

*e*<sup>+</sup>



# *e*Plus inc. Investor Presentation

May, 2011

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 financial crisis in the credit markets 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; the existence of demand for, and acceptance of, our products and services; 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; fluctuations in our operating results; and other risks or uncertainties detailed in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2010 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.

# Why Invest in *e*Plus

Kley Parkhurst, SVP

ePlus provides technology solutions and IT products, specializing in advanced technology engineering services, leasing, and proprietary software, to automate the supply chain including spend analytics, procurement and asset management.

## **ePLUS Highlights** (NASDAQ NGM: PLUS)

- + Revenues were \$834 million for TTM ending 12/31/2010, up 31% compared to TTM ending 12/31/2009
- + Non-GAAP earnings were \$2.82 per diluted share for TTM ending 12/31/2010, up 94% compared to TTM ending 12/31/2009<sup>1</sup>
- + Strong balance sheet
- + 691 employees (as of 12/31/2010) in 20+ offices nationwide
- + Diversification: 3 interrelated solution sets--technology, financing, & software
- + Certified by world's technology leaders
- + 12 Acquisitions plus organic growth

<sup>1</sup> Excludes a pre-tax goodwill impairment charge of \$4.0 million, see appendix.

# ePlus' customer value proposition

*Our goal is to be our customer's preferred partner,  
providing cost effective technology solutions,  
services, and financing.*

- + **Maintain strong balance sheet**
- + **Drive organic growth**
  - + Capture more spend within existing customer base
    - New technology solutions (eCloud)
    - Add-on sales and services
    - Leverage OneSource<sup>®</sup> to become our customer's preferred web portal for IT product searches, procurement, and supply chain management
  - + Expand market share
    - TeleSales for new customers
    - Hire sales professionals
- + **Explore accretive acquisitions**
  - Tuck-under within present market areas
  - New territories/technologies
- + **Expand professional services** for advanced technologies
- + **Improve operating leverage** with increased productivity/better systems

# Business Overview

# Business Overview



- + We deliver world-class IT solutions: integrating technology products and software from top manufacturers, using our extensive knowledgebase and top-flight engineering talent
- + We facilitate transaction flow by offering flexible lease financing and proprietary software, which provides multiple benefits to our customers
- + We have national direct sales and national engineering teams supported by inside sales and telesales personnel:
  - ~270 sales and marketing associates
  - ~150 technical support associates

- + We are certified with world's technology leaders:



## HP Preferred Elite Partner (National)

- + Highest Level of Authorization

## Cisco Gold DVAR (National)

- + Master Unified Communications and Security Specialized; multiple ATPs

## VMware National Premier Partner

- + Highest Level of Authorization

## Microsoft Gold Partner (National)

- + National Systems Integrator

## IBM Premier Business Partner

- + IBM Exact Program

## NetApp Star Partner

- + Certified Engineers, Architects and Executives

## Oracle Gold Partner

- + Sun SPA Executive Partner (National)

