

e⁺

ePlus



EXCELLENCE THROUGH EXPERIENCE

Investor Presentation

June 2014



Safe Harbor Statement

Statements in this presentation, which are not historical facts, may be deemed to be "forward-looking statements." Actual and anticipated future results may vary due to certain risks and uncertainties, including, without limitation; possible adverse effects resulting from the recent uncertainty in the economic environment and general slowdown of the U.S. economy such as our current and potential customers delaying or reducing technology purchases, increasing credit risk associated with our customers and vendors, reduction of vendor incentive programs, the possibility of additional goodwill impairment charges, and restrictions on our access to capital necessary to fund our operations; our ability to implement comprehensive plans to achieve customer account coverage, cost containment, asset rationalization, systems integration and other key strategies; our ability to secure our electronic and other confidential information; changes to our senior management team; the existence of demand for, and acceptance of, our products and services; significant changes in accounting standards including changes to the financial reporting of leases which could impact the demand for our leasing services, or misclassification of products and services we sell resulting in the misapplication of revenue recognition policies; our ability to adapt to changes in the IT industry and/or rapid change in product standards; our ability to hire and retain sufficient personnel; our ability to protect our intellectual property; our ability to raise capital and obtain non-recourse financing for our transactions; our ability to realize our investment in leased equipment; our ability to reserve adequately for credit losses; our ability to successfully integrate acquired businesses; significant adverse changes in, reductions in, or losses of relationships with major customers or vendors; the possibility of defects in our products or catalog content data; and other risks or uncertainties detailed in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2014 and other periodic filings with the Securities and Exchange Commission and available at the SEC's website at <http://www.sec.gov>.

We wish to caution you that these factors could affect our financial performance and could cause actual results for future periods to differ materially from any opinions or statements expressed with respect to future periods in any current statements. All information set forth in this presentation is current as of the date of this presentation and ePlus undertakes no duty or obligation to update this information.

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- + 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
- + 934 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



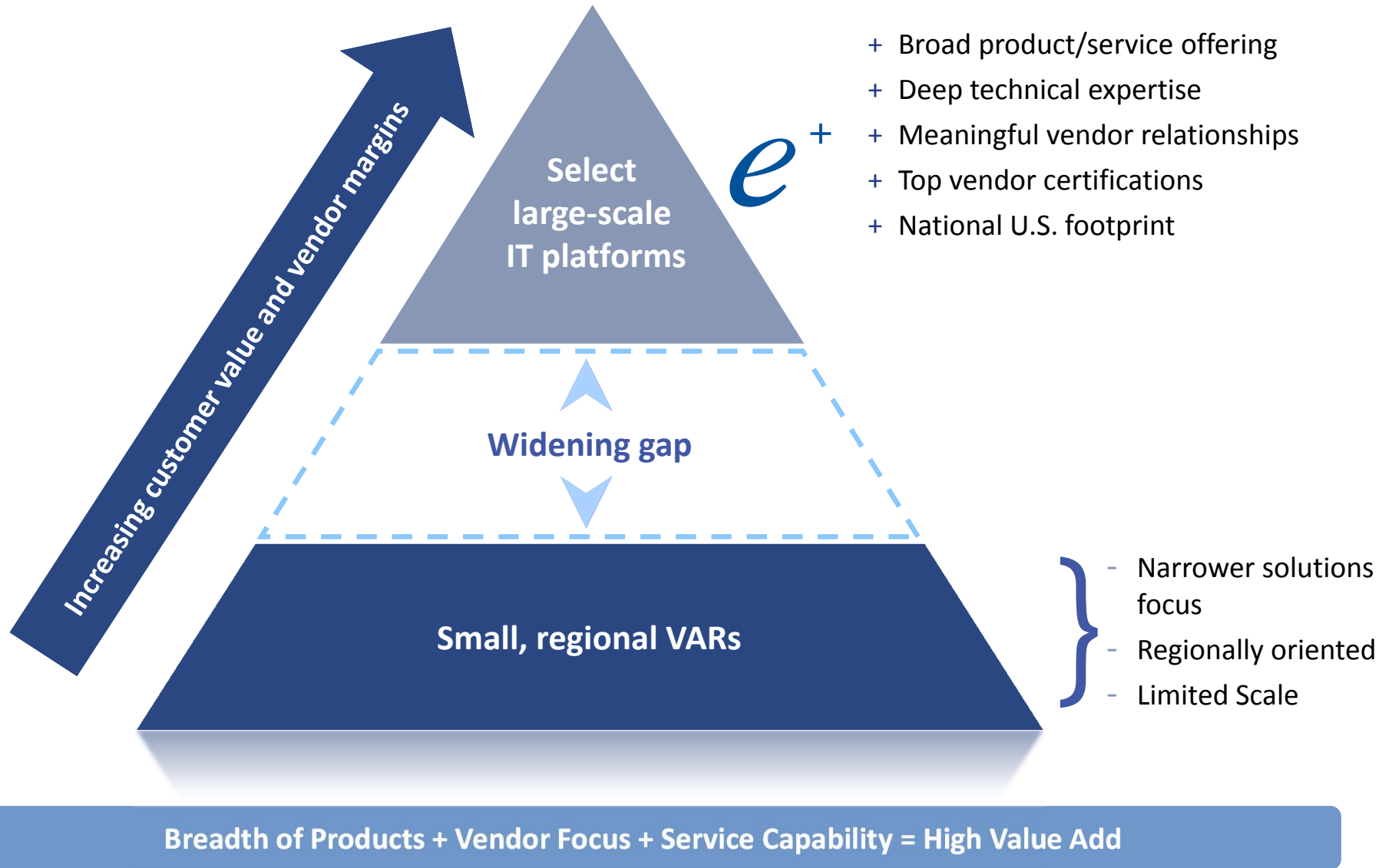
Steve Mencarini
*Senior Vice President of
Business Operations*



Erica Stoecker
General Counsel

Years with ePlus:
Years of experience:

