

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____ to ____.

Commission file number: 1-34167



ePlus inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

54-1817218

(I.R.S. Employer Identification No.)

13595 Dulles Technology Drive, Herndon, VA 20171-3413

(Address, including zip code, of principal executive offices)

Registrant's telephone number, including area code: **(703) 984-8400**

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$.01 par value	PLUS	NASDAQ Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The number of shares of common stock outstanding as of August 4, 2025, was 26,625,574.

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CAUTIONARY LANGUAGE ABOUT FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains certain statements that are, or may be deemed to be, “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, or “Exchange Act,” and are made in reliance upon the protections provided by such acts for forward-looking statements. Such statements are not based on historical fact but are based upon numerous assumptions about future conditions that may not occur. Forward-looking statements are generally identifiable by use of forward-looking words such as “may,” “should,” “would,” “intend,” “estimate,” “will,” “potential,” “possible,” “could,” “believe,” “expect,” “intend,” “plan,” “anticipate,” “project,” and similar expressions. Readers are cautioned not to place undue reliance on any forward-looking statements made by us or on our behalf. Forward-looking statements are made based upon information that is currently available or management’s current expectations and beliefs concerning future developments and their potential effects upon us, speak only as of the date hereof, and are subject to certain risks and uncertainties. We do not undertake any obligation to publicly update or correct any forward-looking statements to reflect events or circumstances that subsequently occur, or of which we later become aware. Actual events, transactions and results may materially differ from the anticipated events, transactions, or results described in such statements. Our ability to consummate such transactions and achieve such events or results is subject to certain risks and uncertainties. Such risks and uncertainties include, but are not limited to, the matters set forth below:

- financial losses resulting from national and international political instability fostering uncertainty and volatility in the global economy including changes in interest rates, tariffs, inflation, export requirements applicable to products we sell, sanctions and exposure to foreign currency losses;
- significant adverse changes in our relationship with one or more of our larger customer accounts or vendors, including decreased account profitability, reductions in contracted services, or a loss of such relationships;
- increases to our costs including wages and our ability to increase our prices to our customers as a result, or experience negative financial impacts due to the pricing arrangements we have with our customers;
- a material decrease in the credit quality of our customer base, or a material increase in our credit losses;
- reliance on third parties to perform some of our service obligations to our customers, and the reliance on a small number of key vendors in our supply chain with whom we do not have long-term supply agreements, guaranteed price agreements, or assurance of stock availability;
- the possibility of a reduction of vendor incentives provided to us;
- our inability to identify acquisition candidates, perform sufficient due diligence prior to completing an acquisition, successfully integrate a completed acquisition, or identify an opportunity for or successfully completing a business disposition, may affect our earnings;
- our ability to remain secure during a cybersecurity attack or other information technology (“IT”) outage, including disruptions in our, our vendors or a third party’s IT systems and data and audio communication networks;
- our ability to secure our own and our customers’ electronic and other confidential information, while maintaining compliance with evolving data privacy and cybersecurity regulatory laws and regulations and appropriately providing required notice and disclosure of cybersecurity incidents when and if necessary;
- our dependence on key personnel to maintain certain customer relationships, and our ability to hire, train, and retain sufficient qualified personnel by recruiting and retaining highly skilled, competent personnel with needed vendor certifications;
- risks relating to artificial intelligence (“AI”), including the use or capabilities of AI and emerging laws, rules and regulations related to AI;
- our ability to manage a diverse product set of solutions, including AI products and services, in highly competitive markets with a number of key vendors;
- changes in the IT industry and/or rapid changes in product offerings, including the proliferation of the cloud, infrastructure as a service (“IaaS”), software as a service (“SaaS”), platform as a service (“PaaS”), and AI which may affect our financial results;

- our ability to increase our total number of customers and our ability to increase our total number of customers who use our managed services and professional services while we continuously enhance our managed services offerings to remain competitive in the marketplace;
- supply chain issues, including a shortage of IT component parts and products, may increase our costs or cause a delay in fulfilling customer orders, or increase our need for working capital, or delay completing professional services, or purchasing IT products or services needed to support our internal infrastructure or operations, resulting in an adverse impact on our financial results;
- ongoing remote work trends, and the increase in cybersecurity attacks that have occurred while employees work remotely and our ability to adequately train our personnel to prevent a cyber event;
- exposure to changes in, interpretations of, or enforcement trends in, and customer and vendor actions in anticipation of or response to, legislation and regulatory matters;
- our service agreements may require external audits and deficiencies in any such reports could negatively affect our client engagements, and our professional and liability insurance policies coverage may be insufficient to cover a claim;
- a natural disaster or other adverse event at one of our primary configuration centers, data centers, or a third-party provider or vendor location could negatively impact our business;
- failure to comply with public sector contracts, or related applicable laws or regulations;
- our ability to raise capital, maintain or increase as needed our lines of credit with vendors or our floor plan facility, or the effect of those changes on our common stock price;
- our ability to predictably meet expectations of the investor and analyst community, including relative to our financial performance guidance that we provide;
- our ability to implement comprehensive plans for the integration of sales forces, cost containment, asset rationalization, system integration, and other key strategies following acquisitions; and
- our ability to protect our intellectual property rights and successfully defend any challenges to the validity of our patents or allegations that we are infringing upon any third-party patents, and the costs associated with those actions, and, when appropriate, the costs associated with licensing required technology.

We cannot be certain that our business strategy will be successful or that we will successfully address these and other challenges, risks, and uncertainties. For a further list and description of various risks, relevant factors, and uncertainties that could cause future results or events to differ materially from those expressed or implied in our forward-looking statements, see Part II, Item 1A, “Risk Factors” and Part I, Item 2, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections contained elsewhere in this report, as well as other reports that we file with the Securities and Exchange Commission (“SEC”).

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

ePlus inc. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED BALANCE SHEETS

(in thousands, except per share amounts)

	June 30, 2025	March 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 480,178	\$ 389,375
Accounts receivable—trade, net	700,873	516,925
Accounts receivable—other, net	38,606	19,382
Inventories	101,053	120,440
Deferred costs	66,898	66,769
Other current assets	14,708	28,500
Current assets of discontinued operations	-	222,399
Total current assets	1,402,316	1,363,790
Deferred tax asset	9,852	3,658
Property, equipment, and other assets—net	107,538	98,657
Goodwill	202,979	202,858
Other intangible assets—net	76,450	82,007
Non-current assets of discontinued operations	-	133,835
TOTAL ASSETS	\$ 1,799,135	\$ 1,884,805
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 320,434	\$ 324,580
Accounts payable—floor plan	129,415	89,527
Salaries and commissions payable	45,672	42,219
Deferred revenue	158,759	152,631
Other current liabilities	33,470	22,463
Current liabilities of discontinued operations	-	166,463
Total current liabilities	687,750	797,883
Deferred tax liability—long-term	-	1,454
Deferred revenue—long-term	78,404	81,759
Other liabilities	12,550	13,540
Non-current liabilities of discontinued operations	-	12,546
TOTAL LIABILITIES	778,704	907,182
COMMITMENTS AND CONTINGENCIES (Note 8)		
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.01 per share par value; 2,000 shares authorized; none outstanding	-	-
Common stock, \$0.01 per share par value; 50,000 shares authorized; 26,627 outstanding at June 30, 2025 and 26,526 outstanding at March 31, 2025	277	276
Additional paid-in capital	198,954	193,698
Treasury stock, at cost, 1,103 shares at June 30, 2025 and 1,056 shares at March 31, 2025	(74,052)	(70,748)
Retained earnings	888,653	850,956
Accumulated other comprehensive income foreign currency translation adjustment	6,599	3,441
Total Stockholders' Equity	1,020,431	977,623
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,799,135	\$ 1,884,805

See Notes to Unaudited Consolidated Financial Statements.

ePlus inc. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)

	Three Months Ended June 30,	
	2025	2024
Net sales		
Product	\$ 521,006	\$ 457,463
Services	116,309	78,189
Total	637,315	535,652
Cost of sales		
Product	414,477	358,878
Services	74,622	49,900
Total	489,099	408,778
Gross profit	148,216	126,874
Selling, general, and administrative	104,947	90,596
Depreciation and amortization	7,069	4,819
Operating expenses	112,016	95,415
Operating income	36,200	31,459
Other income (expense), net	612	1,711
Earnings from continuing operations before tax	36,812	33,170
Provision for income taxes	9,684	8,977
Net earnings from continuing operations	27,128	24,193
Earnings from discontinued operations, net of tax (Note 4)	10,569	3,146
Net earnings	\$ 37,697	\$ 27,339
Earnings per common share—basic		
Continuing operations	\$ 1.03	\$ 0.91
Discontinued operations	0.40	0.12
Earnings per common share—basic	\$ 1.43	\$ 1.03
Earnings per common share—diluted		
Continuing operations	\$ 1.03	\$ 0.90
Discontinued operations	0.40	0.12
Earnings per common share—diluted	\$ 1.43	\$ 1.02
Weighted average common shares outstanding—basic	26,270	26,642
Weighted average common shares outstanding—diluted	26,381	26,801

See Notes to Unaudited Consolidated Financial Statements.

ePlus inc. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	Three Months Ended June 30,	
	2025	2024
NET EARNINGS	\$ 37,697	\$ 27,339
OTHER COMPREHENSIVE INCOME, NET OF TAX:		
Foreign currency translation adjustments	3,158	68
Other comprehensive income (loss)	3,158	68
TOTAL COMPREHENSIVE INCOME	\$ 40,855	\$ 27,407

See Notes to Unaudited Consolidated Financial Statements.

ePlus inc. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Three Months Ended June 30,	
	2025	2024
Cash flows from operating activities:		
Net earnings	\$ 37,697	\$ 27,339
Less: Earnings from discontinued operations, net of tax	10,569	3,146
Net earnings from continuing operations	27,128	24,193
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities of continuing operations:		
Depreciation and amortization	7,411	5,208
Provision for credit losses	596	65
Share-based compensation expense	3,440	2,791
Loss on disposal of property, equipment, and operating lease equipment	45	46
Changes in:		
Accounts receivable	(181,382)	67,705
Inventories	19,803	50,555
Deferred costs and other assets	8,958	(6,543)
Accounts payable—trade	(4,844)	(40,915)
Salaries and commissions payable, deferred revenue, and other liabilities	12,842	7,040
Net cash provided by (used in) operating activities of continuing operations	(106,003)	110,145
Net cash provided by (used in) operating activities of discontinued operations	7,036	(13,018)
Net cash provided by (used in) operating activities	(98,967)	97,127
Cash flows from investing activities:		
Proceeds from sale of property, equipment, and operating lease equipment	11	-
Purchases of property, equipment, and operating lease equipment	(835)	(635)
Net cash used in investing activities of continuing operations	(824)	(635)
Net cash provided by (used in) investing activities of discontinued operations	156,681	(1,271)
Net cash provided by (used in) investing activities	155,857	(1,906)
Cash flows from financing activities:		
Proceeds from issuance of common stock	1,757	1,811
Repurchase of common stock	(3,304)	(11,569)
Payments to settle liabilities for acquisitions	-	(2,307)
Net borrowings on floor plan facility	39,888	14,407
Net cash provided by financing activities of continuing operations	38,341	2,342
Net cash used in financing activities of discontinued operations	(6,417)	(730)
Net cash provided by financing activities	31,924	1,612
Effect of exchange rate changes on cash	1,989	55
Net increase in cash and cash equivalents	90,803	96,888
Cash and cash equivalents, beginning of period	389,375	253,021
Cash and cash equivalents, end of period	\$ 480,178	\$ 349,909

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS - continued
(in thousands)

	<u>Three Months Ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 68	\$ 69
Cash paid for income taxes	\$ 3,128	\$ 10,130
Cash paid for amounts included in the measurement of lease liabilities	\$ 1,550	\$ 1,269
Schedule of non-cash investing and financing activities:		
Purchases of property, equipment, and operating lease equipment	\$ (344)	\$ (269)
Vesting of share-based compensation	\$ 9,369	\$ 10,636
Repurchase of common stock	\$ -	\$ (366)
New operating lease assets obtained in exchange for lease obligations	\$ -	\$ 395

See Notes to Unaudited Consolidated Financial Statements.

ePlus inc. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)

Three Months Ended June 30, 2025							
	Common Stock		Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income	Total
	Shares	Par Value					
Balance, March 31, 2025	26,526	\$ 276	\$ 193,698	\$ (70,748)	\$ 850,956	\$ 3,441	\$ 977,623
Issuance of restricted stock awards	119	1	(1)	-	-	-	-
Issuance of common stock	29	-	1,757	-	-	-	1,757
Share-based compensation	-	-	3,500	-	-	-	3,500
Repurchase of common stock	(47)	-	-	(3,304)	-	-	(3,304)
Net earnings	-	-	-	-	37,697	-	37,697
Foreign currency translation adjustment	-	-	-	-	-	3,158	3,158
Balance, June 30, 2025	<u>26,627</u>	<u>\$ 277</u>	<u>\$ 198,954</u>	<u>\$ (74,052)</u>	<u>\$ 888,653</u>	<u>\$ 6,599</u>	<u>\$ 1,020,431</u>
Three Months Ended June 30, 2024							
	Common Stock		Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income	Total
	Shares	Par Value					
Balance, March 31, 2024	26,952	\$ 274	\$ 180,058	\$ (23,811)	\$ 742,978	\$ 2,280	\$ 901,779
Issuance of restricted stock awards	121	1	(1)	-	-	-	-
Issuance of common stock	29	1	1,810	-	-	-	1,811
Share-based compensation	-	-	2,866	-	-	-	2,866
Repurchase of common stock	(162)	-	-	(11,935)	-	-	(11,935)
Net earnings	-	-	-	-	27,339	-	27,339
Foreign currency translation adjustment	-	-	-	-	-	68	68
Balance, June 30, 2024	<u>26,940</u>	<u>\$ 276</u>	<u>\$ 184,733</u>	<u>\$ (35,746)</u>	<u>\$ 770,317</u>	<u>\$ 2,348</u>	<u>\$ 921,928</u>

See Notes to Unaudited Consolidated Financial Statements.

ePlus inc. AND SUBSIDIARIES**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS****1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

DESCRIPTION OF BUSINESS — Our company was founded in 1990 and is a Delaware corporation. ePlus inc. is sometimes referred to in this Quarterly Report on Form 10-Q as “we,” “our,” “us,” “ourselves,” or “ePlus.” ePlus inc. is a holding company that through its subsidiaries provides information technology (“IT”) solutions which enable organizations to optimize their IT environment and supply chain processes. We also provide consulting, professional, and managed services and complete lifecycle management services. We focus on selling to medium and large enterprises and state and local government and educational institutions (“SLED”) in the United States (“US”) and select international markets including the United Kingdom (“UK”), the European Union (“EU”), India, and Singapore.

