



ePlus inc.

Investor Presentation

May 24, 2023

Safe Harbor Statement

This investor presentation contains certain statements that are, or may be deemed to be, "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Statements in this investor presentation that are not historical facts may be deemed to be "forward-looking statements," and include the anticipated growth of our company. Forward-looking statements can be identified by such words and phrases as "believe(s)," "outlook," "looking ahead," "anticipate(s)," "expect(s)," "intend(s)," "estimate(s)," "may," "will," "should," "continue" and similar expressions, comparable terminology or the negative thereof. Actual and anticipated future results may vary materially due to certain risks and uncertainties, including, without limitation, national and international political instability fostering uncertainty and volatility in the global economy including exposure to fluctuation in foreign currency rates, interest rates, and inflation, increases in our costs which may result in adverse changes in our gross profit and/or price increases to our customers which may result in adverse changes in our gross profit; reduction of vendor incentives provided to us; significant and rapid inflation may cause price, wage, and interest rate increases, as well as increases in operating costs which may impact the arrangements that have pricing commitments over the term of the agreement; significant adverse changes in, reductions in, or loss of one or more of our larger volume customers or vendors; our ability to successfully perform due diligence and integrate acquired businesses; disruptions or a security breach in our or our vendors' IT systems and data and audio communication networks; supply chain issues, including a shortage of IT products, may increase our costs or cause a delay in fulfilling customer orders, or increase our need for working capital, or 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; maintaining and increasing advanced professional services by recruiting and retaining highly skilled, competent personnel, and vendor certifications; our dependence on key personnel to maintain certain customer relationships, and our ability to hire, train, and retain sufficient qualified personnel; our ability to secure our own and our customers' electronic and other confidential information, while maintaining compliance with evolving data privacy and regulatory laws and regulations; our ability to remain secure during a cyber-security attack, including both disruptions in our or our vendors' IT systems and data and audio communication networks; reliance on third-parties to perform some of our service obligations with 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 creditworthiness of our customers and our ability to reserve adequately for credit losses; loss of our credit facility or credit lines with our vendors may restrict our current and future operations; our ability to raise capital, maintain or increase as needed our lines of credit with vendors or floor planning facility, obtain debt for our financing transactions, or the effect of those changes on our common stock price; a reduction of vendor incentives provided to us; changes in the IT industry and/or rapid changes in product offerings, including the proliferation of the cloud, infrastructure as a service, software as a service and platform as a service; our dependency on continued innovations in hardware, software, and services offerings by our vendors and our ability to partner with them; future growth rates in our core businesses; rising interest rates or the loss of key lenders or the constricting of credit markets; the possibility of a goodwill impairment charges in the future; our ability to adapt to meet changes in markets and competitive developments, to increase the total number of customers using integrated solutions by up-selling within our customer base and gaining new customers, to manage a diverse product set of solutions in highly competitive markets with a number of key vendors, to increase the total number of customers who use our managed services and professional services and continue to enhance our managed services offerings to remain competitive in this marketplace, to perform professional and managed services competently; and to implement comprehensive plans for the integration of sales forces, cost containment, asset rationalization, systems integration, and other key strategies; 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; domestic and international economic regulations uncertainty (e.g., tariffs, sanctions, and trade agreements); our contracts may not be adequate to protect us, we are subject to audits which we may not pass, and our professional and liability insurance policies coverage may be insufficient to cover a claim; failure to comply with public sector contracts, or applicable laws and or regulations; our ability to maintain our proprietary software and update our technology infrastructure to remain competitive in the marketplace; our ability to realize our investment in leased equipment; our ability to successfully perform due diligence and integrate acquired business; 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; our ability to profitably adapt our services to meet changes in market developments; the possibility of defects in our products or catalog content data; and other risks or uncertainties detailed in our Annual Report on Form 10-K for the fiscal year ended March 31, 2023 and other reports filed with the Securities and Exchange Commission.

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 this investor presentation. All information set forth in this investor presentation is current as of the date on the cover of this presentation, and ePlus undertakes no duty or obligation to update this information either as a result of new information, future events or otherwise, except as required by applicable U.S. securities law.



Mark Marron

Chief Executive Officer

By the Numbers

30 Years
as a leading, global
technology integrator



11%
Listed companies
in business for
30+ years



4,300+
customers



1,000+
OEM Vendor
Partnerships



1,700+
employees



5,500+
certifications



\$3.15B
FY23 gross billings



\$2.07B
FY23 net sales

Experienced Leadership Team



Mark Marron

Chief Executive Officer
 Joined ePlus in 2005
 35+ Years of Experience



Elaine Marion

Chief Financial Officer
 Joined ePlus in 1998
 30+ Years of Experience



Darren Raiguel

Chief Operating Officer,
 President of ePlus
 Technology, inc.
 Joined ePlus in 1997
 30+ Years of Experience



Dan Farrell

Senior Vice President,
 National Professional
 Services
 Joined ePlus in 2010
 35+ Years of Experience



Kley Parkhurst

Senior Vice President,
 Corporate Development
 Joined ePlus in 1991
 35+ Years of Experience