# Diversified Customer Base

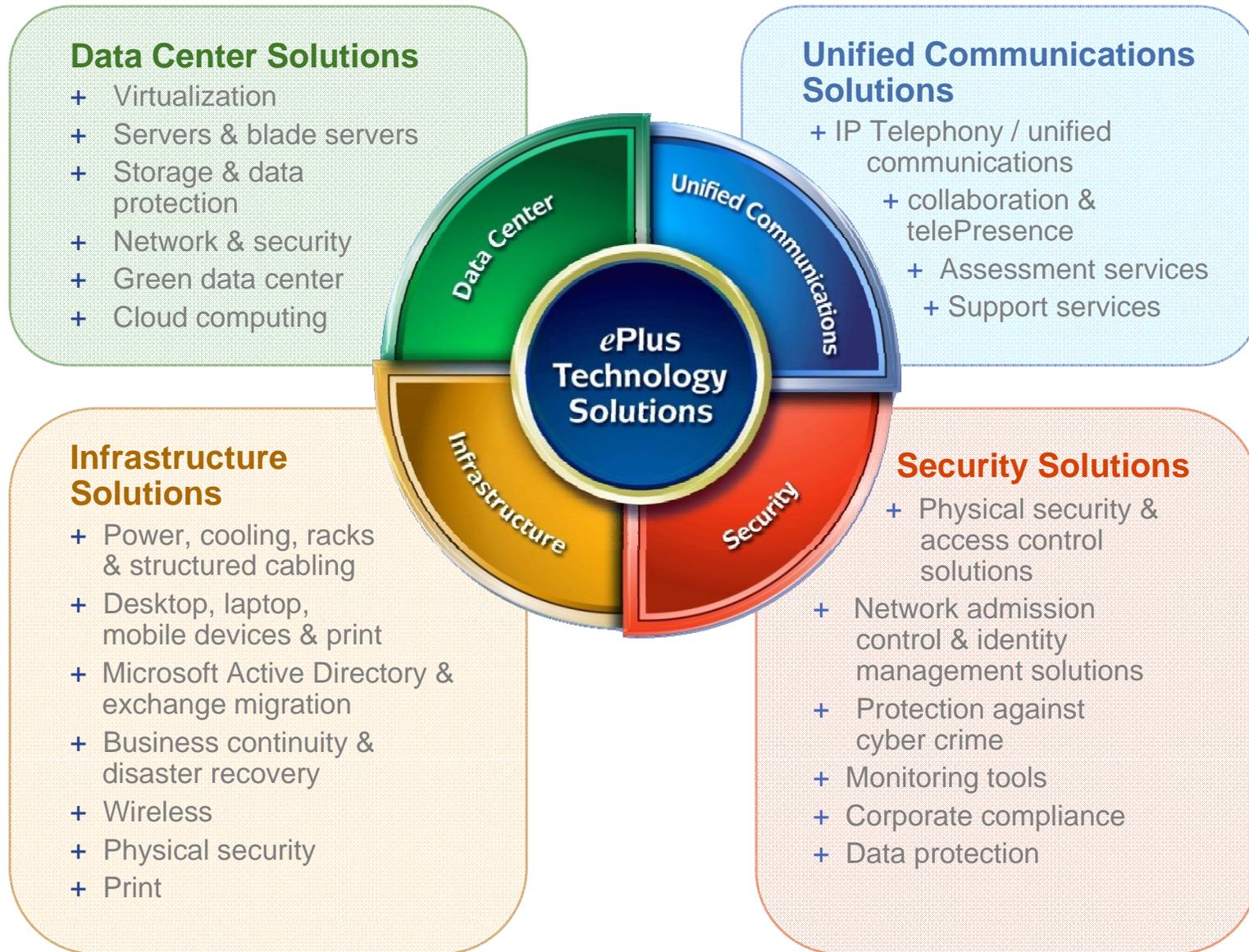


- + More than 1,500 customers in a variety of industries and geographies
  - Enterprise, commercial, state, local and federal governments, higher education, non-profits, healthcare, telecom
- + Large market opportunity to expand current client base
  - 50,000 potential commercial customers with annual revenues between \$20 million and \$2.5 billion



With locations all across the country, *ePlus* has a strong local presence and national exposure

- + 20+ office locations with regional centers in:  
CA, MA, MD, NC, NY, NJ, PA, TX, VA



- + Customers that seek private, public, or hybrid clouds need our services:
  - + Virtualization
  - + Security
  - + Data Redundancy
  - + Network
- + Multi-Vendor Solutions Need a Multi-Vendor VAR:



- + ePlus' proprietary solution, eCloud, is comprised of four offerings:
  - + Cloud Readiness Assessment
  - + Best-in-Class Infrastructure Components
  - + Cloud Automation and Management Tools
  - + Cloud Support Services

