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ePlus



EXCELLENCE THROUGH EXPERIENCE

Investor Presentation
Canaccord Genuity
Growth Conference
August 2014



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The logo consists of a large, blue, lowercase letter 'e' in a serif font, followed by a smaller blue plus sign '+' to its upper right. The background features a blue-toned architectural grid pattern that recedes into the distance, creating a sense of depth and perspective.

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Phil Norton
Chairman, CEO and President

EXCELLENCE THROUGH EXPERIENCE

- + Leading provider of technology solutions focused on cloud, data center, security, networking and collaboration solutions
- + Technology partners include Cisco, EMC, HP, NetApp and VMware
- + FY14 revenue: \$1.1 billion
 - 18% CAGR FY10-FY14
- + FY 14 earnings per share: \$4.37
 - 31% CAGR FY10-FY14
- + Headquarters: Herndon, Virginia
- + Presence in 21 states
- + 957 employees



Note: Fiscal year ends March 31

¹ See appendix for operating income calculation

+ Stable senior management team; compensation aligned with growth objectives



Phil Norton
Chairman, Chief Executive Officer
and President



Mark Marron
Chief Operating Officer and
President of ePlus Technology, inc.



Elaine Marion
Chief Financial Officer



Kley Parkhurst
Senior Vice President,
Corporate Development

Years with ePlus:
Years of experience:

19	8	15	22
43	29	23	26



Dan Farrell
Senior Vice President of National
Professional Services



Mark Melvin
Chief Technology Officer



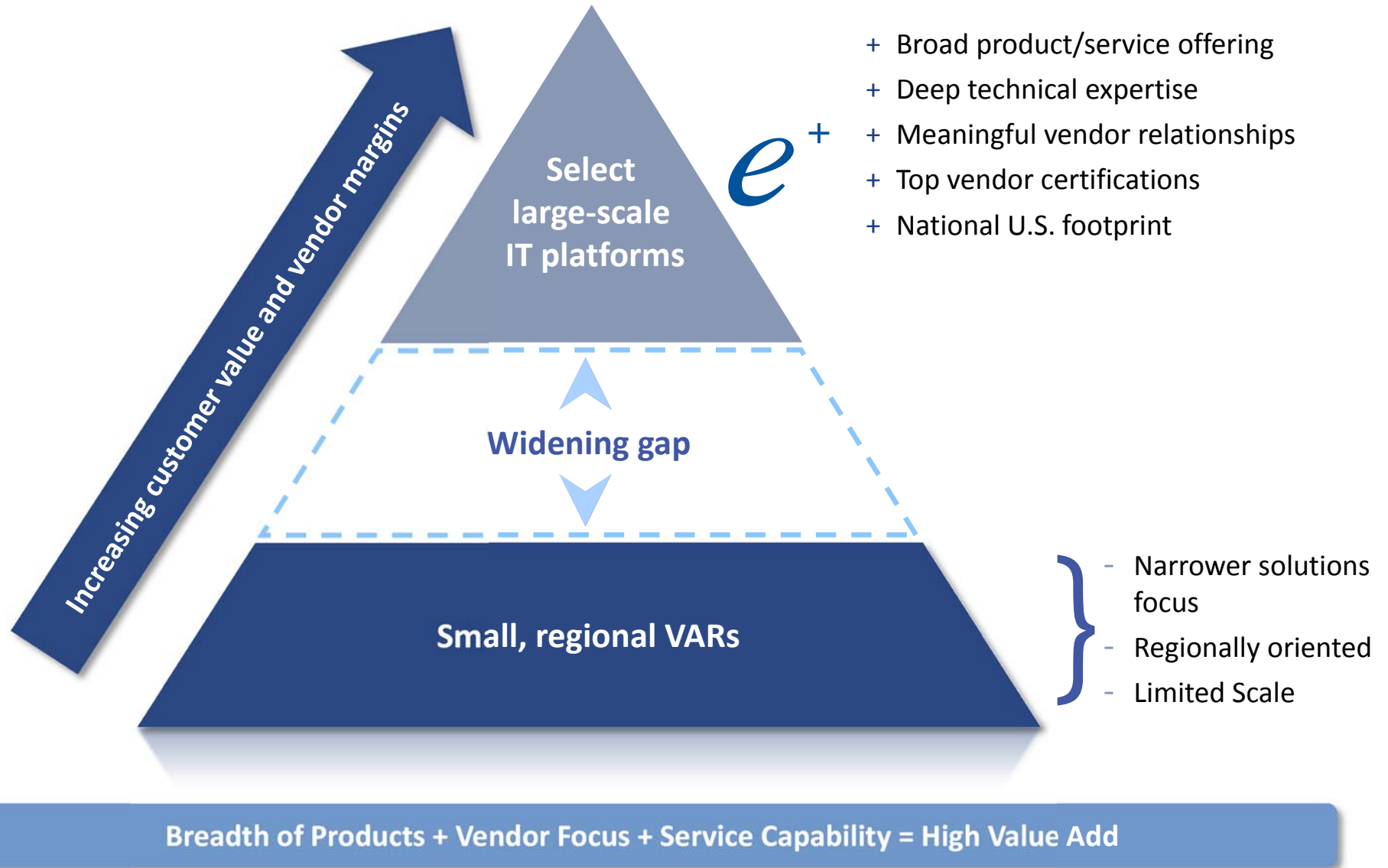
Steve Mencarini
Senior Vice President of
Business Operations



Erica Stoecker
General Counsel

Years with ePlus:
Years of experience:

6	8	16	13
30	31	33	18



- + Increasingly complex IT environment drives demand for sophisticated, broad-based solutions
- + Differentiated business model serving entire IT lifecycle, with focus on high-end products and services
- + Established relationships with key and emerging vendors
- + Diversified customer base across a broad range of end markets
- + Track record of strong financial performance and industry-leading margins
- + Investing to grow in excess of overall IT market and achieve significant growth in services revenues

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Mark Marron
Chief Operating Officer

