



Investor Presentation

November 2015

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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 and remain secure during a cyber-security attack; 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 dependency on continued innovations in hardware, software and services offerings by our vendors and our ability to partner with them; 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 rights; 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, 2015 and other periodic filings with the Securities and Exchange Commission and available at the SEC's website at <http://www.sec.gov>.

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Mark Marron
COO

ePlus at a Glance



- + Leading provider of technology solutions focused on cloud, data center, security, infrastructure, and collaboration solutions
- + Technology partners include Cisco, EMC, HP, NetApp and VMware
- + FY15 net sales: \$1.1 billion
 - 12% CAGR FY11-FY15
- + FY 15 earnings per share: \$6.19
- + FY 15 non-GAAP earnings per share: \$5.59
 - 19% CAGR on Non-GAAP EPS FY11-FY15
- + Headquarters: Herndon, Virginia
- + Presence in 29 states
- + 997 employees as of 9/30/2015



Note: Fiscal year ends March 31

¹ See appendix for operating income calculation

Experienced Leadership Team, Strong Alignment of Interest



+ 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



Dan Farrell
*Senior Vice President of National
Professional Services*

Years with ePlus:

Years of experience:

20

9

16

5

44

30

24

31



Kley Parkhurst
*Senior Vice President,
Corporate Development*



Darren Raiguel
*Executive Vice President,
Technology Sales*



Mark Melvin
Chief Technology Officer



Steve Mencarini
*Senior Vice President of
Business Operations*



Erica Stoecker
General Counsel

Years with ePlus:

Years of experience:

23

18

9

17

14

27

23

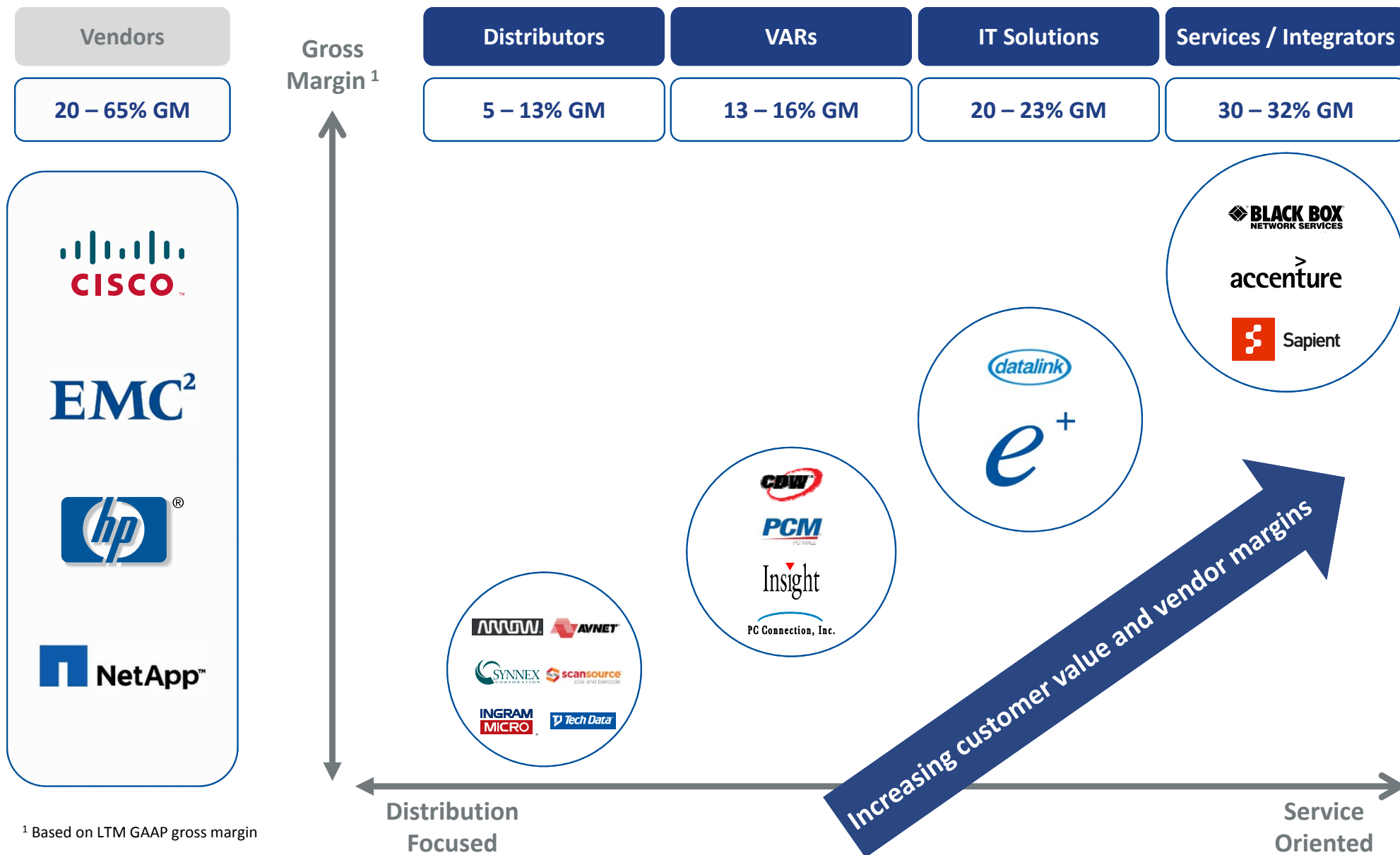
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Well Positioned within the IT Ecosystem

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



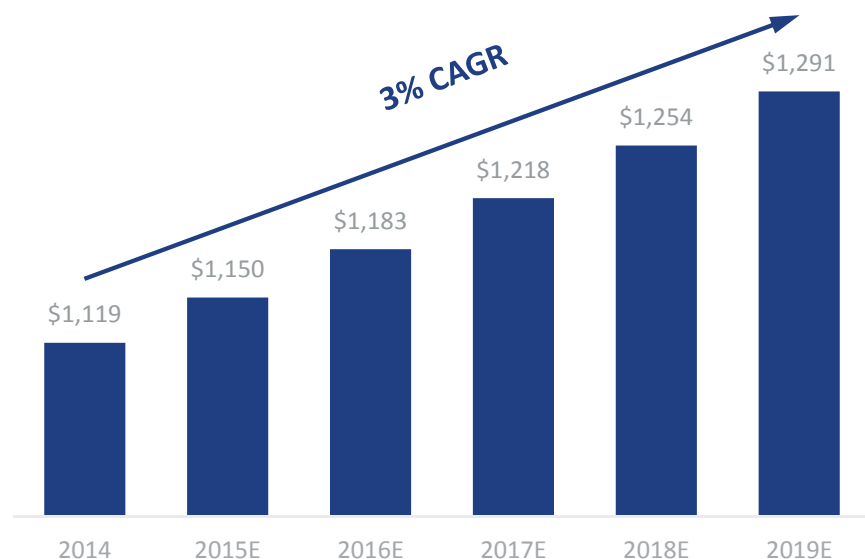
¹ Based on LTM GAAP gross margin

Large TAM with Solid Fundamentals



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	2014	2019E	CAGR
Mobility	\$6.5	\$10.8	11%
Cloud	\$26.5	\$59.6	18%
Security	\$29.6	\$43.4	8%
Managed Services	\$45.0	\$54.9	4%
Virtualization	\$2.5	\$3.2	5%
Total	\$110.1	\$171.9	9%

¹ Gartner, "Market Databook, 1Q15 Update," 2013-2019 End-User Spending on IT Products and Services (U.S.).

