

e<sup>+</sup>

ePlus



EXCELLENCE THROUGH EXPERIENCE

**Investor Presentation**

August 13, 2012

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; the existence of demand for, and acceptance of, our products and services; our ability to maintain effective disclosure controls and procedures and internal control over financial reporting; 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, 2012 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

Phil Norton, CEO

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 NGS: PLUS)

- + Revenues were \$891.4 million for TTM ending 6/30/12, up 21.2%.
- + Net earnings were \$3.46 per diluted share TTM ending 6/30/12, up 28.8%
- + 836 employees (as of 6/30/2012) in 25 offices nationwide
- + Diversification: 3 interrelated solution sets--technology, financing, & software
- + Systems Integrator for world's technology leaders such as Cisco, VMware, HP, NetApp, EMC, and Microsoft.

- + Maintain strong balance sheet
- + Drive organic growth
  - + Capture more spend within existing customer base
    - Advanced technology solutions: eCloud, Security, Collaboration
    - 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
- + Accretive acquisitions
  - Gain new customers, technologies, managed services, professional services delivery capability in new and existing geographies
- + Expand professional services for advanced technologies
- + Improve operating leverage with increased productivity/better systems

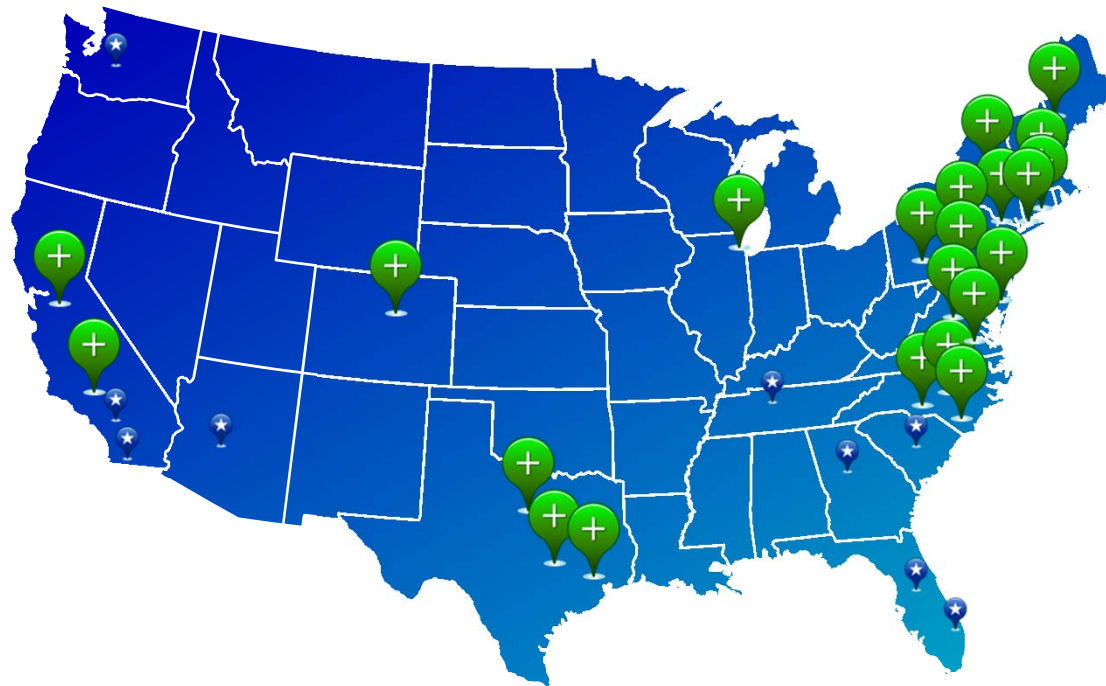
# Business Overview

Mark Marron, COO

- + We deliver world-class IT solutions: integrating technology products and software from top manufacturers with long-term experience integrating multi-vendor solutions
- + 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:
  - ~364 sales and marketing associates
  - ~226 technical support associates
- + We are certified with world's technology leaders:



