
Where Technology Means More®
ePlus inc.
Investor Presentation
August 2018
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Safe Harbor Statement

Statements in this presentation that are not historical facts may be deemed to be "forward-looking statements." Actual and anticipated future results may vary materially due to certain risks and uncertainties, including, without limitation, possible adverse effects resulting from financial market disruption and fluctuations in foreign currency rates, and volatility in the U.S. economy such as our current and potential customers' delaying or reducing technology purchases or put downward pressure on prices, increasing credit risk associated with our customers and vendors, reduction of vendor incentive programs, and restrictions on our access to capital necessary to fund our operations; significant adverse changes in, reductions in, or losses of relationships with our largest volume customers or one or more of our large volume customers or vendors; our ability to implement comprehensive plans for the integration of sales forces, cost containment, asset rationalization, systems integration and other key strategies; our ability to secure our customers' electronic and other confidential information and remain secure during a cyber-security attack; changes to our senior management team and/or failure to successfully implement succession plans; disruptions or a security breach in our or our vendors' IT systems and data and audio communications networks; the possibility of additional goodwill impairment charges; the demand for and acceptance of, our products and services; our ability to adapt our services to meet changes in market developments; our ability to adapt to changes in the IT industry and/or rapid changes in product offerings, including the proliferation of the cloud, infrastructure as a service and software as a service; our ability to hire and retain sufficient qualified personnel; our ability to realize our investment in leased equipment; our ability to protect our intellectual property; our ability to successfully perform due diligence and integrate acquired businesses; the creditworthiness of our customers; our ability to raise capital and obtain non-recourse financing for our transactions; our ability to reserve adequately for credit losses; the impact of competition in our markets; our failure to comply with public sector contracts or applicable laws or regulations; and other risks or uncertainties detailed in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2018 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 ***e***Plus undertakes no duty or obligation to update this information.

Mark Marron

Chief Executive Officer

*e*Plus at a Glance

+ Leading provider of technology solutions focused on cloud, security, and digital infrastructure
+ Technology partners include Cisco, Dell/EMC, HPE, NetApp, Palo Alto Networks and VMware
+ FY18 net sales: $1.4 billion *
    - 8% CAGR FY14-FY18
+ FY18 EPS: $3.95
    - 16% CAGR FY14-FY18
+ Headquarters: Herndon, Virginia
+ Presence in 40+ office locations in the U.S., Europe, and Asia-Pac
+ 1,249 employees as of June 30, 2018

* Financial results for FY18 have been revised due to implementation of revenue standard on a full retrospective basis. Net sales and cost of sales increased by $7.8 million, including $3.2 million in the technology segment, and $4.6 million in the financing segment.

PLUS
Nasdaq Listed

Experienced Leadership Team

Mark Marron
Chief Executive Officer
Joined ePlus in 2005
30+ Years of Experience

Elaine Marion
Chief Financial Officer
Joined ePlus in 1998
25+ Years of Experience

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

Dan Farrell
Senior Vice President, National Professional Services
Joined ePlus in 2010
30+ Years of Experience

Mark Kelly
Chief Strategy Officer
Joined ePlus in 2017
20+ Years of Experience

Kley Parkhurst
Senior Vice President, Corporate Development
Joined ePlus in 1991
30+ Years of Experience

Erica Stoecker
General Counsel
Joined ePlus in 2001
20+ Years of Experience

Doug King
Chief Information Officer
Joined ePlus in 2018
20+ Years of Experience

Steve Mencarini
Senior Vice President, Business Operations
Joined ePlus in 1997
35+ Years of Experience

Well Positioned within the IT Ecosystem

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

Vendors
25 – 65% GM

Distributors	VARs	IT Solutions	Services/Integrators
5 – 13% GM	13 – 16% GM	17 – 23% GM	29 – 32% GM

GROSS MARGIN [1]