² Gartner, "Forecast: IT Services, Worldwide, 2013-2019, 1Q15 Update," 2014-2019 Cloud Access (U.S.); Gartner, "Forecast: Information Security, Worldwide, 2012-2018, 4Q14 Update," 2013-2018 Security Spending (U.S.); Gartner, "Forecast: IT Services, Worldwide, 2013-2019, 1Q15 Update," 2014-2019 Data Center Outsourcing, Colocation, Hosting (U.S.); Gartner, "Forecast: Enterprise Software Markets, Worldwide, 2012-2019, 1Q15 Update" 2013-2019 Virtualization Infrastructure Software (U.S.); Gartner, "Forecast: PCs, Ultramobiles and Mobile Phones Worldwide, 2012-2019, 1Q15 Update" 2013-2019 Ultramobiles purchased by business customers (U.S.).

Expanding Footprint and Capabilities



+ = Regional Offices

★ = Sales Offices

👤 = Managed Services Centers

- + 413 sales resources
- + 317 engineering professionals
- + Serving middle-market clients to large multinational enterprises
- + Customer-centric project management
- + Ability to deploy complex solutions globally

Targeted M&A Strategy with Track Record of Success



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



- + 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 (\$5.0 million)
- + 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

End-to-End Suite of Customized Solutions



Cloud

- + Private
- + Hybrid
- + Public
- + Cloud Networking
- + Disaster Recovery as a Service

Collaboration

- + Unified Communications
- + Premise & Cloud Based Video
- + Web Collaboration

Infrastructure

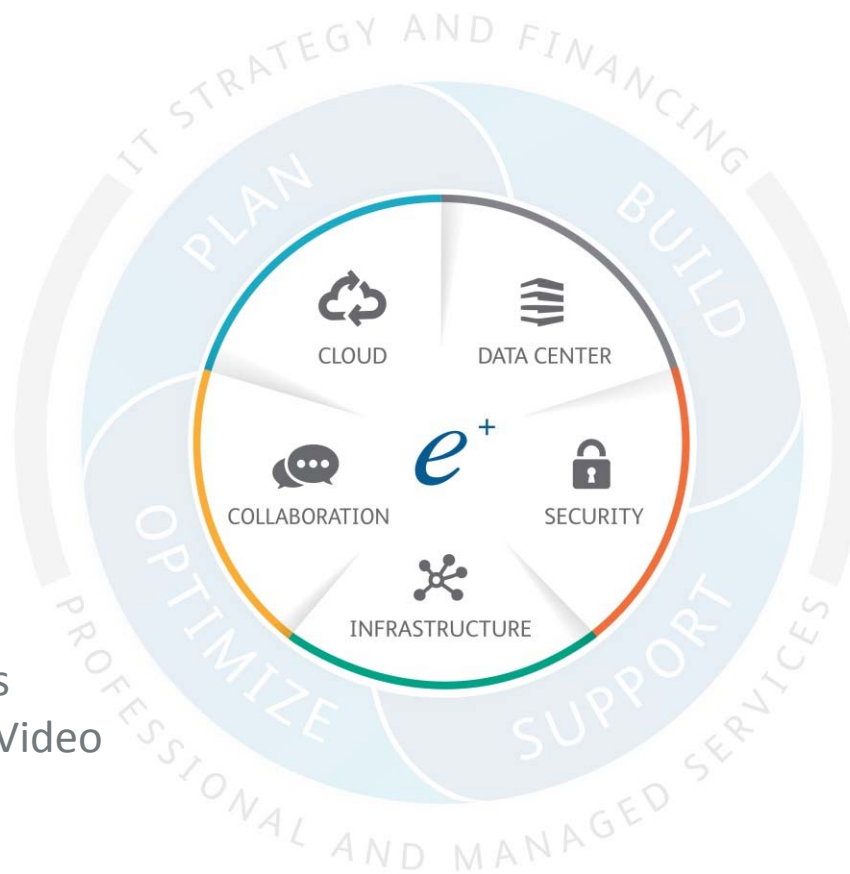
- + Mobility and Wireless
- + Networking
- + Client Devices
- + Peripherals and Accessories

Data Center

- + Automation and Orchestration
- + Virtualization
- + Compute
- + Storage

Security

- + Perimeter
- + Data
- + Executive Consulting
- + Assessments
- + Managed Security



Expanding Professional and Managed Services



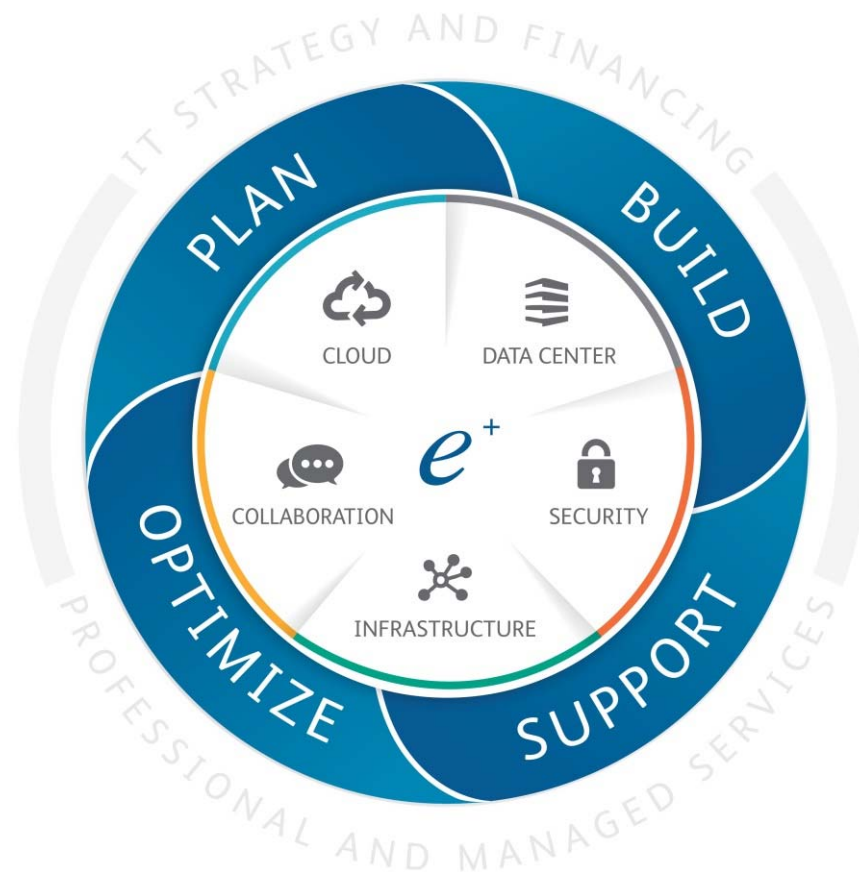
- + Hired Dan Farrell as Senior Vice President of National Professional Services in 2010
- + Assessment Led, Consultative Approach: Focus on Customer Business Outcomes

Expansion Highlights (since 2010)

- + Expanded services headcount by 103%
- + 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

Independent Provider with Deep Strategic Relationships



Selected Strategic Partners



- + Excellent channel partner for ePlus, representing 49% of technology sales ¹
- + Networking, security, converged infrastructure
- + ePlus engineers are trained in 26 different Cisco product lines



- + Represents ~8% 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

¹ Based on the year ended March 31, 2015

Complemented by Additional Relationships



Check Point
SOFTWARE TECHNOLOGIES LTD.