- + More than 2,000 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



+ = Regional Offices

★ = Sales Offices





 DATA CENTER

- + Cloud Computing
- + Virtual Desktop Infrastructure / VXI
- + Server Consolidation / Virtualization
- + Blade Server Architectures
- + Storage & Backup
- + Data Security
- + Disaster Recovery / Business Continuity
- + IP Networking & Storage Access
- + Applications (Exchange, SharePoint)
- + Power & Cooling

 COLLABORATION

- + Unified Communications
- + Video Systems / TelePresence
- + Streaming Solutions
- + Capture, Transform & Share
- + Content Delivery (Digital Signage)
- + Secure Mobility

 INFRASTRUCTURE

- + Wireless
- + Core Networking
- + Client Devices
  - + Tablets
  - + Notebooks
  - + Desktops
- + Client Security
- + Mobility
- + Utility / Application Software
- + Managed Print
- + Peripherals & Accessories

 SERVICES

- + Assessments
- + Consulting
- + Project Management
- + Staging & Configuration
- + Installation
- + Managed Services
- + Staff Augmentation
- + Virtual CIO (vCIO)

 SECURITY

- + Assessment Services
- + Managed Security Services
- + Threat Defense
- + BYOD Security
- + Content Security
- + Endpoint Security
- + Identity Management & Access Control
- + Security Management
- + Physical Security
- + Web Security / Filtering

 FINANCIAL

- + Flexible Payment Solutions
- + Operating Leases
- + Capital Leases
- + Short-Term Payment Options
- + Trade-In Programs
- + Entire Asset Acquisition Process
- + Asset Tracking

 e<sup>+</sup> SOFTWARE

- + Procurement
  - IT Procurement
  - General Procurement
  - Spend Management
- + Asset Management
- + Supplier Enablement
  - Manage Suppliers
  - Manage Content
  - Services
  - Compliance and Regulation
- + Document Management

- + Strategy: Complement or expand our business from a technology or geographic perspective
- + Recent Transactions
  - Pacific Blue Micro, February 2012, Southern California, managed services, Cisco expertise
  - Vanticore, January 2012, Northern New England, managed services, Cisco Call Center Express
  - NCC, June 2011, Chicago, security, security operations center
  - ITI, November 2010, Southern New Jersey/metro Philadelphia, Tandberg/video expertise
- + 15 acquisitions since 1997
- + Cost savings, operational expertise, expanded product set



- + Our Focus on the Customer
  - Our customer-centric, project management approach ensures customer satisfaction
- + 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
- + Our Team
  - Industry leading engineers, account managers and inside sales representatives to support our clients
- + Our Proprietary Software & Business Methods Reduce Costs
  - Our web portal, OneSource IT<sup>®</sup>, helps streamline and optimize the supply chain for our clients

# Financial Overview

Elaine Marion, CFO

## + Technology Segment

### Sales

- For the year ended March 31, 2012 (FYE12), Cisco sales generated 45% of revenue; HP sales generated 15% of revenue
- Tiered manufacturer incentive programs and rebates
- Broad range of product categories