BASIS OF PRESENTATION — The unaudited consolidated financial statements include the accounts of ePlus inc. and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. The accounts of businesses acquired are included in the unaudited consolidated financial statements from the dates of acquisition.

SALE OF OUR FINANCING BUSINESS — On June 30, 2025, we completed the sale of Expo Holdings, LLC (“HoldCo”), which was a wholly-owned subsidiary of ePlus, to Marlin Leasing Corporation (d/b/a PEAC Solutions), thereby selling our domestic subsidiaries comprising the majority of our financing business segment. This divestiture positions us going forward as a pure-play technology solutions provider and represents a strategic shift in our operations. Consequently, our financial statements present our financial results for all periods, and we are retrospectively presenting the results of our domestic financing business as discontinued operations. In our unaudited consolidated balance sheets, we present the assets and liabilities of our domestic financing business as assets and liabilities of discontinued operations in all periods presented. In our unaudited consolidated statements of operations, we present the operating results of our domestic financing business in earnings from discontinued operations. Please see [Note 4](#), “Discontinued Operations” for additional information on the transaction and its effect on our financial statements. After the sale, our remaining three reportable segments are Product, Professional Services, and Managed Services, which we formerly referred to collectively as our technology business.

INTERIM FINANCIAL STATEMENTS — The unaudited consolidated financial statements for the three months ended June 30, 2025, and 2024, were prepared by us and include all normal and recurring adjustments that, in the opinion of management, are necessary for a fair presentation of our financial position, results of operations, changes in comprehensive income, and cash flows for such periods. Operating results for the three months ended June 30, 2025, and 2024, are not necessarily indicative of results that may be expected for any other interim period or for the full fiscal year ended March 31, 2026, or any other future period. These unaudited consolidated financial statements do not include all disclosures required by the accounting principles generally accepted in the United States (“US GAAP”) for annual financial statements. Our audited consolidated financial statements are contained in our annual report on Form 10-K for the year ended March 31, 2025 (“2025 Annual Report”), which should be read in conjunction with these interim consolidated financial statements.

USE OF ESTIMATES — The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Estimates are used when accounting for items and matters including, but not limited to, revenue recognition, residual values, vendor consideration, goodwill and intangible assets, allowance for credit losses, inventory obsolescence, and the recognition and measurement of income tax assets and other provisions and contingencies. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates.

CONCENTRATIONS OF RISK — A substantial portion of our sales are products from Cisco Systems, which represented approximately 26% and 36% of our net sales for the three months ended June 30, 2025, and 2024, respectively.

SIGNIFICANT ACCOUNTING POLICIES — The significant accounting policies used in preparing these Consolidated Financial Statements were applied on a basis consistent with those reflected in our Consolidated Financial Statements for the year ended March 31, 2025, except for the changes provided in [Note 2](#), “Recent Accounting Pronouncements.”

2. RECENT ACCOUNTING PRONOUNCEMENTS

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. This update requires disaggregated information about a reporting entity’s effective tax rate reconciliation as well as information on income taxes paid. This update is effective for annual periods beginning in our fiscal year ending March 31, 2026. Early adoption is permitted. We are currently evaluating the impact that this update will have on our financial statement disclosures.

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. The standard requires public business entities to disclose detailed information about specific types of expenses that are relevant to certain line items on the income statement. This update is effective for annual periods beginning in our fiscal year ending March 31, 2028, and interim periods beginning in the first quarter of our fiscal year ending March 31, 2029. Early adoption is permitted. We are currently evaluating the impact that this update will have on our financial statement disclosures.

3. REVENUES

ACCOUNTS RECEIVABLE AND CONTRACT ASSETS

Our balance in accounts receivable—trade, net includes our accounts receivable recognized from contracts with customers and contract assets. Contract assets represent our right to consideration in exchange for goods or services that we transferred to a customer when that right is conditioned on something other than the passage of time.

The following table provides a disaggregation of our balance in accounts receivable—trade, net (in thousands):

	June 30, 2025	March 31, 2025
Accounts receivable	\$ 687,904	\$ 507,052
Contract assets	16,288	13,775
Allowance for credit losses	(3,319)	(3,902)
Total accounts receivable—trade, net	<u>\$ 700,873</u>	<u>\$ 516,925</u>

CONTRACT LIABILITIES

Contract liabilities represent our obligation to transfer goods or services to a customer for which we received consideration, or the amount is due from the customer. Our contract liabilities consist of our deferred revenue and deferred revenue—long-term in our consolidated balance sheets. Revenues recognized from the beginning contract liability balance was \$42.8 million and \$40.5 million for the three months ended June 30, 2025, and 2024, respectively.

PERFORMANCE OBLIGATIONS

The following table includes revenue expected to be recognized in the future related to performance obligations, primarily non-cancelable contracts for ePlus managed services, that are unsatisfied or partially unsatisfied at the end of the reporting period (in thousands):

Remainder of the year ending March 31, 2026	\$	74,913
Year ending March 31, 2027		50,250
Year ending March 31, 2028		25,546
Year ending March 31, 2029		13,538
Year ending March 31, 2030 and thereafter		4,369
Total remaining performance obligations	\$	<u>168,616</u>

The table does not include the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less, and (ii) contracts where we recognize revenue at the amount that we have the right to invoice for services performed.

4. DISCONTINUED OPERATIONS

On June 30, 2025, we completed the sale of HoldCo to Marlin Leasing Corporation pursuant to the Membership Interest Purchase Agreement dated June 20, 2025, thereby selling our domestic financing business. In the transaction, we received net cash proceeds of \$156.7 million, consisting of cash proceeds of \$180.1 million less cash transferred of \$23.4 million, recognized a receivable of \$7.8 million related to a post-closing adjustment process based on the book value of the assets associated with HoldCo and other adjustments, and recognized a contingent consideration asset of \$13.5 million. See [Note 13](#), "Fair Value of Financial Instruments" for a discussion of our contingent consideration asset. We incurred approximately \$4.0 million in transaction costs during our quarter ended June 30, 2025, which are netted against the gain on sale of HoldCo before income taxes. In connection with the sale, we entered into a transition services agreement, pursuant to which ePlus and Marlin Leasing Corporation will provide certain transition services to each other after the sale.

The sale of our domestic financing business positions us going forward as a pure-play technology solutions provider and represents a strategic shift in our operations. Consequently, our financial statements present our financial results for all periods, and we are retrospectively presenting the results of our domestic financing business as discontinued operations.

The following table provides our operating results of discontinued operations for the three months ended June 30, 2025, and 2024 (in thousands):

	Three months ended June 30,	
	2025	2024
Net sales	\$ 15,811	\$ 8,886
Cost of sales	1,734	1,279
Gross profit	14,077	7,607
Selling, general, and administrative	3,599	3,012
Interest and financing costs	450	585
Operating expenses	4,049	3,597
Operating income	10,028	4,010
Other income—net	211	362
Earnings before gain from sale and income taxes	10,239	4,372
Gain from sale of HoldCo before income taxes	4,368	-
Earnings before income taxes	14,607	4,372
Provision for income taxes	4,038	1,226
Earnings from discontinued operations, net of tax	\$ 10,569	\$ 3,146

The following table provides the major classes of assets and liabilities that are classified as discontinued operations as of March 31, 2025 (in thousands):

	March 31, 2025
ASSETS	
Accounts receivable	\$ 34,610
Financing receivables—net, current	168,392
Other current assets	19,397
Current assets of discontinued operations	<u>\$ 222,399</u>
Financing receivables and operating leases—net	\$ 126,408
Other assets—long-term	7,427
Non-current assets of discontinued operations	<u>\$ 133,835</u>
LIABILITIES	
Accounts payable	\$ 127,154
Salaries and commissions payable	2,812
Non-recourse notes payable—current	27,456
Other current liabilities	9,041
Current liabilities of discontinued operations	<u>\$ 166,463</u>
Non-recourse notes payable—long-term	11,317
Other liabilities—long-term	1,229
Non-current liabilities of discontinued operations	<u>\$ 12,546</u>

5. GOODWILL AND OTHER INTANGIBLE ASSETS

GOODWILL

The following table summarizes the changes in the carrying amount of goodwill for the three months ended June 30, 2025 (in thousands):

	Product	Professional Services	Managed Services	Total
Balance, March 31, 2025 (1)	\$ 129,177	\$ 63,779	\$ 9,902	\$ 202,858
Acquisitions	-	-	-	-
Foreign currency translations	94	18	9	121
Balance, June 30, 2025 (1)	<u>\$ 129,271</u>	<u>\$ 63,797</u>	<u>\$ 9,911</u>	<u>\$ 202,979</u>

(1) Balance is net of \$4,644 thousand in accumulated impairments that were recorded in a segment that preceded our current segment organization.

Goodwill represents the premium paid over the fair value of the net tangible and intangible assets that are individually identified and separately recognized in business combinations.

The only activity in our goodwill balance over the three months ended June 30, 2025 was foreign currency translation adjustments.

We test goodwill for impairment on an annual basis, as of the first day of our third fiscal quarter, and between annual tests if an event occurs, or circumstances change, that would more likely than not reduce the fair value of a reporting unit below its carrying value.

In our annual test as of October 1, 2024, we performed a qualitative assessment of goodwill and concluded that, more likely than not, the fair value of our product, professional services, and managed services reporting units continued to exceed their carrying value.

OTHER INTANGIBLE ASSETS

Our other intangible assets consist of purchased intangible assets and capitalized software development.

The following table provides the composition of our purchased intangible assets as of June 30, 2025, and March 31, 2025 (in thousands):

	June 30, 2025			March 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	\$ 167,207	\$ (98,426)	\$ 68,781	\$ 167,093	\$ (93,085)	\$ 74,008
Trade names and other	11,486	(3,846)	7,640	11,459	(3,500)	7,959
Total purchased intangible assets	\$ 178,693	\$ (102,272)	\$ 76,421	\$ 178,552	\$ (96,585)	\$ 81,967

Our customer relationships, trade names, and other intangible assets are generally amortized between 5 to 10 years.

Total amortization expense for other intangible assets was \$5.5 million and \$3.8 million for the three months ended June 30, 2025, and June 30, 2024, respectively.

6. ALLOWANCE FOR CREDIT LOSSES

The following table provides the activity in our allowance for credit losses within accounts receivable—trade for the three months ended June 30, 2025, and 2024 (in thousands):

	Three months ending June 30,	
	2025	2024
Beginning	\$ 3,902	\$ 2,549
Provision for credit losses	596	75
Write-offs and other	(1,179)	(12)
Ending	\$ 3,319	\$ 2,612

7. CREDIT FACILITY

We finance the operations of our subsidiaries ePlus Technology, inc. and ePlus Technology Services, inc. (collectively, the “Borrowers”) through a credit facility with Wells Fargo Commercial Distribution Finance, LLC (“WFCDF”). The WFCDF credit facility (the “WFCDF Credit Facility”) has a floor plan facility and a revolving credit facility.

Our credit facility is provided by a syndicate of banks for which WFCDF acts as administrative agent and consists of a discretionary senior secured floor plan facility in favor of the Borrowers in the aggregate principal amount of up to \$500.0 million, together with a sublimit for a revolving credit facility for up to \$200.0 million. On June 20, 2025, the WFCDF Credit Facility was amended in anticipation of the sale of the financing business. The substantive terms of the WFCDF Credit Facility were not materially changed by such amendment.

Under the accounts payable floor plan facility, we had an outstanding balance of \$129.4 million and \$89.5 million as of June 30, 2025, and March 31, 2025, respectively. On our balance sheet, our liability under the accounts payable floor plan facility is presented as accounts payable – floor plan.

We use the floor plan to facilitate the purchase of inventory from designated suppliers. WFCDF pays our suppliers and provides us with extended payment terms. We pay down the floor plan facility on three specified dates each month, generally 45 to 60 days from the invoice date. Other than unused line fees, if applicable, we do not incur any interest or other incremental expenses for the floor plan facility. We are not involved in establishing the terms or conditions of the arrangements between our suppliers and WFCDF.

We may use the revolving credit facility for our borrowing needs. We did not have any outstanding balances under the revolving credit facility as of June 30, 2025, and March 31, 2025.

The amount of principal available is subject to a borrowing base determined by, among other things, the Borrowers' accounts receivable and inventory, each pursuant to a formula and subject to certain reserves. Loans accrue interest at a rate per annum equal to Term SOFR Rate plus a Term SOFR Adjustment of 0.10% plus an Applicable Margin of 1.75%.

Our borrowings under the WFCDF Credit Facility are secured by the assets of the Borrowers. Additionally, the WFCDF Credit Facility requires a guaranty of \$10.5 million by ePlus inc.

Under the WFCDF Credit Facility, the Borrowers are restricted in their ability to pay dividends to ePlus inc. unless their available borrowing meets certain thresholds. As of June 30, 2025, and March 31, 2025, their available borrowing met the thresholds such that there were no restrictions on their ability to pay dividends.

The WFCDF Credit Facility has an initial one-year term, which automatically renews for successive one-year terms thereafter. However, either the Borrowers or WFCDF may terminate the WFCDF Credit Facility at any time by providing a written termination notice to the other party no less than 90 days prior to such termination.

The loss of the WFCDF Credit Facility could have a material adverse effect on our future results as we currently rely on this facility and its components for daily working capital and liquidity for our business and as an operational function of our accounts payable process.

8. COMMITMENTS AND CONTINGENCIES

LEGAL PROCEEDINGS

We are subject to various legal proceedings, as well as demands, claims and threatened litigation, that arise in the normal course of our business and have not been fully resolved. The ultimate outcome of any litigation or other legal dispute is uncertain. When a loss related to a legal proceeding or claim is probable and reasonably estimable, we accrue our best estimate for the ultimate resolution of the matter. If one or more legal matters are resolved against us in a reporting period for amounts above our expectations, our financial condition and operating results for that period may be adversely affected. As of June 30, 2025, we do not believe that there is a reasonable possibility that any material loss exceeding the amounts already recognized for these proceedings and matters, if any, has been incurred. Any outcome, whether favorable or unfavorable, may materially and adversely affect us due to legal costs and expenses, diversion of management attention and other factors. We expense legal costs in the period incurred. We cannot assure that additional contingencies of a legal nature or contingencies having legal aspects will not be asserted against us in the future, and these matters could relate to prior, current, or future transactions or events.

9. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net earnings available to common shareholders by the basic weighted average number of shares of common stock outstanding during each period. Diluted earnings per share is calculated by dividing net earnings available to common shareholders by the basic weighted average number of shares of common stock outstanding plus common stock equivalents during each period.

The following table provides a reconciliation of the numerators and denominators used to calculate basic and diluted net income per common share as disclosed on our unaudited consolidated statements of operations for the three months ended June 30, 2025, and 2024, respectively (in thousands, except per share data).

	Three Months Ended June 30,	
	2025	2024
Net earnings attributable to common shareholders—basic and diluted		
Continuing operations	\$ 27,128	\$ 24,193
Discontinued operations	10,569	3,146
Net earnings	<u>\$ 37,697</u>	<u>\$ 27,339</u>
Basic and diluted common shares outstanding:		
Weighted average common shares outstanding—basic	26,270	26,642
Effect of dilutive shares	111	159
Weighted average shares common outstanding—diluted	<u>26,381</u>	<u>26,801</u>
Earnings per common share—basic		
Continuing operations	\$ 1.03	\$ 0.91
Discontinued operations	0.40	0.12
Earnings per common share—basic	<u>\$ 1.43</u>	<u>\$ 1.03</u>
Earnings per common share—diluted		
Continuing operations	\$ 1.03	\$ 0.90
Discontinued operations	0.40	0.12
Earnings per common share—diluted	<u>\$ 1.43</u>	<u>\$ 1.02</u>

10. STOCKHOLDERS' EQUITY

SHARE REPURCHASE PLAN

On May 18, 2024, our board of directors had authorized the repurchase of up to 1,250,000 shares of our outstanding common stock over a 12-month period that began on May 28, 2024 and terminated on May 27, 2025. On March 22, 2023, our board of directors had authorized the repurchase of up to 1,000,000 shares of our outstanding common stock over a 12-month period that began on May 28, 2023 and terminated on May 27, 2024. Under each authorized program, when such program was in place, we could make purchases from time to time in the open market, or in privately negotiated transactions, subject to availability and the plan terms. Any repurchased shares had the status of treasury shares and may be used, when needed, for general corporate purposes.

During the three months ended June 30, 2025, we repurchased 47,488 shares of common stock at a value of \$3.3 million to satisfy tax withholding obligations relating to the vesting of employees' restricted stock.

During the three months ended June 30, 2024, we repurchased 109,869 shares of our outstanding common stock at a value of \$8.1 million under the then-current share repurchase plan. We also repurchased 52,450 shares of common stock at a value of \$3.8 million to satisfy tax withholding obligations relating to the vesting of employees' restricted stock.

On August 7, 2025, our board of directors authorized the repurchase of up to 1,500,000 shares of our outstanding common stock over a 12-month period commencing on August 11, 2025.

11. SHARE-BASED COMPENSATION

SHARE-BASED PLANS

As of June 30, 2025, we had share-based awards outstanding under the following plans: (1) the 2017 Non-Employee Director Long-Term Incentive Plan (“2017 Director LTIP”), (2) the 2024 Non-Employee Director Long-Term Incentive Plan (“2024 Director LTIP”) and (3) the 2021 Employee Long-Term Incentive Plan (“2021 Employee LTIP”).

These share-based plans define fair market value as the closing sales price of a share of common stock as quoted on any established stock exchange for such date or the most recent trading day preceding such date if there were no trades on such date.

RESTRICTED STOCK ACTIVITY

For the three months ended June 30, 2025, we granted 351 restricted shares under the 2024 Director LTIP and 121,844 restricted shares under the 2021 Employee LTIP. For the three months ended June 30, 2024, we granted 437 restricted shares under the 2017 Director LTIP and 121,097 restricted shares under the 2021 Employee LTIP.

The following table provides a summary of the unvested restricted shares for the three months ended June 30, 2025:

	Number of Shares	Weighted Average Grant-date Fair Value
Nonvested April 1, 2025	275,773	\$ 64.80
Granted	122,195	\$ 72.77
Vested	(134,548)	\$ 61.77
Forfeited	(3,282)	\$ 66.45
Nonvested June 30, 2025	<u>260,138</u>	<u>\$ 70.09</u>

PERFORMANCE STOCK UNITS

Beginning with the fiscal year ended March 31, 2024, we granted Performance Stock Units (“PSUs”) to our executive officers under our 2021 Employee LTIP. The PSUs will vest based on the achievement of certain performance goals at the end of a three-year performance period. The PSUs represent the right to receive shares of our common stock at the time of vesting. The total number of PSUs that vest range from 0% to 200% of the target number of PSUs based on our achievement of certain performance targets. As of June 30, 2025, and March 31, 2025, we had 34,535 unvested PSUs with a weighted average grant date fair value of \$70.94. There were no PSUs granted or vested during the three months ended June 30, 2025.

EMPLOYEE STOCK PURCHASE PLAN

We provide eligible employees the opportunity to purchase shares of our stock through the 2022 Employee Stock Purchase Plan (“ESPP”). Under this plan, eligible employees may purchase up to an aggregate of 2.50 million shares of our stock. Employees in this plan contribute part of their earnings over a six-month offering period. At the end of each offering period, employees purchase our shares using their contributions at a discount off the lesser of the closing market price on the first or the last trading day of each offering period. During the three months ended June 30, 2025, and June 30, 2024, we issued 28,665 shares at a price of \$61.29 per share and 28,915 shares at a price of \$62.63 per share, respectively, under the ESPP. As of June 30, 2025, there were 2.34 million shares remaining under the ESPP.

COMPENSATION EXPENSE

The following table provides a summary of our total share-based compensation expense, including for restricted stock awards, PSUs, our ESPP, and the related income tax benefit for the three months ended June 30, 2025, and 2024 (in thousands):

	Three Months Ended June 30,	
	2025	2024
Equity-based compensation expense	\$ 3,440	\$ 2,791
Income tax benefit	(905)	(756)

We recognized the income tax benefit as a reduction to our provision for income taxes. As of June 30, 2025, the total unrecognized compensation expense related to unvested restricted stock was \$17.1 million, which is expected to be recognized over a weighted-average period of 36 months.

We also provide our employees with a contributory 401(k) profit sharing plan (the "401(k) plan"), to which we may contribute from time to time at our sole discretion. Employer contributions to the 401(k) plan are always fully vested. Our estimated contribution expense to the 401(k) plan for the three months ended June 30, 2025, and 2024, were \$1.5 million and \$1.4 million, respectively.

12. INCOME TAXES

Our provision for income tax expense was \$9.7 million for the three months ended June 30, 2025, as compared to \$9.0 million for the same three-month period in the prior year. Our effective income tax rate for the three months ended June 30, 2025, and 2024, were 26.3% and 27.1%, respectively. The effective tax rate for the three months ended June 30, 2025, and June 30, 2024, differed from the US federal statutory rate of 21.0% primarily due to state and local income taxes.

On July 4, 2025, the One Big Beautiful Bill Act (the "OBBBA") was enacted into law, resulting in significant changes to the US tax code. OBBBA permanently extends many of the tax provisions of the Tax Cuts and Jobs Act of 2017, which were scheduled to expire on December 31, 2025. OBBBA introduces modifications to various U.S. corporate tax provisions, with staggered effective dates ranging from 2025 to 2027. We are currently assessing its impact on our consolidated financial statements.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table summarizes the fair value hierarchy of our financial instruments as of June 30, 2025, and March 31, 2025 (in thousands):

	Recorded Amount	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>June 30, 2025</u>				
Assets:				
Money market funds	\$ 392,717	\$ 392,717	\$ -	\$ -
Contingent Consideration	\$ 13,502	\$ -	\$ -	\$ 13,502
<u>March 31, 2025</u>				
Assets:				
Money market funds	\$ 280,067	\$ 280,067	\$ -	\$ -

Through the agreement for the sale of HoldCo, we may earn and receive Holdback Premium (as defined below) payments and two different types of Earn-Outs (as defined below, and together with the Holdback Premium the “Contingent Consideration”) based on the post-Closing performance of the HoldCo Group (as defined below), as operated by PEAC Solutions. We estimated the fair value of each element of the Contingent Consideration using a Monte Carlo simulation model. We include the Contingent Consideration as part of property, equipment, and other assets—net in our consolidated balance sheet.

We may receive aggregate post-Closing cash payments of up to \$3.0 million (the “Holdback Premium”) based on the achievement of customer lease receivable originations targets by HoldCo (i) from the Closing Date to the 18-month anniversary of the Closing Date and (ii) from the 18-month anniversary of the Closing Date to the 30-month anniversary of the Closing Date.

The two types of earn-out payments that are potentially payable to us are based on (i) the volume of originations of certain types of lease receivables (the “Lease Originations Earn-Out”) and (ii) the profitability of certain lease receivables originated either to US federal governmental entities or for which a prime contractor acting on behalf of a government entity is the obligor (the “Transaction Gains Earn-Out,” and together with the Lease Originations Earn-Out, the “Earn-Outs”). Each of the Earn-Outs will be measured for each of the first three consecutive twelve-month periods following the Closing. The Lease Originations Earn-Out is capped at \$10.0 million in aggregate for all three post-Closing years. The Transaction Gains Earn-Out does not have a maximum cap.

14. BUSINESS COMBINATIONS

BAILIWICK SERVICES, LLC

On August 19, 2024, our subsidiary, ePlus Technology, inc., acquired 100% of the membership interests of Bailiwick Services, LLC (“Bailiwick”). Based near Minneapolis, Minnesota, Bailiwick is a provider of professional and managed services with nearly 30 years in the business. Bailiwick specializes in serving enterprise customers that operate large store, branch, and campus footprints predominantly in the retail, financial services, restaurant, and hospitality markets.

Our preliminary sum for consideration transferred is \$124.9 million, which consists of \$126.2 million paid in cash at closing, less \$1.5 million cash acquired, plus \$0.2 million paid in December 2024 to the sellers based on adjustments to a determination of the total net assets delivered. Our preliminary allocation of the purchase consideration to the assets acquired and liabilities assumed is presented below (in thousands):

	<u>Acquisition Date Amount</u>
Accounts receivable	\$ 41,719
Contract assets	7,712
Other assets	20,669
Identified intangible asset	58,010
Accounts payable and other liabilities	(38,273)
Contract liabilities	(6,216)
Total identifiable net assets	<u>83,621</u>
Goodwill	41,305
Total purchase consideration	<u>\$ 124,926</u>

The identified intangible assets of \$58.0 million consists of customer relationships of \$49.3 million with an estimated useful life of ten years and trade name of \$8.7 million with a preliminary useful life of seven years.

We recognized goodwill related to this transaction of \$41.3 million, which was assigned to our professional services and product segments. The goodwill recognized in the Bailiwick acquisition is attributable to the acquired assembled workforce and expected synergies, none of which qualify for recognition as a separate intangible asset. The total amount of goodwill expected to be deductible for tax purposes is \$44.4 million.

The amount of revenues and earnings of the acquiree since the acquisition date are not material. Likewise, the impact to the revenue and earnings of the combined entity for the current reporting period as though the acquisition date had been April 1, 2024, is not material.

15. SEGMENT REPORTING

We manage and report our operating results through three operating segments: product, professional services, and managed services. Our organizational structure is based on how our chief operating decision maker (“CODM”) allocates resources, manages operations, and evaluates performance. Our CODM is our Chief Executive Officer.

Our product segment includes sales of IT products, third-party software, and third-party maintenance, software assurance, and other third-party services. Our professional services segment includes our advanced professional services, staff augmentation, project management services, cloud consulting services and security services. Our managed services segment includes our advanced managed services, service desk, storage-as-a-service, cloud hosted services, cloud managed services and managed security services. Our other category consists of the international entities of our financing business that we retained after selling our domestic financing business.

Our CODM measures the performance of the segments based on gross profit. We do not present asset information for our reportable segments as we do not provide asset information to our CODM. Our CODM reviews financial results and forecasts quarterly to manage operations and evaluate performance. Our CODM also uses our financial results and forecasts to make investment decisions as part of our annual budgeting process.

The following table provides reportable segment information (in thousands):

	Three Months Ended June 30,	
	2025	2024
Net Sales:		
Product	\$ 520,895	\$ 457,312
Professional services	71,729	37,279
Managed services	44,580	40,910
Total reportable segments	637,204	535,501
Other	111	151
Total	637,315	535,652
Cost of sales:		
Product	414,413	358,807
Professional services	43,576	21,824
Managed services	31,046	28,076
Total reportable segments	489,035	408,707
Other	64	71
Total	489,099	408,778
Gross Profit:		
Product	106,482	98,505
Professional services	28,153	15,455
Managed services	13,534	12,834
Total reportable segments	148,169	126,794
Other	47	80
Total	\$ 148,216	\$ 126,874

DISAGGREGATION OF REVENUE

We recognize revenue in our product, professional services, and managed services segments from contracts with customers. We recognize revenue in the other category under guidance for financing and leases.