Jenifer Pape

Vice President
 Human Resources
 Joined ePlus in 2022
 25+ Years of Experience



Erica Stoeker

General Counsel
 Joined ePlus in 2001
 25+ Years of Experience



Doug King

Chief Information Officer
 Joined ePlus in 2018
 25+ Years of Experience

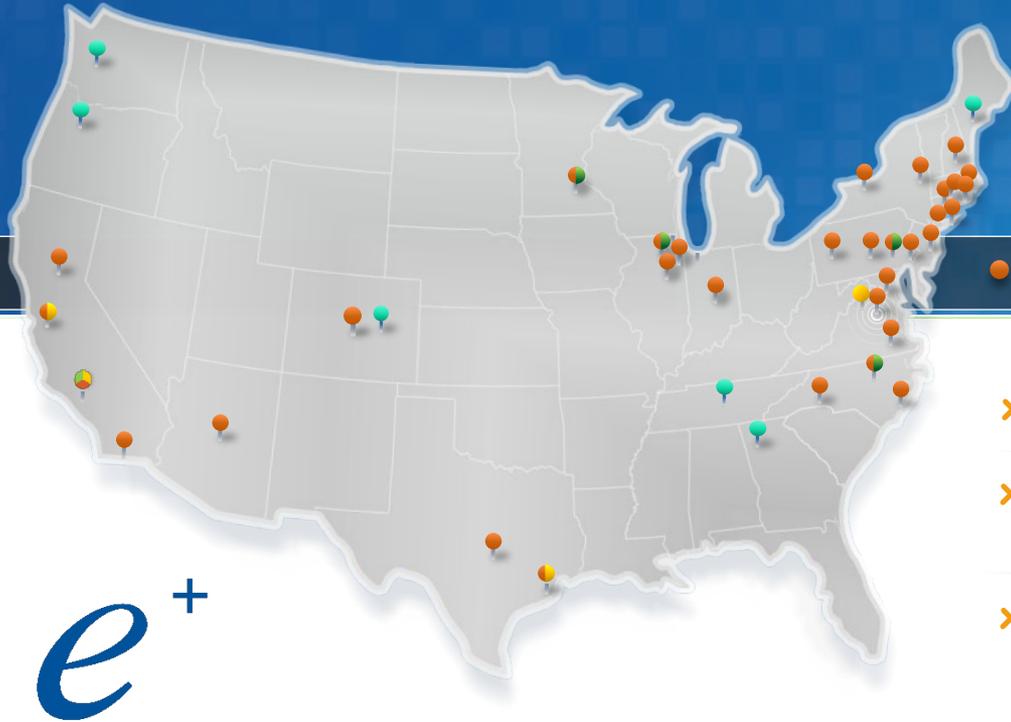


Ken Farber

President,
 ePlus Software, LLC
 Joined ePlus in 2001
 30+ Years of Experience

Expanding Footprint

Resources to implement locally and globally



e⁺



● REGIONAL OFFICE ● SALES OFFICES ● MANAGED SERVICES CENTERS ● INTEGRATION CENTERS

- 30+ locations serving the U.S., U.K., Europe, and Asia-Pac
- 24/7/365 managed services operations and integration centers strategically placed throughout the U.S.
- 5,500+ certifications from the top IT manufacturers in the world

Independent Provider with Deep Strategic Relationships

SELECT STRATEGIC PARTNERS



- + All core products plus data center, collaboration, security, enterprise software, and lifecycle services
- + ePlus has over 230 Cisco certified individuals



- + Broad next-generation platform for security from the network to cloud native to secure access services edge (SASE) as well as security operations, threat intelligence and incident response



- + Network storage (including All Flash Data Storage arrays), Hyperconverged Infrastructure (HCI) and services focused applications, file server consolidation, private and public cloud



- + ePlus professionals maintain a variety of Dell Technologies engineering certifications
- + Client, servers, networking, services, and storage including the legacy EMC offerings



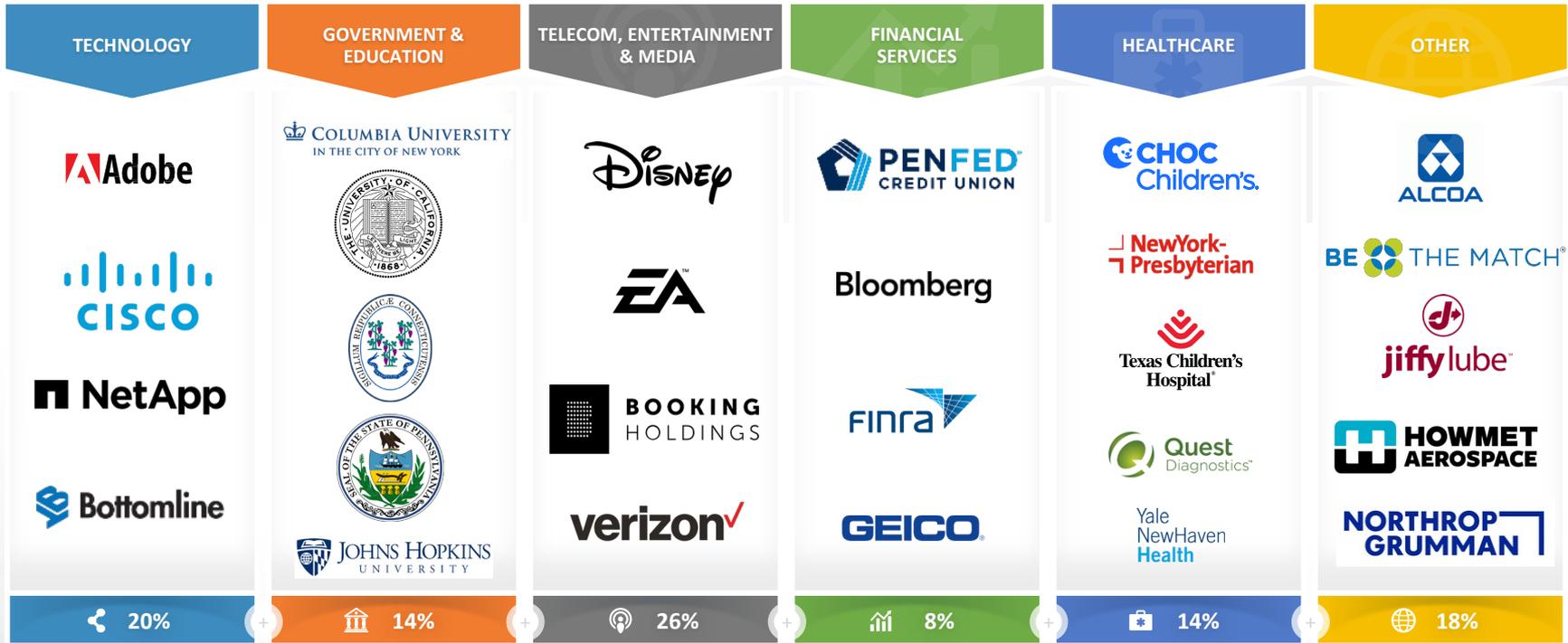
- + Converged infrastructure, enterprise storage, networking and virtualization
- + Cloud, server and storage solutions
- + Software-Defined Wide-Area-Network (SD-WAN)