## + **Acquired Interchange Technologies, Inc. (ITI) in November, 2010**

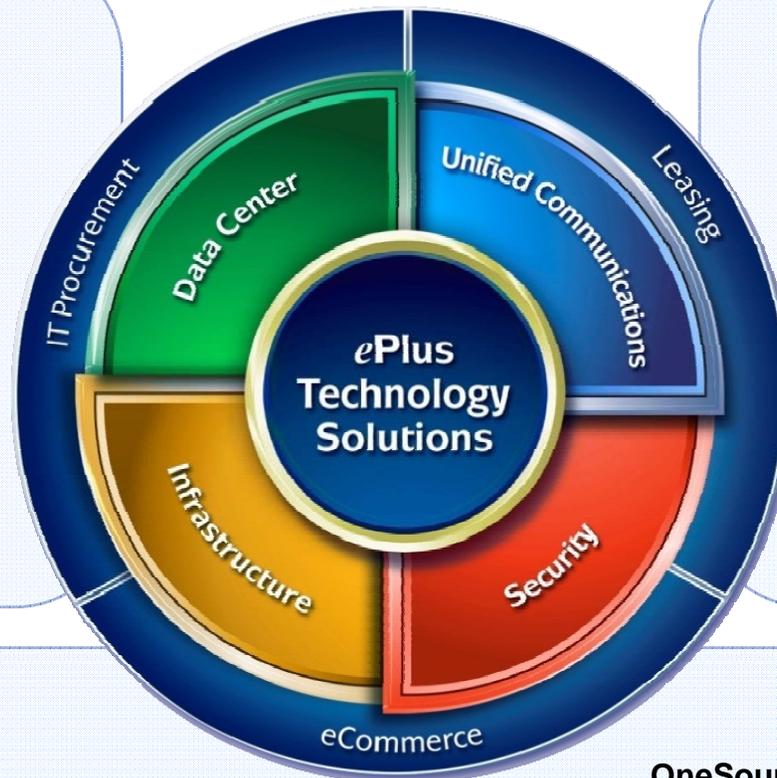
- First acquisition completed in several years
- Aligns with *ePlus* acquisition strategy – seeking companies that complement our business from a technology or geographic perspective

### + **Strategic benefits:**

- Opportunity to build a stronger visual communications and collaboration practice, as we now have the capability to design powerful video and distribution solutions around clients' specific needs for enhanced collaboration
- Immediately gained Tandberg Platinum Partner status
- Able to provide a single source for a full spectrum of solutions and services in the teleconferencing, audio and video, unified communications, and collaboration market space to meet our customers' diverse and growing business communications needs

## IT Procurement

- + Expertise in high-transaction volume
- + Rapid response to customer requests, configurations, and quotes
- + Expert analysis of customer requirements
- + Wide breadth of offerings
- + Expedited shipping
- + Contract management
- + Staging, deployment, and project execution services



## Leasing and Financing Solutions

- + Equipment leasing
- + Software leasing
- + Total project finance
- + Technology refresh programs
- + Asset tracking and lifecycle automation / management approach
- + Flexible structures customized to meet your needs
- + Commercial, state and local, education, healthcare, and federal markets

## eCommerce Solutions

### OneSource IT

- + Online ordering and order tracking
- + Extensive ePlus catalog (500,000+ products)
- + Real-time price and availability
- + Contract compliance
- + Comprehensive reporting

### OneSource IT+

- + Source IT from ePlus catalog or catalogs from any supplier
- + IT portal to centralize IT spend
- + Single ordering process
- + Back office integration
- + Analysis of your IT spend

## + Our Focus on the Customer

- Our customer-centric, project management approach ensures customer satisfaction

## + Our Proprietary Software & Business Methods Reduce Costs

- Our web portal, OneSourceIT ©, helps streamline and optimize the supply chain for our clients

## + Our Team

- Industry leading engineers, account managers and inside sales representatives to support our clients

## + Our Complete Solution Set

- Comprehensive, end-to-end IT supply chain provider, including lifecycle management, world-class technology products and software, advanced engineering capabilities, managed services, supply chain logistics, sourcing, and financing

# Financial Overview

Elaine Marion, CFO

## + Technology Segment

### Sales

- For the year ended March 31, 2010 (FY10), sales of Cisco products generated 37% of revenue; sales of HP products generated 18% of revenue
- Tiered mfg. incentive programs and rebates
- Broad range of product categories

### Services

- Revenues are both project based as well as recurring managed services and staff augmentation