The following tables provide a disaggregation of revenue recognized from contracts with customers by timing and our position as principal or agent (in thousands):

	Three months ended June 30, 2025			
	Product	Professional Services	Managed Services	Total
<u>Timing and position as principal or agent:</u>				
Transferred at a point in time as principal	\$ 474,505	\$ -	\$ -	\$ 474,505
Transferred at a point in time as agent	46,390	-	-	46,390
Transferred over time as principal	-	71,729	44,580	116,309
Total revenue from contracts with customers	<u>\$ 520,895</u>	<u>\$ 71,729</u>	<u>\$ 44,580</u>	<u>\$ 637,204</u>

	Three months ended June 30, 2024			
	Product	Professional Services	Managed Services	Total
<u>Timing and position as principal or agent:</u>				
Transferred at a point in time as principal	\$ 421,884	\$ -	\$ -	\$ 421,884
Transferred at a point in time as agent	35,428	-	-	35,428
Transferred over time as principal	-	37,279	40,910	78,189
Total revenue from contracts with customers	<u>\$ 457,312</u>	<u>\$ 37,279</u>	<u>\$ 40,910</u>	<u>\$ 535,501</u>

The following tables provide a disaggregation of our revenue from contracts with customers by customer end market and by type (in thousands):

	Three Months Ended June 30,	
	2025	2024
<u>Customer end market:</u>		
Telecom, media & entertainment	\$ 184,979	\$ 117,553
SLED	90,562	92,096
Technology	82,747	109,106
Healthcare	74,291	75,280
Financial services	47,500	49,725
All others	157,125	91,741
Total revenue from contracts with customers	<u>\$ 637,204</u>	<u>\$ 535,501</u>
<u>Type:</u>		
Product segment:		
Networking	\$ 218,202	\$ 234,740
Cloud	206,996	137,231
Security	61,107	48,005
Collaboration	11,757	20,899
Other	22,833	16,437
Total product segment	520,895	457,312
Professional services segment	71,729	37,279
Managed services segment	44,580	40,910
Total revenue from contracts with customers	<u>\$ 637,204</u>	<u>\$ 535,501</u>

Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The below is intended to provide context to our consolidated financial condition and results of continuing operations. It should be read in conjunction with the unaudited consolidated financial statements included in this Quarterly Report on Form 10-Q and the audited consolidated financial statements included in our annual report on Form 10-K for the year ended March 31, 2025 (“2025 Annual Report”). These historical financial statements may not be indicative of our future performance. This Management’s Discussion and Analysis of Financial Condition and Results of Operations may contain forward-looking statements, all of which are based on our current expectations and could be affected by the uncertainties and risks described in Part I, Item 1A, “Risk Factors,” in our 2025 Annual Report, as well as in our other filings with the SEC.

EXECUTIVE OVERVIEW

BUSINESS DESCRIPTION

We are a leading solutions provider in the areas of security, cloud, networking, collaboration, artificial intelligence (“AI”), and emerging technologies. We deliver actionable outcomes for organizations by using information technology (“IT”) and consulting solutions to drive business agility and innovation. Leveraging our engineering talent, we assess, plan, deliver, and secure solutions comprised of leading technologies and consumption models aligned with our customers’ needs. Our expertise and experience enable us to craft optimized solutions that take advantage of the cost, scale, and efficiency of private, public and hybrid cloud services in an evolving market.

As part of our solutions, we provide consulting, professional services, managed services, IT staff augmentation, and complete lifecycle management services in the areas of security, cloud, networking, collaboration, and emerging technologies. Further, we offer professional services in the spaces of digital signage, electric vehicle (“EV”) charging solutions, loss prevention and security, store openings, remodels, and store closings.

We deliver integrated solutions that address our customers’ business needs, leveraging the appropriate technologies, both on-premises and in the cloud. Our approach is to lead with advisory consulting to understand our customers’ needs, and then design, deploy, and manage solutions aligned to their objectives. Underpinning the broader areas of cloud, security, networking, and collaboration are specific skills in orchestration and automation, application modernization, DevSecOps, zero-trust architectures, data management, data visualization, analytics, network modernization, edge computing and other advanced and emerging technologies. These solutions are comprised of class-leading technologies from our commercial partners.

We are a reseller for thousands of manufacturers, which have enabled us to provide our customers with new and evolving IT solutions. We possess top-level IT engineering certifications with a broad range of leading IT vendors that enable us to offer IT solutions that are optimized for each of our customers’ specific requirements.

We serve primarily middle market to large enterprises across diverse markets including telecom, media and entertainment, technology, state and local government and educational institutions (“SLED”), healthcare, and financial services. We sell to customers in the United States (“US”), which account for most of our sales, and to customers in select international markets including the United Kingdom (“UK”), the European Union (“EU”), India, and Singapore.

On June 30, 2025, we completed the sale of Expo Holdings, LLC (“HoldCo”), which was a wholly-owned subsidiary of ePlus, to Marlin Leasing Corporation (d/b/a PEAC Solutions), thereby selling ePlus’ domestic subsidiaries comprising the majority of our financing business segment. This divestiture positions us going forward as a pure-play technology solutions provider and represents a strategic shift in our operations. Consequently, our financial statements present our financial results for all periods and we are retrospectively presenting the results of our domestic financing business as discontinued operations. In our unaudited consolidated balance sheets, we present the assets and liabilities of our domestic financing business as assets and liabilities of discontinued operations in all periods presented. In our unaudited consolidated statements of operations, we present the operating results of our domestic financing business in earnings from discontinued operations. After the sale, our remaining three reportable segments are Product, Professional Services, and Managed Services, which we formerly referred to collectively as our technology business.

BUSINESS TRENDS

We believe the following key factors impact our business performance and our ability to achieve business results:

- General economic concerns including changes in law and policy by the current US government, inflation, tariffs, export requirements, sanctions, changing interest rates, staffing shortages, remote work trends, geopolitical concerns and changes in US government spending and contracting practices may impact our customers' willingness to spend on technology and services.
- Within our enterprise accounts, we are experiencing pricing pressure impacting our gross profit and increased sales.
- Our customers' top focus areas include AI, security, cloud solutions, as well as digital transformation and modernization. We have developed advisory services, assessments, solutions, and professional and managed services to meet these priorities and help our customers attain and maintain their desired outcome.
- Modernizing legacy applications, data modernization, reducing operational complexity, securing workloads, the cost and performance of IT operations, and agility are changing the way companies are purchasing and consuming technology. These are fueling deployments of solutions on cloud, managed services and hybrid platforms and licensing models, which may include invoicing over the term of the engagement and may result in additional revenue recognized on a net basis.
- Rapid cloud adoption has led to customer challenges around increasing costs, security concerns, and skillset gaps. These challenges are consistent across all industries and business sizes. We have developed a Cloud Managed Services portfolio to address these needs, allowing our clients to focus on driving business outcomes via optimized and secure cloud platforms.

KEY BUSINESS METRICS

Our management monitors several financial and non-financial measures and ratios on a regular basis to track the progress of our business. We believe that the most important of these measures and ratios include net sales, gross profit and margin, operating income margin, net earnings, and net earnings per common share, in each case based on information prepared in accordance with United States Generally Accepted Accounting Principles ("US GAAP"), as well as the non-GAAP financial measures and ratios, including Adjusted EBITDA, Adjusted EBITDA margin, Non-GAAP: Net earnings and Non-GAAP: Net earnings per common share - diluted.

We also use a variety of operating and other information to evaluate the operating performance of our business, develop financial forecasts, make strategic decisions, and prepare and approve annual budgets. We use gross billings as an operational metric to assess the volume of transactions or market share for our product, professional services, and managed services segments as well as to understand changes in our accounts receivable and accounts payable balances and our statement of cash flows. We believe our gross billings metric will aid investors in the same manner to evaluate our business.

These key indicators include financial information that is prepared in accordance with US GAAP and presented in our consolidated financial statements, as well as non-GAAP and operational performance measurement tools. Generally, a non-GAAP financial measure is a numerical measure of a company's performance or financial position that either excludes or includes amounts that are correspondingly not normally excluded or included in the most directly comparable measure calculated and presented in accordance with US GAAP. Our use of non-GAAP information as analytical tools has limitations, and should not be considered in isolation or as substitutes for analysis of our financial results reported under GAAP, as these measures used by management may differ from similar measures used by other companies, even when similar terms are used to identify such measures.

We use Adjusted EBITDA, Adjusted EBITDA margin, Non-GAAP net earnings and Non-GAAP net earnings per common share - diluted as supplemental measures of our performance to gain and provide insight into our operating performance and performance trends and believe that these measures provide useful information to investors and others in understanding and evaluating our operating results. Please see footnotes (1) and (2) of the below tables for more information.

The following tables provide our key business metrics for our consolidated entity (in thousands, except per share amounts):

	Three Months Ended June 30,	
	2025	2024
Financial metrics		
Net sales	\$ 637,315	\$ 535,652
Gross profit	\$ 148,216	\$ 126,874
Gross profit margin	23.3%	23.7%
Operating income	\$ 36,200	\$ 31,459
Operating income margin	5.7%	5.9%
Net earnings from continuing operations	\$ 27,128	\$ 24,193
Net earnings from continuing operations margin	4.3%	4.5%
Net earnings per common share - diluted	\$ 1.03	\$ 0.90
Non-GAAP financial metrics		
Non-GAAP: Net earnings from continuing operations (1)	\$ 33,164	\$ 27,366
Non-GAAP: Net earnings from continuing operations per common share - diluted (1)	\$ 1.26	\$ 1.01
Adjusted EBITDA (2)	\$ 46,709	\$ 39,069
Adjusted EBITDA margin (2)	7.3%	7.3%
Operational metrics		
Gross billings: (3)		
Cloud	\$ 312,017	\$ 241,274
Networking	268,732	281,528
Security	190,045	151,883
Collaboration	22,777	32,976
Other	51,446	44,592
Product segment	845,017	752,253
Services	107,748	81,455
Total	\$ 952,765	\$ 833,708

(1) Non-GAAP: Net earnings from continuing operations and Non-GAAP: Net earnings from continuing operations per common share – diluted are based on net earnings from continuing operations calculated in accordance with US GAAP, adjusted to exclude other (income) expense, share-based compensation, and acquisition and integration expenses, and the related tax effects.

We believe that the exclusion of other income and acquisition-related amortization expense in calculating Non-GAAP: Net earnings and Non-GAAP: Net earnings per common share – diluted provides management and investors a useful measure for period-to-period comparisons of our business and operating results by excluding items that management believes are not reflective of our underlying operating performance, which helps in understanding and the evaluation of our operating results. We use Non-GAAP: Net earnings from continuing operations and Non-GAAP: Net earnings from continuing operations per common share – diluted as supplemental measures of our performance to gain and provide insight into our operating performance and performance trends. However, our use of non-GAAP information as analytical tools has limitations, and should not be considered in isolation or as substitutes for analysis of our financial results as reported under US GAAP. In addition, other companies, including companies in our industry, might calculate similar Non-GAAP: Net earnings and Non-GAAP: Net earnings per common share – diluted or similarly titled measures differently, which may reduce their usefulness as comparative measures.

The following table provides our calculation of Non-GAAP: Net earnings and Non-GAAP: Net earnings from continuing operations per common share – diluted (in thousands, except per share amounts):

	Three Months Ended June 30,	
	2025	2024
GAAP: Earnings from continuing operations before tax	\$ 36,812	\$ 33,170
Share-based compensation	3,440	2,791
Acquisition related amortization expense	5,548	3,750
Other (income) expense, net	(612)	(1,711)
Non-GAAP: Earnings from continuing operations before provision for income taxes	45,188	38,000
GAAP: Provision for income taxes	9,684	8,977
Share-based compensation	916	781
Acquisition related amortization expense	1,473	1,047
Other (income) expense, net	(163)	(479)
Tax benefit (expense) on restricted stock	114	308
Non-GAAP: Provision for income taxes	12,024	10,634
Non-GAAP: Net earnings from continuing operations	<u>\$ 33,164</u>	<u>\$ 27,366</u>
	Three Months Ended June 30,	
	2025	2024
GAAP: Net earnings from continuing operations per common share—diluted	\$ 1.03	\$ 0.90
Share-based compensation	0.10	0.07
Acquisition related amortization expense	0.15	0.10
Other (income) expense, net	(0.02)	(0.05)
Tax benefit (expense) on restricted stock	-	(0.01)
Total non-GAAP adjustments—net of tax	0.23	0.11
Non-GAAP: Net earnings from continuing operations per common share—diluted	<u>\$ 1.26</u>	<u>\$ 1.01</u>

- (2) We define Adjusted EBITDA as net earnings from continuing operations calculated in accordance with US GAAP, adjusted for the following: interest expense, depreciation and amortization, share-based compensation, acquisition and integration expenses, provision for income taxes, and other income. In the table below, we provide a reconciliation of Adjusted EBITDA to net earnings from continuing operations, which is the most directly comparable financial measure to this non-GAAP financial measure. Adjusted EBITDA margin is our calculation of Adjusted EBITDA divided by net sales.

We believe that the exclusion of other income in calculating Adjusted EBITDA and Adjusted EBITDA margin provides management and investors with a useful measure for period-to-period comparisons of our business and operating results by excluding items that management believes are not reflective of our underlying operating performance, which helps in the understanding and evaluation of our operating results.

We use Adjusted EBITDA as a supplemental measure of our performance to gain and provide insight into our operating performance and performance trends. However, our use of Adjusted EBITDA and Adjusted EBITDA margin as analytical tools has limitations, and should not be considered in isolation or as substitutes for analysis of our financial results as reported under US GAAP. In addition, other companies, including companies in our industry, might calculate Adjusted EBITDA and Adjusted EBITDA margin or similarly titled measures differently, which may reduce their usefulness as comparative measures.

The following table provides our calculations of Adjusted EBITDA (in thousands):

	Three Months Ended June 30,	
	2025	2024
Net earnings from continuing operations	\$ 27,128	\$ 24,193
Provision for income taxes	9,684	8,977
Share-based compensation	3,440	2,791
Interest and financing costs	-	-
Depreciation and amortization	7,069	4,819
Other (income) expense, net	(612)	(1,711)
Adjusted EBITDA	<u>\$ 46,709</u>	<u>\$ 39,069</u>

- (3) Gross billings are the total dollar value of customer purchases of goods and services including shipping charges during the period, net of customer returns and credit memos, sales, or other taxes from our product, professional services, and managed services segments. Gross billings include the transaction values for certain sales transactions that are recognized on a net basis, and, therefore, include amounts that will not be recognized as revenue.

RESULTS OF OPERATIONS

Net sales: Net sales for the three months ended June 30, 2025, increased \$101.7 million compared to the three months ended June 30, 2024, due to increased net sales to customers in the telecom, media, and entertainment industries, offset by decreased net sales to customers in the technology, SLED, financial services, and healthcare industries. For further information, see the “Segment Results of Operations” below.

Gross profit: Consolidated gross profit for the three months ended June 30, 2025, increased \$21.3 million compared to the prior three-month period due to increases in net sales in all three of our operating segments. Overall, gross margins were down by 40 basis points year over year to 23.3%, primarily due to lower product margins led by a shift in product mix as we sold less third-party maintenance and subscriptions that are recognized on a net basis, and lower services margins. For further information, see the “Segment Results of Operations” below.

Selling, general, and administrative: Selling, general, and administrative expenses for the three months ended June 30, 2025, increased \$14.4 million compared to the three months ended June 30, 2024, mainly due to increases in salaries and benefits and general and administrative costs due to our acquisition of Bailiwick Services, LLC (“Bailiwick”) on August 19, 2024 that impacted the three months ended June 30, 2025 but not the corresponding 2024 period.