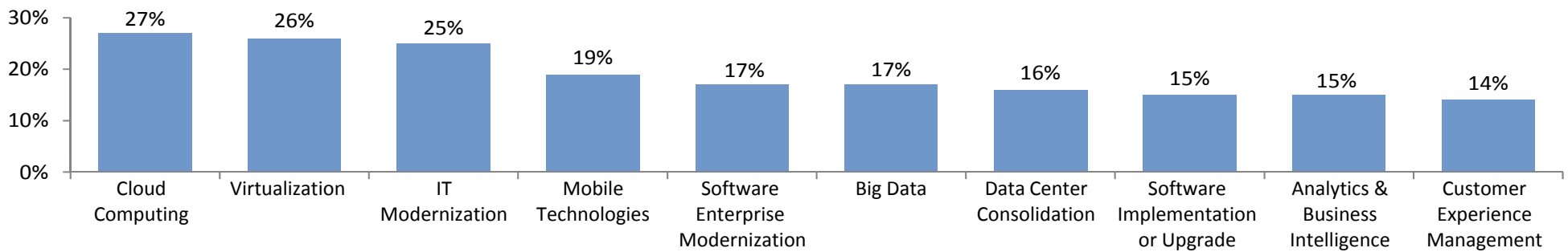
EXCELLENCE THROUGH EXPERIENCE

2000s

Software & Hardware Resale

Today

2013 Top 10 IT Budget Priorities ¹

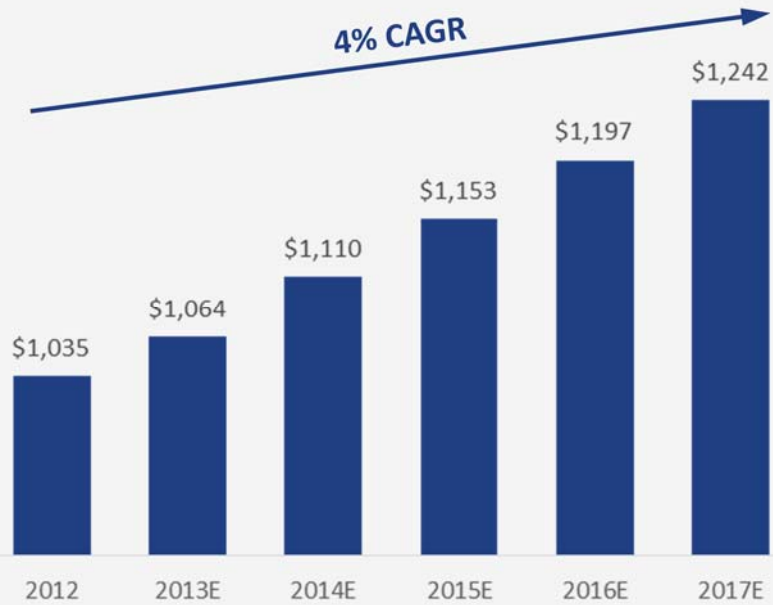


Customers increasingly seek partners capable of providing integrated hardware, software and services solutions

¹ Source: Gartner, "The Gartner Scenario for IT Service Providers: The Future of IT Services" (September 2013)

Expectations for U.S. IT Spending ¹

(\$ in billions)



Trends Driving IT Spending Growth

Emerging Technologies

Bring Your Own Device

Focus on User Experience

Total Cost of Ownership

Business Efficiency

Business Transformation

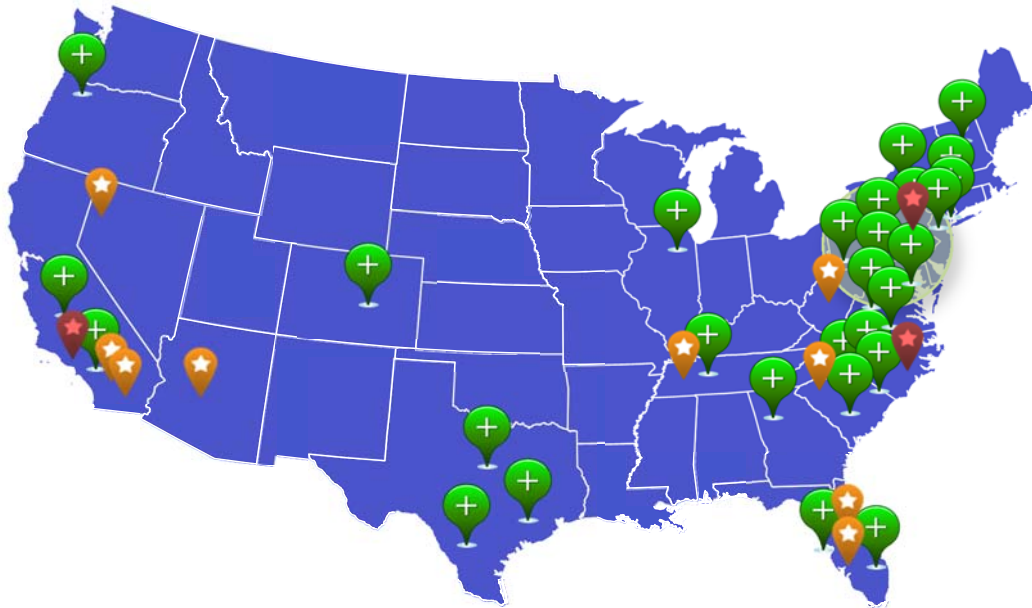
Expected Growth for Complex IT Solutions in the U.S. ²

(\$ in billions)

Market	2012	2017E	CAGR
Mobility	\$2.4	\$11.7	37%
Cloud	\$19.1	\$49.3	21%
Security	\$24.6	\$36.0	8%
Managed Services	\$40.8	\$53.7	6%
Virtualization	\$2.1	\$2.8	6%
Total	\$88.9	\$153.5	12%

¹Gartner, "Market Databook, 1Q14 Update," End-User Spending on IT Products and Services (U.S.)

²Gartner, "Forecast: IT Services, Worldwide, 2012-2018, 1Q14 Update," Data Center Outsourcing, Colocation, Hosting and Cloud Access (U.S.); Gartner, "Forecast: Information Security, Worldwide, 2012- 2018, 1Q14 Update," Security Spending (U.S.); Gartner, "Forecast: Enterprise Software Markets, Worldwide, 2011-2018, 1Q14 Update" Virtualization Infrastructure Software (U.S.); Gartner, "Forecast: PCs, Ultramobiles and Mobile Phones Worldwide, 2011-2018, 1Q14 Update" Ultramobiles purchased by business customers (U.S.)