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

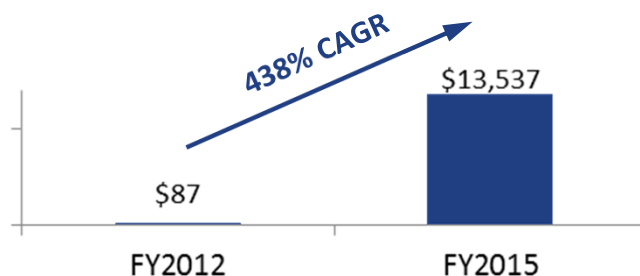
Deep Expertise and Experience with Emerging Vendors



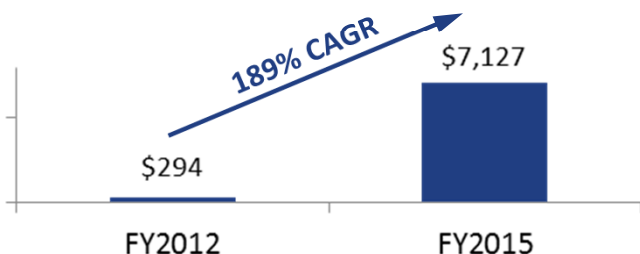
Selected Emerging Vendors

(\$ in thousands, FYE 3/31)

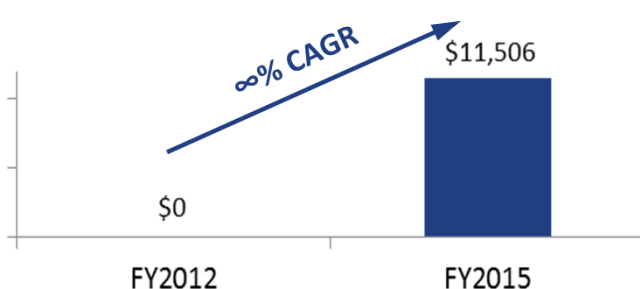
Vendor A



Vendor B



Vendor C



Featured Vendors

Storage



Security



Big Data



Network

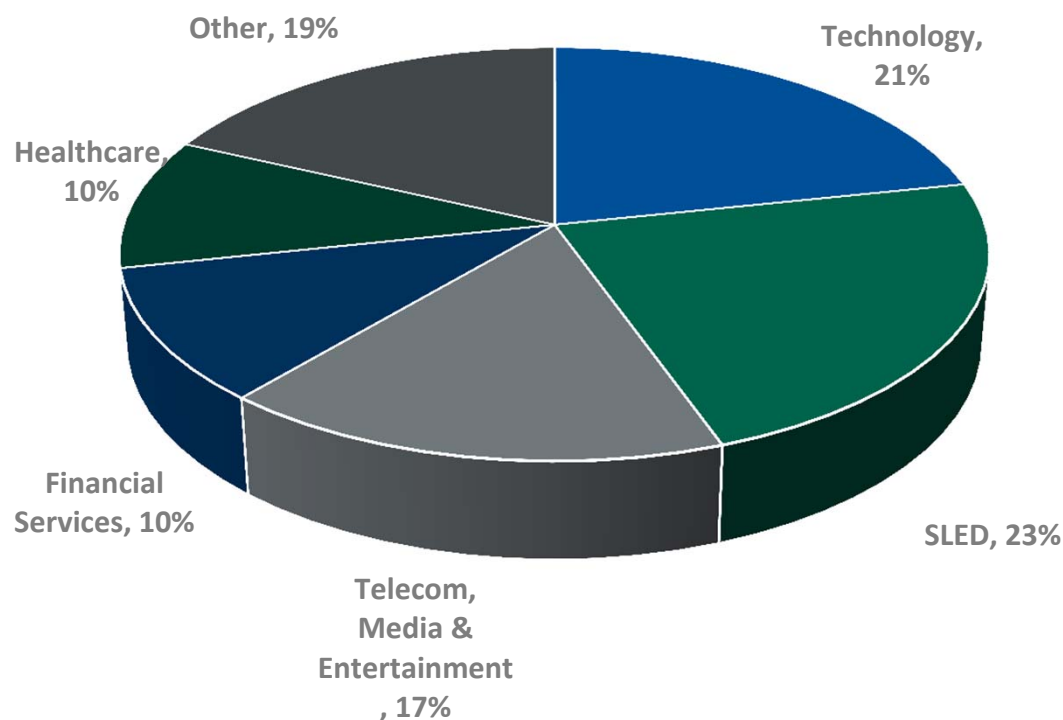


Well-positioned for continued above-market growth as disruptive vendors take market share

Broad and Diverse Customer Base



Revenue TTM 2Q FY16



- + Focused on enterprise and middle-market customers
- + > 2,900 existing customers*
- + No customers in excess of 10% of net sales in FY2015
- + Broad-based services capabilities and multi-vendor relationships driving customer acquisition
- + Trusted IT advisor with vendor agnostic approach
- + Evolve Technology Group acquisition to further enhance SLED offering