Salaries and benefits, including variable compensation and share-based compensation for the three months ended June 30, 2025, increased \$11.8 million compared to the same three-month period in the prior year, mainly driven by increased headcount. Our business had a total of 2,182 employees as of June 30, 2025, an increase of 275 from 1,907 employees as of June 30, 2024. Our increase in headcount is primarily due to adding 441 employees on August 19, 2024, from our acquisition of Bailiwick. Our higher headcount as of June 30, 2025, compared to June 30, 2024, was comprised of 249 customer-facing employees and 26 non-customer-facing employees. On July 1, 2025, we reduced our headcount by 45 employees that were transferred with our sale of HoldCo. Variable compensation increased \$5.4 million, which was a result of the corresponding increase in gross profit.

General and administrative expenses for the three months ended June 30, 2025, increased \$2.0 million as compared to the same three-month period in the prior year, due to the addition of Bailiwick. In total, including Bailiwick, we had higher software, subscription, and maintenance fees of \$0.8 million, higher professional fees of \$0.5 million, and higher office rent of \$0.4 million.

Provision for credit losses for the three months ended June 30, 2025, was \$0.6 million, as compared to \$0.1 million for the same three-month period in the prior year. Our higher provision for credit losses for the three months ended June 30, 2025, was due to an increase in exposure to accounts with higher credit risk.

Depreciation and amortization: Depreciation and amortization for the three months ended June 30, 2025, increased compared to the three months ended June 30, 2024, primarily due to amortization from intangible assets acquired in the Bailiwick acquisition.

Operating income: As a result of the foregoing, operating income for the three months ended June 30, 2025, increased \$4.7 million compared to the prior three-month period, and operating margin decreased by 20 basis points to 5.7%.

Other income (expense), net: Other income for the three months ended June 30, 2025, was \$0.6 million, compared to \$1.7 million for the three months ended June 30, 2024. Lower other income was driven by increased foreign exchange losses and decreased interest income. We had foreign exchange losses of \$1.5 million for the three months ended June 30, 2025, compared to losses of \$0.5 million for the same three-month period in the prior year. We had \$2.1 million in interest income for the three months ended June 30, 2025, compared to \$2.2 million for the three months ended June 30, 2024.

Provision for income taxes: Our provision for income tax expense for the three months ended June 30, 2025, was \$9.7 million, as compared to \$9.0 million for the same three-month period in the prior year. Our effective income tax rate for the three months ended June 30, 2025, and 2024, were 26.3% and 27.1%, respectively. Our effective income tax rate was lower for the three months ended June 30, 2025, as compared to the three months ended June 30, 2024, primarily due to lower state taxes.

Net earnings from continuing operations: Net earnings from continuing operations for the three months ended June 30, 2025, were \$27.1 million, an increase of \$2.9 million, as compared to \$24.2 million for the same three-month period in the prior year. The net earnings increase was due to the increase in operating profits, offset by a decrease in other income, driven by increased foreign exchange losses, and an increase in provision for income taxes.

Net earnings from discontinued operations, net of tax: Net earnings from discontinued operations, net of tax for the three months ended June 30, 2025, were \$10.6 million, an increase of \$7.5 million, as compared to \$3.1 million for the same three-month period in the prior year. The increase was due to the increase in operating profits of the domestic financing business and the gain on sale of our domestic financing business, net of transactions costs and before income taxes, of \$4.4 million.

Net earnings: Due to the aforementioned reasons, net earnings for the three months ended June 30, 2025, were \$37.7 million, an increase of \$10.4 million, as compared to \$27.3 million for the same three-month period in the prior year.

SEGMENT OVERVIEW

Following the divestiture of our domestic financing business, we organize our business into three reportable segments (which we formerly referred to collectively as the technology business):

- **Product segment:** Our product segment consists of the sale of third-party hardware, third-party perpetual and subscription software, and third-party maintenance, software assurance, and other third-party services. The product segment also includes internet-based business-to-business supply chain management solutions for IT products. We endeavor to minimize the cost of sales in our product segment through incentive programs provided by vendors and distributors.

- Professional services segment: Our professional services segment includes our advanced professional services to our customers that are performed under time and materials, fixed fee, or milestone contracts. Professional services include consulting, assessments, architecture, deployment, and configuration, logistic services, training, staff augmentation services, and project management services. Additionally, we offer professional services in the spaces of digital signage, EV charging solutions, loss prevention and security, store openings, remodels, and store closings.
- Managed services segment: Our managed services segment includes our advanced managed services that encompass managing various aspects of our customers' environments that are billed in regular intervals over a contract term, usually between three to five years. Managed services also include security solutions, storage-as-a-service, cloud hosted services, cloud managed services, and service desk.

Our other category consists of the international entities of our financing business that we retained after selling our domestic financing business.

SEGMENT RESULTS OF OPERATIONS

The three months ended June 30, 2025, compared to the three months ended June 30, 2024

The results of operations for our segments were as follows (dollars in thousands):

	Three Months Ended June 30,	
	2025	2024
<u>Financial metrics</u>		
Net sales:		
Product segment	\$ 520,895	\$ 457,312
Professional services segment	71,729	37,279
Managed services segment	44,580	40,910
Total reportable segments	637,204	535,501
Other	111	151
Total	<u>\$ 637,315</u>	<u>\$ 535,652</u>
Gross Profit:		
Product segment	\$ 106,482	\$ 98,505
Professional services segment	28,153	15,455
Managed services segment	13,534	12,834
Total reportable segments	148,169	126,794
Other	47	80
Total	<u>\$ 148,216</u>	<u>\$ 126,874</u>
Gross margin:		
Product segment	20.4%	21.5%
Professional services segment	39.2%	41.5%
Managed services segment	30.4%	31.4%
Other	42.3%	53.0%
Total	23.3%	23.7%
Net sales by customer end market:		
Telecom, media & entertainment	\$ 184,979	\$ 117,553
SLED	90,562	92,096
Technology	82,747	109,106
Healthcare	74,291	75,280
Financial services	47,500	49,725
All others	157,125	91,741
Total reportable segments	<u>\$ 637,204</u>	<u>\$ 535,501</u>
Net sales by type:		
Networking	\$ 218,202	\$ 234,740
Cloud	206,996	137,231
Security	61,107	48,005
Collaboration	11,757	20,899
Other	22,833	16,437
Total products segment	520,895	457,312
Professional services segment	71,729	37,279
Managed services segment	44,580	40,910
Total reportable segments	<u>\$ 637,204</u>	<u>\$ 535,501</u>

Net sales:

Product segment sales for the three months ended June 30, 2025, increased compared to the same three-month period in the prior year, due to increases in demand and a shift in product mix, as we sold less third-party maintenance and subscriptions that are recognized on a net basis. These changes were driven by the timing of purchases by existing customers, which are determined by their buying cycles, and the timing of specific IT-related initiatives.

Professional services segment sales for the three months ended June 30, 2025, increased compared to the same three-month period in the prior year, primarily due to increases in revenues from the acquisition of Bailiwick.

Managed services segment sales for the three months ended June 30, 2025, increased compared to the same three-month period in the prior year, due to ongoing expansion of these service offerings, primarily related to ongoing growth in enhanced maintenance support and cloud services.

Gross profit margin:

Product segment margin for the three months ended June 30, 2025, decreased by 110 basis points from the same three-month period in the prior year due to a shift in product mix resulting in a lower proportion of sales of third-party maintenance and subscriptions which are recorded on a net basis. Vendor incentives earned as a percentage of sales for the three months ended June 30, 2025 were flat compared to the same three-month period in the prior year.

Professional services segment margin for the three months ended June 30, 2025, decreased by 230 basis points from the same three-month period in the prior year primarily due to our acquisition of Bailiwick whose services have a lower gross margin due to the use of a higher proportion of third parties for delivery than our organic professional services.

Managed services segment margin for the three months ended June 30, 2025, decreased by 100 basis points from the same three-month period in the prior year, due to a decline in revenue from our service desk offering that resulted in a decrease in gross margin for that service line.

LIQUIDITY AND CAPITAL RESOURCES**LIQUIDITY OVERVIEW**

We finance our operations through funds generated from operations and through borrowings. We use those funds to meet our capital requirements, which primarily consist of working capital for operational needs, capital expenditures, acquisitions and the repurchase of shares of our common stock.

We believe that cash on hand and funds generated from operations, together with available credit under our credit facility, will be enough to finance our working capital, capital expenditures, and other requirements for at least next year.

Our ability to continue to expand, both organically and through acquisitions, is dependent upon our ability to generate enough cash flow from operations or from borrowing or other sources of financing as may be required. While at this time we do not anticipate requiring any additional sources of financing to fund operations, if demand for IT products declines, or if our supply of products is delayed or interrupted, our cash flows from operations may be substantially affected.

CASH FLOWS

The following table summarizes our sources and uses of cash for the three months ended June 30, 2025, and 2024 (in thousands):

	Three Months Ended June 30,	
	2025	2024
Net cash provided by (used in) operating activities of continuing operations	\$ (106,003)	\$ 110,145
Net cash provided by (used in) operating activities of discontinued operations	7,036	(13,018)
Net cash provided by (used in) operating activities	(98,967)	97,127
Net cash used in investing activities of continuing operations	(824)	(635)
Net cash provided by (used in) investing activities of discontinued operations	156,681	(1,271)
Net cash used in investing activities	155,857	(1,906)
Net cash provided by financing activities of continuing operations	38,341	2,342
Net cash provided by (used in) financing activities of discontinued operations	(6,417)	(730)
Net cash provided by financing activities	31,924	1,612
Effect of exchange rate changes on cash	1,989	55
Net increase in cash and cash equivalents	<u>\$ 90,803</u>	<u>\$ 96,888</u>

Cash flows from operating activities: During the three months ended June 30, 2025, we used \$106.0 million through operating activities of continuing operations primarily due an increase in our accounts receivable, partially offset by net earnings and a decrease in our inventories.

During the three months ended June 30, 2024, we provided \$110.1 million primarily from operating activities of continuing operations primarily due to net earnings and decreases in our accounts receivable and inventories, partially offset by decreases in our accounts payable - trade.

To manage our working capital, we monitor our cash conversion cycle for our business segments, which is defined as days sales outstanding (“DSO”) in accounts receivable plus days of supply in inventory (“DIO”) minus days of purchases outstanding in accounts payable (“DPO”).

The following table presents the components of the cash conversion cycle for our business segments:

	As of June 30,	
	2025	2024
(DSO) Days sales outstanding (1)	58	68
(DIO) Days inventory outstanding (2)	14	14
(DPO) Days payable outstanding (3)	(46)	(45)
Cash conversion cycle	26	37

- (1) Represents the rolling three-month average of the balance of trade accounts receivable-trade, net at the end of the period divided by Gross billings for the same three-month period.
- (2) Represents the rolling three-month average of the balance of inventory, net at the end of the period divided by the direct cost of products and services billed to our customers for the same three-month period.
- (3) Represents the rolling three-month average of the combined balance of accounts payable-trade and accounts payable-floor plan at the end of the period divided by the direct cost of products and services billed to our customers for the same three-month period.

Our cash conversion cycle decreased to 26 days as of June 30, 2025, as compared to 37 days as of June 30, 2024. Our standard payment term for customers is between 30-60 days; however, certain customer orders may be approved for extended payment terms. Our DSO decreased 10 days to 58 days as of June 30, 2025, compared to 68 days as of June 30, 2024, reflecting higher sales to customers with terms less than or equal to net 60 days. Our DIO remained flat at 14 days as of June 30, 2025, compared to June 30, 2024. Our DPO increased 1 day as of June 30, 2025. Invoices processed through our WFCDF Credit Facility, or the A/P-floor plan balance, are typically paid within 45 to 60 days from the invoice date, while A/P trade invoices are typically paid around 45 days from the invoice date.

Cash flows related to investing activities: During the three months ended June 30, 2025, we used \$0.8 million through investing activities of continuing operations consisting primarily of purchases of property and equipment. We also provided \$156.7 million through investing activities of discontinued operations, consisting of cash proceeds from our sale of HoldCo of \$180.1 million less cash transferred with the HoldCo entities of \$23.4 million.

During the three months ended June 30, 2024, we used \$0.6 million through investing activities of continuing operations consisting of purchases of property, equipment, and operating lease equipment.

Cash flows from financing activities: During the three months ended June 30, 2025, we provided \$38.3 million from financing activities consisting of \$1.8 million in proceeds from the issuance of common stock to employees under an employee stock purchase plan, and \$39.9 million in net borrowings on the floor plan component of our credit facility, partially offset by \$3.3 million in cash used to repurchase outstanding shares of our common stock.

During the three months ended June 30, 2024, we provided \$2.3 million from financing activities consisting of \$1.8 million in proceeds from the issuance of common stock to employees under an employee stock purchase plan and \$14.4 million in net borrowings on the floor plan component of our credit facility, partially offset by \$11.6 million in cash used to repurchase outstanding shares of our common stock, and \$2.3 million paid to the sellers of Peak Resources, Inc. based on adjustments to total net assets delivered in our acquisition.

CREDIT FACILITY

We finance the operations of our subsidiaries ePlus Technology, inc. and ePlus Technology Services, inc. (collectively, the “Borrowers”) through a credit facility with WFCDF. The WFCDF Credit Facility has a floor plan facility and a revolving credit facility.

Please refer to Note 7 “Credit Facility” to the accompanying Consolidated Financial Statements included in "Part I, Item 1. Financial Statements" for additional information concerning our WFCDF Credit Facility.

The loss of the WFCDF Credit Facility could have a material adverse effect on our future results as we currently rely on this facility and its components for daily working capital and liquidity and as an operational function of our accounts payable process.

Floor plan facility: We finance certain purchases of products for sale to our customers through the floor plan facility. Once our customers place a purchase order with us and we have approved their credit, we place an order for the desired products with one of our vendors. Our vendors are generally paid by the floor plan facility and our liability is reflected in “accounts payable—floor plan” in our consolidated balance sheets.

Most customer payments to us are remitted to our lockbox accounts. Once payments are cleared, the monies in the lockbox accounts are automatically and daily transferred to our operating account. We pay down the floor plan facility on three specified dates each month, generally 45 to 60 days from the invoice date. Our borrowings and repayments under the floor plan component are included in “net borrowings (repayments) on floor plan facility” within cash flows from the financing activities in our consolidated statements of cash flows.