- + 384 sales resources
- + 302 engineering professionals
- + Serving middle-market clients to large multinational enterprises
- + Customer-centric project management
- + Ability to deploy complex solutions globally

+ Regional Offices ★ Sales Offices ★ Managed Service Center

Targeted M&A Strategy with Track Record of Success



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



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



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



- + June 2011 (\$3.5 million)¹
- + Security expertise & Security Operations Center (SOC)
- + Acquired nationwide security sales capabilities



- + November 2010 (\$1.8 million)
- + Tandberg Platinum VAR
- + Acquired Cisco/Tandberg resale capability nationwide

¹ Excludes contingent consideration of up to \$3.2 million



DATA CENTER

- + Cloud Computing
- + Virtual Desktop Infrastructure / VDI
- + Server Consolidation / Virtualization
- + Storage & Backup
- + Data Security

COLLABORATION

- + Unified Communications
- + Video Systems / TelePresence
- + Streaming Solutions
- + Secure Mobility

INFRASTRUCTURE

- + Wireless
- + Core Networking
- + Multiple Client Devices
- + Client Security

FINANCIAL

- + Flexible Payment Solutions
- + Operating Leases
- + Capital Leases
- + Entire Asset Acquisition Process
- + Trade-In Programs

e+ SOFTWARE

- + Procurement
- + Asset Management
- + Supplier Enablement
- + Document Management

SERVICES

- + Assessments
- + Consulting
- + Project Management
- + Staging & Configuration
- + Integration

SECURITY

- + Managed Security
- + Threat Defense
- + BYOD Security
- + Content Security
- + Endpoint Security

+ Hired Dan Farrell as Senior Vice President of National Professional Services in 2010

Expansion Highlights (since 2010)

- + Expanded Services headcount by 93%
- + Grew managed service center locations from 1 to 3
- + Consistent growth in services revenue

Key Services

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



Services revenue carries a higher gross margin

Selected Strategic Partners



- + Top vendor for ePlus, representing 48% of technology sales ¹
- + Networking, security, converged infrastructure
- + ePlus engineers are trained in 26 different Cisco product lines



- + Represents ~10% of technology sales ¹
- + Converged infrastructure, enterprise storage, networking and virtualization



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



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



- + Virtual infrastructure solutions

Complemented by Additional Relationships



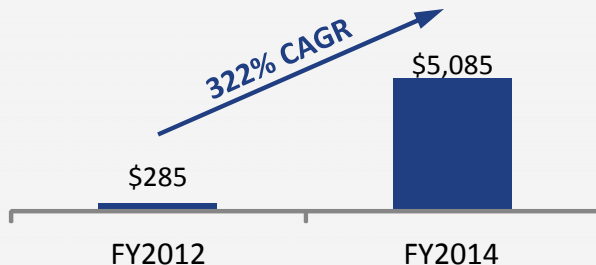
ePlus serves as an extension of vendors' internal sales force with the ability to select best-of-breed solutions

¹ Based on the year ended March 31, 2014

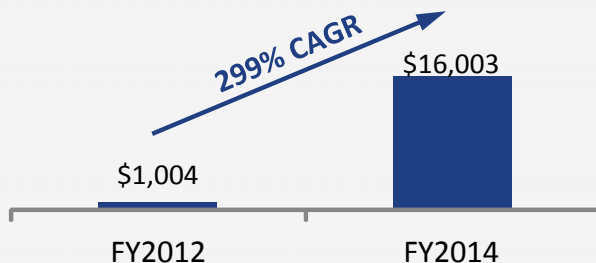
Selected Emerging Vendors

(\$ in thousands, FYE 3/31)

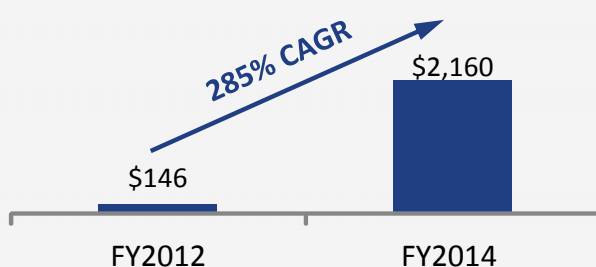
Vendor A



Vendor B



Vendor C



Featured Vendors

Storage



Security



Big Data



Network

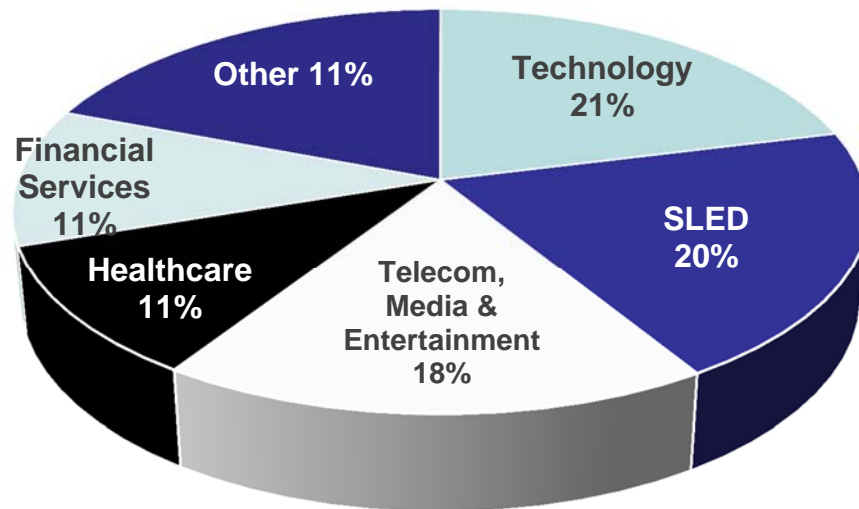


Servers



Well-positioned for continued above-market growth as disruptive vendors take market share

FY14 Revenue



- + Focused on enterprise and middle-market customers
- + > 2,800 existing customers
- + Only one 10% (of revenues) customer in FY2014
- + Broad-based services capabilities and multi-vendor relationships driving customer acquisition
- + Trusted IT advisor with vendor agnostic approach