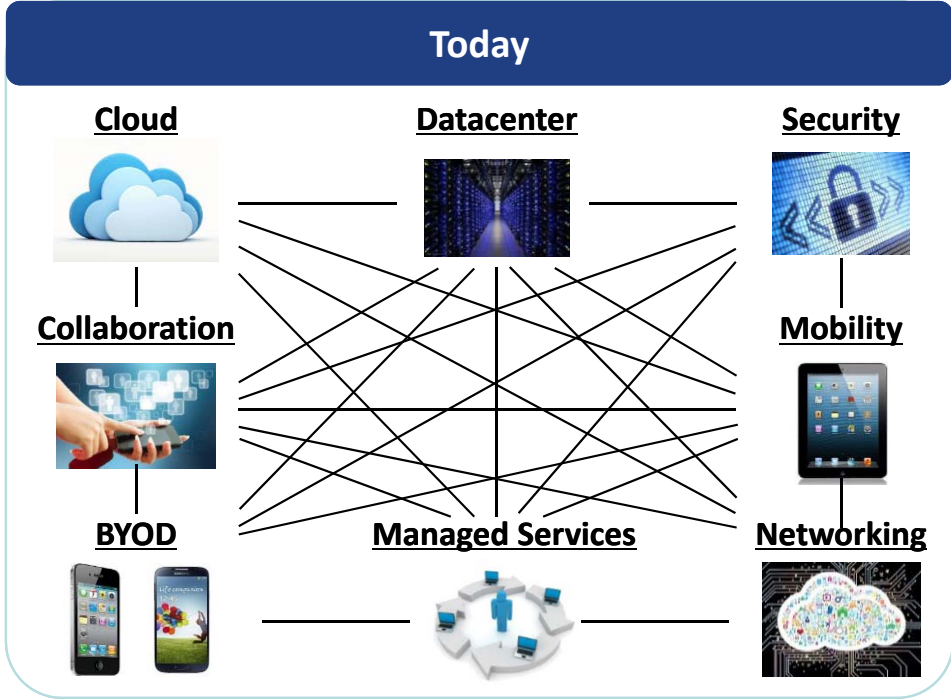
6	8	16	13
30	31	33	18



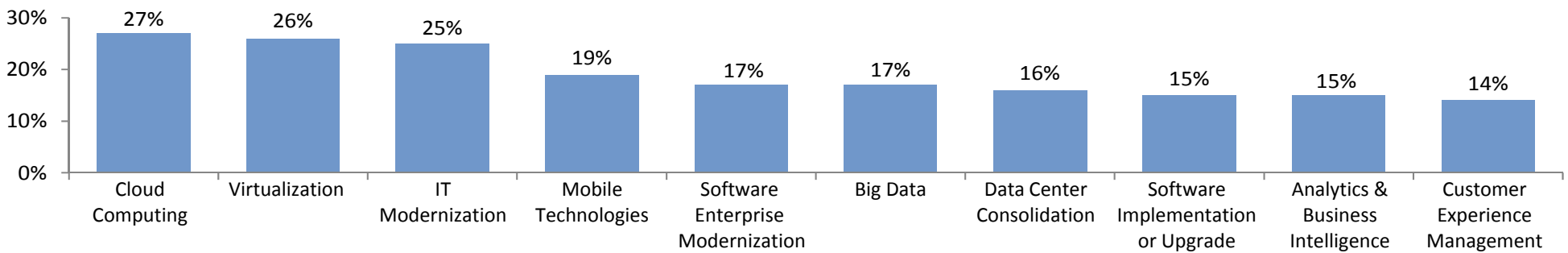
- + Increasingly complex IT environment drives demand for sophisticated, broad-based solutions
- + Differentiated business model serving entire IT lifecycle, with focus on high-end products and services
- + Established relationships with key and emerging vendors
- + Diversified customer base across a 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

2000s

Software & Hardware Resale



2013 Top 10 IT Budget Priorities ¹

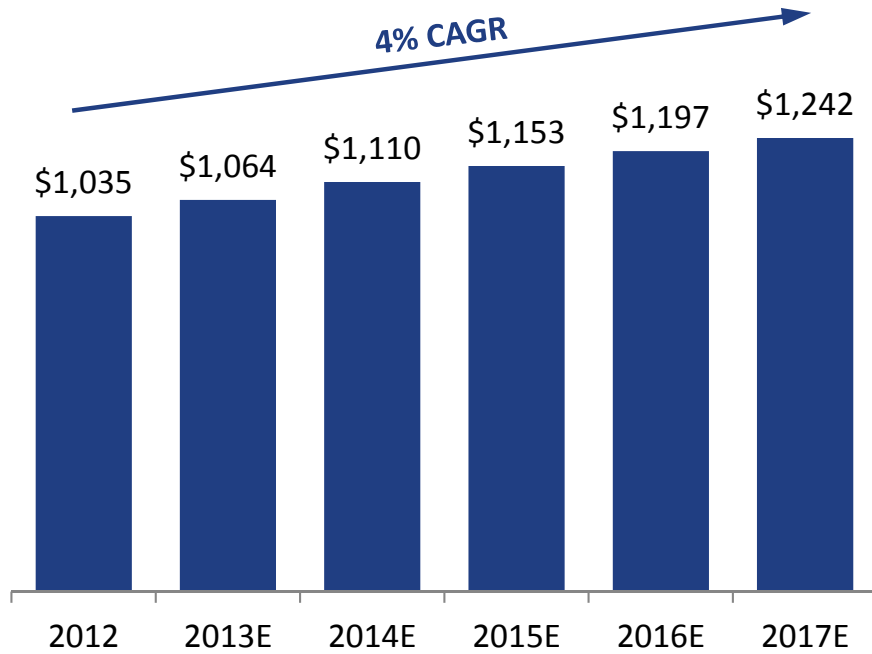


Customers increasingly seek partners capable of providing integrated hardware, software and services solutions