As of June 30, 2025, and March 31, 2025, we had a maximum credit limit of \$500.0 million, and an outstanding balance on the floor plan facility of \$129.4 million and \$89.5 million, respectively. On our balance sheet, our liability under the floor plan facility is presented as part of accounts payable – floor plan.

Revolving credit facility: We did not have any activity on our revolving credit facility during the three months ended June 30, 2025, and 2024. As of June 30, 2025, and March 31, 2025, we did not have any outstanding balance under the revolving credit facility. The maximum credit limit under this facility was \$200.0 million as of both June 30, 2025, and March 31, 2025.

DIVIDENDS

On August 7, 2025, we announced that our Board of Directors declared a quarterly dividend. The initial quarterly cash dividend of \$0.25 per common share will be paid on September 17, 2025, to shareholders of record as of the close of business on August 26, 2025.

The payment of any future dividends will be at the discretion of our Board of Directors and will depend upon our results of operations, financial condition, business prospects, capital requirements, contractual restrictions (including in current or future agreements governing our indebtedness), restrictions imposed by applicable law, tax considerations and other factors that our Board of Directors deems relevant.

PERFORMANCE GUARANTEES

In the normal course of business, we may provide certain customers with performance guarantees, which are generally backed by surety bonds. In general, we would only be liable for these guarantees in the event of default in the performance of our obligations. We are in compliance with the performance obligations under all service contracts for which there is a performance guarantee, and we believe that any liability incurred in connection with these guarantees would not have a material adverse effect on our consolidated statements of operations.

OFF-BALANCE SHEET ARRANGEMENTS

As part of our ongoing business, we do not participate in transactions that generate relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements, or other contractually narrow or limited purposes. As of June 30, 2025, we were not involved in any unconsolidated special purpose entity transactions.

ADEQUACY OF CAPITAL RESOURCES

The continued implementation of our business strategy will require a significant investment in both resources and managerial focus. In addition, we may selectively acquire other companies that have attractive customer relationships and skilled sales and/or engineering forces. We may also open facilities in new geographic areas, which may require a significant investment of cash. We may also acquire technology companies to expand and enhance our geographic footprint, or the platform of bundled solutions to provide additional functionality and value-added services. We may require additional capital due to increases in inventory to accommodate our customers' IT installation schedules. These actions may result in increased working capital needs as the business expands. As a result, we may require additional financing to fund our strategy, implementation, potential future acquisitions, and working capital needs, which may include additional debt and equity financing. While the future is uncertain, we do not expect our WFCDF Credit Facility will be terminated by WFCDF or us.

POTENTIAL FLUCTUATIONS IN QUARTERLY OPERATING RESULTS

Our future quarterly operating results and the market price of our common stock may fluctuate. In the event our revenues or earnings for any quarter are less than the level expected by securities analysts or the market in general, such shortfall could have an immediate and significant adverse impact on the market price of our common stock. Any such adverse impact could be greater if any such shortfall occurs near the time of any material decrease in any widely followed stock index or in the market price of the stock of one or more competitors, IT resellers, major customers, or vendors of ours.

Our quarterly results of operations are susceptible to fluctuations for a number of reasons, including, but not limited to currency fluctuations, reduction in IT spending, shortages of product from our vendors due to material shortages, the timing and mix of specific transactions, the reduction of manufacturer incentive programs, and other factors. See Part I, Item 1A, "Risk Factors," in our 2025 Annual Report, as supplemented in subsequently filed reports, and in Part II, Item 1A, "Risk Factors" in this Quarterly Report.

We believe that comparisons of quarterly results of our operations are not necessarily meaningful and that results for one quarter should not be relied upon as an indication of future performance.

CRITICAL ACCOUNTING ESTIMATES

Our critical accounting estimates have not changed from those reported in [Item 7](#), "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2025 Annual Report.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

FOREIGN CURRENCY RISK

We have foreign currency exposure when transactions are not denominated in our subsidiaries' functional currency, which include purchases and sales of the products and services we provide, as well as loans with other ePlus entities. To date, foreign currency exposure associated with purchases and sales of the products and services we provide has not been significant. We have incurred foreign currency transaction gains and losses in certain foreign subsidiaries on US dollar denominated loans. Fluctuations in currency exchange rates may impact our results of operations and financial position.

Item 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer ("CEO") and our Chief Financial Officer ("CFO"), of the effectiveness of the design and operation of our disclosure controls and procedures, or "disclosure controls," as defined in the Exchange Act Rule 13a-15(e). Disclosure controls are controls and procedures designed to reasonably ensure that information required to be disclosed in our reports filed under the Exchange Act, such as this Quarterly Report, is recorded, processed, summarized, and reported within the periods specified in the SEC's rules and forms. Disclosure controls include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. Our disclosure controls include some, but not all, components of our internal control over financial reporting. Based upon that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of June 30, 2025.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

On August 19, 2024, our subsidiary, ePlus Technology, inc., acquired 100% of the membership interests of Bailiwick. We excluded Bailiwick from our evaluation of the effectiveness of our internal control over financial reporting for the quarter ended June 30, 2025. We are in the process of integrating Bailiwick into our system of internal control over financial reporting. Other than the foregoing, there have not been any changes in our internal control over financial reporting during the quarter ended June 30, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

LIMITATIONS AND EFFECTIVENESS OF CONTROLS

Our management, including our CEO and CFO, do not expect that our disclosure controls or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system cannot provide absolute assurance due to its inherent limitations; it is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. A control system also can be circumvented by collusion or improper management override. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of such limitations, disclosure controls and internal control over financial reporting cannot prevent or detect all misstatements, whether unintentional errors or fraud. However, these inherent limitations are known features of the financial reporting process; therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

Please refer to [Note 8](#), "Commitment and Contingencies" to the accompanying Consolidated Financial Statements included in "Part I, Item 1. Financial Statements".

Item 1A. RISK FACTORS

Other than the elimination of risks associated with our financing business due to its sale and except as set forth below, there has not been any material change in the risk factors disclosed in "Part I, Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended March 31, 2025.

We may not achieve the operational and financial results that we anticipate after completing the sale of our financing business.

Our operational and financial profile has changed as a result of completing the sale of our financing business to Marlin Leasing Corporation (d/b/a PEAC Solutions) on June 30, 2025 pursuant to the Membership Interest Purchase Agreement. As a result, our diversification of revenue sources will be reduced, and our results of operations, cash flows, working capital and financing requirements may be subject to increased volatility and greater risk as a result of our business being concentrated solely as a provider of technology solutions through our product, professional services, and managed services segments. The anticipated benefits to us from the sale of the financing business are based on a number of assumptions, some of which may prove incorrect. Any such incorrect assumptions could result in some or all of the anticipated benefits not being realized and adversely affecting our business, results of operations or financial condition. Further, our ability to receive the additional Contingent Consideration contemplated by the Membership Interest Purchase Agreement is based on the post-Closing performance of the HoldCo Group, as operated by PEAC Solutions, and, as a result, we may not receive as much of the Contingent Consideration as we currently expect or any Contingent Consideration at all.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table provides information regarding our purchases of common stock during the three months ended June 30, 2025.

Period	Total number of shares purchased (1)	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number of shares that may yet be purchased under the plans or programs (2)
April 1, 2025 through April 30, 2025	-	\$ -	-	692,991
May 1, 2025 through May 31, 2025	-	\$ -	-	-
June 1, 2025 through June 30, 2025	47,488	\$ 69.58	-	-
Total	47,488		-	

- (1) We repurchased 47,488 shares in June 2025 to satisfy tax withholding obligations that arose due to the vesting of shares of restricted stock.
- (2) The amounts presented in this column are the remaining number of shares that may be repurchased after repurchases during the month. On May 18, 2024, our Board of Directors had authorized the repurchase of up to 1,250,000 shares of our outstanding common stock, over a 12-month period beginning May 28, 2024 (the “2024 Repurchase Plan”). On May 27, 2025, the authorization under the 2024 Repurchase Plan terminated.

The timing and expiration date of the current stock repurchase authorizations are included in [Note 10](#), “Stockholders’ Equity” to our unaudited consolidated financial statements included elsewhere in this report.

Item 3. DEFAULTS UPON SENIOR SECURITIES

Not Applicable.

Item 4. MINE SAFETY DISCLOSURES

Not Applicable.

Item 5. OTHER INFORMATION*Rule 10b5-1 Trading Arrangements*

During the three months ended June 30, 2025, no director or officer of ePlus inc. adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K. Certain of our executive officers may participate in our employee stock purchase plan, which has been designed to comply with Rule 10b5-1(c) under the Exchange Act.

Item 6. EXHIBITS

Exhibit Number	Exhibit Description
2.1	Membership Interest Purchase Agreement, dated June 20, 2025, by and among Marlin Leasing Corporation, ePlus inc., and Expo Holdings, LLC (Incorporated herein by reference to Exhibit 2.1 to our Current Report on Form 8-K filed on June 23, 2025)
3.1	ePlus inc. Amended and Restated Certificate of Incorporation, as last amended September 18, 2023. (Incorporated herein by reference to Exhibit 3.1 to our Quarterly Report on Form 10-Q for the period ended September 30, 2023).
3.2	Amended and Restated Bylaws of ePlus inc., as of March 26, 2024. (Incorporated herein by reference to Exhibit 3.1 to our Current Report on Form 8-K filed on March 28, 2024).
10.1	Third Amendment to First Amended and Restated Credit Agreement, dated as of June 20, 2025, by and among ePlus Technology, inc., ePlus Technology Services inc., SLAIT Consulting, LLC, certain of ePlus inc. subsidiaries as guarantors, Wells Fargo Commercial Distribution Finance, LLC as administrative agent and the Lenders party thereto (filed herewith).
31.1	Certification of the Chief Executive Officer of ePlus inc. pursuant to the Securities Exchange Act Rules 13a-14(a) and 15d-14(a).
31.2	Certification of the Chief Financial Officer of ePlus inc. pursuant to the Securities Exchange Act Rules 13a-14(a) and 15d-14(a).
32	Certification of the Chief Executive Officer and Chief Financial Officer of ePlus inc. pursuant to 18 U.S.C. § 1350.
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Exhibit 101 Inline XBRL document)

SIGNATURES

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 thereunto duly authorized.

ePlus inc.

Date: August 7, 2025

/s/ MARK P. MARRON

By: Mark P. Marron
Chief Executive Officer and President
(Principal Executive Officer)

Date: August 7, 2025

/s/ ELAINE D. MARION

By: Elaine D. Marion
Chief Financial Officer
(Principal Financial Officer)

**THIRD AMENDMENT TO
FIRST AMENDED AND RESTATED CREDIT AGREEMENT
AND RELEASE OF GROUP**

This Third Amendment to First Amended and Restated Credit Agreement and Release of Group (this “**Third Amendment**”), is made as of June __, 2025, by and among (a) **ePlus Technology, inc.**, a Virginia corporation (“**Technology**”), (b) **ePlus Technology Services, inc.**, a Virginia corporation (“**Services**”) (Technology and Services, together any additional entities which may hereafter become parties to the Credit Agreement (as defined below) as Borrowers thereunder in accordance with the terms thereof, are hereinafter sometimes referred to collectively as the “**Borrowers**” and each singly as a “**Borrower**”), (d) the lenders identified on the signature pages hereof (collectively, the “**Lenders**”), and (e) **Wells Fargo Commercial Distribution Finance, LLC**, a Delaware limited liability company, in its capacity as agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the “**Agent**”).

RECITALS

A. Technology, Services and SLAIT Consulting, LLC, a Virginia limited liability company (“**SLAIT**”) are parties to that certain First Amended and Restated Credit Agreement dated as of October 13, 2021 by and among Technology, Services, SLAIT, the Lenders which are parties thereto and Agent, as amended by (i) that First Amendment to First Amended and Restated Credit Agreement dated as of October 31, 2022, by and among Technology, Services, SLAIT, the Lenders which are parties thereto and Agent, and (ii) certain Second Amendment to First Amended and Restated Credit Agreement dated as of March 10, 2023, by and among Technology, Services, SLAIT, the Lenders which are parties thereto and Agent (said First Amended and Restated Credit Agreement, as so amended, is hereinafter referred to as the “**Existing Credit Agreement**”); and

B. Borrowers have notified Agent that SLAIT was legally dissolved on March 15, 2025 (the “**Dissolution Date**”); and

C. Borrowers have requested that in accordance with the applicable provisions of the Existing Credit Agreement (including Sections 9.7 and 10.1(a) contained therein) that:

(i) the Lenders (x) consent to the dissolution of SLAIT effective as of the Dissolution Date, and (y) acknowledge and agree that effective as of the Dissolution Date, SLAIT is no longer a Borrower or a Credit Party under the Credit Agreement or any of the other Loan Documents;

(ii) each of the Agent and the Lenders terminate the Collateralized Guaranty – Group and release ePlus Group, inc., a Virginia corporation (“**Group**”) from all of its indebtedness, liabilities and obligations under the Collateralized Guaranty – Group and any other Loan Documents to which Group is a party;

(iii) any and all security interests and Liens which Group has granted to the Agent, for the benefit of the Secured Parties under the Collateralized Guaranty – Group on any and all property or assets of Group be immediately, automatically and without further action, terminated, released and discharged; and

(iv) the Existing Credit Agreement be amended to reflect that (A) SLAIT is no longer a Borrower or a Credit Party thereunder and (B) Group is no longer a Guarantor thereunder;

all as provided for in this Third Amendment which amends the Existing Credit Agreement (the Existing Credit Agreement, as amended by this Third Amendment, and as the same may be further amended, restated, supplemented or modified, from time to time, is hereinafter referred to as the “**Credit Agreement**”) (all capitalized terms used herein but not otherwise defined herein (including in the preamble and recitals hereof) shall have the respective meanings ascribed to such terms in the Credit Agreement); and

D. Subject to the terms and conditions set forth in this Third Amendment, the Lenders and the Agent are willing to accommodate this request of the Borrowers;

NOW, THEREFORE, in consideration of the premises and the agreements contained herein, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereto (intending to be legally bound) hereby agree as follows:

1. Consent to Dissolution of SLAIT. Each of the Lenders hereby (a) consents to the dissolution of SLAIT effective as of the Dissolution Date, and (b) acknowledges and agrees that effective as of the Dissolution Date, SLAIT is no longer a Borrower or a Credit Party under the Credit Agreement or any of the other Loan Documents.