*As of 3/31/2015

Select Clients

Technology



State & Local Government and Education



Telecom, Media & Entertainment



Financial Services



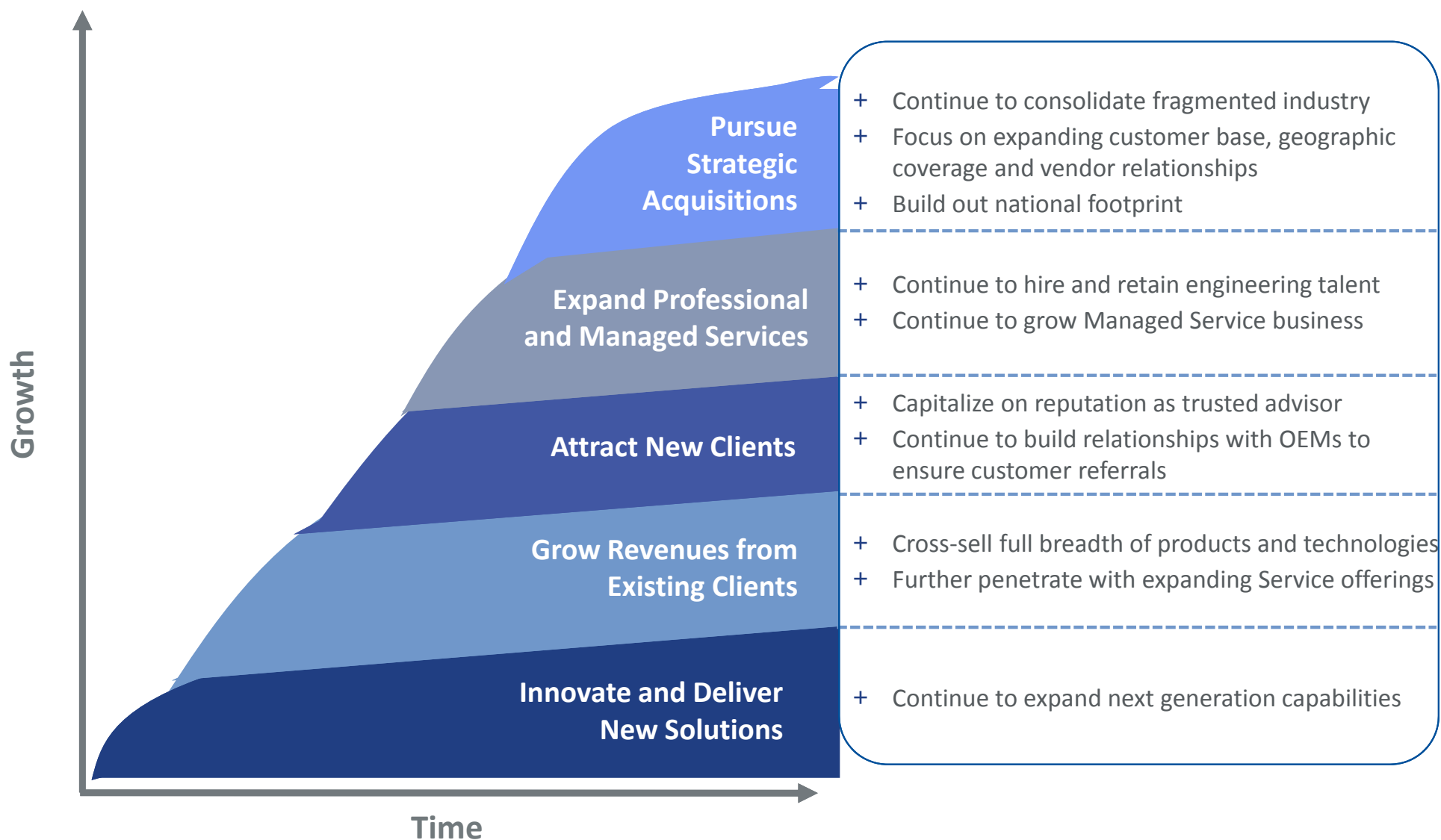
Healthcare



Other



Multiple Vectors of Growth: Investment Considerations





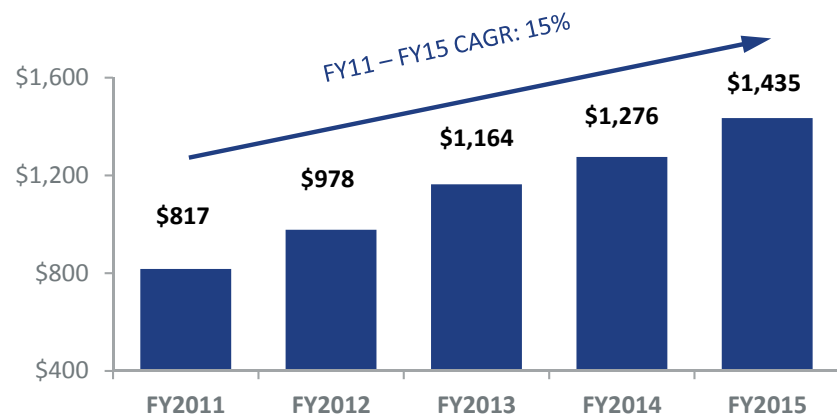
Elaine Marion
Chief Financial Officer

Impressive Financial Results

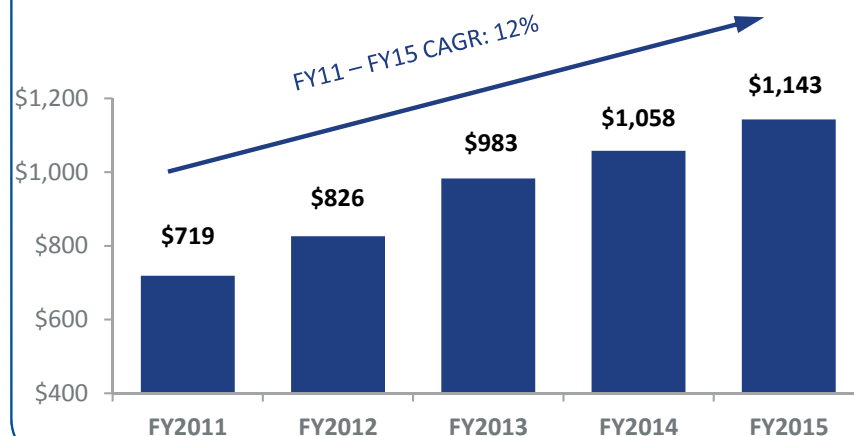


(\$ in millions, FYE 3/31)

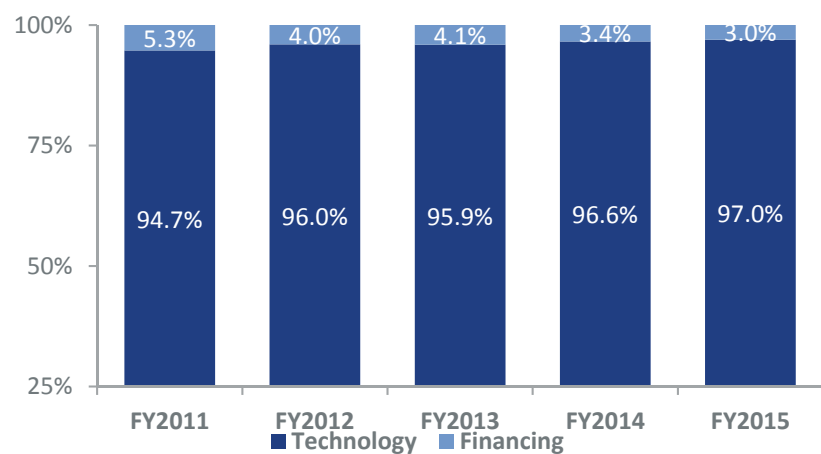
Non-GAAP Gross Sales of Product and Services *



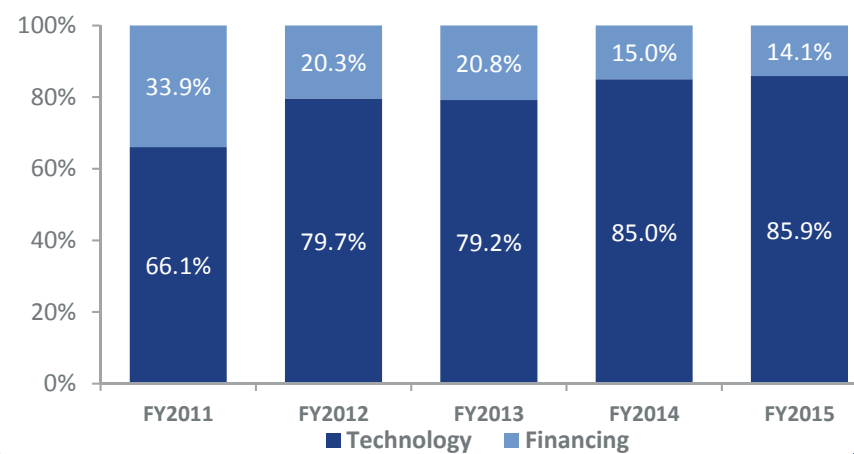
Net Sales



Net Sales by Segment



Operating Income by Segment



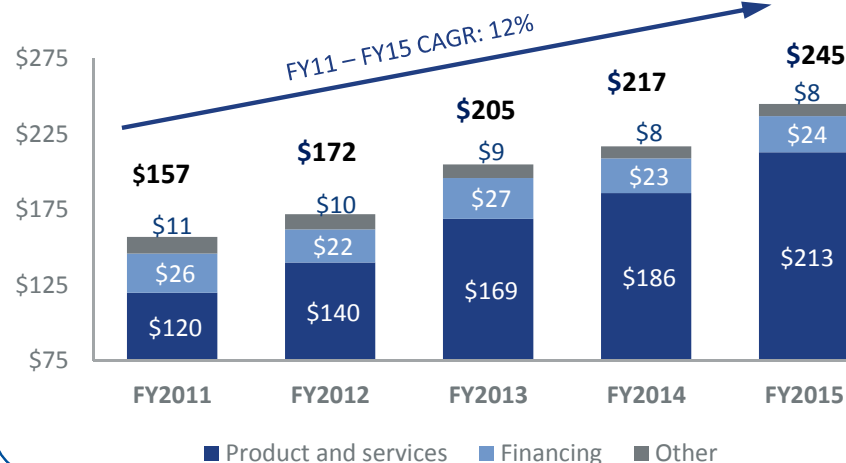
* See Non-GAAP Financial Information.