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

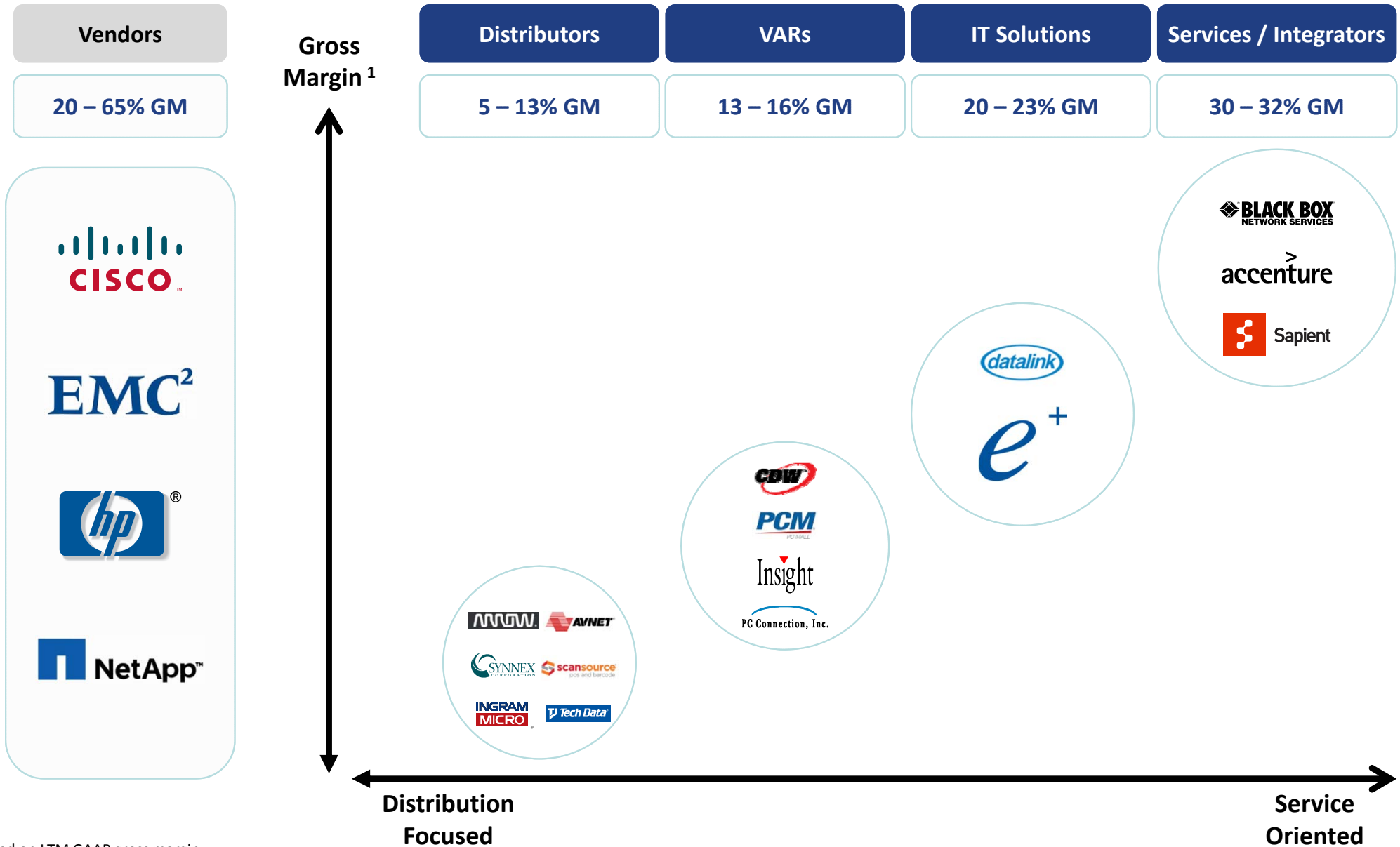
(\$ in billions)

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%

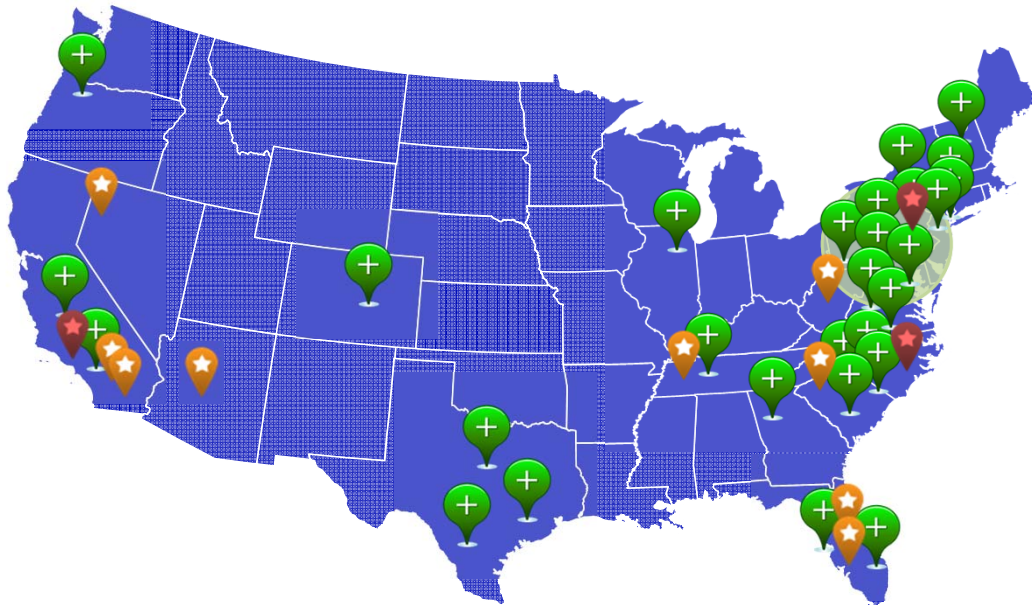
¹Gartner, "Market Databook, 1Q14 Update," End-User Spending on IT Products and Services (U.S.)

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.)

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



¹ Based on LTM GAAP gross margin



- + 369 sales resources
- + 293 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

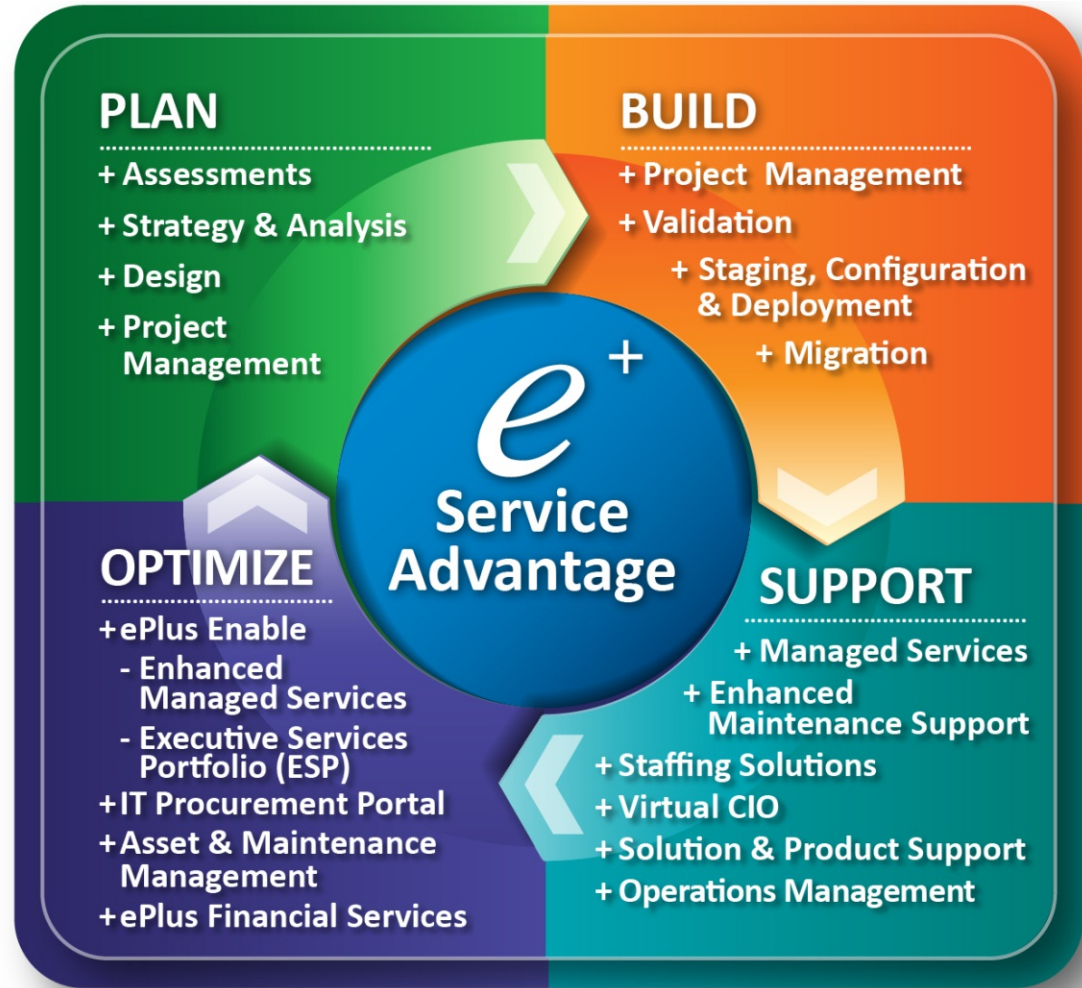
+ Hired Dan Farrell as Senior Vice President of National Professional Services in 2010