2. Release of Group. Each of the Lenders and the Agent will execute and deliver to Group, and each of the Borrowers will cause Group to execute and deliver to the Agent and the Lenders, contemporaneously herewith, the Release Agreement, in the form attached hereto as **Exhibit A** (the "**Release Agreement**").

3. Amendments to Existing Credit Agreement. Subject to the terms and conditions contained herein, the Existing Credit Agreement is hereby amended as follows:

3.1 Amendments to Section 1.1.

(a) Section 1.1 of the Existing Credit Agreement is hereby amended by deleting in their entirety the definitions of the following terms: "Group," and "Collateralized Guaranty – Group."

(b) Section 1.1 of the Existing Credit Agreement is hereby amended by amending, restating and replacing in their entirety the following definitions:

"Collateral Documents" means, collectively, the Guaranty and Security Agreement – Credit Parties, the Limited Guaranty – Holdings, each other Guaranty, each Control Agreement, each Intellectual Property Security Agreement, and all other security agreements, pledge agreements, patent and trademark security agreements, lease assignments, guaranties and other similar agreements by or between any one or more of any Credit Party and any Lender or Agent for the benefit of Agent, the Lenders and other Secured Parties now or hereafter delivered to the Lenders or Agent pursuant to or in connection with the transactions contemplated hereby, as any of the foregoing may be amended, restated, amended and restated, supplemented and/or modified from time to time.

"Credit Parties" means the Borrowers and each Subsidiary Guarantor. For avoidance of doubt, the term "Credit Party" does not mean and include, and shall not mean and include, any of the following Persons: (a) Holdings, or (b) any direct or indirect Subsidiary of Holdings which as of the Closing Date is not a Borrower (unless later required to become a Credit Party pursuant to the provisions of Section 5.14).

"Guarantor" means Holdings and any other Person who hereafter guarantees the Obligations and any Person that is a "Guarantor" under the Guaranty and Security Agreement – Credit Parties. For avoidance of doubt, Holdings is not a Credit Party under this Agreement and the other Loan Documents.

“Guaranty” or “Guaranties” means, collectively, (a) the Limited Guaranty – Holdings, (b) the Guaranty and Security Agreement – Credit Parties and (c) any other guaranty that may be delivered from time to time in favor of Agent, for the benefit of the Secured Parties, guaranteeing the Obligations.

3.2 Deletion of Section 2.13(d) and References to “Eligible Intercompany Lease Receivables.” Section 2.13(d) of the Existing Credit Agreement is hereby deleted in its entirety and all references to the term “Eligible Intercompany Lease Receivables” in the Credit Agreement (including, without limitation, Sections 1.1, 2.13(a), 2.13(b), 2.13(f) and 6.2(b) contained therein) are deleted in their entirety.

3.3 Amendment to Section 10.20(c). Section 2.13(f) of the Existing Credit Agreement is hereby amended by amending, restating and replacing in their entirety as follows:

“(c) (i) Any indemnification or other protection provided to any Indemnitee pursuant to this Section 10.20, Section 10.5 (Costs and Expenses) and Section 10.6 (Indemnity) and Article IX (The Agent) and Article XI (Taxes and Yield Protection) and (ii) the provisions of the Guaranty and Security Agreement – Credit Parties, the Limited Guaranty – Holdings, and any other Guaranties, in each case, shall (x) survive the termination of the Allocations and the payment in full of all other Obligations and (y) with respect to clause (i) above, inure to the benefit of any Person that at any time held a right thereunder (as an Indemnitee or otherwise) and, thereafter, its successors and permitted assigns.”

4. Conditions Precedent. The effectiveness of this Third Amendment and the obligations of Lenders and Agent hereunder are subject to, and contingent upon, Agent receiving each of the following items, each in form and substance acceptable to Agent, unless waived in writing by Agent in its sole and absolute determination:

- (a) A duly executed counterpart of this Third Amendment signed by each of the parties hereto;
- (b) A duly executed counterpart of the Acknowledgement and Agreement at the end of this Third Amendment (the “**Acknowledgement and Agreement**”) signed by Holdings;
- (c) Resolutions of the board of directors or board of managers, as applicable, of each of Technology, Services, Holdings and Group, dated as of the date hereof, which authorize, direct, and empower the authorized officers to make, execute, and deliver this Third Amendment, the Acknowledgement and Agreement and the Release Agreement, whichever is applicable;
- (d) A certificate of secretary for each of Technology, Services, Holdings and Group, certifying as to the authority, incumbency and signature of the officers of each of Technology, Services, Holdings and Group, whichever is applicable, executing this Third Amendment, the Acknowledgement and Agreement, the Release Agreement and all other documents, agreements and certificates in connection with this Third Amendment;
- (e) Satisfactory evidence that all corporate and other proceedings that are necessary in connection with this Third Amendment, the Acknowledgement and Agreement and the Release Agreement have been taken to the Agent’s satisfaction;
- (f) Certificates of Good Standing for each of Technology, Services, Holdings and Group issued by its state of incorporation or organization, in each case, as of a recent date; and

(g) Such other matters as Agent may require.

5. Costs and Expenses.¹ Without limiting the obligation of the Credit Parties to reimburse Agent for all reasonable costs, fees, disbursements and expenses incurred by Agent as specified in the Credit Agreement, as amended by this Third Amendment, the Credit Parties agree to pay on demand all reasonable costs, fees, disbursements and expenses of Agent in connection with the preparation, execution and delivery of this Third Amendment and the other agreements, modifications, instruments and documents contemplated hereby (collectively, the “**Transaction Documents**”), including, without limitation, reasonable attorneys’ fees and expenses.

6. Representations, Warranties and Covenants of the Credit Parties. Each Credit Party jointly and severally hereby represents and warrants to Agent and Lenders, which representations and warranties shall survive the execution and delivery hereof, that on and as of the date hereof and after giving effect to this Third Amendment:

(a) Each Credit Party has the corporate power and authority to execute and deliver this Third Amendment and the Transaction Documents to which it is a party (and perform its respective obligations hereunder and thereunder). This Third Amendment and the Transaction Documents to which such Credit Party is a party have been duly authorized by such Credit Party. Each of the Existing Credit Agreement, as amended by this Third Amendment and the Transaction Documents to which such Credit Party is a party, constitutes the legal, valid and binding obligations of such Credit Party, enforceable against such Credit Party in accordance with their respective terms, subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar law affecting creditor’s rights generally and general principles of equity;

(b) The execution, delivery and performance by each Credit Party of this Third Amendment and the Transaction Documents to which such Credit Party is a party have been duly authorized by all necessary corporate action and do not (i) require any authorization, consent or approval by any Governmental Authorities, (ii) violate any Requirement of Law, or (iii) result in a breach of or constitute a default under any indenture or loan or loan agreement or any other agreement, lease or instrument to which such Credit Party is a party or by which it’s properties may be bound or affected;

(c) Each Credit Party’s representations and warranties set forth in the Credit Agreement and in the other Loan Documents are true, correct and complete in all material respects (or, if any such representation or warranty is by its terms qualified by concepts of materiality, such representation or warranty is true and correct in all respects) on and as of the date hereof except to the extent that such representations and warranties expressly related solely to an earlier date, in which case such representations were true, correct and complete in all material respects (or, if any such representation or warranty is by its terms qualified by concepts of materiality, such representation or warranty is true and correct in all respects) on and as of such earlier date;

(d) No Default or Event of Default has occurred or is continuing as of the date hereof or shall occur immediately after giving effect to this Third Amendment;

(e) Each Credit Party’s Organization Documents continue in full force and effect and have not been amended or otherwise modified since October 13, 2021;

¹ For the avoidance of doubt, as used in Sections 5, 6, 7, 8 and 11 of this Third Amendment, the term “Credit Party” means and includes (and only means and includes) Technology and Service as Borrowers and does not mean or include either SLAIT or Group.

(f) All Obligations now due or payable by Borrowers to Lenders or Agent are unconditionally owing by Borrowers to Lenders and Agent, without offset, defense or counterclaim of any kind, nature or description whatsoever; and

(g) Since March 31, 2025, there has not occurred any Material Adverse Effect.

Each Credit Party acknowledges that Agent and Lenders are specifically relying upon the representations, warranties and agreements contained in this Third Amendment and that such representations, warranties and agreements constitute a material inducement to Agent and Lenders in entering into this Third Amendment.

7. Release by Credit Parties.

(a) In further consideration of the execution of this Third Amendment by Agent and Lenders, each Credit Party (on behalf of itself and its shareholders, directors, members, managers, partners, officers, affiliates, successors and assigns) hereby unconditionally, absolutely and irrevocably forever remises, releases, acquits, satisfies and forever discharges Agent and Lenders and their respective successors, assigns, affiliates, parent entities, officers, employees, directors, shareholders, agents and attorneys (collectively, the “**Releasees**”) from any and all claims, demands, liabilities, disputes, damages, suits, controversies, penalties, fees, costs, expenses, actions and causes of action (whether at law or in equity) and obligations of every nature whatsoever, whether liquidated or unliquidated, known or unknown, matured or unmatured, fixed or contingent (all of the foregoing, “**Claims**”), occurring on or before the date hereof, which arise from or relate to any actions, omissions, conditions, events, or any other circumstances whatsoever on or prior to the date hereof, including, without limitation, with respect to the Obligations, any Collateral, the Credit Agreement, the transactions relating thereto or hereto, and any other Loan Document, other than for the gross negligence or willful misconduct of Agent as finally determined in a non-appealable order of a court of competent jurisdiction.

(b) Each Credit Party understands, acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release. Each Credit Party agrees that no fact, event, circumstance, evidence or transaction that could now be asserted or that may hereafter be discovered shall affect in any manner the final, absolute and unconditional nature of the release set forth above.

(c) Each Credit Party hereby absolutely, unconditionally and irrevocably, covenants and agrees with and in favor of each Releasee that such Credit Party will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Releasee on the basis of any Claim released, remised and discharged by such Credit Party pursuant to the foregoing in this Section.

8. Reference to Credit Agreement; No Waiver.

(a) References. Upon the effectiveness of this Third Amendment, each reference in the Credit Agreement to “this Agreement,” “hereunder,” “hereof,” “herein” or words of like import shall mean and be a reference to the Credit Agreement, as amended hereby. The term “Loan Documents” as defined in Section 1.1 of the Credit Agreement shall include (in addition to the Loan Documents described in the Credit Agreement) this Third Amendment and the other Transaction Documents.

(b) No Waiver. The failure of Agent (or, as applicable, Lenders), at any time or times hereafter, to require strict performance by the Credit Parties of any provision or term of the Credit Agreement, this Third Amendment or the other Loan Documents shall not waive, affect or diminish any right of Agent (or, as applicable, Lenders) hereafter to demand strict compliance and performance herewith or therewith. Any suspension or waiver by Agent or Lenders of a breach of this Third Amendment or any Event of Default under the Credit Agreement shall not, except as expressly set forth in a writing signed by Agent, suspend, waive or affect any other breach of this Third Amendment or any Event of Default under the Credit Agreement, whether the same is prior or subsequent thereto and whether of the same or of a different kind or character. None of the undertakings, agreements, warranties, covenants and representations of the Credit Parties contained in this Third Amendment shall be deemed to have been suspended or waived by Agent or Lenders unless such suspension or waiver is (i) in writing and signed by Agent and (ii) delivered to the Credit Parties. In no event shall Agent's and Lenders' execution and delivery of this Third Amendment establish a course of dealing among Agent, Lenders, Credit Parties or any other obligor, or in any other way obligate Agent or Lenders to hereafter provide any amendments or waivers with respect to the Credit Agreement. The terms and provisions of this Third Amendment shall be limited precisely as written and shall not be deemed (x) to be a consent to any amendment or modification of any other term or condition of the Credit Agreement or of any of the Loan Documents (except as expressly provided herein); or (y) to prejudice any right or remedy which Agent or Lenders may now have under or in connection with the Credit Agreement or any of the Loan Documents.

9. Full Force and Effect. Except as otherwise expressly provided herein, the Credit Agreement and all of the Loan Documents, in each case, as amended hereby, shall remain in full force and effect and are hereby ratified and confirmed.

10. Reaffirmation of Security Interest. Each Borrower hereby ratifies and reaffirms any and all grants of Liens to Agent in, to and on the Collateral as security for the Obligations, and each Borrower acknowledges and confirms that the grants of the Liens to Agent for the benefit of itself and Lenders in, to and on the Collateral: (i) represent continuing Liens on all of the Collateral, (ii) secure the indefeasible payment in full in cash all of the Obligations when due or declared due in accordance with the terms of the Credit Agreement, and (iii) represent valid and first priority perfected Liens on all of the Collateral except solely to the extent, if any, of any Permitted Liens.

11. Miscellaneous. Titles and headings herein are solely for the convenience of the parties and are without substantive legal meaning. This Third Amendment may only be amended or modified by a writing signed by Agent, the Lenders and the Credit Parties. Neither this Third Amendment nor any uncertainty or ambiguity herein shall be construed or resolved against Agent or Lenders, whether under any rule of construction or otherwise.

12. Incorporation by Reference. Sections 10.5 (*Costs and Expenses*), 10.8 (*Successors and Assigns*), 10.9 (*Assignments and Participations; Binding Effect*), 10.13 (*Severability*), 10.18 (*Governing Law and Jurisdiction*), 10.19 (*Waiver of Jury Trial*), and 10.20 (*Entire Agreement; Release; Survival*) of the Credit Agreement are incorporated by reference herein, *mutatis mutandis*, and the parties hereto agree to such terms and agree that such provision apply with equal force to this Third Amendment.

13. Counterparts; Facsimile Signature. This Third Amendment may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart. Execution of any such counterpart may be by means of (a) an electronic signature that complies with the federal Electronic Signatures in Global and National Commerce Act, state enactments of the Uniform Electronic Transactions Act, or any other relevant and applicable electronic signatures law; (b) an original manual signature; or (c) a faxed, scanned, or photocopied manual signature. Each electronic signature or faxed, scanned, or photocopied manual signature shall for all purposes have the same validity, legal effect, and admissibility in evidence as an original manual signature. Agent reserves the right, in its discretion, to accept, deny, or condition acceptance of any electronic signature on this Third Amendment. Any party delivering an executed counterpart of this Agreement by faxed, scanned or photocopied manual signature shall also deliver an original manually executed counterpart, but the failure to deliver an original manually executed counterpart shall not affect the validity, enforceability and binding effect of this Third Amendment. The foregoing shall apply to each other Loan Document, and any notice delivered hereunder or thereunder, *mutatis mutandis*.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to be duly executed and delivered by their duly authorized officers as of the day and year first above written.