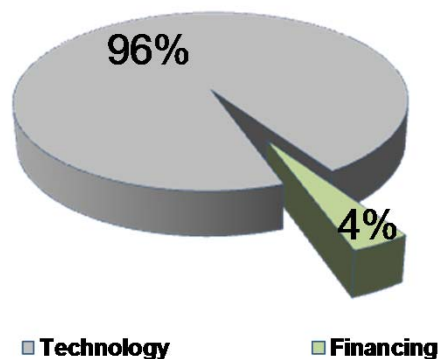
### Services

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

### ePlus Software

- Revenues are primarily SAAS, annual maintenance, and services

**FYE12 Segment Revenues**



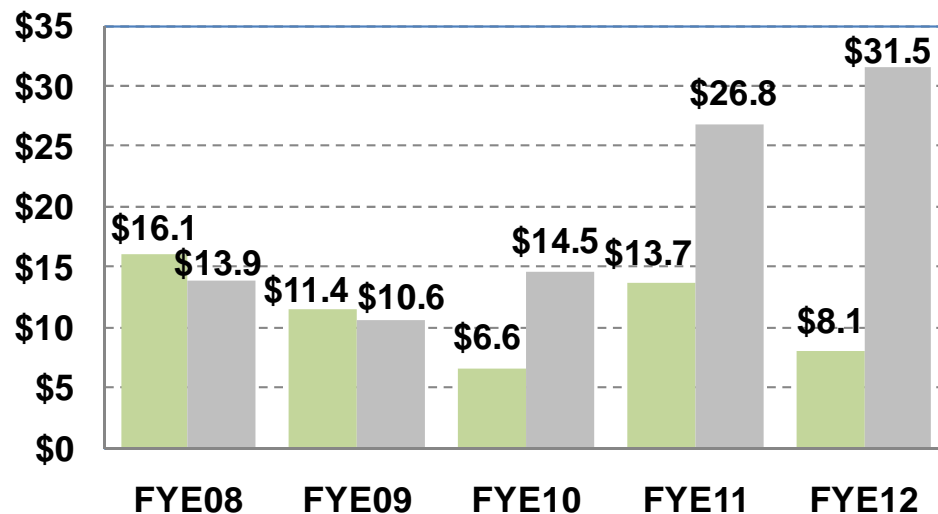
## + Financing Segment

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

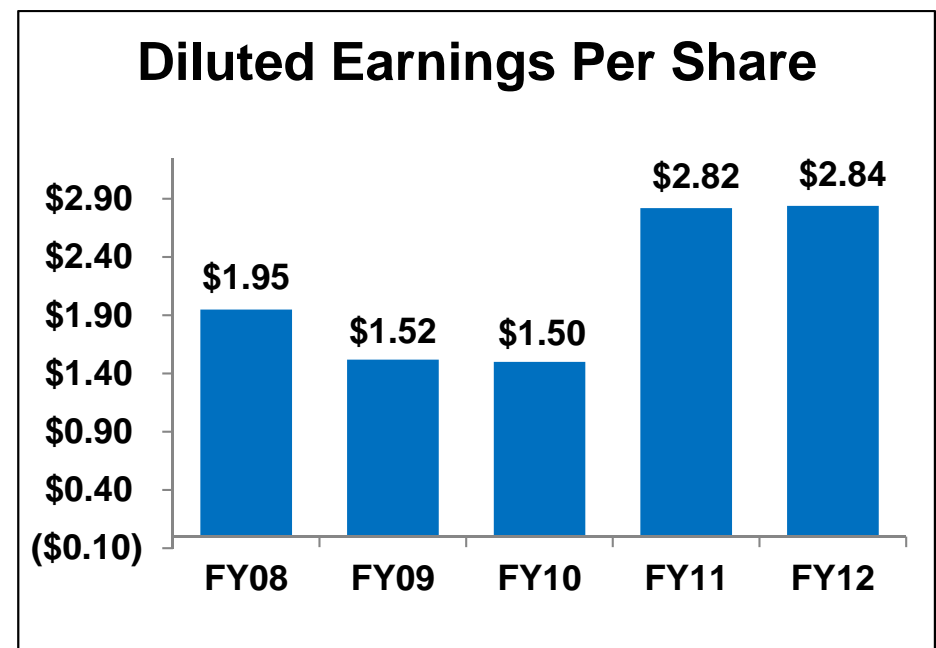
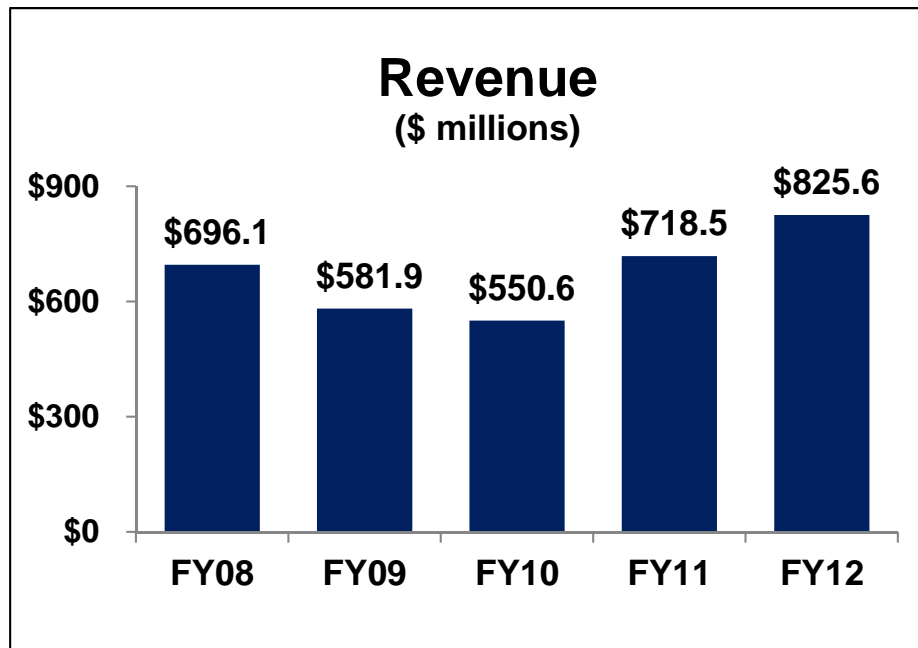
Quarter Ended June 30, 2012