Expansion Highlights

- + 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



2014 Partner Summit Global Award for Cloud Builder of the Year

- + Additional awards received at Partner Summit:
 - Commercial Partner of the Year, Americas
 - Architectural Excellence - Collaboration, US/Canada: East
 - Cisco Meraki Elevate East Partner of the Year, US/Canada: East
 - SLED Partner of the Year, US/Canada: West
- + Cisco expects to invest over \$1bn to expand its cloud business over the next two years, through its partner-centric model

*"Cisco is privileged to work alongside **the most talented channel partners in the industry**, and we remain committed to our partners' success. We are honored to name ePlus as Cloud Builder of the Year, to acknowledge their outstanding achievements."*
-Edison Peres, Senior Vice President, Worldwide Channels, Cisco



2014 Top Growth Storage Partner Award

- + Co-winner in the Enterprise Group U.S. 2014 Top Growth Partner HP Storage VAR category at HP's Global Partner Conference
- + ePlus is an HP Platinum Partner with HP specializations in Converged Infrastructure and Printing and Computing Systems

*"Modern storage designs, such as HP 3PAR StoreServ Storage and HP StoreOnce Backup, are built for a new style of IT that customers are deploying. Partners like ePlus play a **critical role in consulting with their clients** to accelerate storage transformation efforts to **meet changing IT demands.**"*
-Andrew Manners, Vice President, HP Storage



2013 Top-Ranked Partner in US FlexPod Sales

- + Achieved top partner ranking in FlexPod sales for the first half of NetApp's fiscal year 2014
- + ePlus has been a leading FlexPod provider since the solution's inception and has deployed Flexpods in a wide variety of verticals

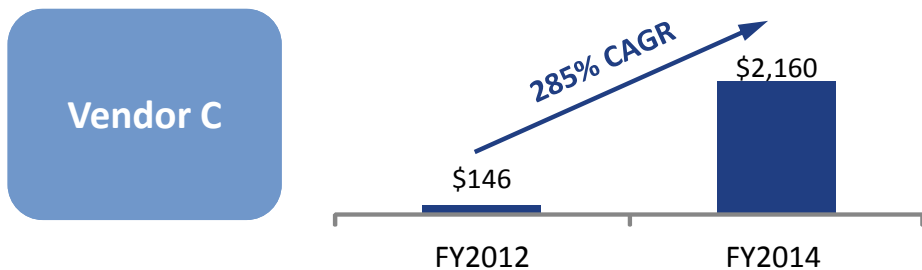
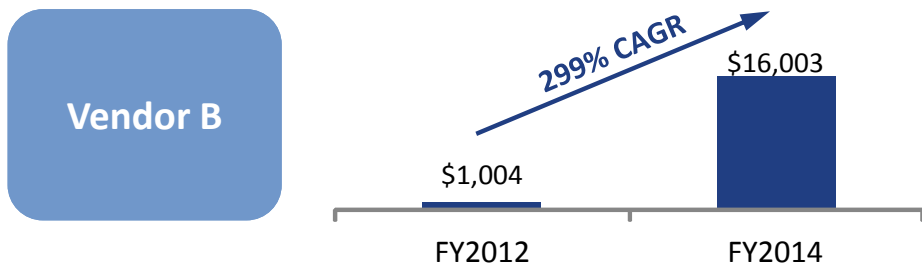
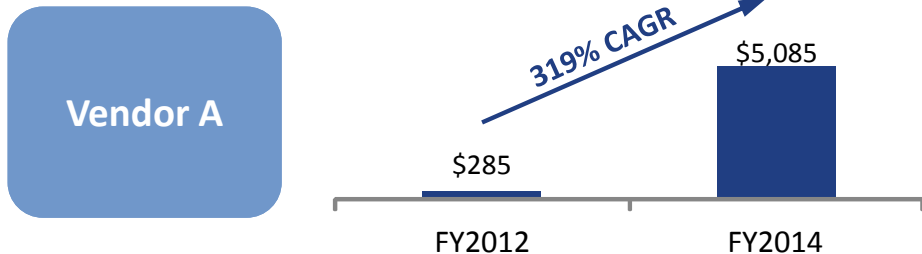
*"ePlus has demonstrated a commitment to NetApp solutions and ongoing investments to **maintain the highest levels of FlexPod expertise.** We look forward to continuing to work together to enable our joint customers to lower deployment risk, increase data center efficiencies, and create a flexible IT environment through FlexPod solutions."*
-Peter Howard, Vice President, Worldwide Channel Sales, NetApp

Additional Designations:



Selected Emerging Vendors

(\$ in thousands, FYE 3/31)