INCREASING CUSTOMER VALUE AND VENDOR MARGINS

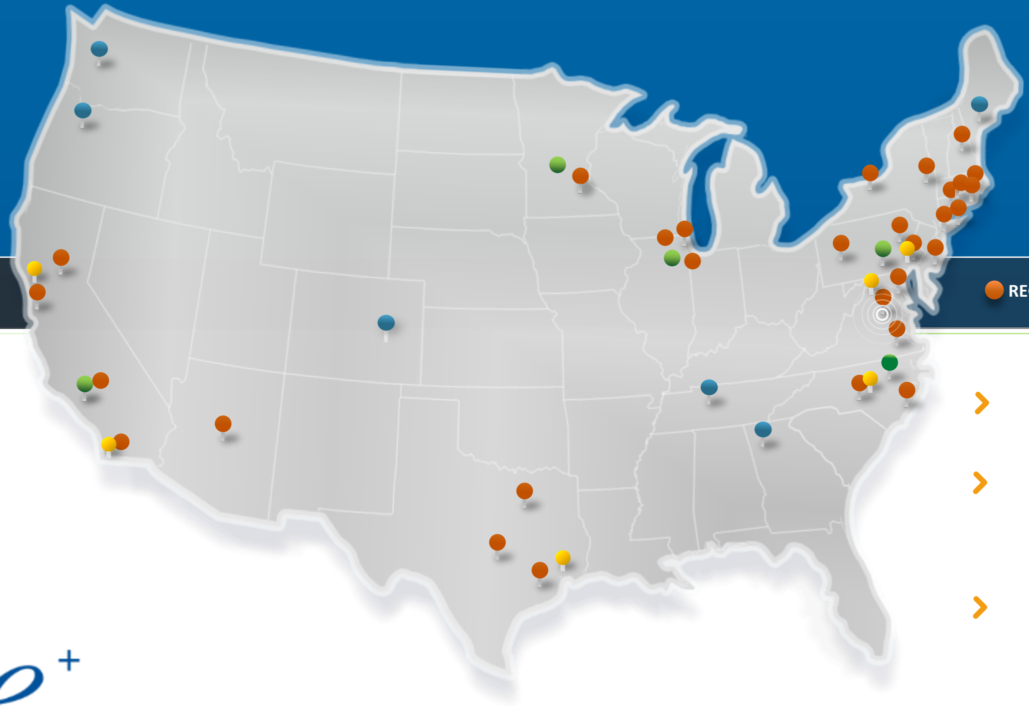
DISTRIBUTION FOCUSED

SERVICE ORIENTED

[1] Based on approximate LTM GAAP gross margin

Expanding Footprint

Resources to implement locally and globally



- 40+ locations serving the U.S., Europe, and Asia-Pac
- 24/7 365 managed services operations and integration centers strategically placed throughout the U.S.
- 400+ technical and support resources certified by the top IT manufacturers in the world

Targeted M&A Strategy with Track Record of Success

IDS

- September 2017 ($38.4 million)
- Chicago and Indianapolis data centers
- New geography and customers

OneCloud Consulting

- May 2017 ($10.0 million)
- Cloud-based services, solutions and DevOps
- Offices in Milpitas, CA and India

Consolidated communications

- December 2016 ($13.1 million) division of CCI
- Minneapolis, MN Cisco VAR
- New geography and customers

IGXGLOBAL

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

EVOLVE TECHNOLOGY GROUP

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

ADVISTOR IT INFRASTRUCTURE

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

pbm IT Solutions

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

VANTICORE

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

Note: amounts in parenthesis represent purchase price.

Customized Solutions

Positioned squarely at the forefront of today's most ***transformative technologies…***

Cloud

Create customized roadmaps, then design, implement, service, and support customers on their journey to adopt hybrid and multi cloud services (private and public).

Security

Deliver cybersecurity programs built upon people and culture and technology, to mitigate business risk, fortify digital transformation, and create safer environments.

Digital Infrastructure

Support the next phase of digitization with solutions that enable secure and efficient communication, improve the end user experience, lower costs, and empower data-driven decision making, beginning with the network of the platform.

Services

Apply a lifecycle approach to consult, design, architect, and implement solutions as well as monitor and manage IT environments.

Financing and Consumption Models

Enable technology acquisitions with cost predictability and contract flexibility as well as align costs with demand using custom consumption programs.

Measurable Results

ePlus helps organizations imagine, implement, and achieve more from technology.

Cloud

Enterprise Defined Data Center
Agile Infrastructure
Multi Cloud
Hybrid Cloud / Automation
ePlus Cloud Services
Converged / Hyper Converged Infrastructure

Security

Strategy and Risk Management
Architecture and Design
Managed Security Services
Firewall and Endpoints

Digital Infrastructure

IoT and Analytics
SD-WAN
Software-Defined Networking
Mobility / Connectivity
Collaboration

Services

Enhanced Maintenance Support
Monitoring Services
Managed Services
Staffing
Executive Services Portfolio
Cloud Trainings
DevOps on Nexus Platform
Application Centric Infrastructure

Financing and Consumption Models

As-a-Service Opex Payment Models
OEM Solutions

Independent Provider with Deep Strategic Relationships

SELECTED STRATEGIC PARTNERS	
Cisco	+ Excellent channel partner for *e*Plus, representing 43% of technology segment net sales [1] + All core products plus data center, security, lifecycle services, and Cisco One/software + *e*Plus holds over 600 active certifications in Cisco technologies
Hewlett Packard Enterprise	+ Converged infrastructure, enterprise storage, networking and virtualization + Cloud, server and storage solutions
NetApp	+ NetApp Star Partner and Professional Services Partner + Network storage (including All Flash Data Storage arrays) and services focused applications, file server consolidation, private and public cloud
Dell EMC	+ ePlus professionals maintain a variety of Dell EMC engineering certifications + Networking storage and services
vmware	+ Virtual infrastructure solutions