Technology



State & Local Government and Education



Telecom, Media & Entertainment



Financial Services

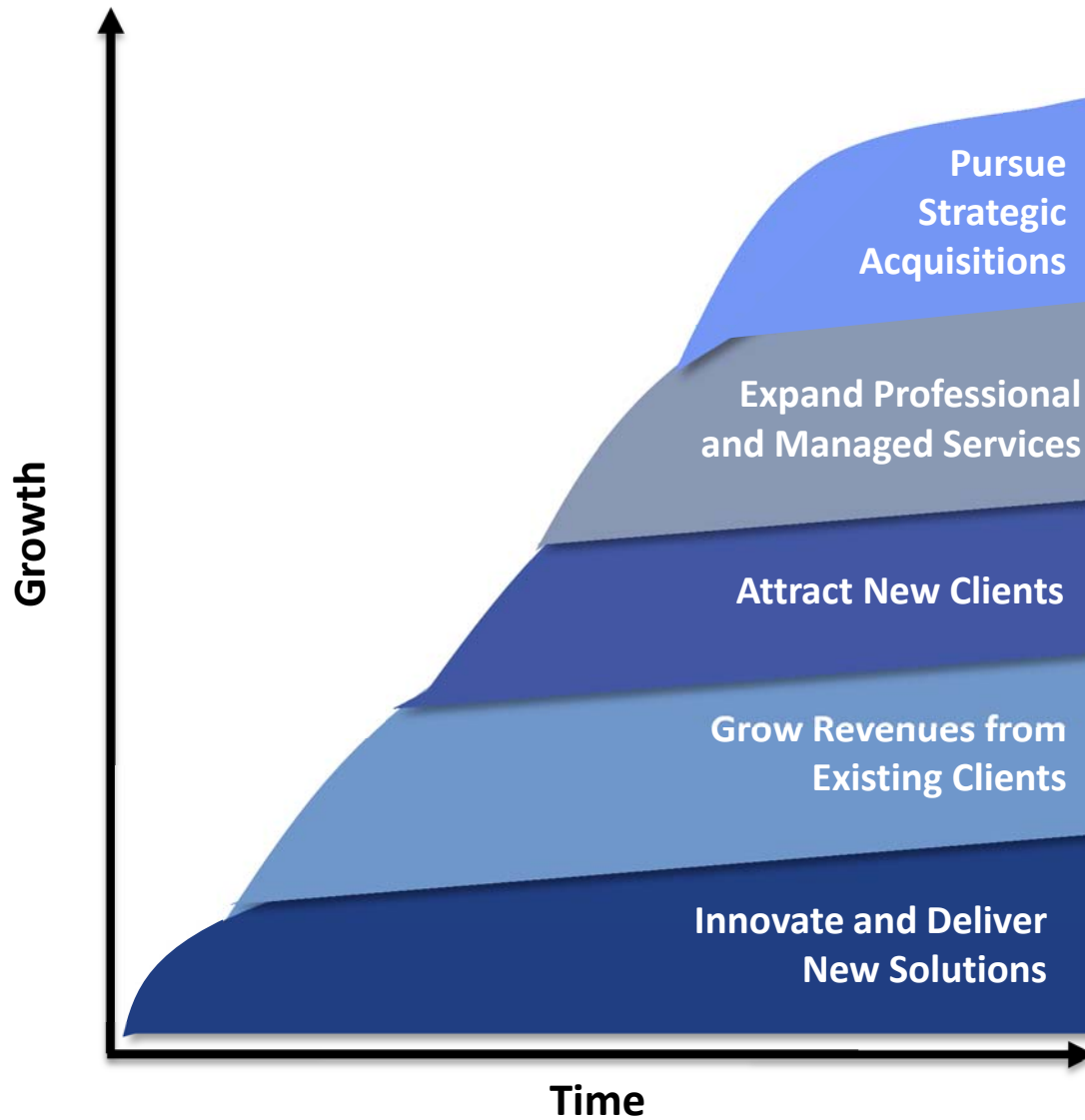


Healthcare



Other





- + Continue to consolidate fragmented industry
 - + Focus on expanding customer base, geographic coverage and vendor relationships
 - + Build out national footprint
-
- + Continue to hire and retain engineering talent
 - + Continue to grow Managed Service business
-
- + Capitalize on reputation as trusted advisor
 - + Continue to build relationships with OEMs to ensure customer referrals
-
- + Cross-sell full breadth of products and technologies
 - + Further penetrate with expanding Service offerings
-
- + Continue to expand next generation capabilities