Featured Vendors

Storage



Security



Big Data



Network

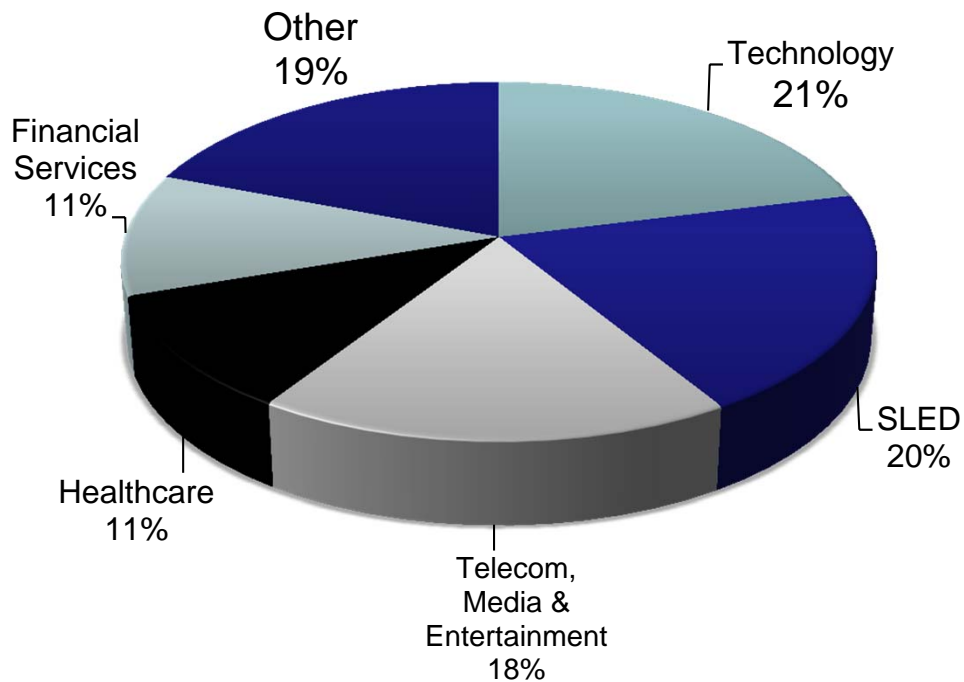


Servers



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% 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



The Problem

- + Overpaying for substandard support under its existing long-term contract for managed services and staff augmentation
- + No customization for infrastructure needs included in existing contract
- + Obsolete platforms and systems

Business Challenges & Issues

- + Lack of alignment between customer and IT partner
- + Customer was undergoing a volatile period in its history and needed an agile partner that would best meet its infrastructure needs

Solution & Benefits

- + ePlus Managed Services now monitors and manages the customer's Cisco route/switch and wireless infrastructure (~1,000 devices)
- + Five people are now on-site 24X7X4 for service delivery management and engineering support for 17 U.S. sites
- + Adaptive IT infrastructure and ~\$2.5 million annual cost savings

Why ePlus?

- + Highest levels of technical expertise, agility and business focus, concentrating on the customer's specific business challenges and providing extremely flexible and innovative solutions
- + Willingness to adapt the ePlus model to meet the customer's needs



The Problem

- + Needed to consolidate field operations infrastructure for shared services applications (Email, SharePoint, file/print etc.)
- + Had a highly heterogeneous mix of manufacturers that had become outdated/obsolete through the years

FlexPod™ Premium Partner

Cisco | NetApp

Business Challenges & Issues

- + Higher maintenance and operational costs
- + Business downtime/operational instability risks due to lack of support for EOSL and EOL
- + Inability to adapt / grow to meet field operational needs



Master
Cloud Builder
Partner

Solution & Benefits

- + Basic FlexPod – Cisco, NetApp & VMware
- + ePlus Professional Services and Configuration / Staging
- + Reduced operational support costs with standardized infrastructure
- + Reliable and secure infrastructure that is flexible, adaptive and scalable



Star Partner

Why ePlus?

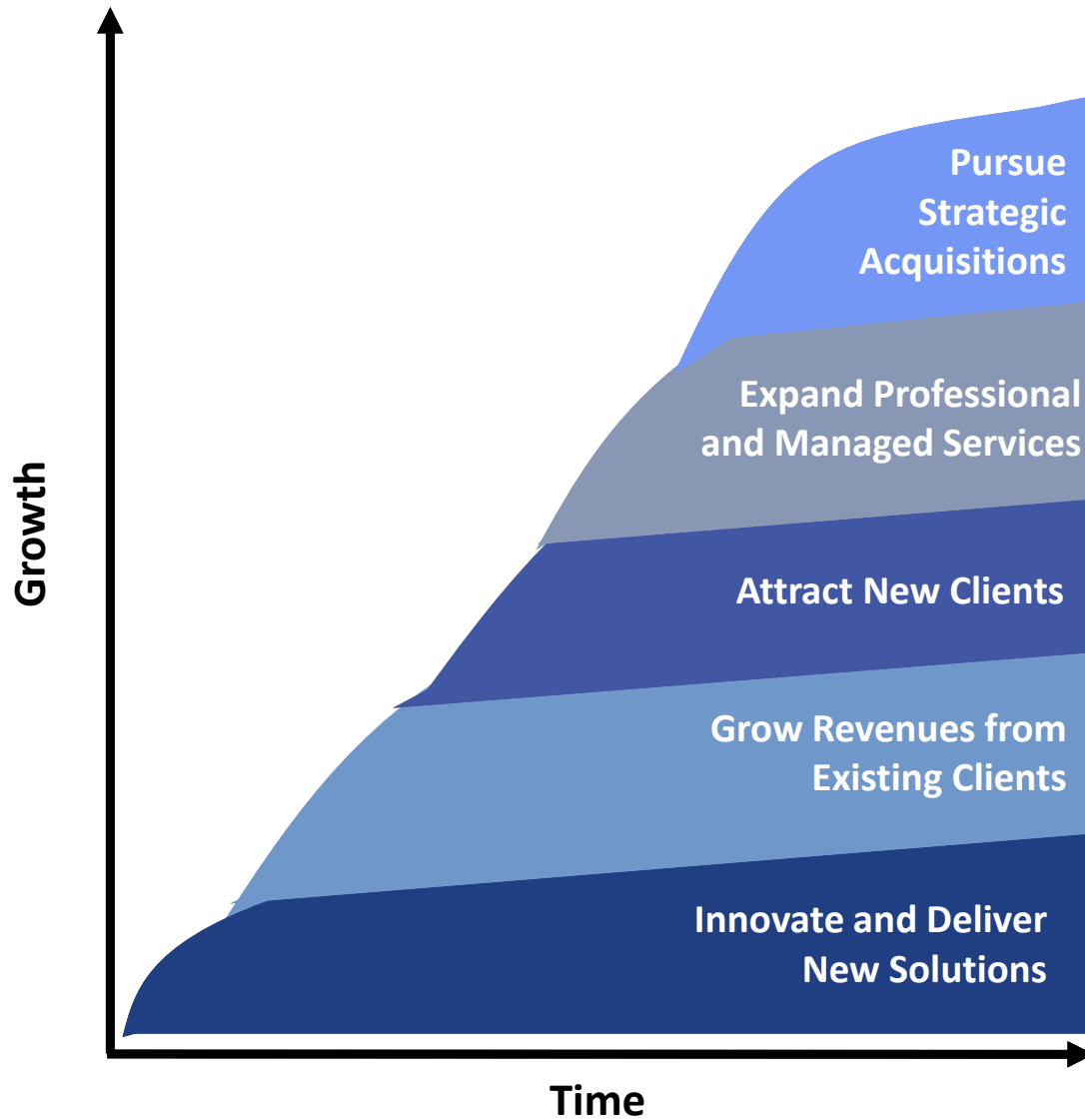
- + Strong partnerships with Cisco and NetApp
- + Ability to provide a complete solution, including staging/configuration services
- + Engineering talent and expertise in each of the required cross-disciplines (networking, storage, compute and virtualization)