Impressive Financial Results

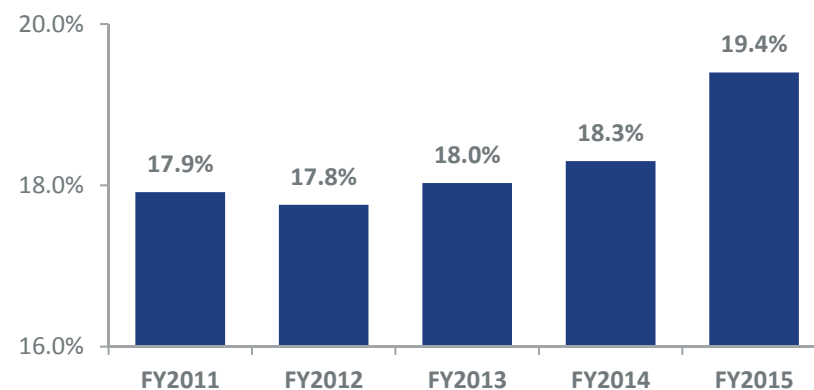


(\$ in millions, except per share data, FYE 3/31)

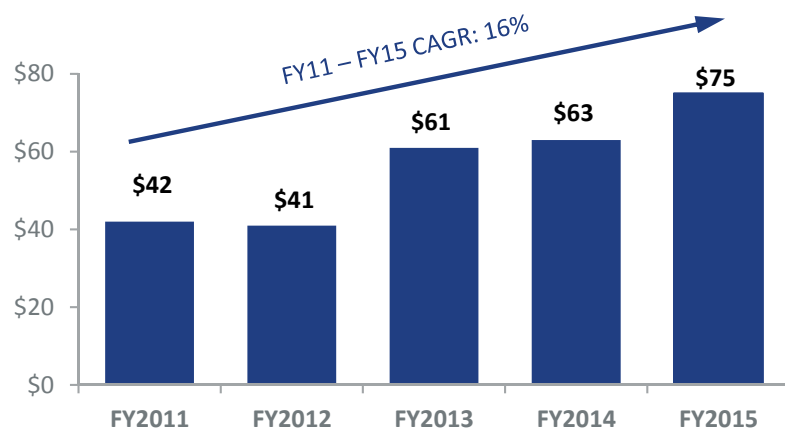
Gross Profit



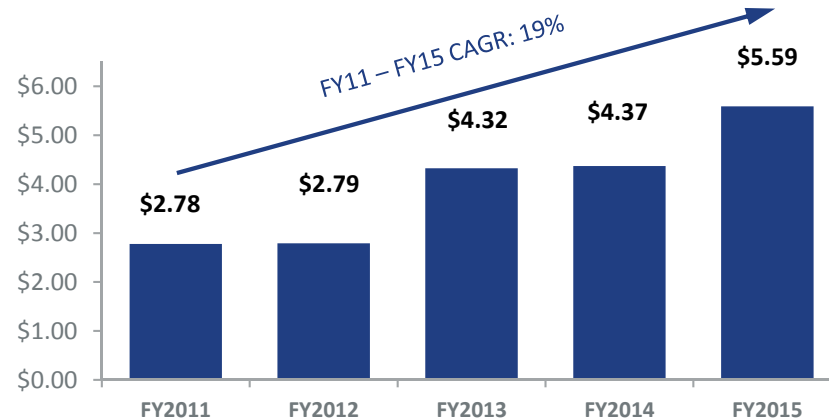
Gross Margin, Product and Services



Adjusted EBITDA *



Non-GAAP Net Earnings Per Common Share - Diluted *

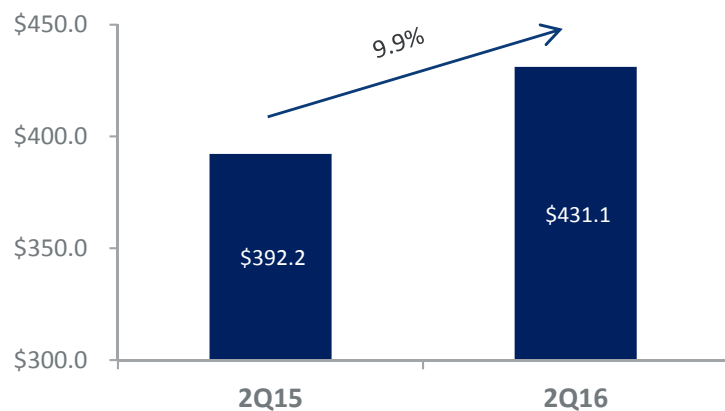


* See Non-GAAP Financial Information.

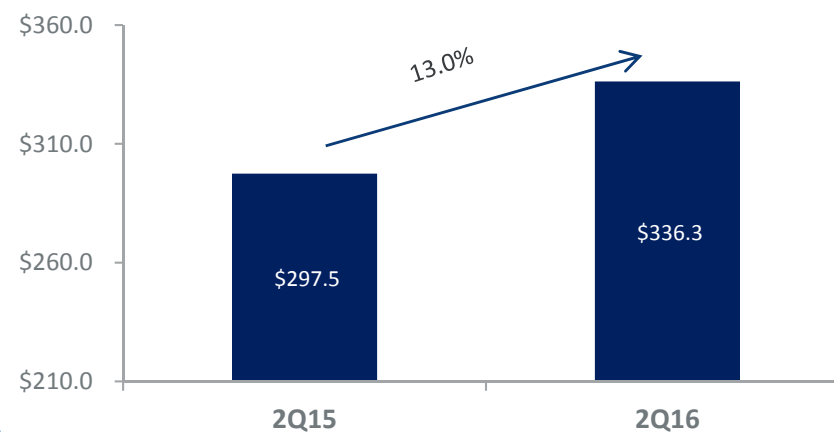
Results for 2Q FY16



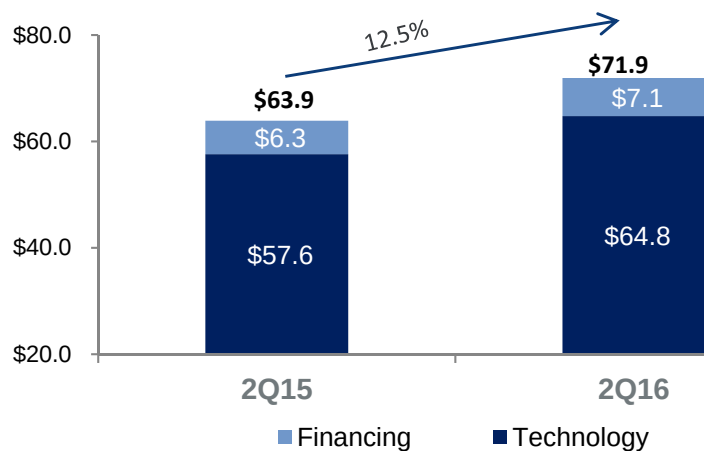
Non-GAAP Gross Sales of Product and Services*