Check Point Software Technologies Ltd., Citrix, Commvault, f5, intel, Juniper Networks, Microsoft, paloalto networks, Pure Storage

EMERGING VENDORS

SECURITY	Cylance, Fortinet, Gigamon, proofpoint
CLOUD/BACKUP	Nutanix, rubrik, veeam
DIGITAL INFRASTRUCTURE	Arista, Mist (AI is in the AIR™), viptela, relayr
AI & ANALYTICS	splunk, NVIDIA, AppDynamics

[1] Based on the year ended March 31, 2018

Broad and Diverse Customer Base

Net Sales TTM Q1 FY19 [1]

[1] Trailing twelve months ended 6/30/2018

24%	TECHNOLOGY
17%	GOVERNMENT & EDUCATION
14%	TELECOM, ENTERTAINMENT, & MEDIA
15%	FINANCIAL SERVICES
14%	HEALTHCARE
16%	OTHER

Sampling of Our Customers

Adobe
Disney
Berkshire Hathaway Inc.
NewYork-Presbyterian
Alcoa
Cisco
EA Electronic Arts
Bloomberg
Texas Children's Hospital
Hershey The Hershey Company
NetApp
facebook
FINRA
Quest Diagnostics
jiffy lube
vmware
Columbia University in the City of New York
verizon
GEICO
Yale NewHaven Health
Northrop Grumman

TECHNOLOGY
GOVERNMENT & EDUCATION
TELECOM, ENTERTAINMENT & MEDIA
FINANCIAL SERVICES
HEALTHCARE
OTHER

Why ePlus

In today's constantly changing, complex tech landscape, organizations need a partner that can solve short-term challenges with sustainable solutions that ensure long-term success.

"Do what it takes" dedication
Long-term view and enduring commitment extending well beyond the transaction

Industry-leading consultative expertise
Capability to help customers better understand their evolving business environment

Comprehensive offerings
Transformative technology to deliver measurable business outcomes: cloud, security, and digital infrastructure

Proven processes & methodologies
Up-front assessments, followed by design and architecture, deployment and implementation, managed services, professional services, and staffing

Highly-accessible, consumption-based solutions
Enable future success and better position our customers for tomorrow's needs

Elaine Marion

Chief Financial Officer

Strong Financial Results

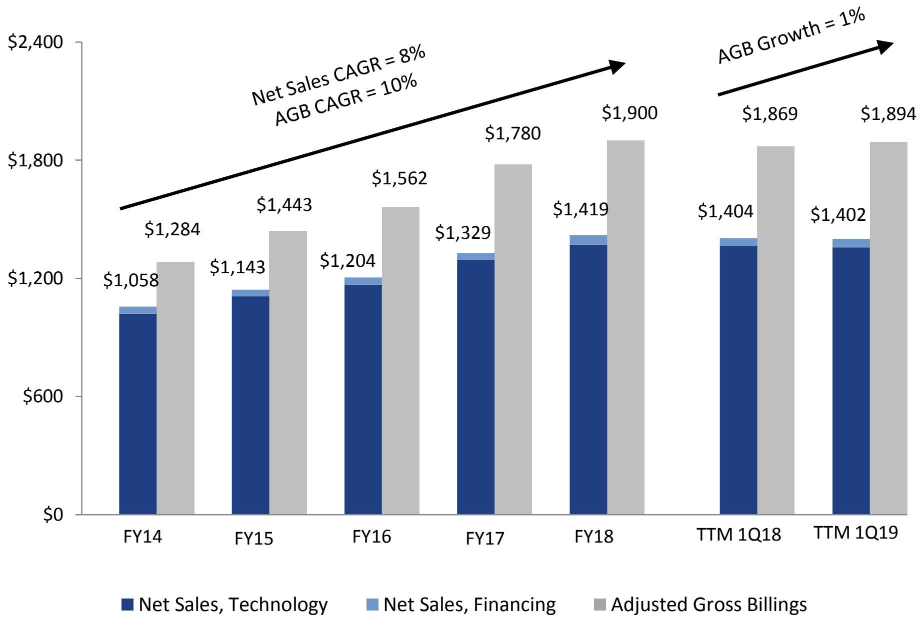
+ Operations are conducted through two segments. The technology segment sells information technology products, software and services, while the financing segment provides lease and financing solutions.

+ The majority of our net sales are derived from our technology segment, representing 97% of revenues in FY18.

+ From FY14 to FY18, net sales and adjusted gross billings have increased at a compound annual rate of 8% and 10%, respectively.