BORROWERS:

EPLUS TECHNOLOGY, INC.

By: /s/ Elaine D. Marion

Name: Elaine D. Marion

Title: Chief Financial Officer

EPLUS TECHNOLOGY SERVICES, INC.

By: /s/ Elaine D. Marion

Name: Elaine D. Marion

Title: Chief Financial Officer

[Third Amendment – Signature Page]

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to be duly executed and delivered by their duly authorized officers as of the day and year first above written.

**WELLS FARGO COMMERCIAL DISTRIBUTION FINANCE,
LLC**, as Agent, Swingline Lender and as a Lender

By: /s/ John J. **Zebracki**

Name: John J. **Zebracki**

Title: Its Duly Authorized Signatory

[Third Amendment – Signature Page]

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to be duly executed and delivered by their duly authorized officers as of the day and year first above written.

REGIONS BANK, as a Lender

By: /s/ Bruce Kasper

Name: Bruce Kasper

Title: Managing Director

[Third Amendment – Signature Page]

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to be duly executed and delivered by their duly authorized officers as of the day and year first above written.

TRUIST BANK, as a Lender

By: /s/ Cathleen Marston

Name: Cathleen Marston

Title: Vice President

[Third Amendment – Signature Page]

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to be duly executed and delivered by their duly authorized officers as of the day and year first above written.

CITIZENS BANK, N.A., as a Lender

By: /s/ Terrence Broderick

Name: Terrence Broderick

Title: Senior Vice President

[Third Amendment – Signature Page]

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to be duly executed and delivered by their duly authorized officers as of the day and year first above written.

COMERICA BANK, as a Lender

By: /s/ Robert Wilson

Name: Robert Wilson

Title: Senior Vice President

[Third Amendment – Signature Page]

ACKNOWLEDGEMENT AND AGREEMENT

The undersigned, a guarantor of the indebtedness of **ePlus Technology, inc.**, a Virginia corporation ("**Technology**"), **ePlus Technology Services, inc.**, a Virginia corporation ("**Services**"), and those additional entities which hereafter become parties to the Credit Agreement (as defined in the Third Amendment (as defined below)) as Borrowers in accordance with the terms thereof (together with Technology and Services, each, a "**Borrower**," and individually and collectively, jointly and severally, the "**Borrowers**") to the Lenders and Agent (each as defined in the Third Amendment), pursuant to that certain First Amended and Restated Limited Guaranty dated October 13, 2021, from ePlus inc., Delaware corporation ("**Holdings**") in favor of Agent, for the benefit of the Lenders (the "**Limited Guaranty – Holdings**") hereby (A) acknowledges receipt of the foregoing Third Amendment to First Amended and Restated Credit Agreement and Release of Group (the "**Third Amendment**"); (ii) consents to the terms and execution thereof; (iii) reaffirms all of its obligations to Agent pursuant to the terms of the Limited Guaranty – Holdings and (iv) acknowledges that Agent and Lenders may amend, restate, extend, renew or otherwise modify the Credit Agreement (as defined in the Third Amendment) and any indebtedness or agreement of Borrowers, or enter into any agreement or extend additional or other credit accommodations, without notifying or obtaining the consent of the undersigned and without impairing the liability of the undersigned under the Limited Guaranty – Holdings, for Borrowers' present and future indebtedness to Agent and Lenders.

EPLUS, INC.

By: /s/ Elaine D. Marion

Name: Elaine D. Marion

Title: Chief Financial Officer

[Acknowledgment and Agreement - Signature Page]

RELEASE AGREEMENT

This RELEASE AGREEMENT (this “**Agreement**”) is made and entered into effective as of June __, 2025, by and among (a) ePlus Group, inc., a Virginia corporation (“**Group**”), (b) the lenders which are parties hereto (collectively, the “**Lenders**”), and (c) Wells Fargo Commercial Distribution Finance, LLC, a Delaware limited liability company, acting in its capacity as agent for the Lenders (when acting in such capacity, together with its successors and assigns in such capacity, the “**Agent**”). Group, the Lenders and the Agent are hereinafter sometimes each referred to individually as a “**Party**” and collectively as the “**Parties**.”

In consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Definitions.** All capitalized terms not defined in this Agreement but defined in that certain First Amended and Restated Credit Agreement dated as of October 13, 2021, by and among ePlus Technology, inc., a Virginia corporation (“**Technology**”), ePlus Technology Services, inc., a Virginia corporation (“**Services**”), (SLAIT Consulting, LLC, a Virginia limited liability company (“**SLAIT**”) (Services, Technology and SLAIT are hereinafter sometimes referred to collectively as the “**Borrowers**” and each singly as a “**Borrower**”), the Lenders which are parties thereto and the Agent, as amended by (a) that certain First Amendment to First Amended and Restated Credit Agreement dated as of October 31, 2022, by and among the Borrowers, the Lenders which are parties thereto and the Agent; (b) that certain Second Amendment to First Amended and Restated Credit Agreement dated as of March 10, 2023, by and among the Borrowers, the Lenders which are parties thereto and the Agent and (c) that certain Third Amendment to First Amended and Restated Credit Agreement and Release of Group, dated of even date herewith, by and among Technology, Services, the Lenders which are parties thereto and the Agent (said First Amended and Restated Credit Agreement, as so amended, is hereinafter referred to as the “**Credit Agreement**”), shall have the meanings given to such terms in the Credit Agreement.

2. **Release of Group; Termination of Agent’s Liens on Group’s Properties and Assets.**

2.1 **Release of Group.** In consideration of the release contained in Section 3 of this Agreement from Group, acting for itself and on behalf of each of the other Group Parties, and for other good and valuable consideration, the receipt and sufficient of which are hereby acknowledged, each of the Lenders and the Agent, acting for itself and on behalf of their respective officers, directors, managers, managing directors, employees, participants, successors, assignees, agents, advisors, attorneys, representatives and any other Person acting for or on behalf of, or claiming through, each or any of them (together with the Agent and each Lender, hereinafter referred to collectively as the “**Lender Parties**” and each singly as a “**Lender Party**”), hereby releases and forever discharges Group and its officers, directors, employees, managers, managing directors, participants, assignees, agents, advisors, attorneys, representatives and any other Person acting for or on behalf of, or claiming through, each or any of them (together with Group, hereinafter referred to collectively as the “**Group Parties**” and each singly as a “**Group Party**”) from any and all claims, causes of action, indebtedness, liabilities, obligations, sums of money, controversies, agreements, promises, damages, judgments, executions, losses and demands of any kind or nature whatsoever, whether at law, in equity or otherwise, whether known or unknown, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, hidden or concealed, disputed or undisputed, liquidated or unliquidated, matured or unmatured and whether or not accrued, and whether or not asserted or assertable in law, equity or otherwise, during the period commencing from the beginning of the world to and including the date hereof (all of the foregoing is hereinafter sometimes referred to collectively as “**Claims**”) which relate to, arise out of, or are in any manner whatsoever connected with, but are expressly limited to, the following:

(a) the Collateralized Guaranty – Group, the Credit Agreement, the other Loan Documents and any and all other agreements, documents and instruments (including without limitation, promissory notes, pledge agreements, security agreements, financing statements, guaranties and subordination agreements) executed and/or delivered from time to time pursuant to, or otherwise in connection with, the Collateralized Guaranty – Group, the Credit Agreement or any of other Loan Documents; and

(b) all actions or omissions to act taken, or contemplated to be taken, by any of the Group Parties in connection with the Collateralized Guaranty – Group, the Credit Agreement or any of the other Loan Documents;

in each case, which any of the Lender Parties now have, or may hereafter have, against any of the Group Parties; provided, however, notwithstanding any provision contained in this Agreement to the contrary, (x) the term “Group Parties” does not mean or include, and shall not be deemed to mean, or include, any of the Borrowers or ePlus, inc., a Delaware corporation; and (y) this Agreement shall not operate to release or waive any Claims, rights or remedies of any of the Lender Parties to enforce the terms of this Agreement.

2.2 Termination of Agent’s Liens on Group’s Properties and Assets. In consideration of the release contained in Section 3 of this Agreement from Group, acting for itself and on behalf of each of the other Group Parties, and for other good and valuable consideration, the receipt and sufficient of which are hereby acknowledged, each of the Lenders and the Agent acknowledges and agrees that effective as of the date hereof:

(a) the Collateralized Guaranty – Group is immediately, automatically and without any further action terminated and shall have no further force or effect;

(b) any and all security interests and Liens which Group granted to the Agent, for the benefit of the Secured Parties, under the Collateralized Guaranty – Group on any rights, title or interests of Group in and to any and all properties and assets of Group, whether personal, real or mixed, tangible or intangible, is immediately, automatically and without further action, terminated, released and discharged;

(c) Group or its attorneys may prepare and file such UCC-3 termination statements as such Person may reasonably deem necessary or desirable in connection with the termination of the security interests and Liens set forth in Section 2.2(b) of this Agreement; provided, however, that all such UCC-3 termination statements are reviewed and approved by the Agent or its counsel, such approval not to be unreasonably withheld, delayed or conditioned; and

(d) at the request of Group or its attorneys, the Agent will execute and deliver to Group or its attorneys such additional instruments and other writings, and take such other action, as such requesting Person may reasonably request to effect or evidence the termination of the Collateralized Guaranty – Group or any instruments executed pursuant thereto, the termination of any deposit account arrangements arising thereunder or related thereto, or the release of any Liens or security interests in favor of the Agent, as described in Section 2.2(b) of this Agreement, in each case, at the sole cost and expense of the Group.

3. Release of Lender Parties. In consideration of the release from the Agent and each Lender contained in Section 2.1 of this Agreement, and for other good and valuable consideration, the receipt and sufficient of which are hereby acknowledged, Group, acting for itself and on behalf of each of the other Group Parties hereby releases and forever discharges each of the Lender Parties from any and all Claims which relate to, arise out of, or are in any manner whatsoever connected with, but are expressly limited to, any of the following:

(a) the Collateralized Guaranty – Group, the Credit Agreement, the other Loan Documents and any and all other agreements, documents and instruments (including without limitation, promissory notes, pledge agreements, security agreements, financing statements, guaranties and subordination agreements) executed and/or delivered from time to time pursuant to, or otherwise in connection with, the Collateralized Guaranty – Group, the Credit Agreement or any of other Loan Documents;

(b) all actions or inactions taken or contemplated to be taken by any of the Lender Parties in connection with the Collateralized Guaranty – Group, the Credit Agreement or any of the other Loan Documents;

in each case, which any of the Group Parties now have, or may hereafter have, against any of the Lender Parties; provided, however, notwithstanding any provision contained in this Agreement to the contrary, (x) this Agreement shall not operate to release or waive any Claims, rights or remedies of any of the Group Parties to enforce the terms of this Agreement.

4. Third Party Beneficiaries. Each of the Group Parties and the Lender Parties who are not signatories to this Agreement is an intended third-party beneficiary of this Agreement.

5. Governing Law; Jurisdiction; Venue. The laws of the State of New York shall govern all matters arising out of, in connection with or relating to this Agreement, including, without limitation, its validity, interpretation, construction, performance and enforcement (including, without limitation, any claims sounding in contract or tort law arising out of the subject matter hereof and any determinations with respect to post-judgment interest). Each Party hereby (a) agrees to the exclusive jurisdiction of the courts in the State of New York, with respect to any claim or cause of action arising under or relating to this Agreement, (b) waives any objection based on *forum non conveniens* and waives any objection to venue of any such suit, action or proceeding, (c) waives personal service of any and process upon it, and (d) consents that all services of process be made by registered or certified mail (postage prepaid, return receipt requested) (i) in the case of each of the Agent and the Lenders, at its address stated in Section 10.2 of the Credit Agreement and service so made will be complete when received; and (ii) in the case of the Group, at its address stated with its name at the end of this Agreement.

6. Miscellaneous. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or in electronic (i.e., “pdf” or “tif”) format shall be effective as delivery of a manually executed counterpart of this Agreement.

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers or representatives as of the date first above written.

EPLUS GROUP, INC.

By: /s/ Elaine D. Marion

Name: Elaine D. Marion

Title: Chief Financial Officer

Address:ePlus Group, inc.

13595 Dulles Technology Drive

Herndon, VA 20171-3413

Attention: President

[Release Agreement– Signature Page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers or representatives as of the date first above written.

WELLS FARGO COMMERCIAL DISTRIBUTION FINANCE, LLC,
as Agent, Swingline Lender and as a Lender

By: /s/ John J. Zebracki

Name: John J. Zebracki

Title: Its Duly Authorized Signatory

[Release Agreement – Signature Page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers or representatives as of the date first above written.

REGIONS BANK,
as a Lender

By: /s/ Bruce Kasper

Name: Bruce Kasper

Title: Managing Director

[Release Agreement– Signature Page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers or representatives as of the date first above written.

TRUIST BANK
as a Lender

By: /s/ Cathleen Marston

Name: Cathleen Marston

Title: Vice President

[Release Agreement – Signature Page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers or representatives as of the date first above written.

CITIZENS BANK, N.A.,
as a Lender

By: /s/ Terrence Broderick

Name: Terrence Broderick

Title: Senior Vice President

[Release Agreement – Signature Page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers or representatives as of the date first above written.

COMERICA BANK,
as a Lender

By: /s/ Robert Wilson

Name: Robert Wilson

Title: Senior Vice President

[Release Agreement – Signature Page]

CERTIFICATION

I, Mark P. Marron, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ePlus inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15 (f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2025

/s/ MARK P. MARRON

Mark P. Marron
Chief Executive Officer and President
(Principal Executive Officer)

CERTIFICATION

I, Elaine D. Marion, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ePlus inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15 (f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2025

/s/ ELAINE D. MARION

Elaine D. Marion
Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION

**PURSUANT TO 18 USC. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of ePlus inc. on Form 10-Q for the quarter ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certify, pursuant to 18 USC. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the undersigned's best knowledge and belief:

- a) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of ePlus inc.

Date: August 7, 2025

/s/ MARK P. MARRON

Mark P. Marron, Chief Executive Officer and President
(Principal Executive Officer)

/s/ ELAINE D. MARION

Elaine D. Marion, Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to ePlus and will be retained by us and furnished to the Securities and Exchange Commission or its staff upon request.