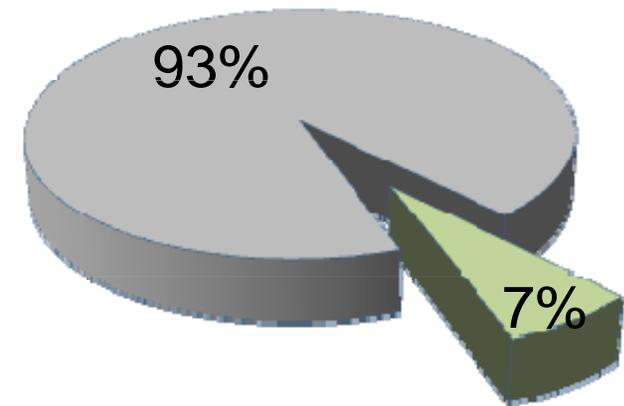
### ePlus Software

- Revenues are primarily SAAS, annual maintenance, and services

## + Financing Segment

- Operating and direct finance lease revenue
- Ability to hold leases on balance sheet or syndicate debt and equity

## FYE10 Segment Revenues



Technology

Financing

## Segment PreTax Earnings

(\$ millions)

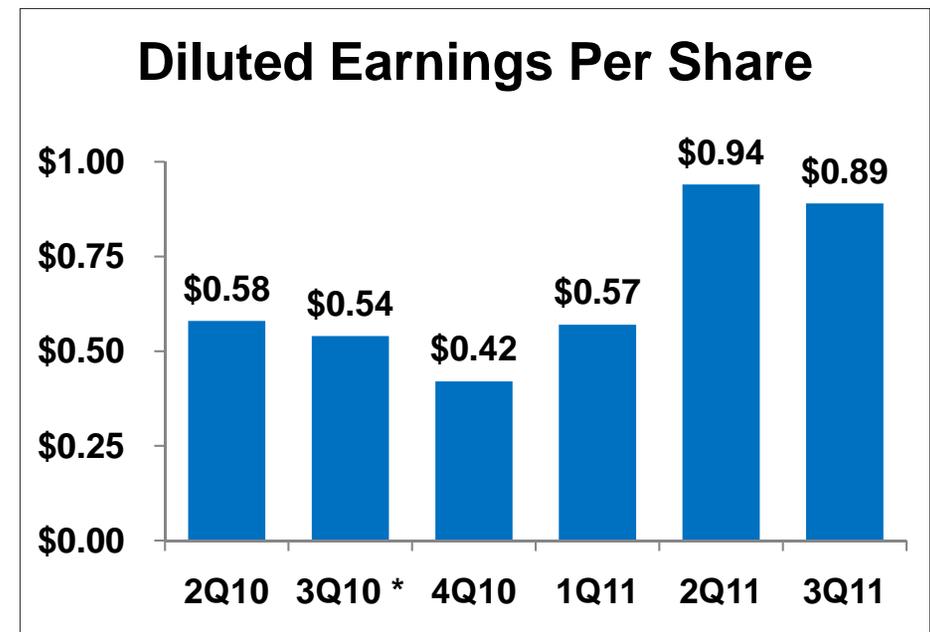
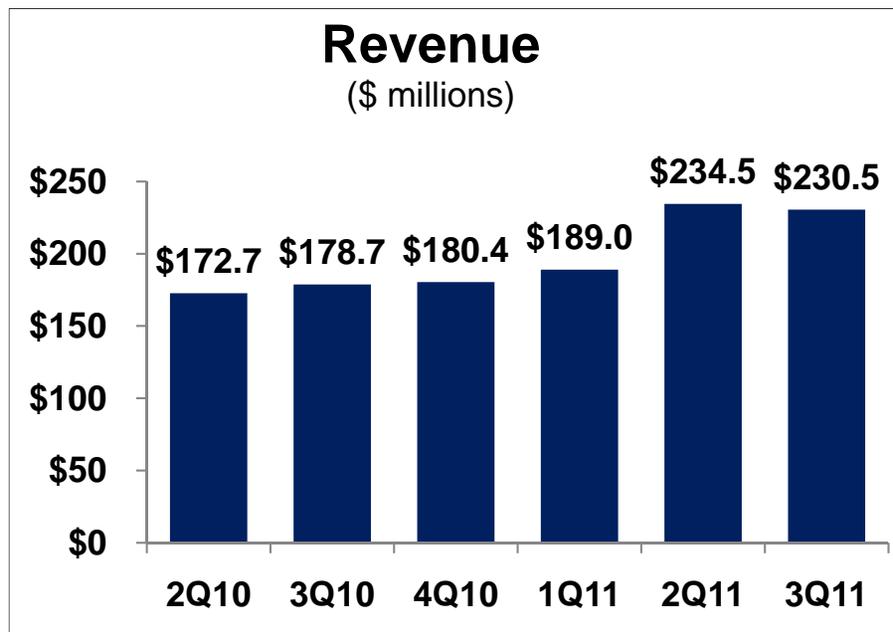