ADDITIONAL CATEGORY SPECIFIC PARTNERS

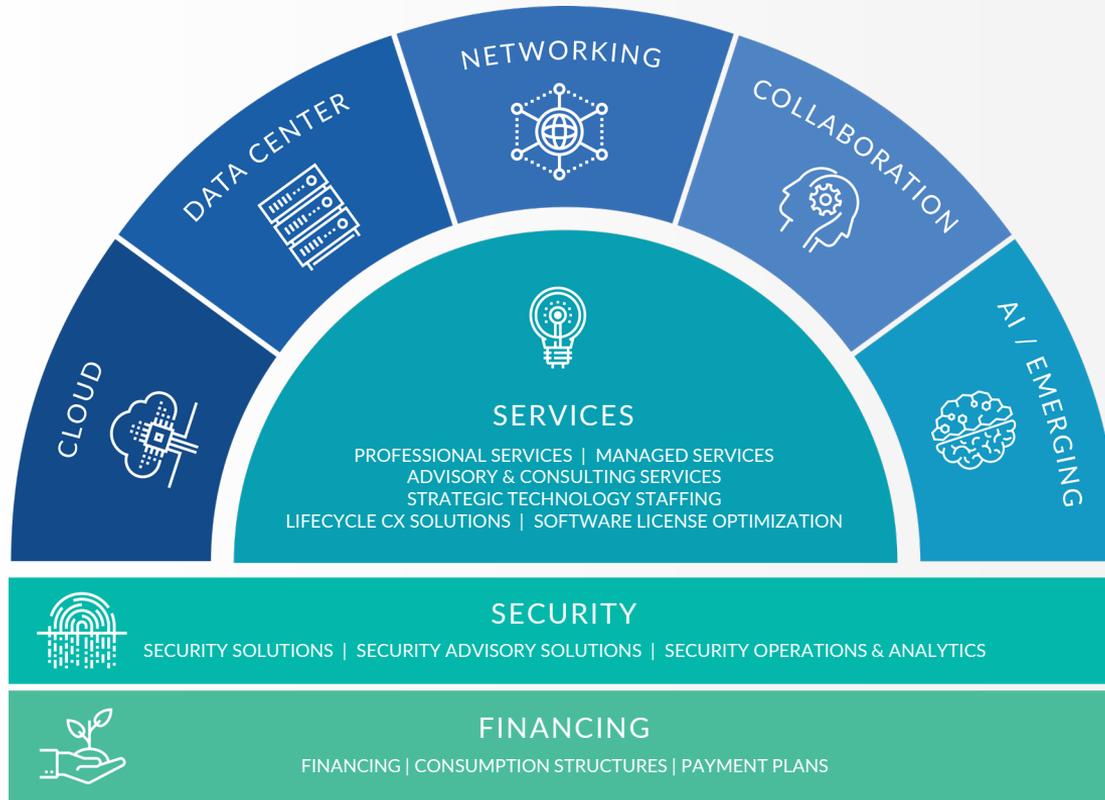


Broad and Diverse Customer Base



Percentages are based on net sales during the fiscal year ended March 31, 2023.

Comprehensive Solutions & Services





Customer transformation is accelerating, which plays to our strengths as having the resources to strategically focus on the fastest growing solutions.

Recalibration of Business Strategies caused by:

- + Global Pandemic
- + Talent Shortage
- + Increased Regulatory & Compliance Requirements
- + Complex / Distributed Environments
- + Appeal of “As a Service”

