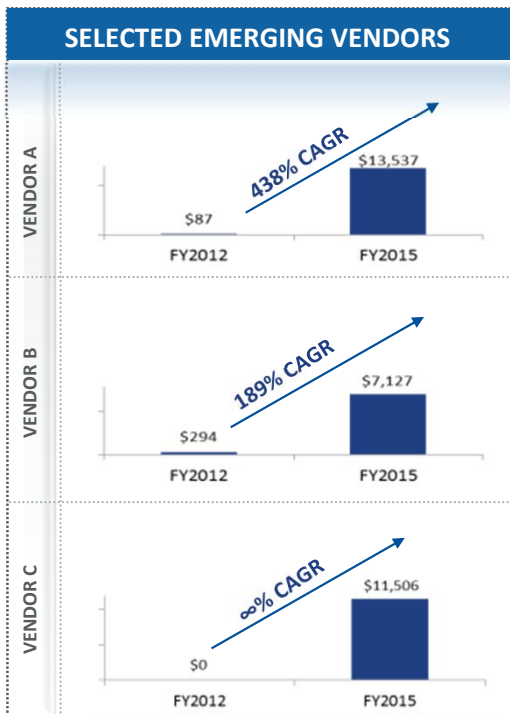
- + Virtual infrastructure solutions



**ePlus serves as an extension of vendors' internal sales force with the ability to select best-of-breed solutions**

<sup>1</sup> Based on the year ended March 31, 2015

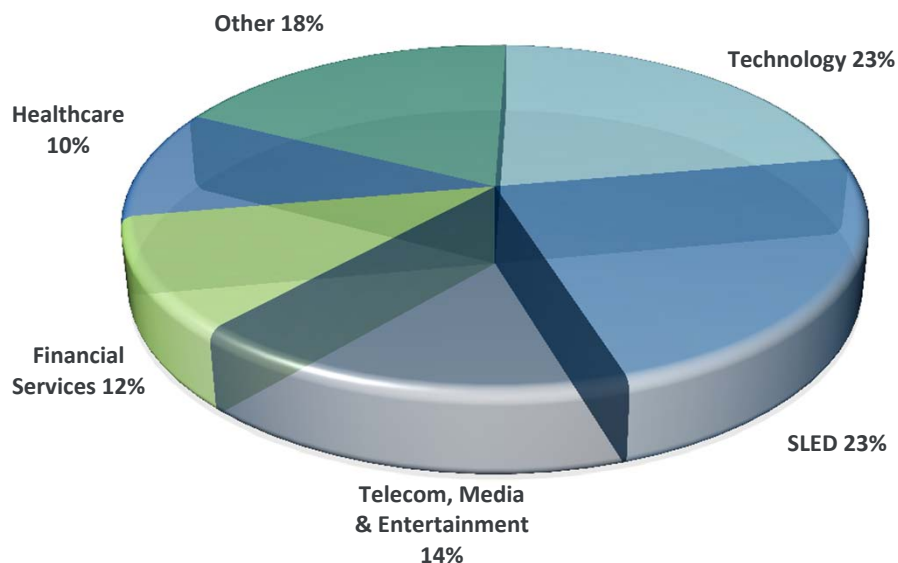
# Deep Expertise and Experience with Emerging Vendors





## Broad and Diverse Customer Base

Revenue TTM 3Q FY16



- + Focused on enterprise and middle-market customers
- + > 2,900 existing customers (As of 3/31/2015)
- + No customers in excess of 10% of net sales in FY2015
- + Broad-based services capabilities and multi-vendor relationships driving customer acquisition
- + Trusted IT advisor with vendor-agnostic approach
- + Acquisitions to further broad customer base and solutions offerings

# Select Clients



STATE & LOCAL  
GOVERNMENT,  
EDUCATION

TECHNOLOGY

HEALTHCARE

FINANCIAL  
SERVICES

TELECOM, MEDIA  
& ENTERTAINMENT

OTHER



COLUMBIA UNIVERSITY  
IN THE CITY OF NEW YORK

JOHNS HOPKINS  
UNIVERSITY



BERKSHIRE HATHAWAY INC.