# Financial Results for the Quarter Ended December 31, 2010 (3Q11)



## + Solid Trends Continuing:

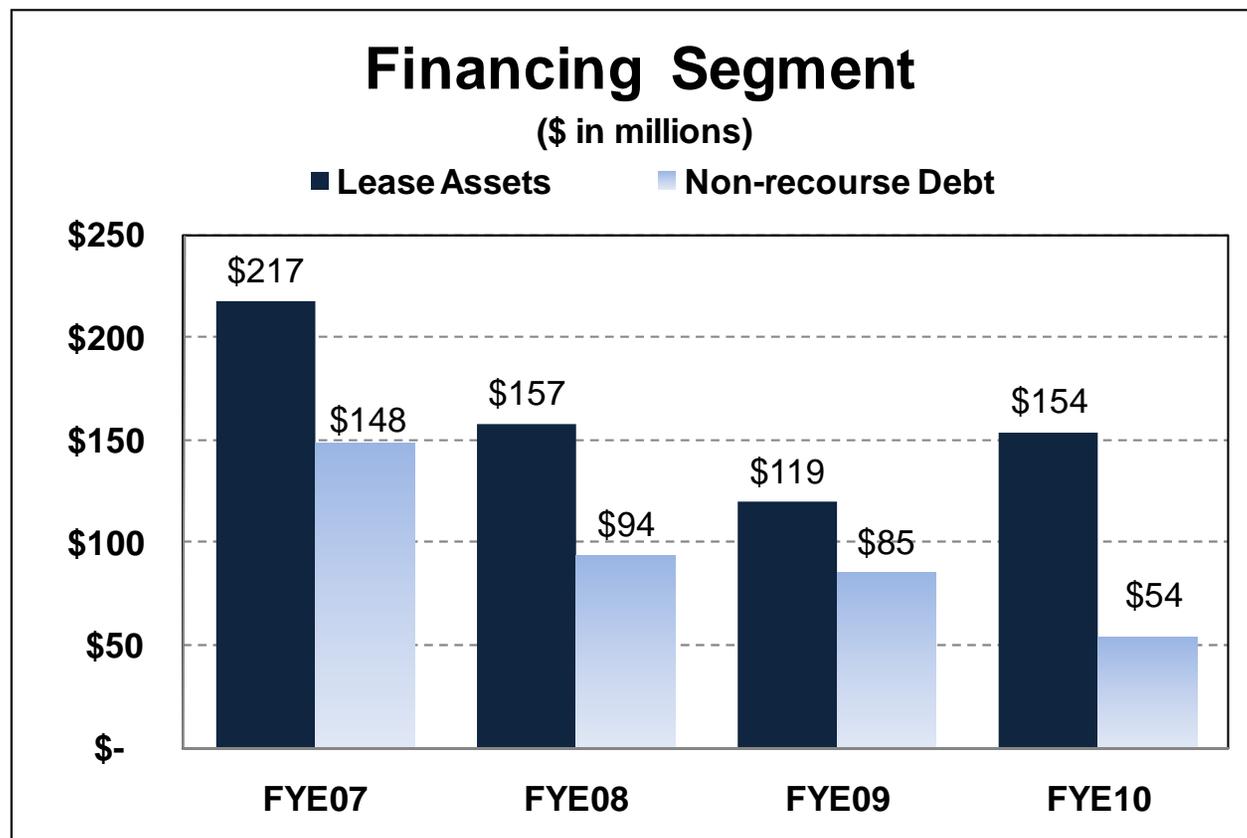
- Revenues totaled \$230.5 million, up 29.0% year-over-year
- Sales of product & services totaled \$219.2 million, up 34.3% year-over-year
- Gross margins on products & services totaled 15.4%, as compared to 13.4% in 3Q10
- Net earnings totaled \$7.5 million, or \$0.89 per diluted share, up 65% compared to non-GAAP net earnings \$4.6 million, or \$0.54 per diluted share, for the quarter ended December 31, 2009