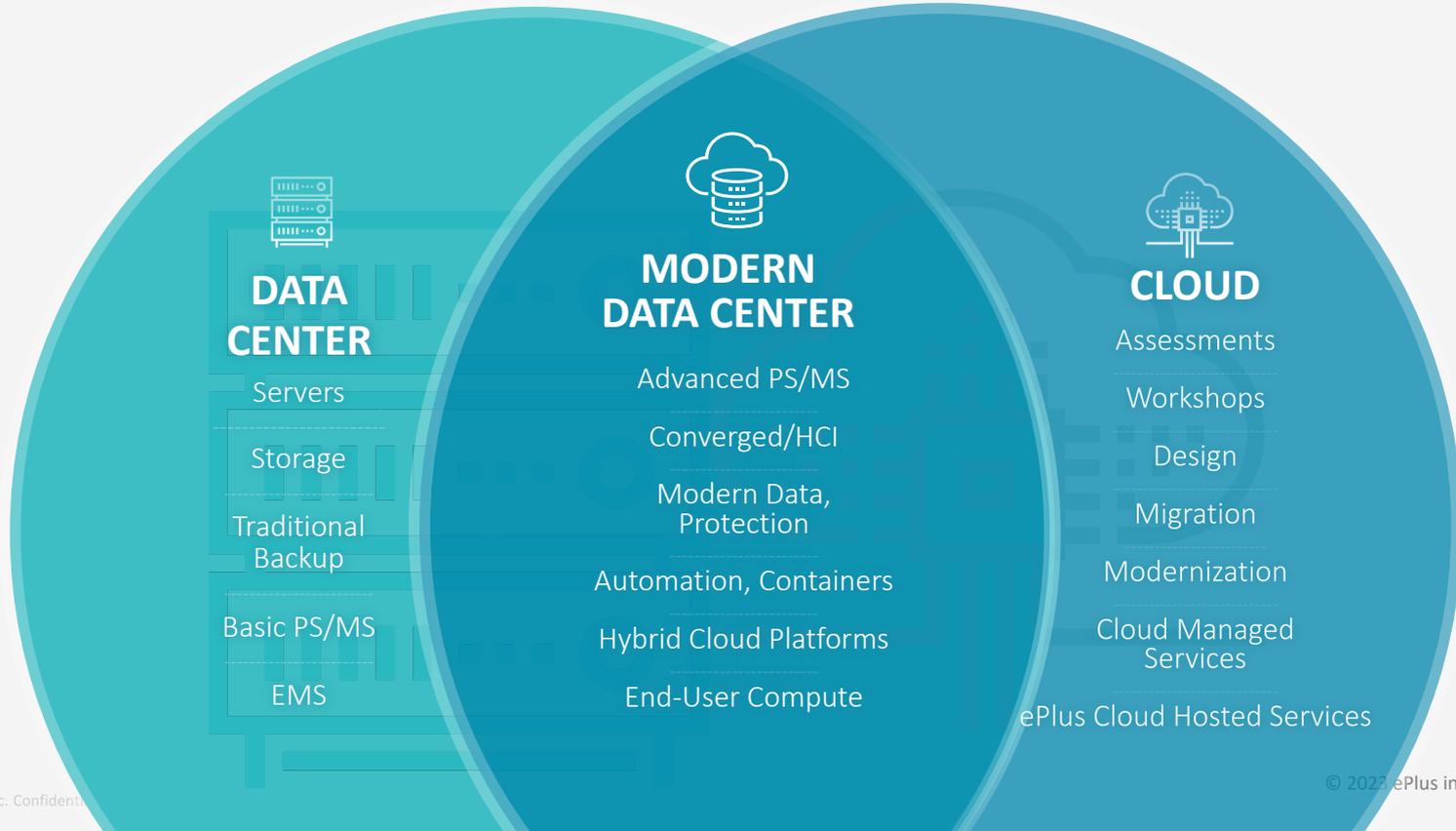
Transformative technologies span the breadth of our solutions portfolio and provide customers with a solid but flexible foundation to pivot as needed.

Refined over 30 years, our expertise and capabilities position us well to be a partner of choice as customer organizations navigate disruption and modernize across:

- + Infrastructure
- + Applications
- + Finops
- + Security
- + Storage and Backup
- + Distributed Computing (Private, Public, Hybrid)
- + Collaboration platforms
- + Emerging technology
- + “X”-as-a-Service

Cloud Focused Solutions

Building Connected Workforces Through Agility and Modernization



ePlus Services: See the Forest and the Trees



We bring deep and broad services expertise across thousands of customers and multiple industries to make the best decisions for your business and discover more from your technology.



Strategize
for more agility

Consulting Services
Assessments and Workshops
Virtual Consulting
Technical Consulting
Business Consulting

+ A Strategist



Architect
for better outcomes

Professional Services
Configuration Center Services
Security Services
Cloud Adoption Lifecycle

+ An Architect



Accelerate
for faster ROI

Training Services
Technology Workshops
Technical Training
AI/ML/DL Training
Boot Camps

+ A Trainer



Optimize
for greater resiliency

Optimized Services
Managed Services
Strategic Technology Staffing
On-Demand Support Services

+ A Teammate

Targeted M&A Strategy with Track Record of Success



- + April 2023 (Network Solutions Group, a business unit of CCI)
- + National provider of networking services and solutions
- + Network design, engineering and implementation



- + January 2019
- + Southern and central Virginia
- + Security managed services and consulting, helpdesk, staffing; new customers



- + July 2022
- + Texas and the South-Central region
- + Cybersecurity, consulting, cloud security



- + September 2017
- + Chicago and Indianapolis data centers
- + New geography and customers



- + December 2020
- + Upstate New York and the Northeast
- + Collaboration, AI, cloud, audio visual, data center, staffing



- + May 2017
- + Cloud-based services, solutions and DevOps
- + Offices in Milpitas, CA and India



- + August 2019
- + Southern and Western Virginia
- + New customers, SLED focus, and managed services



- + December 2016 (division of CCI)
- + Minneapolis, MN Cisco VAR
- + New geography and customers

Well Positioned within the IT Ecosystem

Our range of complex solutions and services places us in high end of the IT market



¹ Based on approximate LTM GAAP gross margin.



A Commitment to Corporate Social Responsibility



NewYork-Presbyterian Kids
Morgan Stanley Children's Hospital



Who We Are

+ An Advisor

+ A Strategist

+ A Designer

+ An Extra Set of Hands

+ A Trainer

+ A Problem Solver

+ An Architect

+ A Teammate

Our unparalleled expertise has been refined over more than three decades of hands-on engagement and experience, helping customers successfully navigate unforeseen and unprecedented challenges while maximizing the return on their technology investments.

A Partner with:

More depth. More breadth. More perspective.