FYE March 31 / Trailing twelve months ended June 30, unaudited

Net Sales and Adjusted Gross Billings * ($mm)



* See Non-GAAP Financial Information

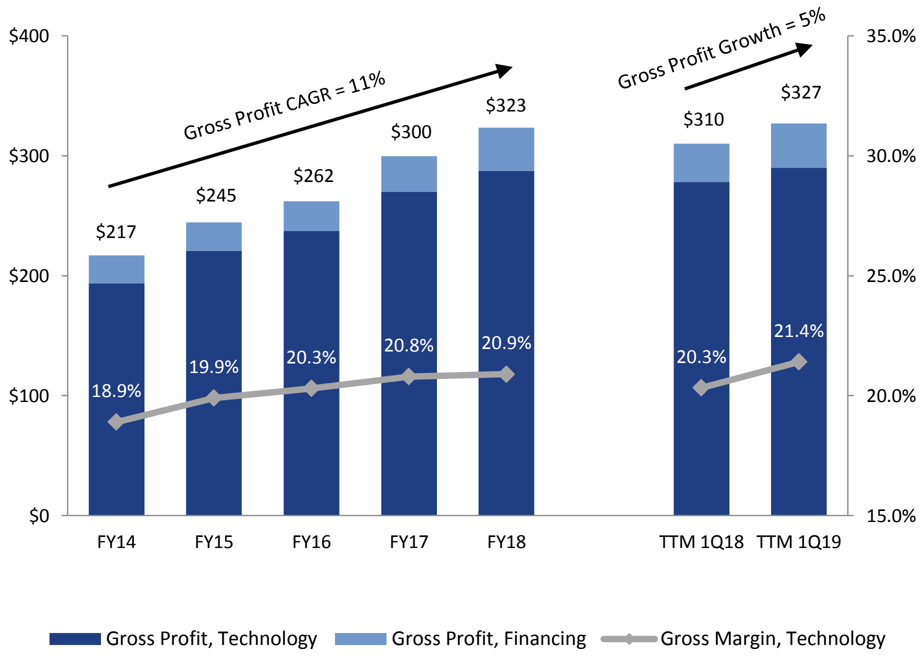
Strong Financial Results

+ Consolidated gross profit increased at a compounded annual rate of 11% from FY14 to FY18, driven by our technology segment, which represented 89% of our total gross profit in FY18.

+ Technology gross margin has increased from 18.9% in FY14 to 20.9% in FY18, as services capabilities continued to expand.

FYE March 31 / Trailing twelve months ended June 30, unaudited

Gross Profit and Gross Margin ($mm)



Strong Financial Results

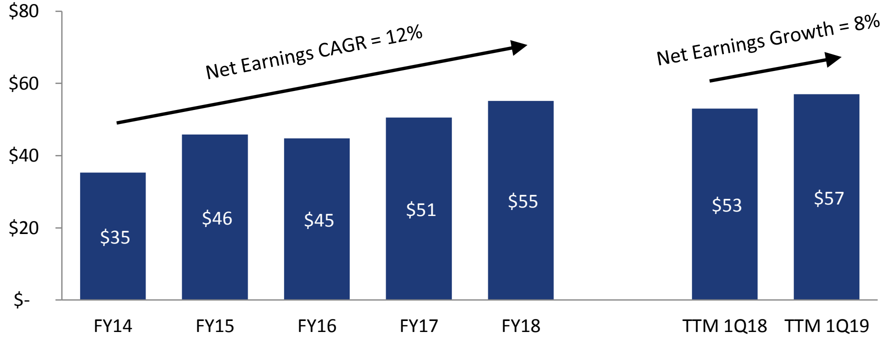
+ From FY14 to FY18, net earnings increased at a compounded annual rate of 12% as a result of focusing on revenue growth and controlling overhead expenses.

+ EPS and non-GAAP EPS CAGR are 16% and 14%, respectively, from FY14 to FY18.

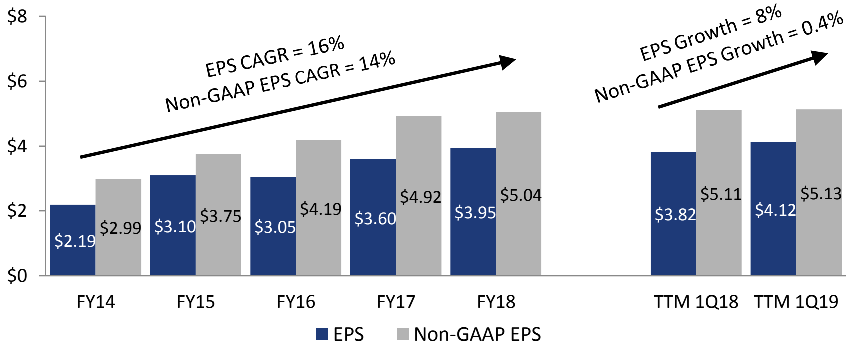
+ Non-GAAP EPS excluded other income (expense), share based compensation, and acquisition and integration expenses, and the related tax effects; and the tax (benefit) expense due to the re-measurement of our deferred tax assets and liabilities at the new U.S. tax rate, and an adjustment to our tax expense in the prior year assuming a 21% effective annual income tax rate for U.S. operations.