Bloomberg



NORTHROP GRUMMAN





# Elaine Marion

Chief Financial Officer



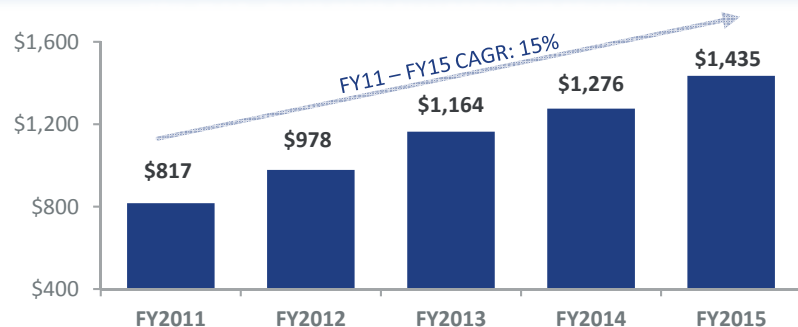


# Impressive Financial Results:

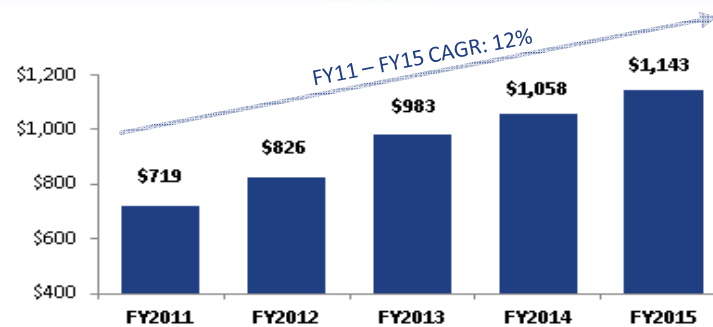
\*See Non-GAAP Financial Information.

\$ in millions, FYE 3/31 / ■ : Technology ■ : Financing

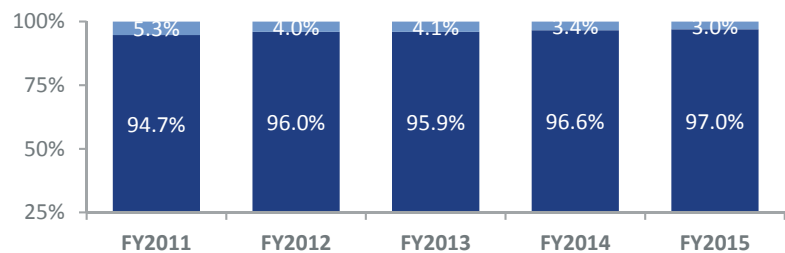
## Non-GAAP Gross Sales of Product and Services \*



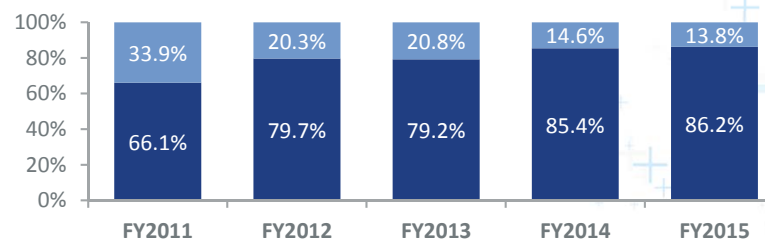
## Net Sales



## Net Sales by Segment



## Operating Income by Segment

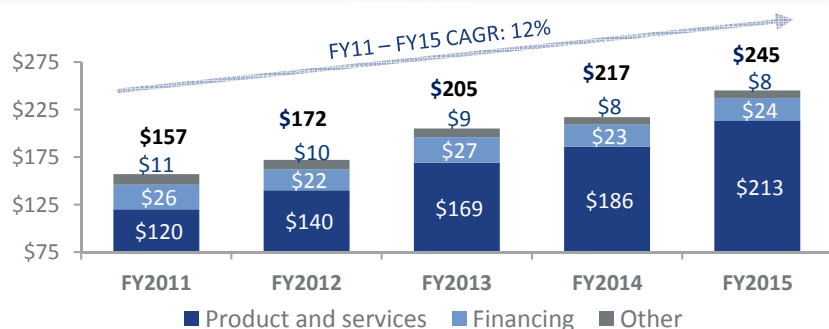




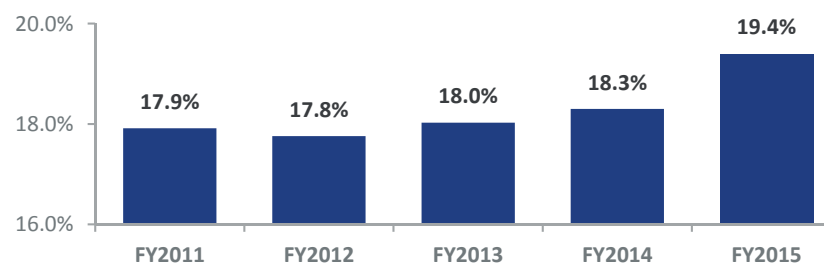
# Impressive Financial Results:

\*See Non-GAAP Financial Information.  
 \$ in millions, FYE 3/31 / ■ : Technology ■ : Financing

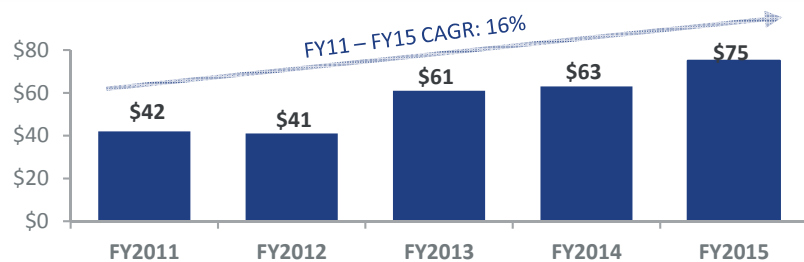
## Gross Profit



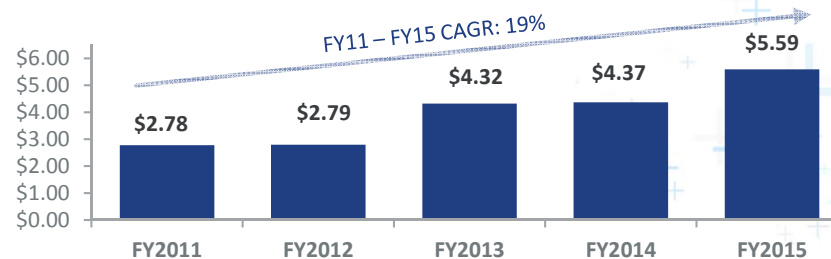
## Gross Margin, Product and Services



## Adjusted EBITDA \*



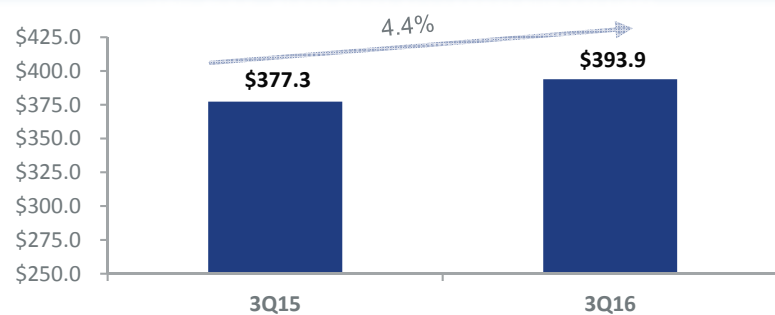
## Non-GAAP Net Earnings Per Common Share - Diluted \*



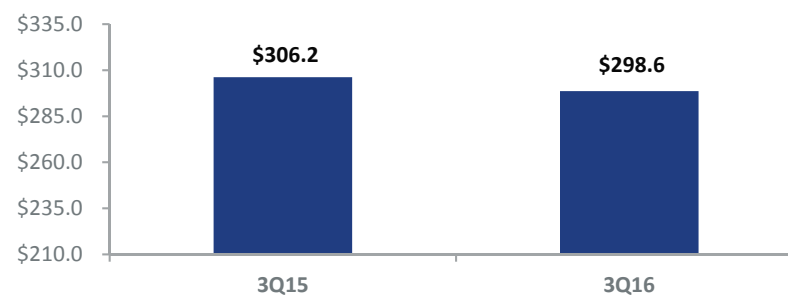


# Results for Q3 FY16: \*See Non-GAAP Financial Information. \$ in millions, FYE 3/31 / ■ : Technology ■ : Financing

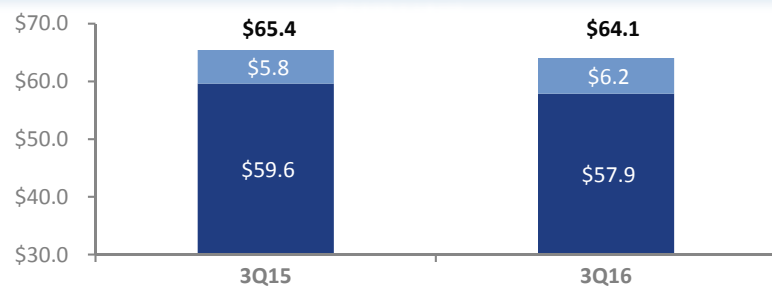
## Non-GAAP Gross Sales of Product and Services\*