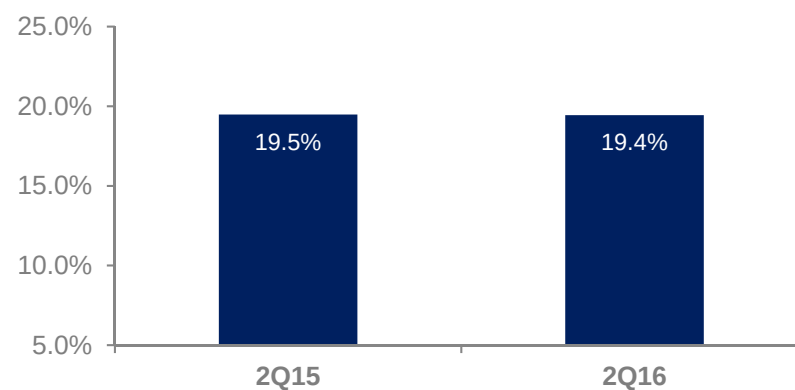
Net Sales



Gross Profit



Gross Margin, Product and Services

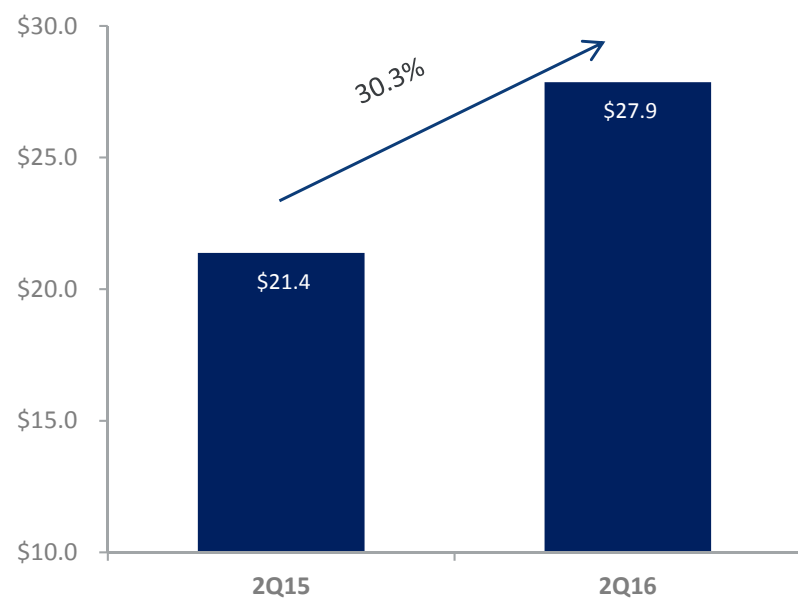


* See Non-GAAP Financial Information.

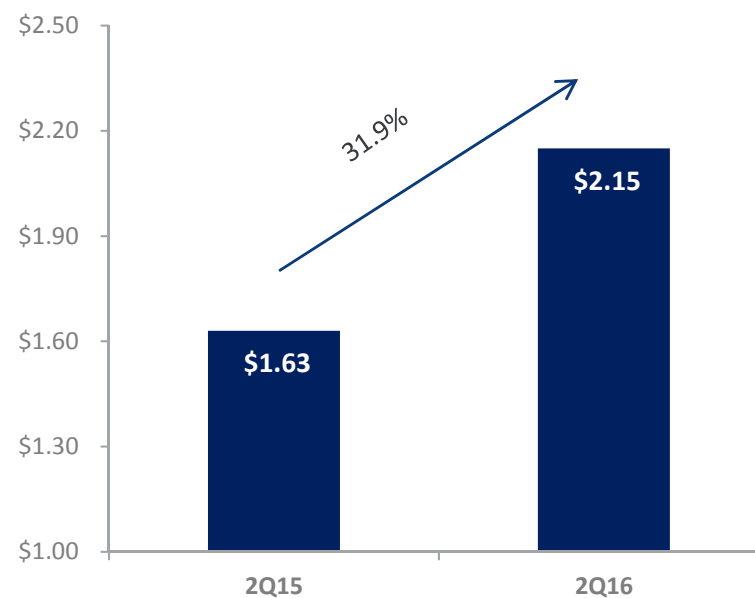
Results for 2Q FY16



Adjusted EBITDA*



Net Earnings Per Common Share-Diluted

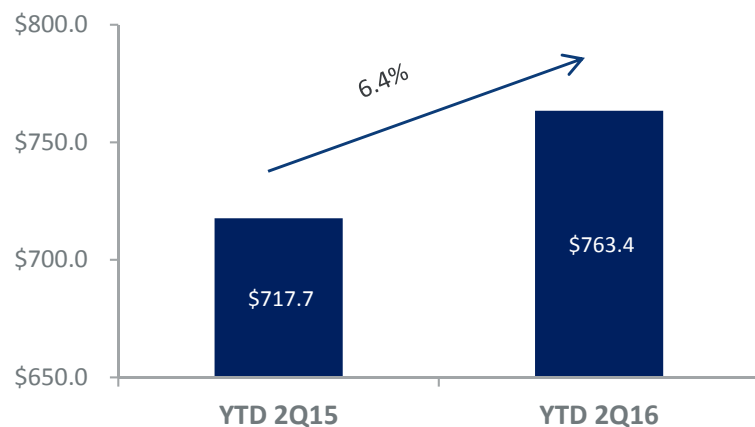


* See Non-GAAP Financial Information.

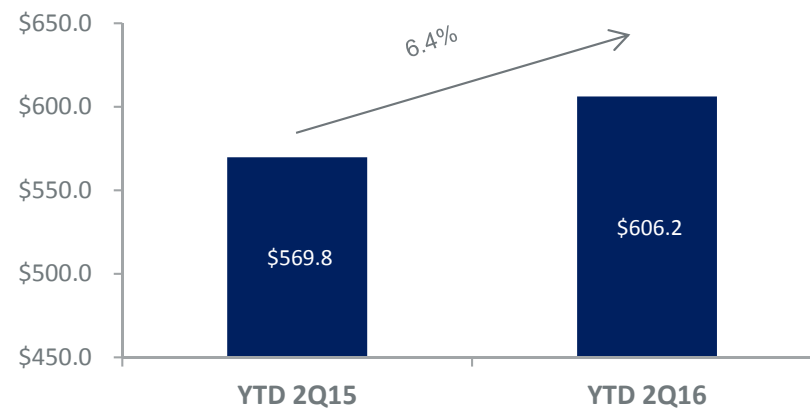
Results for YTD 2Q16



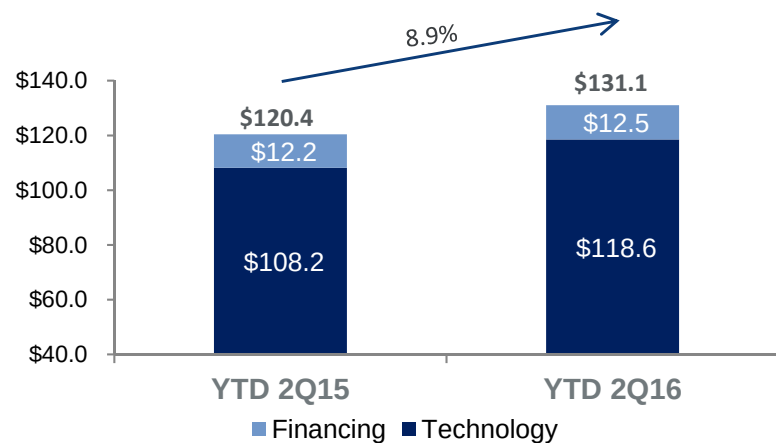
Non-GAAP Gross Sales of Product and Services*