FYE March 31 / Trailing twelve months ended June 30, unaudited

Net Earnings ($mm)



EPS and Non-GAAP EPS *



* See Non-GAAP Financial Information

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.

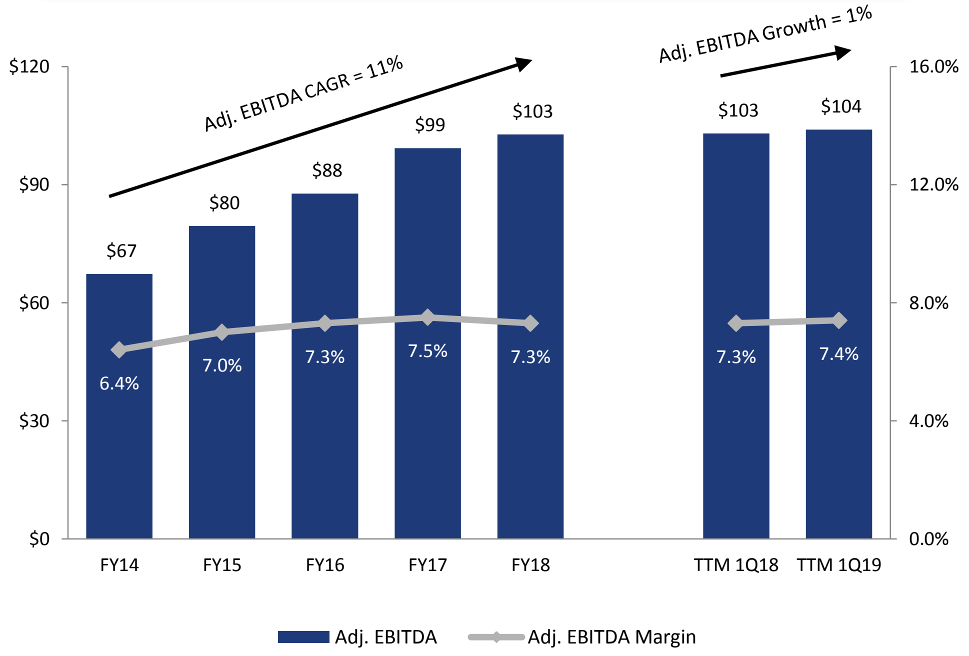
+ From FY14 to FY18, adjusted EBITDA increased at a compounded annual rate of 11%.

+ Adjusted EBITDA margin increased from 6.4% to 7.3% over the last five years.

+ We incurred higher operating expenses in FY18 due in part to the recent acquisitions.

FYE March 31 / Trailing twelve months ended June 30, unaudited

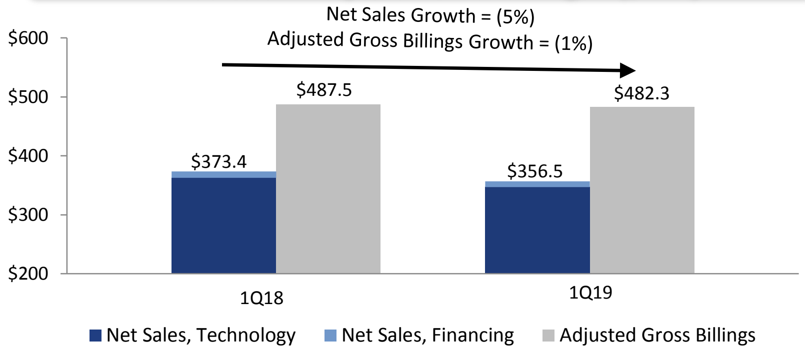
Adjusted EBITDA * ($mm)