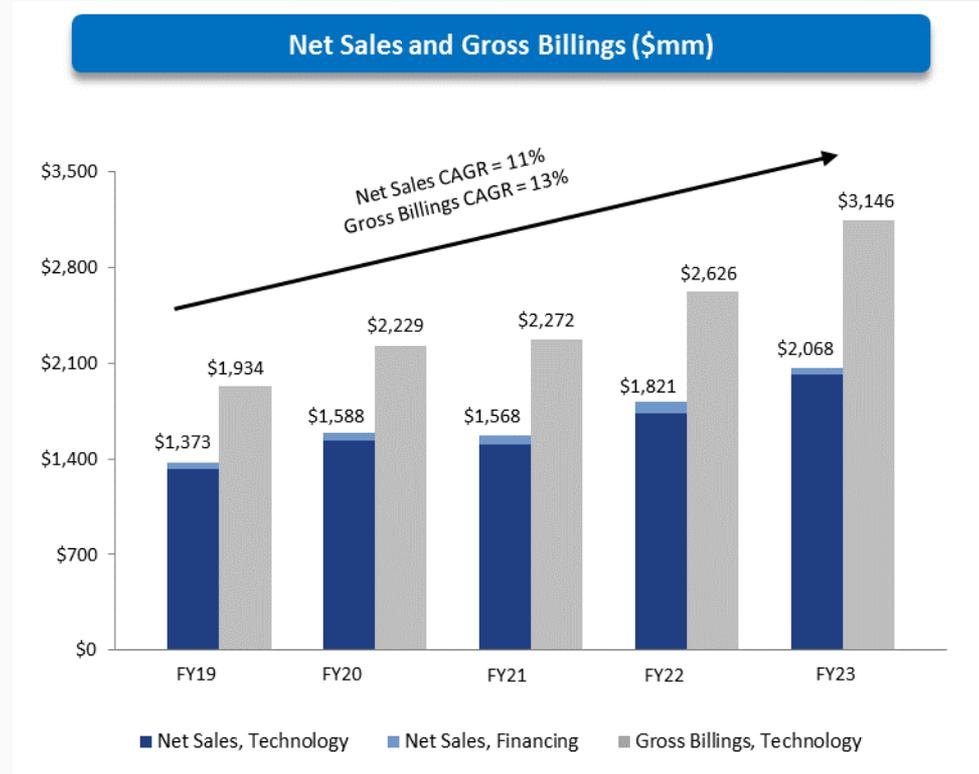
Elaine Marion

Chief Financial Officer

Strong Financial Results

- + Operations are conducted through two segments. The technology segment sells information technology products, software and services, while the financing segment provides lease and financing solutions.
- + The majority of our net sales are derived from our technology segment, representing 97% of revenues in FY23.
- + From FY19 to FY23, net sales and gross billings have increased at a compound annual rate of 11% and 13%, respectively.

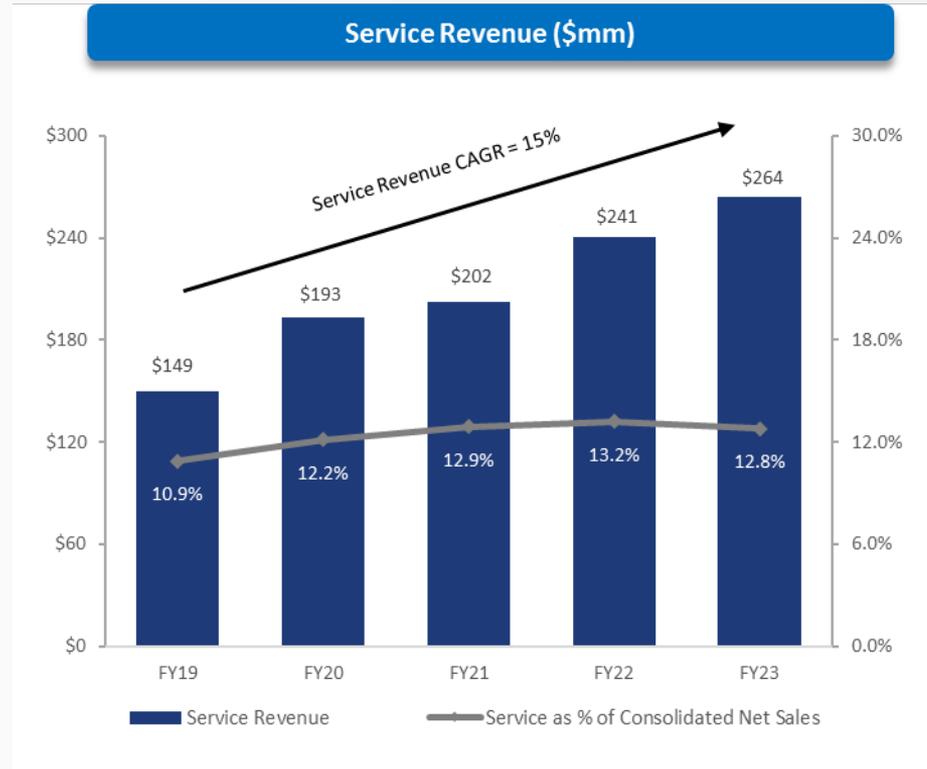
FYE March 31



Strong Financial Results

- + Service revenue includes professional services, managed services, and staffing services.
- + From FY19 to FY23, service revenue has increased at a compound annual rate of 15%.
- + Service revenue as a percentage of consolidated net sales grew from 10.9% in FY19 to 12.8% in FY23.