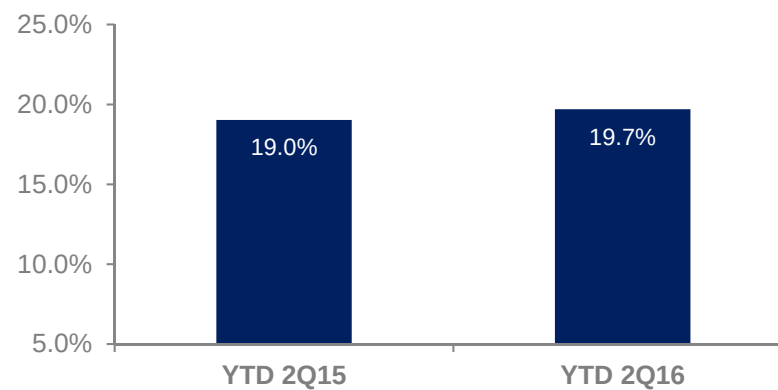
Net Sales



Gross Profit



Gross Margin, Product and Services

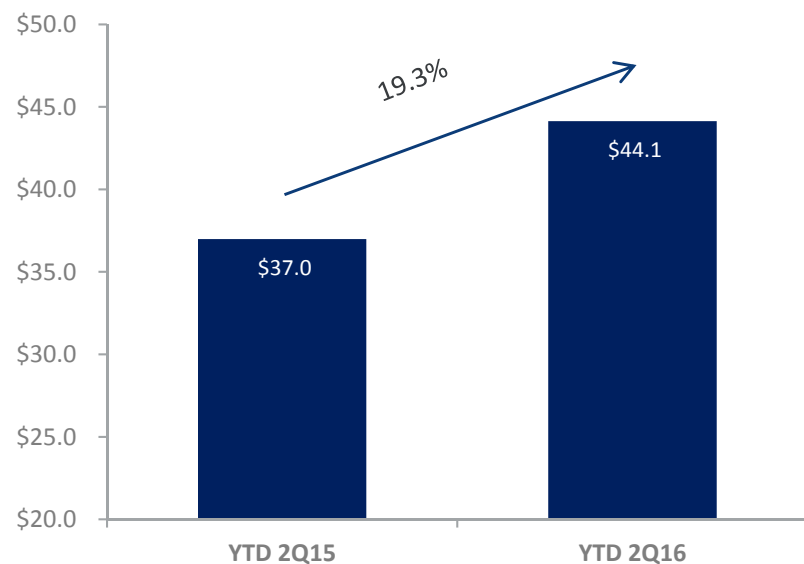


* See Non-GAAP Financial Information.

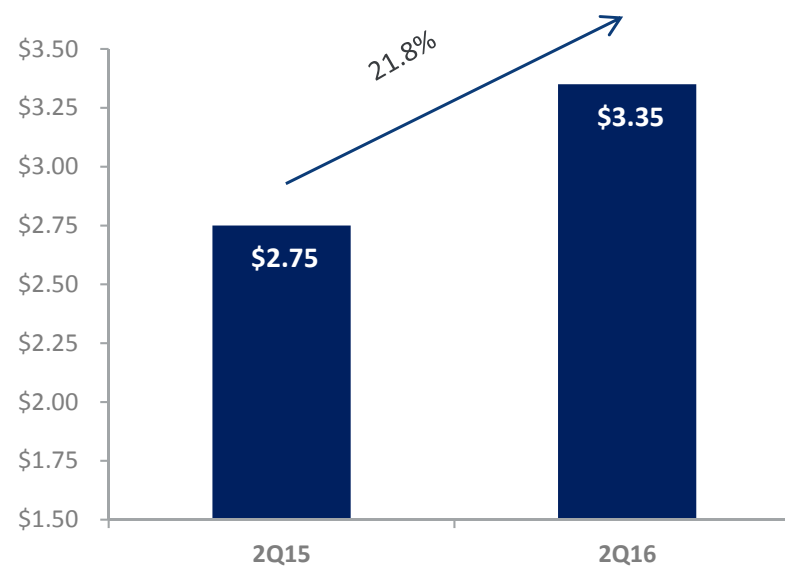
Results for YTD 2Q16



Adjusted EBITDA*



Non-GAAP Net Earnings Per Common Share-Diluted*



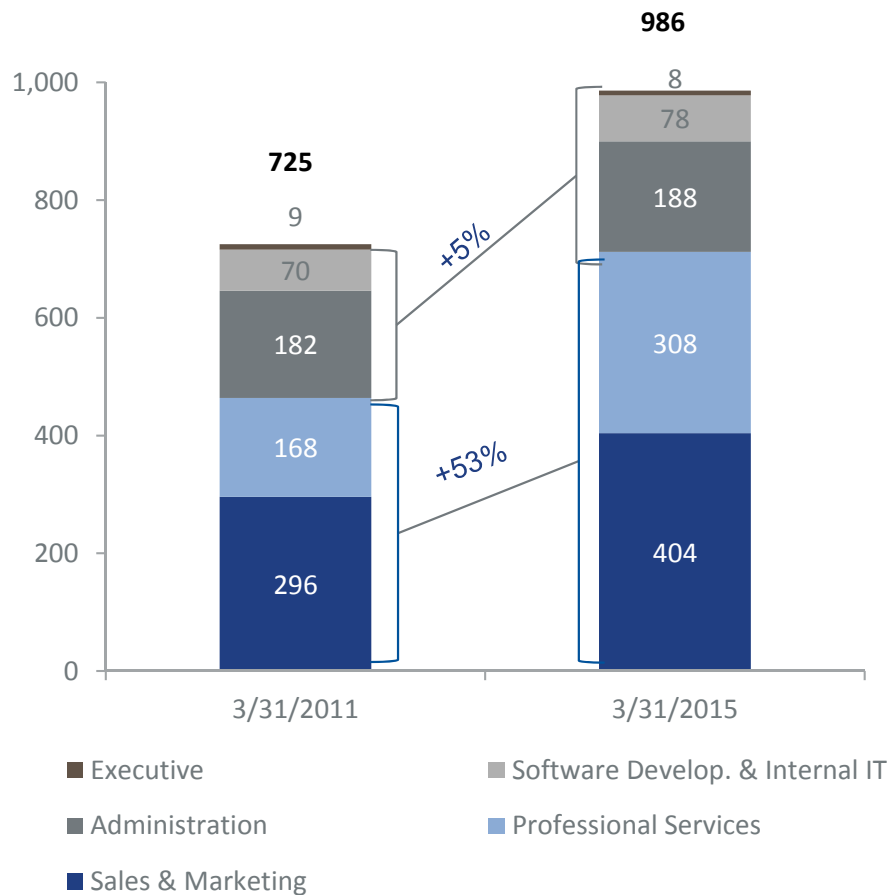
* See Non-GAAP Financial Information.