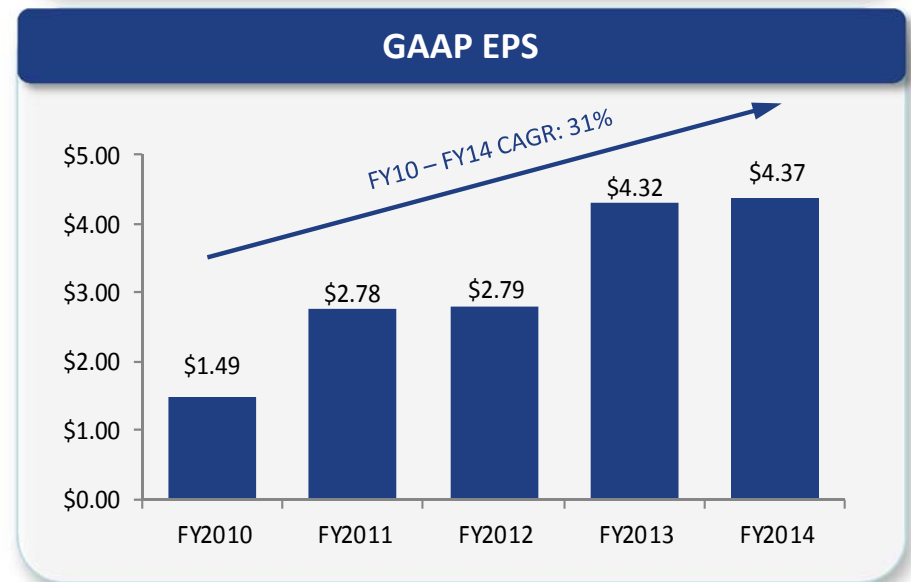
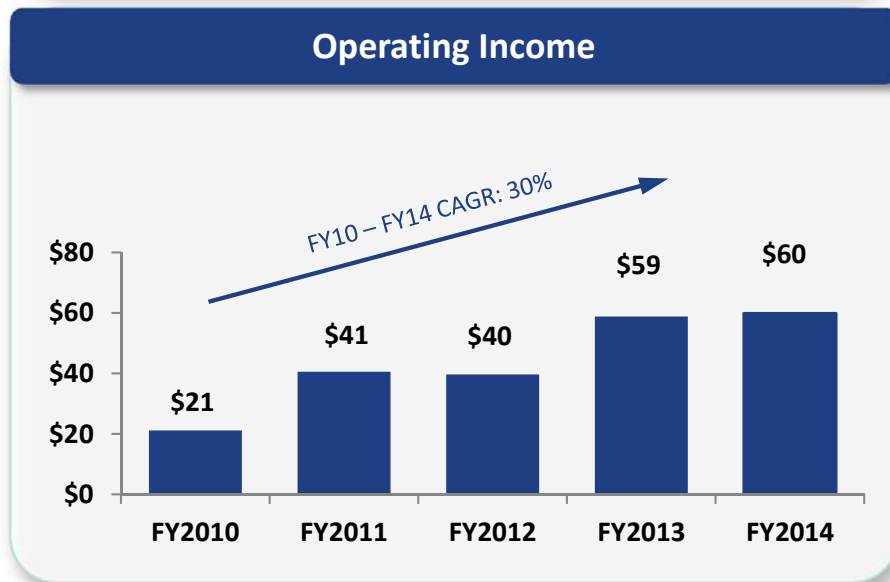
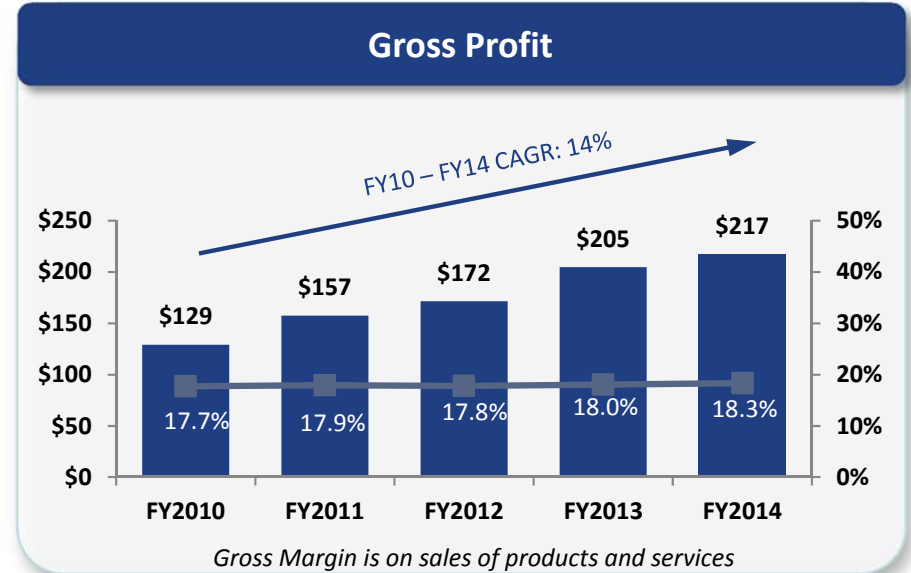
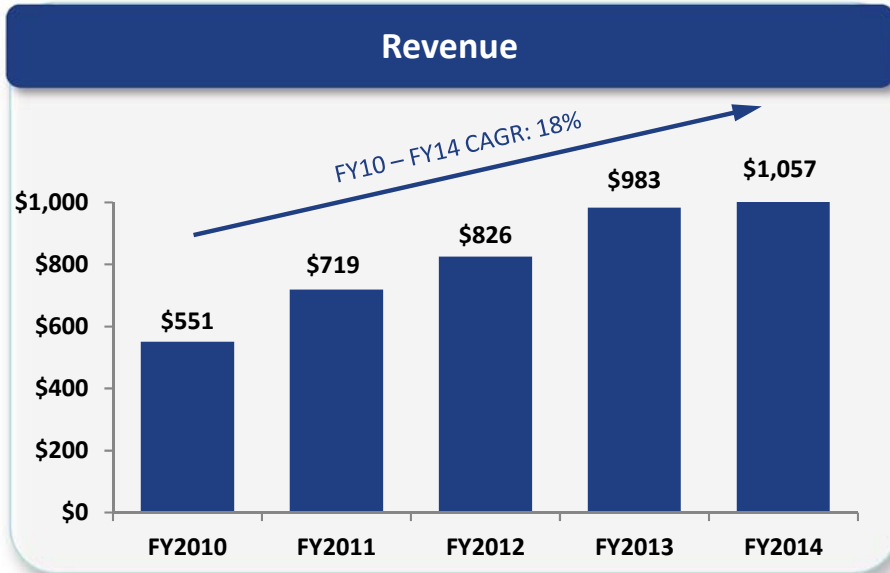