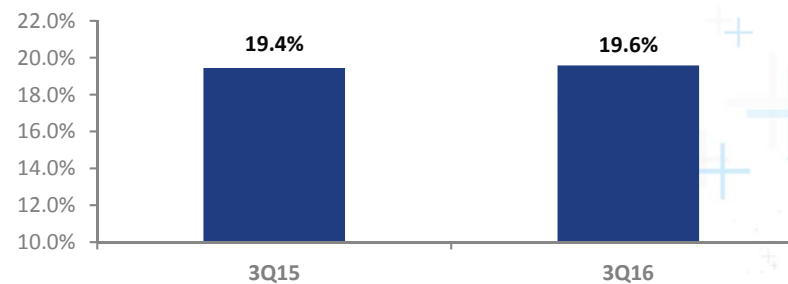
## Net Sales



## Gross Profit



## Gross Margin, Product and Services

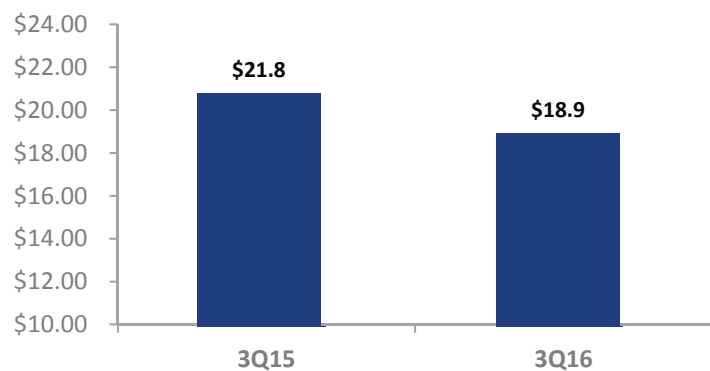




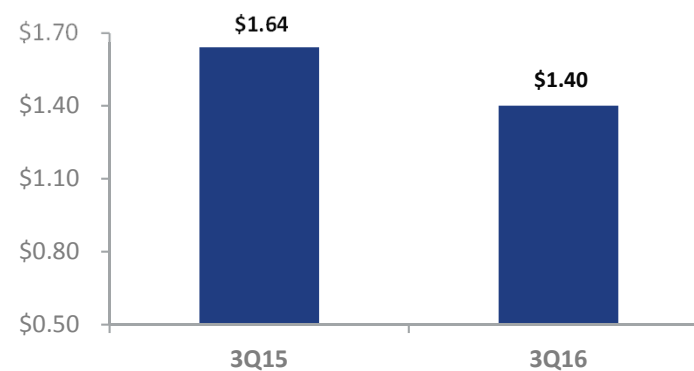
# Results for Q3 FY16 (cont.):

\*See Non-GAAP Financial Information.  
\$ in millions, FYE 3/31 / ■ : Technology ■ : Financing