Competition

>
accenture

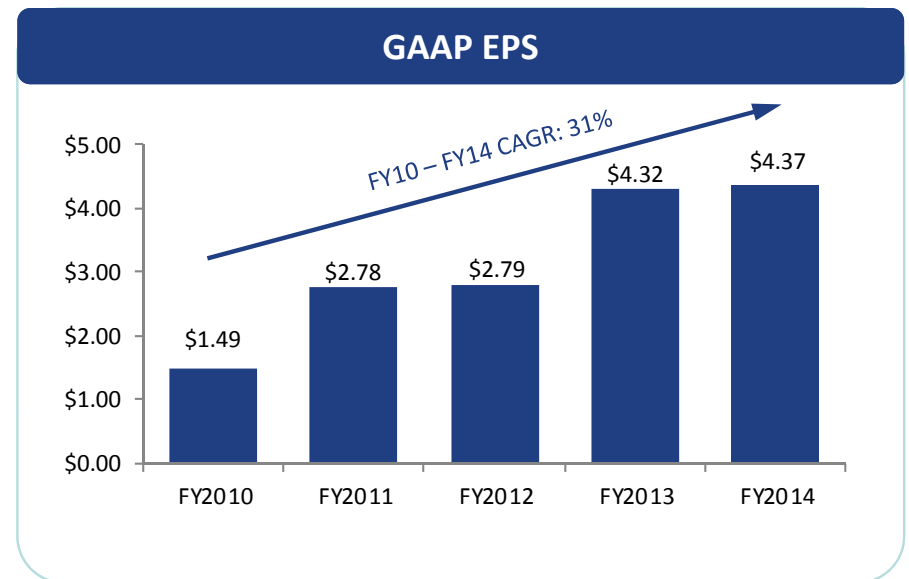
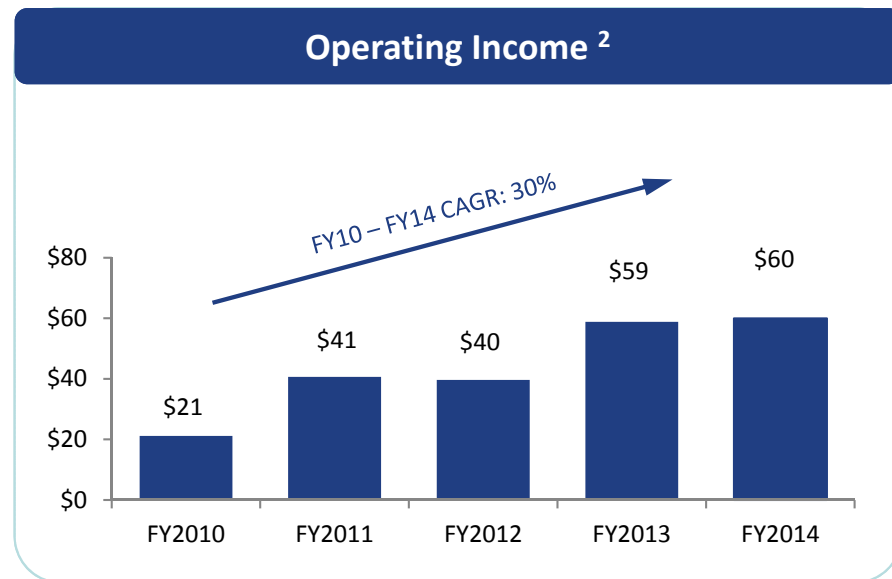
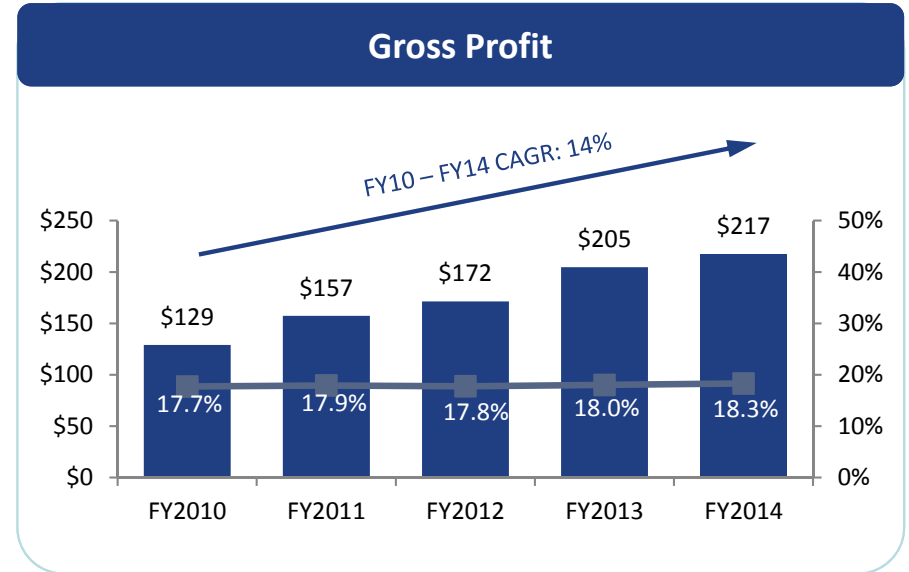
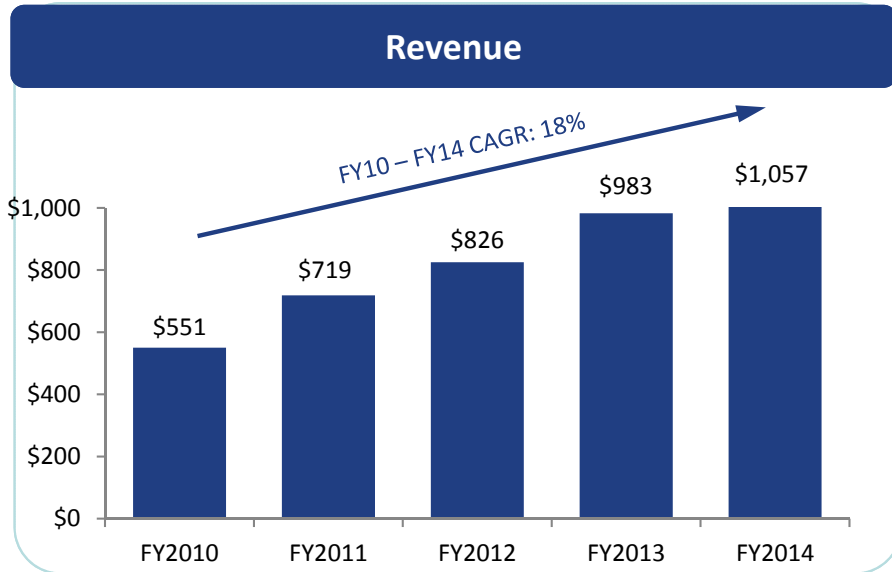