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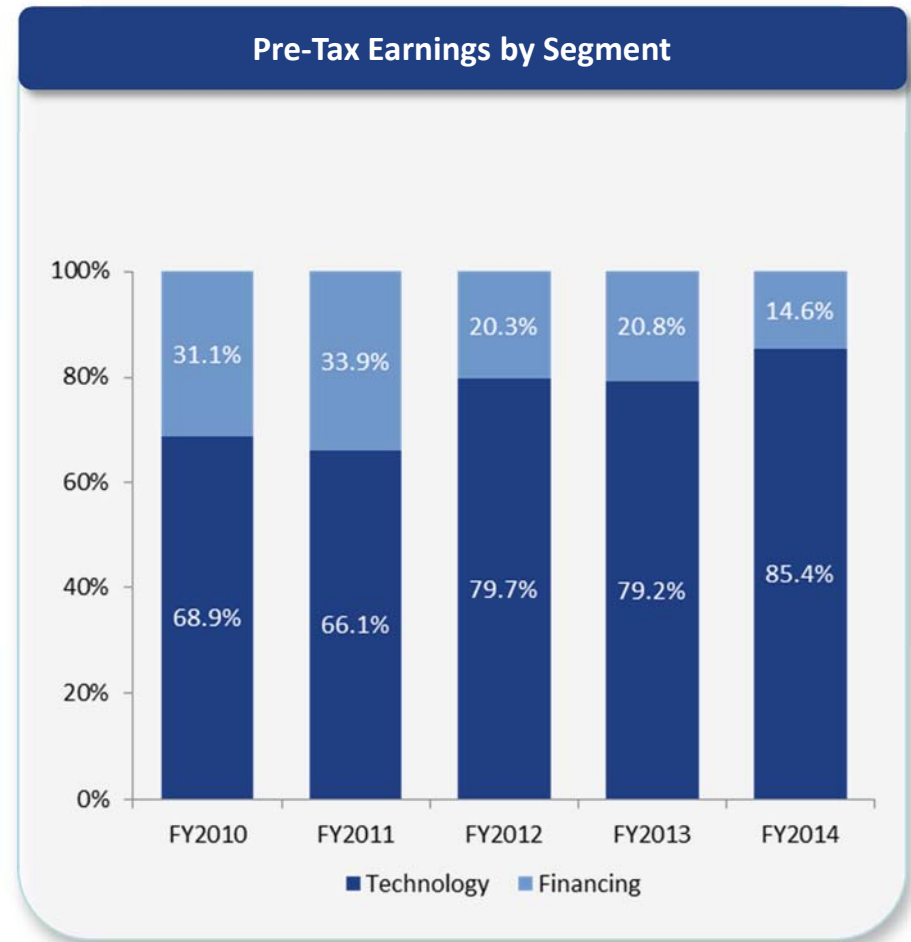
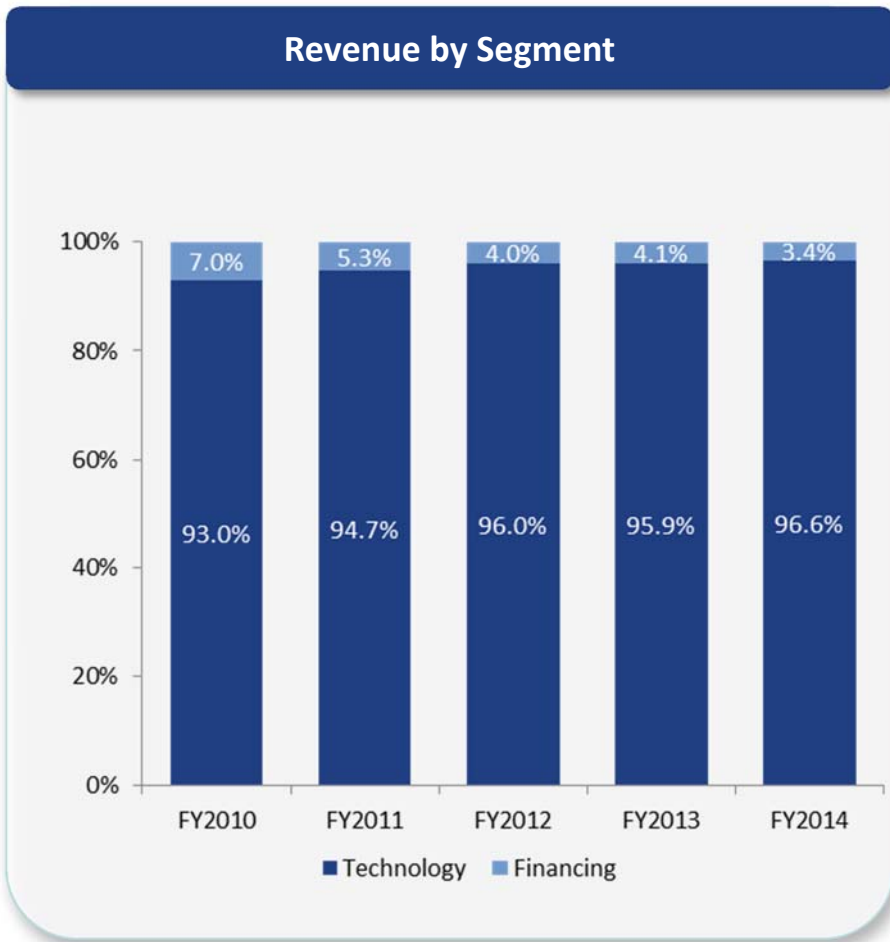
Elaine Marion
Chief Financial Officer