## Adjusted EBITDA\*



## Non-GAAP Net Earnings Per Common Share-Diluted\*

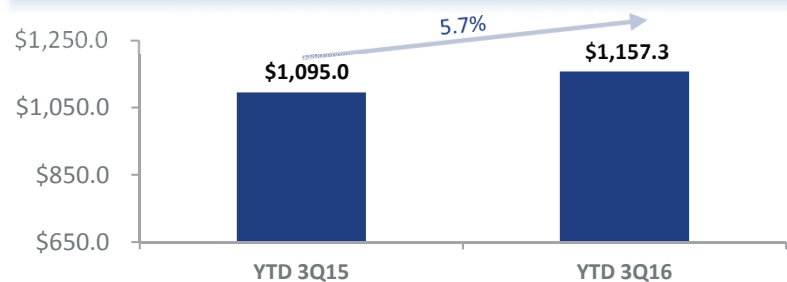




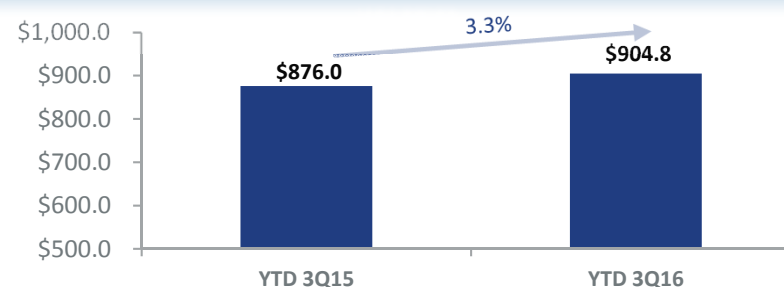
# Results for YTD Q3 FY16:

\*See Non-GAAP Financial Information.  
\$ in millions, FYE 3/31 / ■: Technology ■: Financing

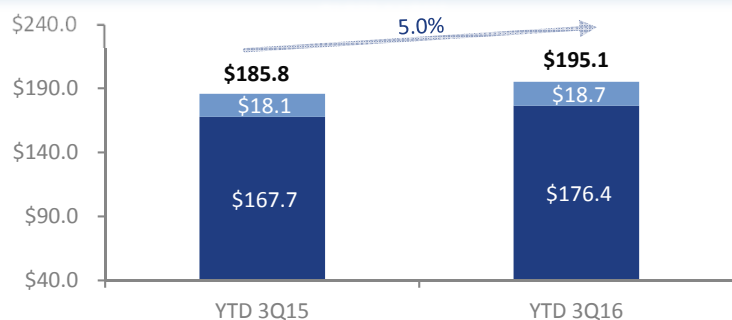
## Non-GAAP Gross Sales of Product and Services\*