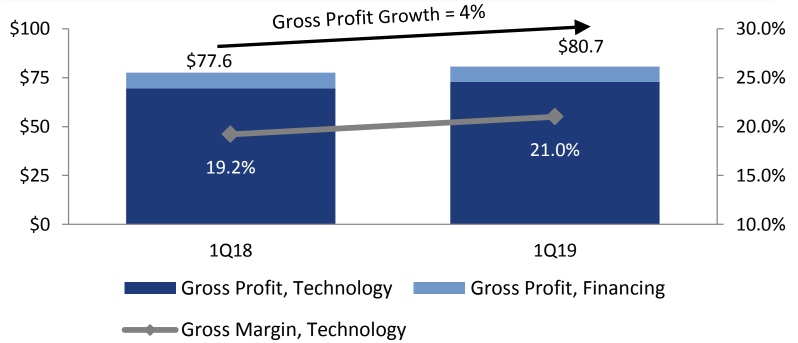
* See Non-GAAP Financial Information

Q1 FY19 Financial Results

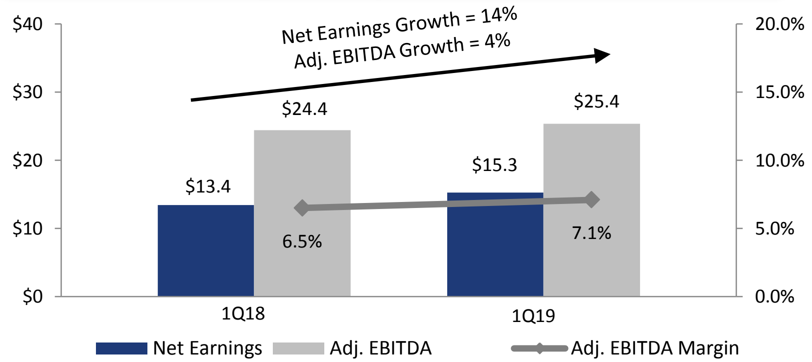
Net Sales and Adjusted Gross Billings * ($mm)



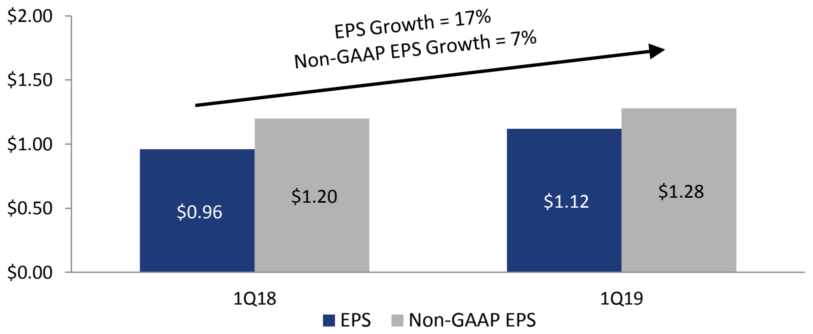
Gross Profit and Gross Margin ($mm)



Net Earnings and Adjusted EBITDA * ($mm)