EXCELLENCE THROUGH EXPERIENCE

(\$ in millions, except per share data, FYE 3/31)

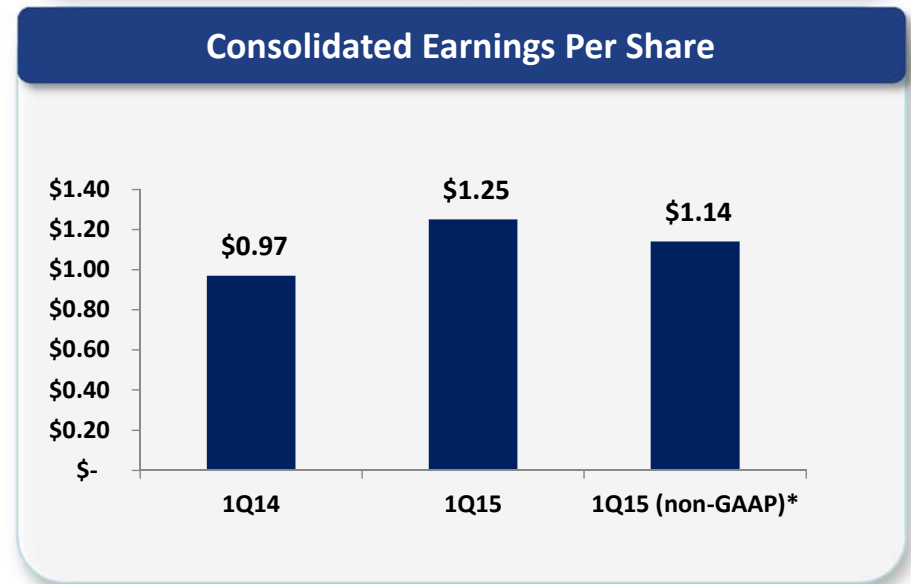
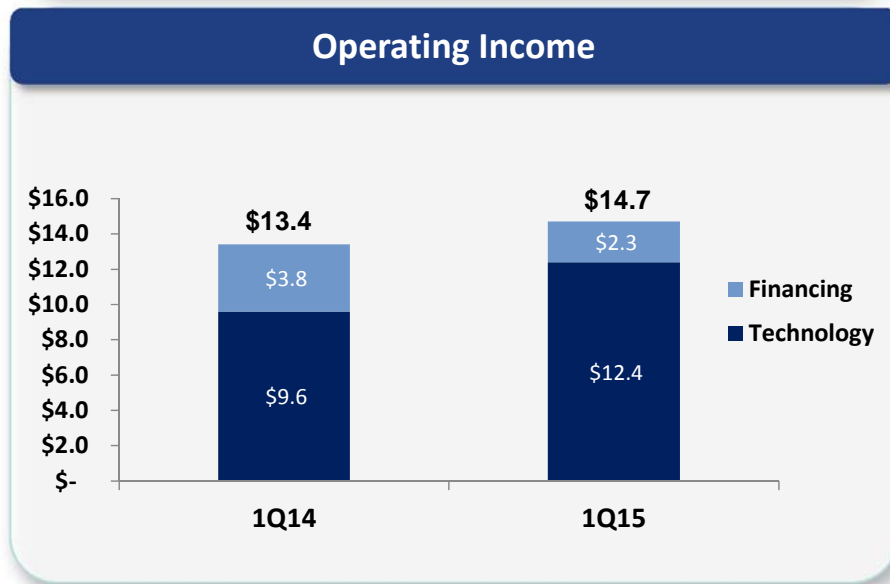
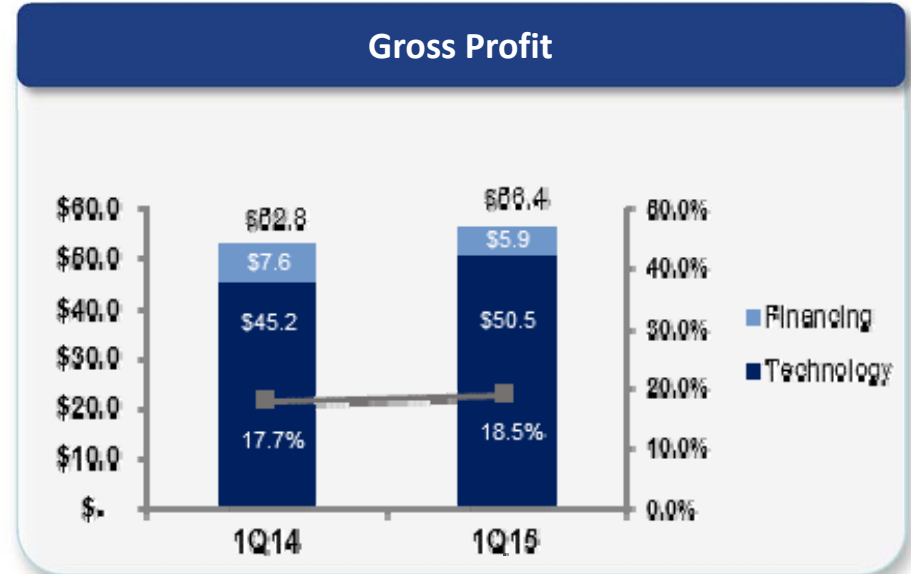
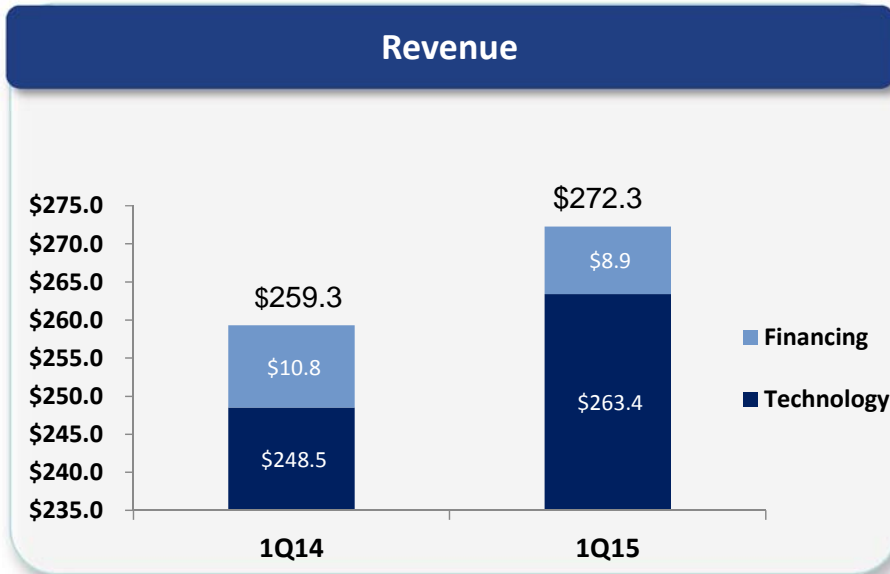


(\$ in millions, FYE 3/31)



Positive comparisons in 1Q15

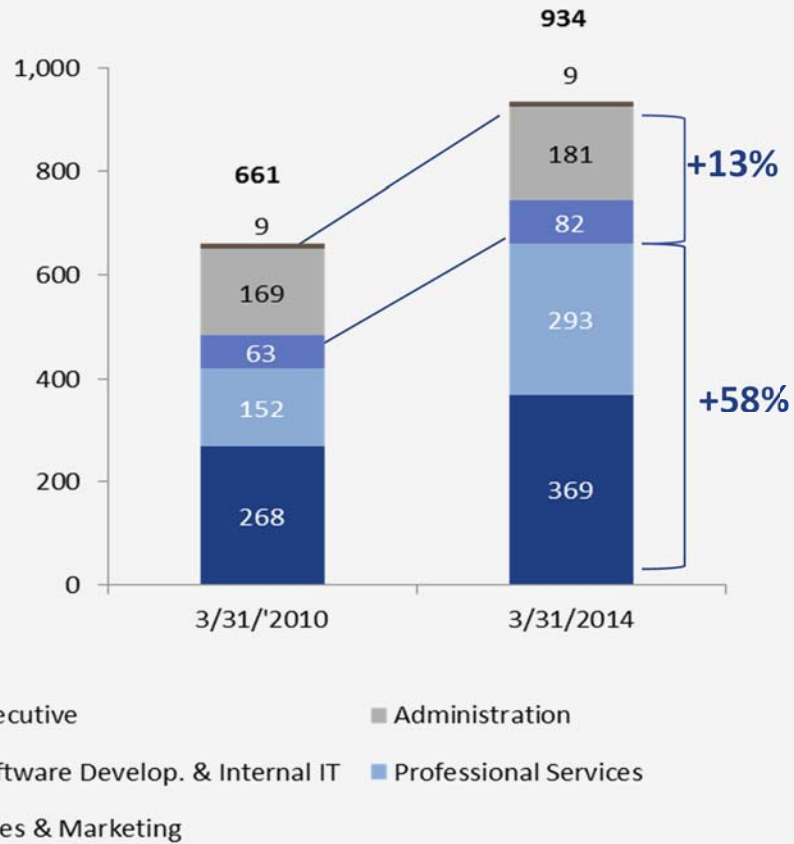
(\$ in millions, except per share data FYE 3/31)