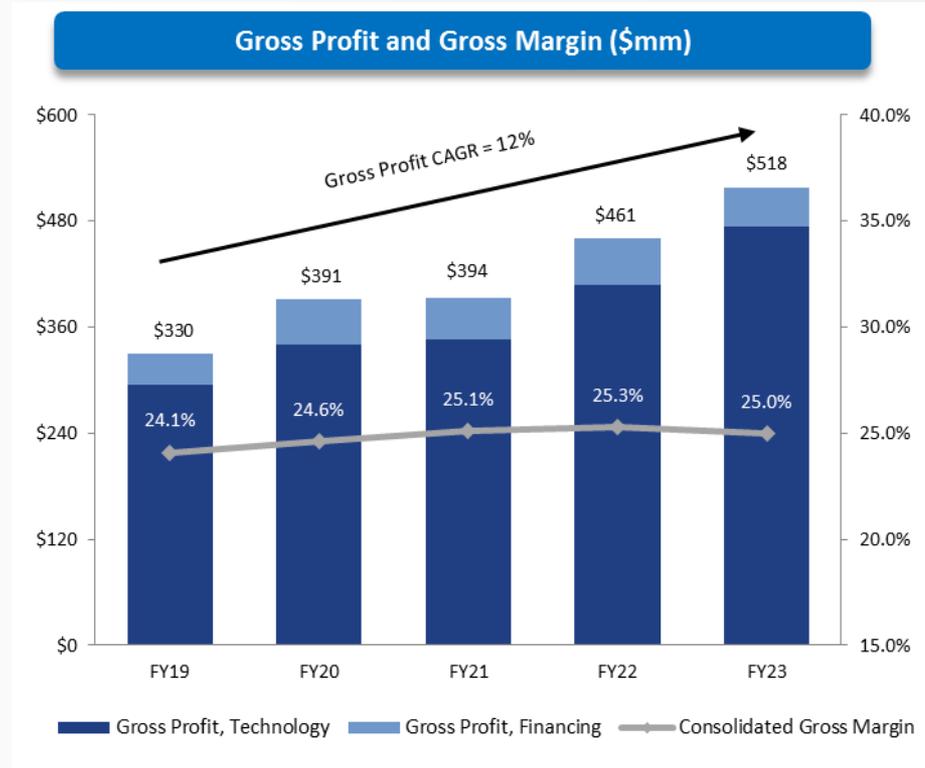
FYE March 31



Strong Financial Results

- + Consolidated gross profit increased at a compounded annual rate of 12% from FY19 to FY23. Technology segment represented 92% of our total gross profit in FY23.
- + Consolidated gross margin has increased from 24.1% in FY19 to 25.0% in FY23.
- + Technology segment gross margin has increased from 22.2% in FY19 to 23.5% in FY23, as services capabilities continued to expand, and a larger portion of sales were recognized on a net basis.

FYE March 31

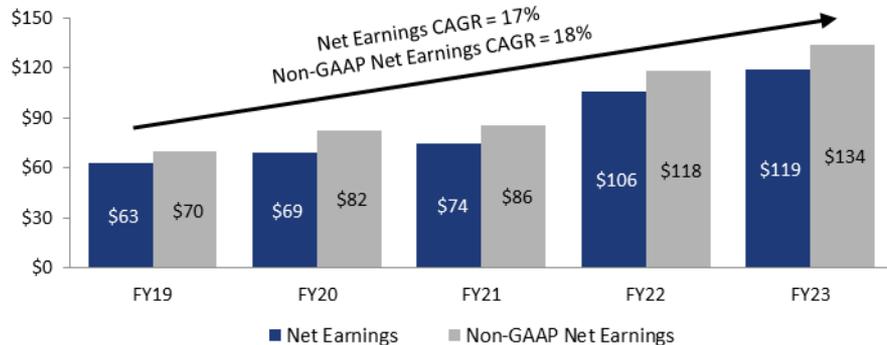


Strong Financial Results

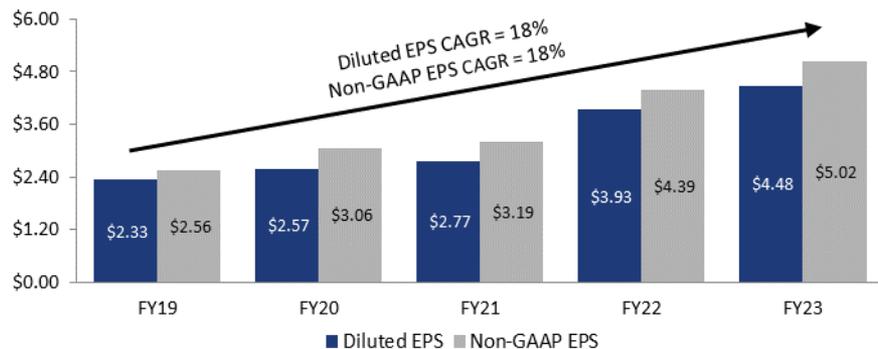
- + From FY19 to FY23, net earnings increased at a compounded annual rate of 17% as a result of focusing on gross profit growth and cost management.
- + Diluted EPS and non-GAAP EPS CAGR was 18% from FY19 to FY23.
- + Non-GAAP EPS excluded other income (expense), share based compensation, and acquisition and integration expenses, and the related tax effects.

FYE March 31

Net Earnings and Non-GAAP Net Earnings * (\$mm)