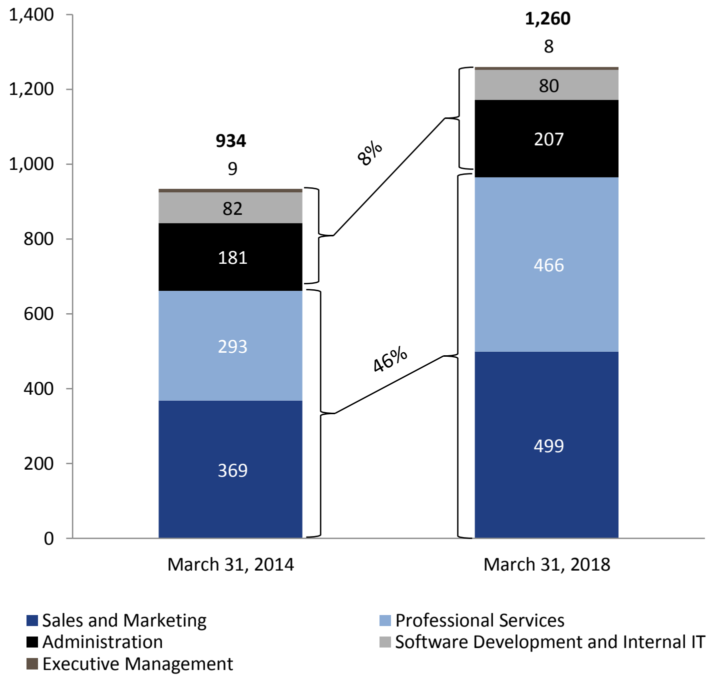
EPS and Non-GAAP EPS *



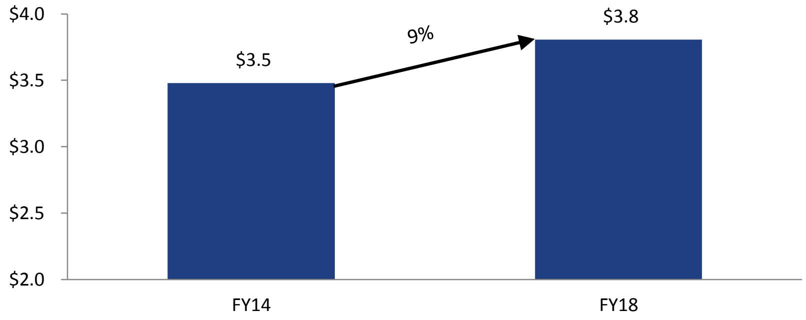
* See Non-GAAP Financial Information

Growing Productivity While Strategically Expanding Workforce

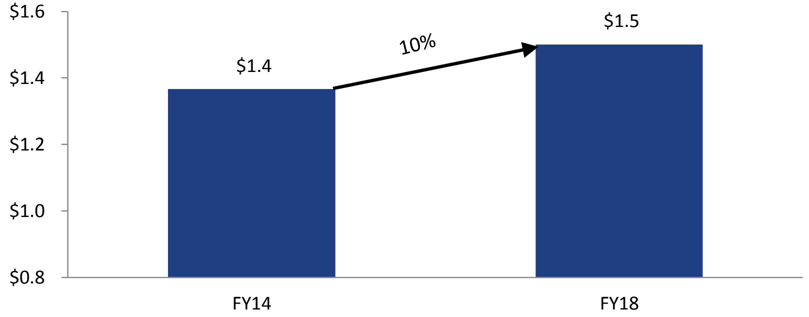
Employee Headcount Growth by Function



Adj. Gross Billings Per Sales and Marketing Employee ($mm)



Adj. Gross Billings Per Employee ($mm)



Strong Balance Sheet

$ in millions

- $57 million in cash and equivalents
- $250 million financing facility with Wells Fargo Commercial Distribution Finance, LLC
- Financing portfolio of $141 million, representing investments in leases and notes
- Portfolio monetization can be utilized to raise additional cash
- ROIC 15.3% for the trailing twelve months ended June 30, 2018 [1]

1 ROIC = Operating Income x (1 – 21%) / (BV of debt + equity)

Assets	June 30, 2018	March 31, 2018
Cash and equivalents	$ 57	$ 118
Accounts receivable	359	297
Inventory	52	40
Financing investments	141	138
Goodwill & other intangibles	101	103
Property & equipment , deferred costs and other	50	59
Total assets	$ 760	$ 755
Liabilities		
Accounts payable	$ 228	$ 219
Recourse notes payable	-	1
Non-recourse notes payable	55	51
Other liabilities	97	111
Total liabilities	$ 380	$ 382
Shareholders' Equity		
Equity	380	373
Total liabilities & equity	$ 760	$ 755

Appendix

Non-GAAP Financial Information

$ in thousands, except per share information

	Year Ended March 31,					TTM Ended June 30,	
	2018	2017	2016	2015	2014	2018	2017
Technology segment net sales	$ 1,372,765	$ 1,294,937	$ 1,169,065	$ 1,108,449	$ 1,013,374	$ 1,356,730	$ 1,366,379
Costs incurred related to sales of third party software assurance, maintenance and services	526,920	485,480	393,126	334,155	262,759	537,752	502,793
Adjusted gross billings	$ 1,899,685	$ 1,780,417	$ 1,562,191	$ 1,442,604	$ 1,276,133	$ 1,894,482	$ 1,869,172
Net earnings	$ 55,122	$ 50,556	$ 44,747	$ 45,840	$ 35,273	$ 56,972	$ 53,308
Provision for income taxes	28,769	35,556	31,004	32,473	24,825	26,709	36,096
Depreciation and amortization [1]	9,921	7,252	5,548	4,333	2,792	10,648	7,540
Share based compensation	6,464	6,025	5,711	4,585	3,968	6,650	6,074
Acquisition and integration expenses [2]	2,150	278	681	(114)	409	2,236	517
Other (income) expense [3]	348	(380)	-	(7,603)	-	522	(651)
Adjusted EBITDA	$ 102,774	$ 99,287	$ 87,691	$ 79,514	$ 67,267	$ 103,737	$ 102,884
Adjusted EBITDA margin	7.3%	7.5%	7.3%	7.0%	6.4%	7.4%	7.3%
GAAP: Earnings before tax	$ 83,891	$ 86,112	$ 75,751	$ 78,313	$ 60,098	$ 83,681	$ 89,404
Share based compensation	6,464	6,025	5,711	4,585	3,968	6,650	6,074
Acquisition and integration expenses [2]	2,150	278	681	(114)	409	2,236	517
Acquisition related amortization expense [4]	5,978	4,000	2,917	1,888	1,110	6,621	4,032
Other (income) expense [3]	348	(380)	-	(7,603)	-	522	(651)
Non-GAAP: Earnings before provision for income taxes	98,831	96,035	85,060	77,069	65,585	99,710	99,376
GAAP: Provision for income taxes	28,769	35,556	31,004	32,473	24,825	26,709	36,096
Share based compensation [5]	3,310	2,223	1,581	1,290	1,117	2,672	3,064
Acquisition and integration expenses [2]	621	79	188	(32)	115	645	148
Acquisition related amortization expense [4]	1,598	938	807	531	312	1,781	980
Other (income) expense [3]	101	(108)	-	(2,140)	-	151	(186)
Re-measurement of deferred taxes [6]	1,654	-	-	-	-	1,654	-
Adjustment to U.S. federal income tax rate to 21% [7]	(7,635)	(11,650)	(10,040)	(10,431)	(9,023)	(4,913)	(12,083)
Non-GAAP: Provision for income taxes	28,418	27,038	23,540	21,691	17,346	28,699	28,019
Non-GAAP: Net earnings	$ 70,413	$ 68,997	$ 61,520	$ 55,378	$ 48,239	$ 71,011	$ 71,357
GAAP: Net earnings per common share – diluted	$ 3.95	$ 3.60	$ 3.05	$ 3.10	$ 2.19	$ 4.12	$ 3.82
Non-GAAP: Net earnings per common share – diluted	$ 5.04	$ 4.92	$ 4.19	$ 3.75	$ 2.99	$ 5.13	$ 5.11