The power of iQ



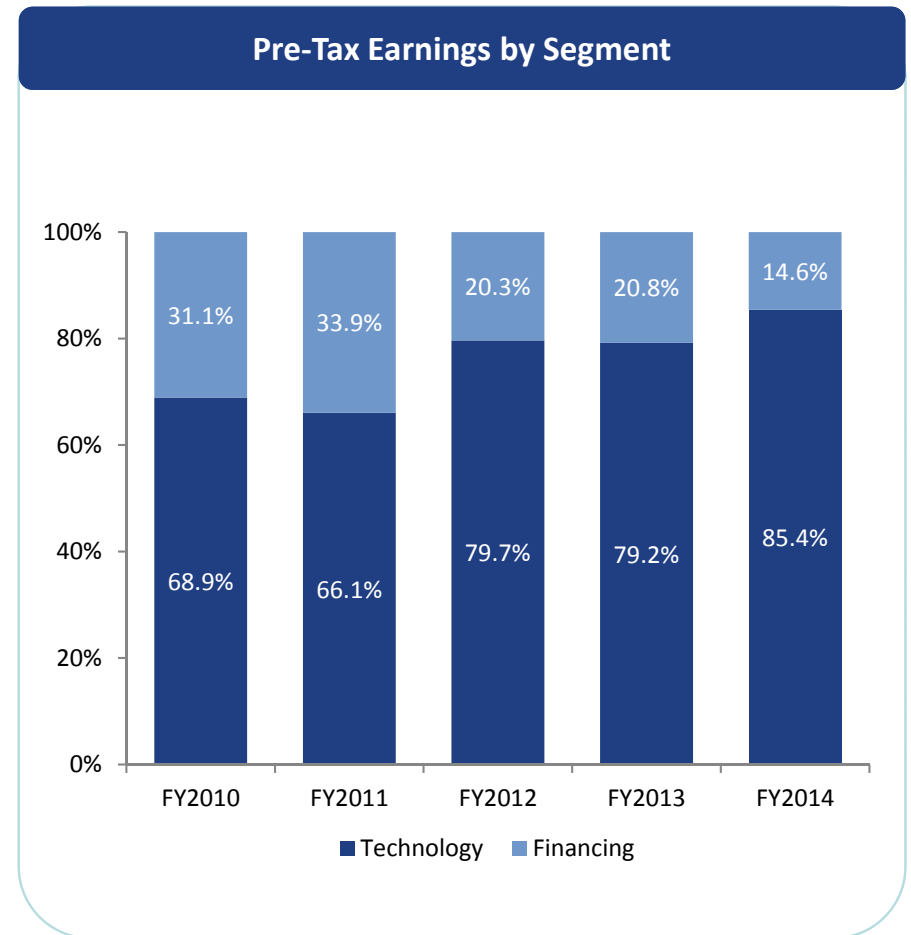
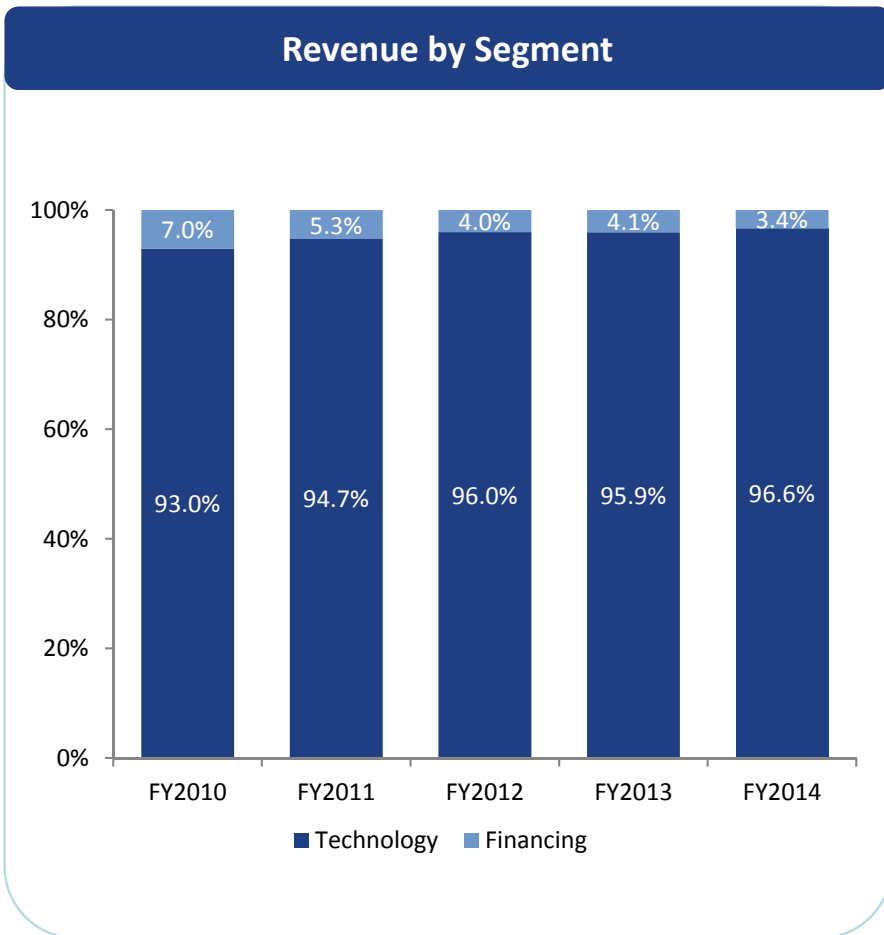
- + Continue to consolidate fragmented industry
 - + Focus on expanding customer base, geographic coverage and vendor relationships
 - + Build out national footprint
-
- + Continue to hire and retain engineering talent
 - + Continue to grow Managed Service business
-
- + Capitalize on reputation as trusted 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