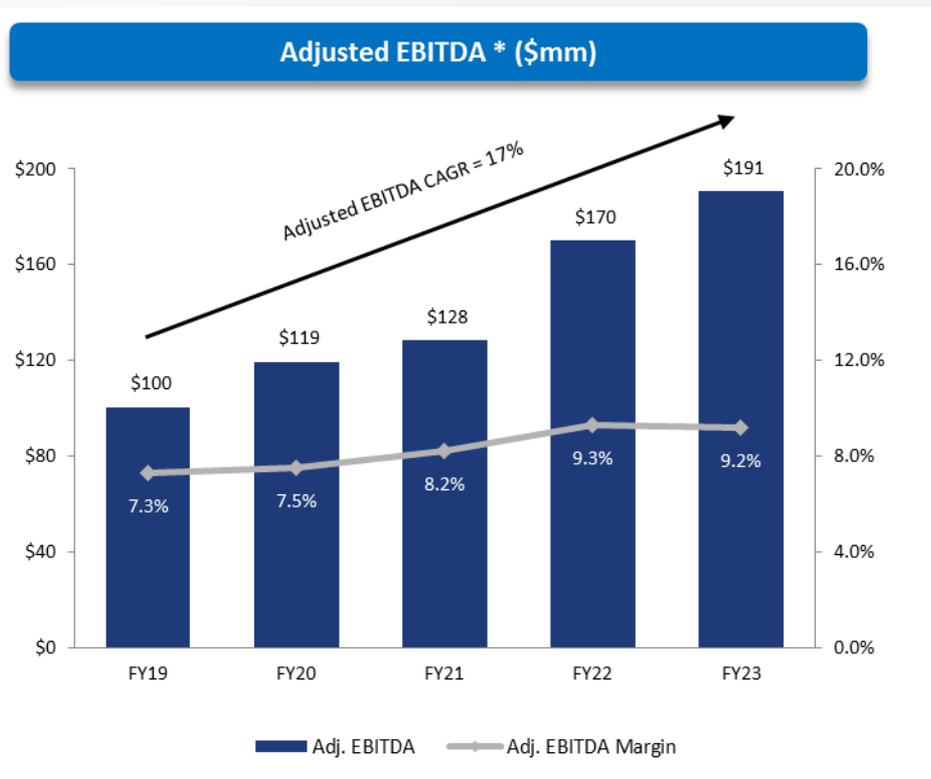
Diluted EPS and Non-GAAP EPS *



Strong Financial Results

- + Adjusted EBITDA represents net earnings before interest expense, depreciation and amortization, share based compensation, acquisition and integration expenses, provision for income taxes, and other income. Interest on notes payable and depreciation expense presented within cost of sales represent operating expenses of financing segment, as such they are not added back to net earnings.
- + From FY19 to FY23, adjusted EBITDA increased at a compounded annual rate of 17%.
- + Adjusted EBITDA margin increased from 7.3% to 9.2% from FY19 to FY23.

FYE March 31

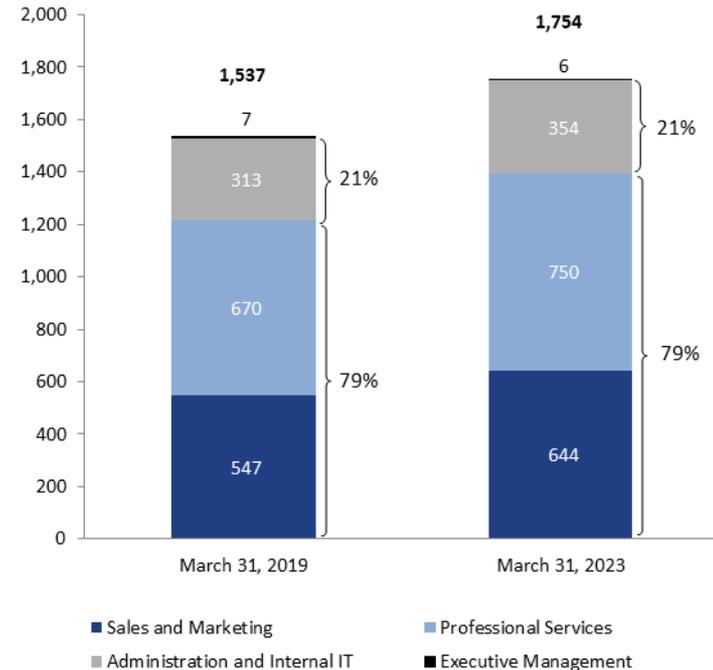


* See Non-GAAP Financial Information

Growing Customer Facing Personnel

- + Acquiring consultative sales professionals to bring successful business outcomes to our customers.
- + Focused on growing engineering talent in cloud, security, and digital infrastructure.
- + Customer facing personnel increased by 177 from FY19 to FY23, which represented 82% of the total increase in headcount.
- + Leveraging our operational infrastructure as we expand.

Employee Headcount Growth by Function



Strong Balance Sheet

- + \$103 million in cash and equivalents
- + Financing portfolio of \$174 million, representing investments in leases and notes
- + Portfolio monetization can be utilized to raise additional cash
- + \$500 million credit limit with Wells Fargo Commercial Distribution Finance, LLC (WFCDF)
- + ROIC 14.8% for the fiscal year ended March 31, 2023¹

\$ in millions

	Assets		March 31, 2023	March 31, 2022
Cash and equivalents			\$ 103	\$ 155
Accounts receivable			560	479
Inventory			243	155
Financing investments			174	126
Goodwill & other intangibles			161	154
Deferred costs			75	51
Property, equipment and other assets			99	46
Total assets			<u>\$ 1,415</u>	<u>\$ 1,166</u>
	Liabilities			
Accounts payable			\$ 355	\$ 281
Recourse notes payable			6	13
Non-recourse notes payable			34	21
Other liabilities			238	190
Total liabilities			<u>\$ 633</u>	<u>\$ 505</u>
	Shareholders' Equity			
Equity			782	661
Total liabilities & equity			<u>\$ 1,415</u>	<u>\$ 1,166</u>

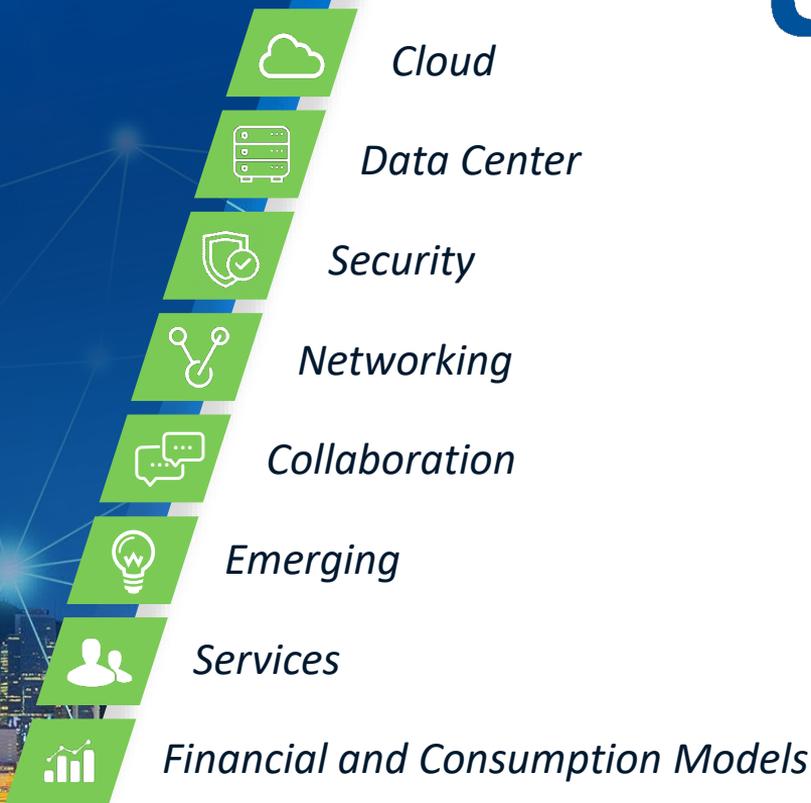
¹ See details in Appendix – Return on Invested Capital

Customized Solutions.