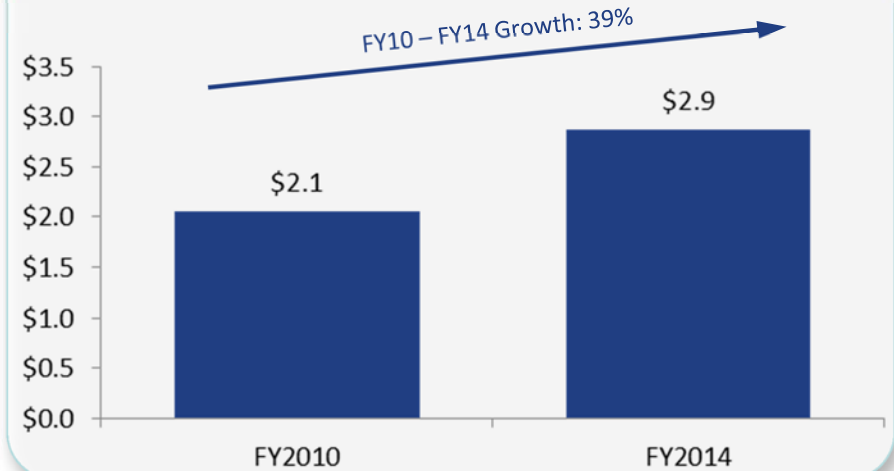
* See Reconciliation of Non-GAAP Information

(\$ in millions, FYE 3/31)

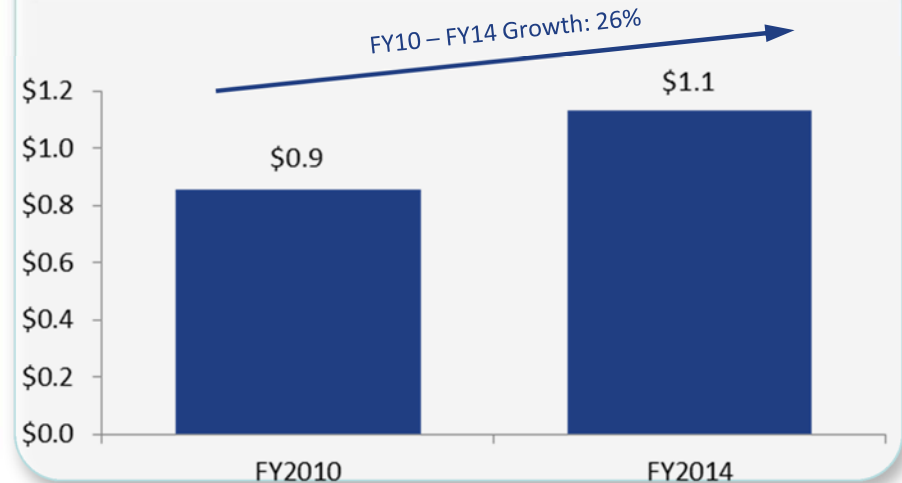
Employee Headcount Growth by Function



Revenue per Sales & Marketing Employee



Revenue per Employee



Note: Excludes part time employees

- + \$67 million in cash and equivalents
- + \$225 million financing facility with GE Commercial Distribution Finance
- + Financing portfolio of \$158 million as of 6/30/14, representing investments in leases and notes
- + Portfolio monetization can be utilized to raise additional cash
- + Minimal capex
- + 400,000 share repurchase in connection with secondary offering, May 2014

(\$ in millions)

Assets	6/30/2014	3/31/2014
Cash and equivalents	\$67	\$80
Accounts receivable	207	243
Inventory	30	23
Financing investments	158	144
Goodwill & other intangibles	34	35
Property & equipment and other	34	29
Total assets	\$530	\$554
Liabilities		
Accounts payable	164	162
Recourse notes payable	2	4
Non-recourse notes payable	64	65
Other liabilities	51	56
Total liabilities	\$281	\$287
Shareholders' Equity		
Equity	249	266
Total liabilities & equity	\$530	\$554

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Phil Norton
Chairman, CEO and President

EXCELLENCE THROUGH EXPERIENCE

- + Focused on growing service revenues to maintain and expand margins
- + Investments in key engineering and sales personnel to drive growth in excess of market
- + Growing geographic footprint offers entry into new regional markets
- + Targeting new and existing client bases for revenue growth
- + Robust balance sheet provides opportunity for accretive M&A

The logo consists of a large, blue, italicized lowercase letter 'e' followed by a smaller blue plus sign '+'. The background features a blue-toned architectural grid pattern that recedes into the distance, creating a sense of depth and perspective.

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Appendix

EXCELLENCE THROUGH EXPERIENCE

ePlus inc. AND SUBSIDIARIES
RECONCILIATION OF NON-GAAP INFORMATION

	Three Months Ended June 30,	
	2014	2013 [2]
	(in thousands, except per share amount)	
GAAP earnings before provision for income taxes as reported	\$16,176	\$13,353
Less: Other income	1,434	-
Non-GAAP earnings before provision for income taxes	<u>14,742</u>	<u>13,353</u>
Non-GAAP provision for income taxes [1]	6,105	5,503
Non-GAAP net earnings	<u>\$8,637</u>	<u>\$7,850</u>
GAAP net earnings per common share – diluted	<u>\$1.25</u>	<u>\$0.97</u>
Non-GAAP net earnings per common share – diluted	<u>\$1.14</u>	<u>\$0.97</u>

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

[2] Figures in the 2013 column are GAAP and provided for comparative purposes.



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