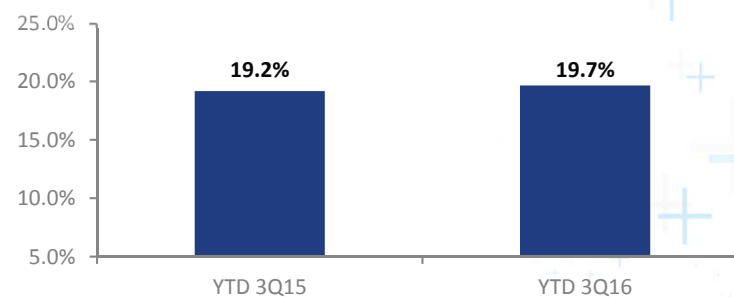
## Net Sales



## Gross Profit



## Gross Margin, Product and Services

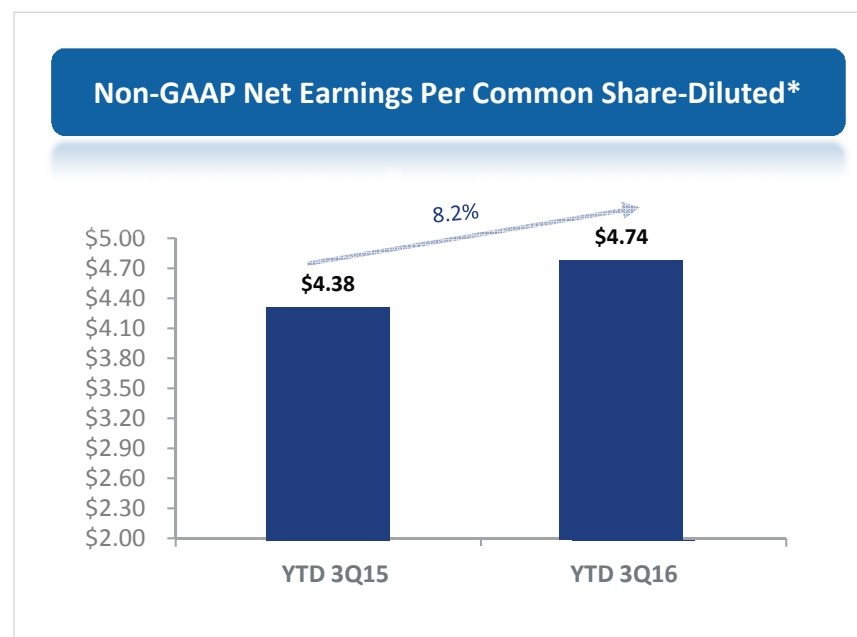
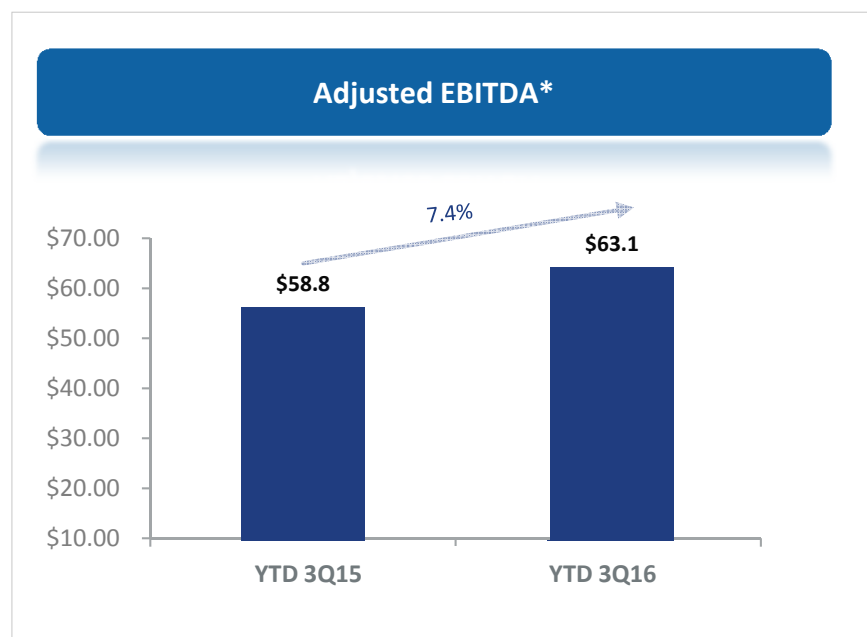


\*See Non-GAAP Financial Information.



## Results for YTD Q3 FY16 (cont.):

\*See Non-GAAP Financial Information.  
\$ in millions, FYE 3/31 / ■ : Technology ■ : Financing



\*See Non-GAAP Financial Information.



## Strong Balance Sheet: \$ in millions

- + \$67 million in cash and equivalents
- + \$250 million financing facility with GE Commercial Distribution Finance
- + Financing portfolio of \$157 million as of 12/31/15, representing investments in leases and notes
- + Portfolio monetization can be utilized to raise additional cash
- + Minimal capex

	Assets	12/31/2015	3/31/2015
Cash and equivalents		\$ 67	\$ 76
Accounts receivable		294	250
Inventory		25	20
Financing investments		157	144
Goodwill & other intangibles		55	41
Property & equipment , deferred costs and other		32	41
<b>Total assets</b>		<b>\$ 630</b>	<b>\$ 572</b>
	Liabilities		
Accounts payable		\$ 205	\$ 166
Recourse notes payable		4	4
Non-recourse notes payable		46	53
Other liabilities		58	70
<b>Total liabilities</b>		<b>\$ 313</b>	<b>\$ 293</b>
	Shareholders' Equity		
Equity		317	279
<b>Total liabilities &amp; equity</b>		<b>\$ 630</b>	<b>\$ 572</b>