Measurable Results.

Positioned squarely at the forefront of today's most transformative technologies, ePlus' solutions, services, and financing expertise help organizations imagine, implement, and achieve more from technology.

Q & A





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Appendix

Non-GAAP Financial Information

\$ in thousands, except per share information

	Year Ended March 31,				
	2023	2022	2021	2020	2019
Net earnings	\$ 119,356	\$ 105,600	\$ 74,397	\$ 69,082	\$ 63,192
Provision for income taxes	43,618	41,284	32,509	26,877	23,038
Depreciation and amortization [1]	13,709	14,646	13,951	14,156	11,824
Share based compensation	7,824	7,114	7,167	7,954	7,244
Acquisition and integration expense	-	-	271	1,676	1,813
Interest and financing costs [2]	2,897	928	521	294	-
Other (income) expense [3]	3,188	432	(571)	(680)	(6,696)
Adjusted EBITDA	\$ 190,592	\$ 170,004	\$ 128,245	\$ 119,359	\$ 100,415
Adjusted EBITDA margin	9.2%	9.3%	8.2%	7.5%	7.3%
GAAP: Earnings before tax	\$ 162,974	\$ 146,884	\$ 106,906	\$ 95,959	\$ 86,230
Share based compensation	7,824	7,114	7,167	7,954	7,244
Acquisition and integration expense	-	-	271	1,676	1,813
Acquisition related amortization expense [4]	9,411	10,072	9,116	9,217	7,423
Other (income) expense [3]	3,188	432	(571)	(680)	(6,696)
Non-GAAP: Earnings before taxes	183,397	164,502	122,889	114,126	96,014
GAAP: Provision for income taxes	43,618	41,284	32,509	26,877	23,038
Share based compensation	2,104	2,014	2,188	2,218	1,988
Acquisition and integration expense	-	-	78	490	522
Acquisition related amortization expense [4]	2,527	2,803	2,730	2,487	1,916
Other (income) expense [3]	950	120	(143)	(200)	(1,702)
Tax benefit on restricted stock	267	317	(40)	87	672
Non-GAAP: Provision for income taxes	49,466	46,538	37,322	31,959	26,434
Non-GAAP: Net earnings	\$ 133,931	\$ 117,964	\$ 85,567	\$ 82,167	\$ 69,580
GAAP: Net earnings per common share – diluted	\$ 4.48	\$ 3.93	\$ 2.77	\$ 2.57	\$ 2.33
Share based compensation	0.21	0.20	0.19	0.22	0.18
Acquisition and integration expense	-	-	0.01	0.04	0.04
Acquisition related amortization expense [4]	0.26	0.26	0.24	0.25	0.19
Other (income) expense [3]	0.08	0.01	(0.02)	(0.02)	(0.16)
Tax benefit on restricted stock	(0.01)	(0.01)	-	-	(0.02)
Total non-GAAP adjustments – net of tax	\$ 0.54	\$ 0.46	\$ 0.42	\$ 0.49	\$ 0.23
Non-GAAP: Net earnings per common share – diluted [5]	\$ 5.02	\$ 4.39	\$ 3.19	\$ 3.06	\$ 2.56

[1] Amount excludes depreciation related to the financing segment.

[2] Amount excludes interest on notes payable from our financing segment.

[3] Other income, interest income, and foreign currency transaction gains and losses.

[4] Amount consists of amortization of intangible assets from acquired businesses.

[5] Per share information has been retroactively adjusted to reflect the two-for-one stock split on December 13, 2021.

Return on Invested Capital

\$ in thousands

	Year Ended March 31,				
	2023	2022	2021	2020	2019
<i><u>Numerator</u></i>					
Operating income	\$ 166,162	\$ 147,316	\$ 106,335	\$ 95,279	\$ 79,534
Less: Taxes [1]	(44,531)	(41,396)	(32,326)	(26,678)	(21,236)
Net operating profit after taxes	<u>\$ 121,631</u>	<u>\$ 105,920</u>	<u>\$ 74,009</u>	<u>\$ 68,601</u>	<u>\$ 58,298</u>
<i><u>Denominator</u></i>					
Recourse notes payable	\$ 5,997	\$ 13,108	\$ 18,108	\$ 37,256	\$ 28
Non-recourse notes payable	34,341	21,178	56,061	35,502	48,619
Total stockholders' equity	782,263	660,738	562,410	486,145	424,253
Total invested capital	<u>\$ 822,601</u>	<u>\$ 695,024</u>	<u>\$ 636,579</u>	<u>\$ 558,903</u>	<u>\$ 472,900</u>
Return on invested capital	<u>14.8%</u>	<u>15.2%</u>	<u>11.6%</u>	<u>12.3%</u>	<u>12.3%</u>

[1] Based on the effective income tax rates.



Investor Relations

Kley Parkhurst, SVP

(703) 984-8150

investors@eplus.com

ePlus inc.

13595 Dulles Technology Drive
Herndon, VA 20171-3413

(703) 984-8400 / eplus.com