\* 3Q10 results exclude a \$4.0 million goodwill impairment charge, see appendix.

## + Strong Cash Position as of 12/31/2010

- Cash and cash equivalents: \$59.0 million
- Non-recourse debt: \$34.8 million
- Uses of cash: Invest in high credit quality leases, acquisitions, share repurchases

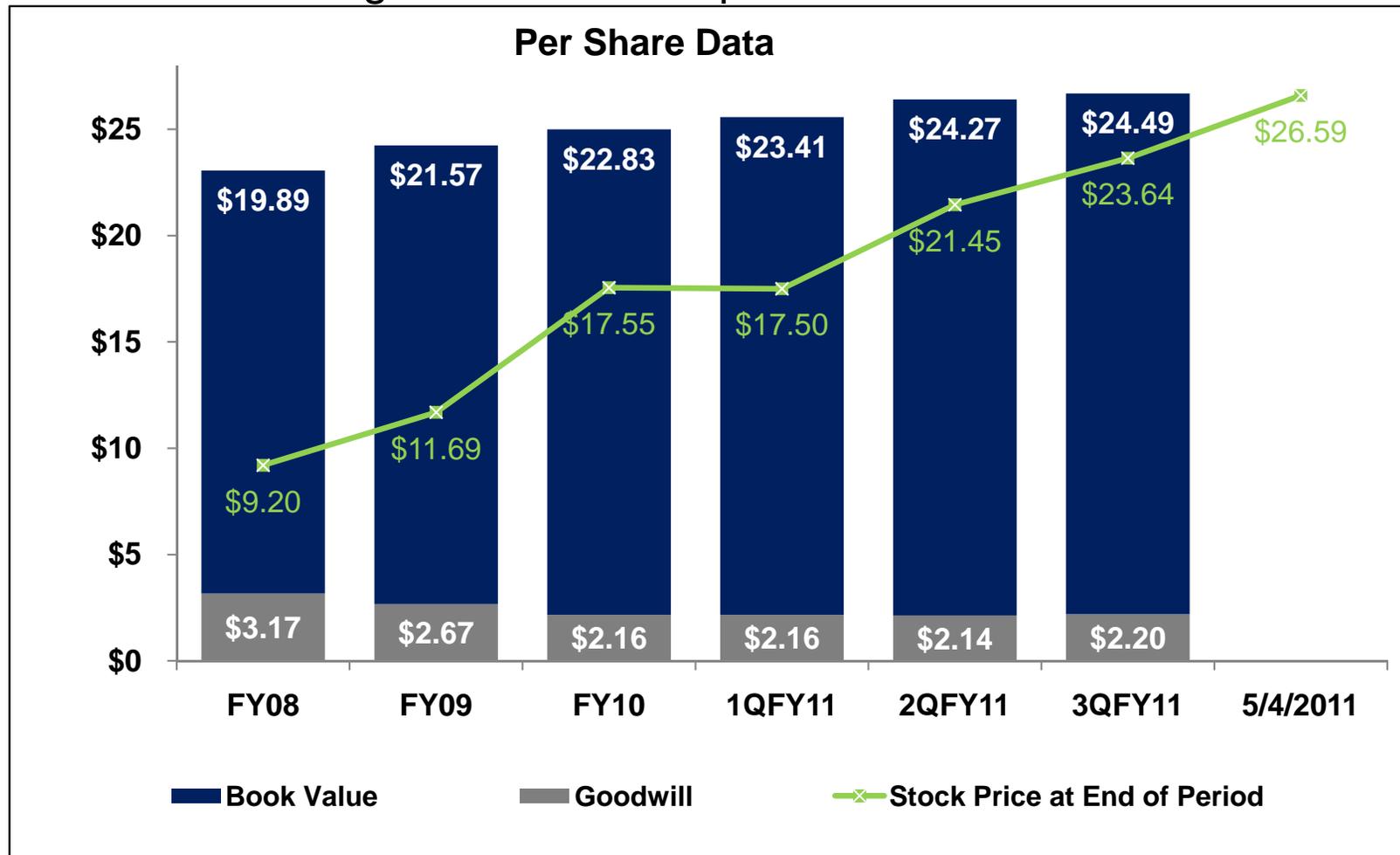


# Shareholder's Equity and Share Price



## + Solid Financial Position

- Shareholders' equity: \$207.4 million
- Book value: \$24.49 per share
- Book value less goodwill: \$22.88 per share



- + Large addressable market
  - *\$958 billion market for IT products and services spending in U.S.<sup>1</sup>*
  - *Highly fragmented: 50,000 potential middle market to larger companies with annual revenues between \$25 million and \$2.5 billion*
- + Diversified customer base: commercial, federal, and state/local governments and educational institutions (“SLED”)
- + Differentiated business model serving entire IT lifecycle & process
- + Key industry partnerships (HP, Cisco, Microsoft, IBM, VMware, EMC, NetApp)
- + Deep expertise in key technologies
- + History of strong organic growth and successful acquisitions
- + Solid balance sheet with significant tangible net worth
- + National presence via direct sales force, supported by inside sales and telesales
- + Included in Russell 2000<sup>®</sup> Index and Russell 3000<sup>®</sup> Index

<sup>1</sup> Source: Gartner Research, *Gartner Perspective: IT Spending 2010*.



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# Appendix: Non-GAAP Financial Results



## RECONCILIATION OF NON-GAAP INFORMATION (in thousands, except shares and per share amounts)

	3 Months Ended 12/31/2009	Year Ended March 31, 2010	Year Ended March 31, 2009
GAAP earnings before provision for income taxes as reported	\$ 4,024	\$ 21,082	\$ 22,048
Plus: Impairment of goodwill	4,029	4,029	4,644
Non-GAAP Earnings before provision for income taxes	8,053	25,111	26,692