# Appendix





## Non-GAAP Financial Information: Amounts in thousands, except per share data

	For the 3 months ended 12/31		For the 9 months ended 12/31	
	----- 2015 -----	----- 2014 -----	----- 2015 -----	----- 2014 -----
Sales of product and services, as reported	\$ 287,859	\$ 295,679	\$ 871,814	\$ 843,619
Costs incurred related to sales of 3 <sup>rd</sup> party software assurance, maintenance/services	106,063	81,583	285,513	251,339
Non-GAAP gross sales of product and services	<u>\$ 393,922</u>	<u>\$ 377,262</u>	<u>\$ 1,157,327</u>	<u>\$ 1,094,958</u>
Net earnings	\$ 10,297	\$ 15,501	\$ 34,790	\$ 36,930
Provision for income taxes	7,348	11,230	24,582	26,303
Other income [1], [2]	-	(6,169)	-	(7,603)
Depreciation and amortization [3]	1,331	1,217	3,739	3,138
Non-GAAP Adjusted EBITDA	<u>\$ 18,976</u>	<u>\$ 21,779</u>	<u>\$ 63,111</u>	<u>\$ 58,768</u>
Non-GAAP Adjusted EBITDA margin	<u>6.4%</u>	<u>7.1%</u>	<u>7.0%</u>	<u>6.0%</u>
GAAP: Earnings before provision for income taxes	\$ 17,645	\$ 26,731	\$ 59,372	\$ 63,233
Less: Other income [1], [2]	-	(6,169)	-	(7,603)
Non-GAAP: Earnings before provision for income taxes	17,645	20,562	59,372	55,630
Non-GAAP: Provision for income taxes [4]	7,348	8,638	24,582	23,140
Non-GAAP: Net earnings	<u>\$ 10,297</u>	<u>\$ 11,924</u>	<u>\$ 34,790</u>	<u>\$ 32,490</u>
GAAP: Net earnings per common share – diluted	<u>\$ 1.40</u>	<u>\$ 2.13</u>	<u>\$ 4.74</u>	<u>\$ 4.97</u>
Non-GAAP net earnings per common share – diluted [5]	<u>\$ 1.40</u>	<u>\$ 1.64</u>	<u>\$ 4.74</u>	<u>\$ 4.38</u>

[1] Gain on a class action claim during the three months ended December 31, 2015.

[2] Gain on a class action claim and a retirement of a liability during the nine months ended December 31, 2015.

[3] Amount consists of depreciation and amortization for assets used internally.

[4] Non-GAAP tax rate is calculated at the same tax rate as GAAP earnings.

[5] Amounts for the three and nine months ended December 31, 2015 are GAAP and provided for comparative purposes.

# Non-GAAP Financial Information:

Amounts in thousands,  
except per share data



	For the years ended March 31,				
	2011	2012	2013	2014	2015
Sales of products and services, as reported	\$ 672,303	\$ 784,951	\$ 936,228	\$ 1,013,374	\$ 1,100,884
Costs incurred related to sales of 3rd party software assurance, maintenance/ services	144,510	193,229	227,349	262,759	334,155
Non-GAAP gross sales of products and services	<u>\$ 816,813</u>	<u>\$ 978,180</u>	<u>\$ 1,163,577</u>	<u>\$ 1,276,133</u>	<u>\$ 1,435,039</u>
Net earnings	\$ 23,727	\$ 23,367	\$ 34,830	\$ 35,273	\$ 45,840
Provision for income taxes	16,841	16,207	23,915	24,825	32,473
Other income [1]	-	-	-	-	(7,603)
Depreciation and amortization [2]	1,349	1,665	2,389	2,792	4,333
Non-GAAP Adjusted EBITDA	<u>\$ 41,917</u>	<u>\$ 41,239</u>	<u>\$ 61,134</u>	<u>\$ 62,890</u>	<u>\$ 75,043</u>
Non-GAAP Adjusted EBITDA margin	<u>5.8%</u>	<u>5.0%</u>	<u>6.2%</u>	<u>6.2%</u>	<u>6.8%</u>
GAAP: Earnings before provision for income taxes	\$ 40,568	\$ 39,574	\$ 58,745	\$ 60,098	\$ 78,313
Less: Other income [1]	-	-	-	-	(7,603)
Non-GAAP: Earnings before provision for income taxes	40,568	39,574	58,745	60,098	70,710
Non-GAAP: Provision for income taxes [3]	16,841	16,207	23,915	24,825	29,320
Non-GAAP: Net earnings	<u>\$ 23,727</u>	<u>\$ 23,367</u>	<u>\$ 34,830</u>	<u>\$ 35,273</u>	<u>\$ 41,390</u>
GAAP: Net earnings per common share – diluted	<u>\$ 2.78</u>	<u>\$ 2.79</u>	<u>\$ 4.32</u>	<u>\$ 4.37</u>	<u>\$ 6.19</u>
Non-GAAP: Net earnings per common share – diluted [4]	<u>\$ 2.78</u>	<u>\$ 2.79</u>	<u>\$ 4.32</u>	<u>\$ 4.37</u>	<u>\$ 5.59</u>

[1] Gain on retirement of a liability and gain on legal settlement.

[2] Amount consists of depreciation and amortization for assets used internally.

[3] Non-GAAP tax rate is calculated at the same tax rate as GAAP earnings.

[4] Amounts for the years ended March 31, 2011, 2012, 2013 and 2014 are GAAP and provided for comparative purposes.



## Investor Relations

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