[1] Amount consists of depreciation and amortization for assets used internally.
[2] Includes acquisition-related expenses such as legal, accounting, tax, and adjustments to the fair value of contingent purchase price consideration.
[3] Interest income and foreign currency transaction gains or losses.
[4] Amount consists of amortization of intangible assets from acquired businesses.
[5] Amount represents the tax effect of share based compensation and the tax benefit recognized in income tax expense on the vesting of restricted stock.
[6] Tax (expense) benefit for the re-measurement of U.S. deferred income tax assets and liabilities at the new corporate tax rate of 21%.
[7] Amount represents the adjustment to our tax expense for the prior year assuming a U.S. effective annual income tax rate of 21%.

Non-GAAP Financial Information

$ in thousands, except per share information

	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017
Technology segment net sales	$ 346,864	$ 362,899
Costs incurred related to sales of third party software assurance, maintenance and services	135,437	124,605
Adjusted gross billings	$ 482,301	$ 487,504
Net earnings	$ 15,273	$ 13,423
Provision for income taxes	5,295	7,355
Depreciation and amortization [1]	2,790	2,063
Share based compensation	1,693	1,507
Acquisition and integration expenses [2]	416	330
Other (income) expense [3]	(97)	(271)
Adjusted EBITDA	$ 25,370	$ 24,407
Adjusted EBITDA margin	7.1%	6.5%
GAAP: Earnings before tax	$ 20,568	$ 20,778
Share based compensation	1,693	1,507
Acquisition and integration expenses [2]	416	330
Acquisition related amortization expense [4]	1,764	1,121
Other (income) expense [3]	(97)	(271)
Non-GAAP: Earnings before provision for income taxes	24,344	23,465
GAAP: Provision for income taxes	5,295	7,355
Share based compensation [5]	1,052	1,690
Acquisition and integration expenses [2]	119	95
Acquisition related amortization expense [4]	474	291
Other (income) expense [3]	(28)	(78)
Adjustment to U.S. federal income tax rate to 21% [6]	-	(2,722)
Non-GAAP: Provision for income taxes	6,912	6,631
Non-GAAP: Net earnings	$ 17,432	$ 16,834
GAAP: Net earnings per common share – diluted	$ 1.12	$ 0.96
Non-GAAP: Net earnings per common share – diluted	$ 1.28	$ 1.20

[1] Amount consists of depreciation and amortization for assets used internally.
[2] Includes acquisition-related expenses such as legal, accounting, tax, and adjustments to the fair value of contingent purchase price consideration.
[3] Interest income and foreign currency transaction gains or losses.
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[6] Amount represents the adjustment to our tax expense for the prior year assuming a U.S. effective annual income tax rate of 21%.

Return on Invested Capital

$ in thousands

	Year Ended March 31,		TTM Ended June 30,	
	2018	2017	2018	2017
Numerator				
Operating income	$ 84,239	$ 85,732	$ 84,203	$ 88,753
Less: Taxes [1]	(17,690)	(18,004)	(17,683)	(18,638)
Net operating profit after taxes	$ 66,549	$ 67,728	$ 66,520	$ 70,115
Denominator				
Recourse notes payable	$ 1,343	$ 908	$ -	$ 799
Non-recourse notes payable	50,935	36,516	54,598	35,696
Total stockholders' equity	372,603	345,918	379,854	357,029
Total invested capital	$ 424,881	$ 383,342	$ 434,452	$ 393,524
Return on invested capital	15.7%	17.7%	15.3%	17.8%

[1] Based on a normalized statutory U.S. tax rate of 21%.

Where Technology Means More®

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