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



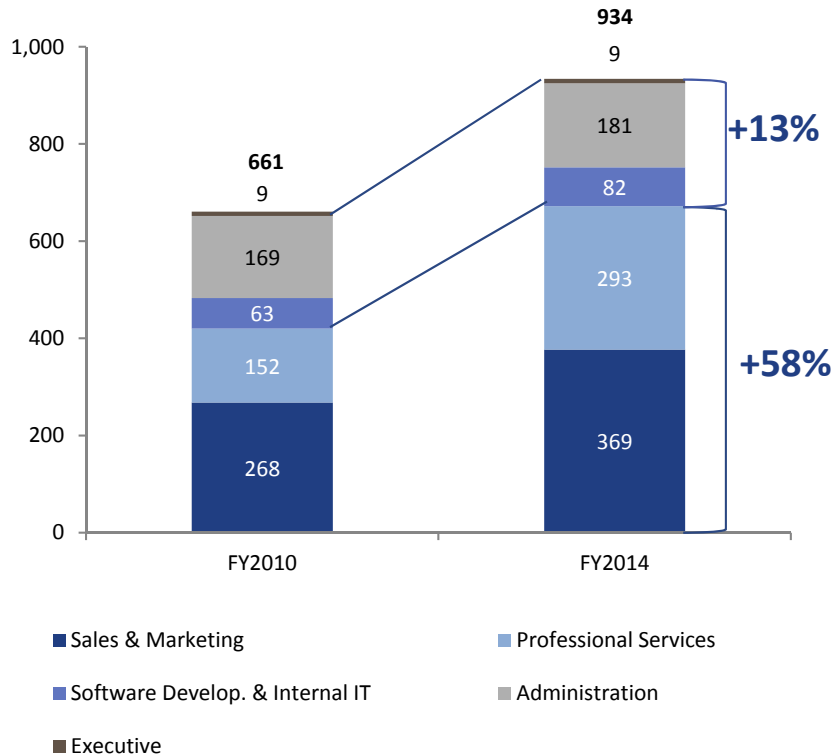
² See appendix for operating income calculation

(\$ in millions, FYE 3/31)

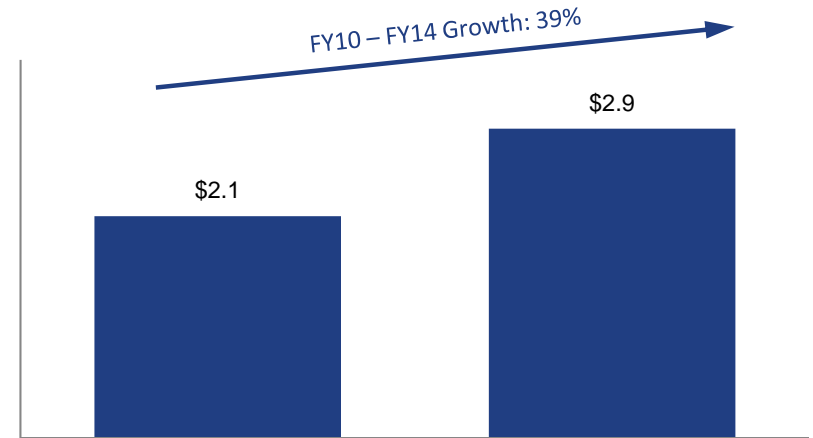


(\$ in millions, FYE 3/31)

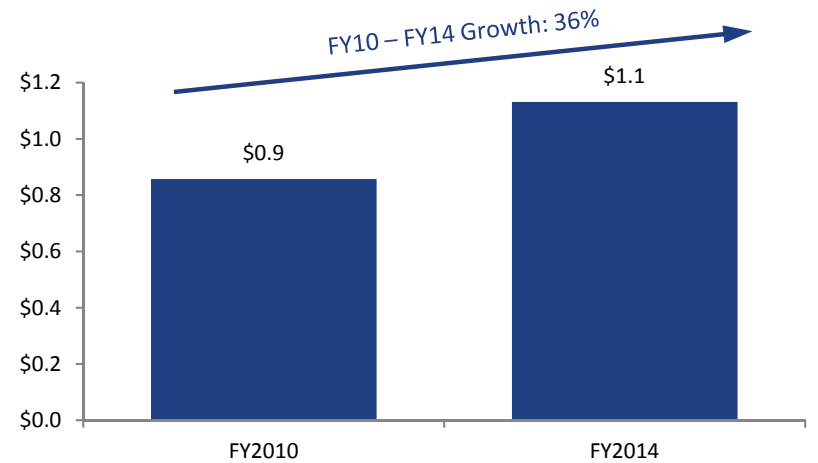
Employee Headcount Growth by Function



Revenue per Sales & Marketing Employee



Revenue per Employee



Note: Excludes part time employees

- + \$80 million in cash and equivalents
- + \$175 million financing facility with GE Commercial Distribution Finance
- + Financing portfolio of \$147 million as of 3/31/14, 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	3/31/2014	3/31/2013
Cash and equivalents	\$80	\$54
Accounts receivable	243	192
Inventory	23	15
Financing investments	147	123
Property & equipment and other	28	21
Goodwill & other intangibles	35	33
Total assets	\$555	\$438
Liabilities		
Accounts payable	162	103
Recourse notes payable	2	1
Non-recourse notes payable	69	40
Accrued expenses & other liabilities	55	56
Total liabilities	\$287	\$200
Shareholders' Equity		
Equity	268	238
Total liabilities & equity	\$555	\$438

+ 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, lowercase serif 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.

e⁺

Appendix

EXCELLENCE THROUGH EXPERIENCE



Operating Income Calculation

	(\$ in thousands)				
	Year ended March 31,				
	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY 2014</u>
Revenue	\$550,612	\$718,515	\$825,581	\$983,112	\$1,057,536
Cost of sales, product and services	410,880	551,860	645,558	767,447	827,875
Direct lease costs	10,676	9,212	8,508	10,892	12,748
Professional and other fees	10,814	15,383	11,744	13,098	9,041
Salaries and benefits	74,612	84,247	98,268	110,963	123,151
General and administrative expenses	14,384	14,681	20,499	20,099	22,675
Financing Segment interest and financing costs	4,058	2,480	1,337	1,779	1,864
Impairment of goodwill	4,029	-	-	-	-
Operating income ¹	<u>\$21,159</u>	<u>\$40,652</u>	<u>\$39,667</u>	<u>\$58,834</u>	<u>\$60,182</u>
Reconciliation to GAAP earnings before provision for income taxes					
Operating income	\$21,159	\$40,652	\$39,667	\$58,834	\$60,182
Plus: Financing Segment interest and financing costs	4,058	2,480	1,337	1,779	1,864
Less: Interest and financing costs	4,135	2,564	1,430	1,868	1,948
GAAP earnings before provision for income taxes	<u>\$21,082</u>	<u>\$40,568</u>	<u>\$39,574</u>	<u>\$58,745</u>	<u>\$60,098</u>

¹ Operating income is a non-GAAP financial measure that contains adjustments to earnings before provision for income taxes included in the Company's statement of operations



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