Non-GAAP Provision for income taxes [1]	3,414	9,931	11,161
Non-GAAP Proforma net earnings	\$ 4,639	\$ 15,180	\$ 15,531
GAAP net earnings per common share –diluted	\$ 0.27	\$ 1.50	\$ 1.52
Non-GAAP proforma net earnings per common share-diluted	\$ 0.54	\$ 1.79	\$ 1.84
WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC	8,388,795	8,267,374	8,219,318
WEIGHTED AVERAGE SHARES OUTSTANDING - DILUTED	8,554,247	8,469,226	8,453,333

[1] Non-GAAP net earnings is calculated using the same tax rate as GAAP net earnings

Effective income tax rate	42.4%	39.6%	41.8%
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### Use of Non-GAAP Financial Information

In this presentation, ePlus discloses non-GAAP measures of net income and earnings per share showing the effect of the goodwill impairment charge. A “non-GAAP financial measure” is a numerical measure of a company’s historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows of the company; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. ePlus uses the financial measures that are included in this presentation in its internal evaluation and management of its business. Management believes that these measures and the information they provide are useful to investors because they permit investors to view the Company’s performance using the same tools that ePlus uses and to better evaluate the Company’s ongoing business performance. These measures should not be considered an alternative to measurements required by accounting principles generally accepted in the United States (GAAP), such as net income and earnings per share. These non-GAAP measures are unlikely to be comparable to non-GAAP information provided by other companies. In accordance with SEC regulations, reconciliation of the ePlus GAAP information to the pro forma information is provided in the table above. We will also make this presentation available on the investor relations page of our web site at [www.eplus.com](http://www.eplus.com).