Growing Productivity While Strategically Expanding Workforce

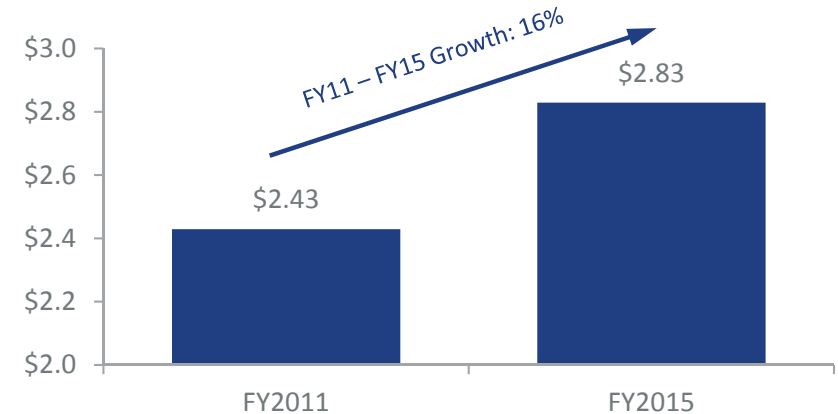


(\$ in millions, FYE 3/31)

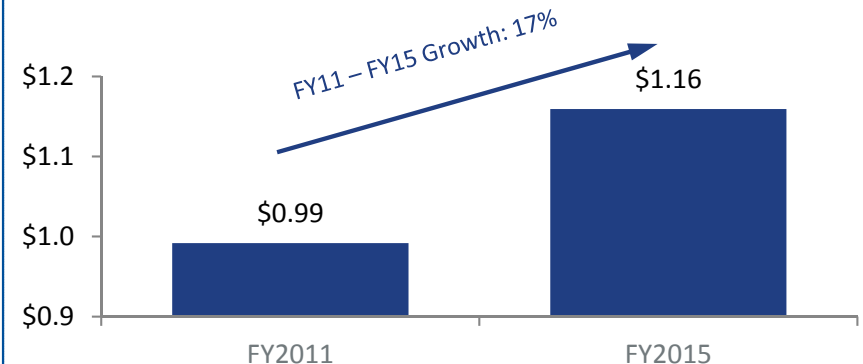
Employee Headcount Growth by Function



Revenue per Sales & Marketing Employee



Revenue per Employee



Strong Balance Sheet



- + \$63 million in cash and equivalents
- + \$250 million financing facility with GE Commercial Distribution Finance
- + Financing portfolio of \$152 million as of 9/30/15, representing investments in leases and notes
- + Portfolio monetization can be utilized to raise additional cash
- + Minimal capex

(\$ in millions)		
Assets	9/30/2015	3/31/2015
Cash and equivalents	\$63	\$76
Accounts receivable	291	250
Inventory	19	20
Financing investments	152	144
Goodwill & other intangibles	40	41
Property & equipment , deferred costs and other	25	41
Total assets	\$590	\$572
Liabilities		
Accounts payable	185	166
Recourse notes payable	4	4
Non-recourse notes payable	39	53
Other liabilities	57	70
Total liabilities	\$285	\$293
Shareholders' Equity		
Equity	305	279
Total liabilities & equity	\$590	\$572



Appendix

Non-GAAP Financial Information



	For the years ended March 31,				
	2011	2012	2013	2014	2015
	(amounts in thousands, except per share data)				
Sales of products and services, as reported	\$ 672,303	\$ 784,951	\$ 936,228	\$ 1,013,374	\$ 1,100,884
Costs incurred related to sales of third party software assurance, maintenance and services	144,510	193,229	227,349	262,759	334,155
Non-GAAP gross sales of products and services	<u>\$ 816,813</u>	<u>\$ 978,180</u>	<u>\$ 1,163,577</u>	<u>\$ 1,276,133</u>	<u>\$ 1,435,039</u>
Net earnings	\$ 23,727	\$ 23,367	\$ 34,830	\$ 35,273	\$ 45,840
Provision for income taxes	16,841	16,207	23,915	24,825	32,473
Other income [1]	-	-	-	-	(7,603)
Depreciation and amortization [2]	1,349	1,665	2,389	2,792	4,333
Adjusted EBITDA	<u>\$ 41,917</u>	<u>\$ 41,239</u>	<u>\$ 61,134</u>	<u>\$ 62,890</u>	<u>\$ 75,043</u>
Adjusted EBITDA margin	<u>5.8%</u>	<u>5.0%</u>	<u>6.2%</u>	<u>6.2%</u>	<u>6.8%</u>
GAAP: Earnings before provision for income taxes	\$ 40,568	\$ 39,574	\$ 58,745	\$ 60,098	\$ 78,313
Less: Other income [1]	-	-	-	-	(7,603)
Non-GAAP: Earnings before provision for income taxes	40,568	39,574	58,745	60,098	70,710
Non-GAAP: Provision for income taxes [3]	16,841	16,207	23,915	24,825	29,320
Non-GAAP: Net earnings	<u>\$ 23,727</u>	<u>\$ 23,367</u>	<u>\$ 34,830</u>	<u>\$ 35,273</u>	<u>\$ 41,390</u>
GAAP: Net earnings per common share – diluted	<u>\$ 2.78</u>	<u>\$ 2.79</u>	<u>\$ 4.32</u>	<u>\$ 4.37</u>	<u>\$ 6.19</u>
Non-GAAP: Net earnings per common share – diluted [4]	<u>\$ 2.78</u>	<u>\$ 2.79</u>	<u>\$ 4.32</u>	<u>\$ 4.37</u>	<u>\$ 5.59</u>

[1] Gain on retirement of a liability and gain on legal settlement.

[2] Amount consists of depreciation and amortization for assets used internally.

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

[4] Amounts for the years ended March 31, 2011, 2012, 2013 and 2014 are GAAP and provided for comparative purposes.

Non-GAAP Financial Information



	For the three months ended September 30,		For the six months ended September 30,	
	2014	2015	2014	2015
	(amounts in thousands, except per share data)			
Sales of products and services, as reported	\$ 286,584	\$ 324,259	\$ 547,940	\$ 583,955
Costs incurred related to sales of third party software assurance, maintenance and services	105,654	106,837	169,756	179,449
Non-GAAP gross sales of products and services	<u>\$ 392,238</u>	<u>\$ 431,096</u>	<u>\$ 717,696</u>	<u>\$ 763,404</u>
Net earnings	\$ 11,952	\$ 15,679	\$ 21,429	\$ 24,493
Provision for income taxes	8,374	10,982	15,073	17,234
Other income [1]	-	-	(1,434)	-
Depreciation and amortization [2]	1,050	1,200	1,921	2,408
Adjusted EBITDA	<u>\$ 21,376</u>	<u>\$ 27,861</u>	<u>\$ 36,989</u>	<u>\$ 44,135</u>
Adjusted EBITDA margin	<u>7.2%</u>	<u>8.3%</u>	<u>6.5%</u>	<u>7.3%</u>
GAAP: Earnings before provision for income taxes	\$ 20,326	\$ 26,661	\$ 36,502	\$ 41,727
Less: Other income [1]	-	-	(1,434)	-
Non-GAAP: Earnings before provision for income taxes	20,326	26,661	35,068	41,727
Non-GAAP: Provision for income taxes [3]	8,374	10,982	14,481	17,234
Non-GAAP: Net earnings	<u>\$ 11,952</u>	<u>\$ 15,679</u>	<u>\$ 20,587</u>	<u>\$ 24,493</u>
GAAP: Net earnings per common share – diluted	<u>\$ 1.63</u>	<u>\$ 2.15</u>	<u>\$ 2.86</u>	<u>\$ 3.35</u>
Non-GAAP: Net earnings per common share – diluted [4]	<u>\$ 1.63</u>	<u>\$ 2.15</u>	<u>\$ 2.75</u>	<u>\$ 3.35</u>

[1] Gain on retirement of a liability.

[2] Amount consists of depreciation and amortization for assets used internally.

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

[4] Amounts for the three months ended September 30, 2015, September 30, 2014 and six months ended September 30, 2015 are GAAP and provided for comparative purposes.

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