(\$000s)	Technology			Finance		
	2012	2011	% Change	2012	2011	% Change
Revenue	\$ 236,284	\$ 171,230	38.0%	\$ 8,440	\$ 7,669	10.1%
PreTax Earnings	10,839	4,031	168.9%	2,724	2,252	21.0%

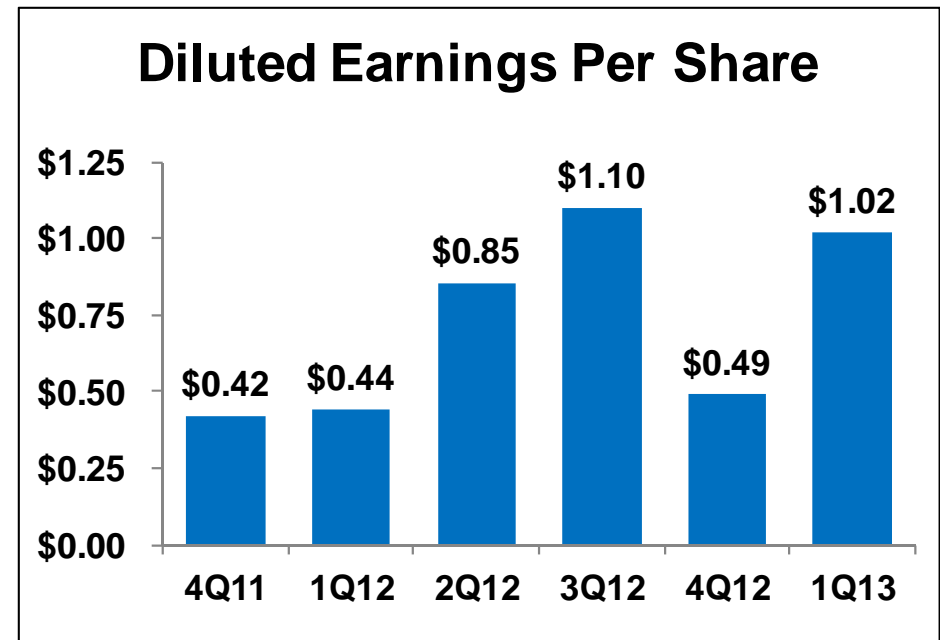
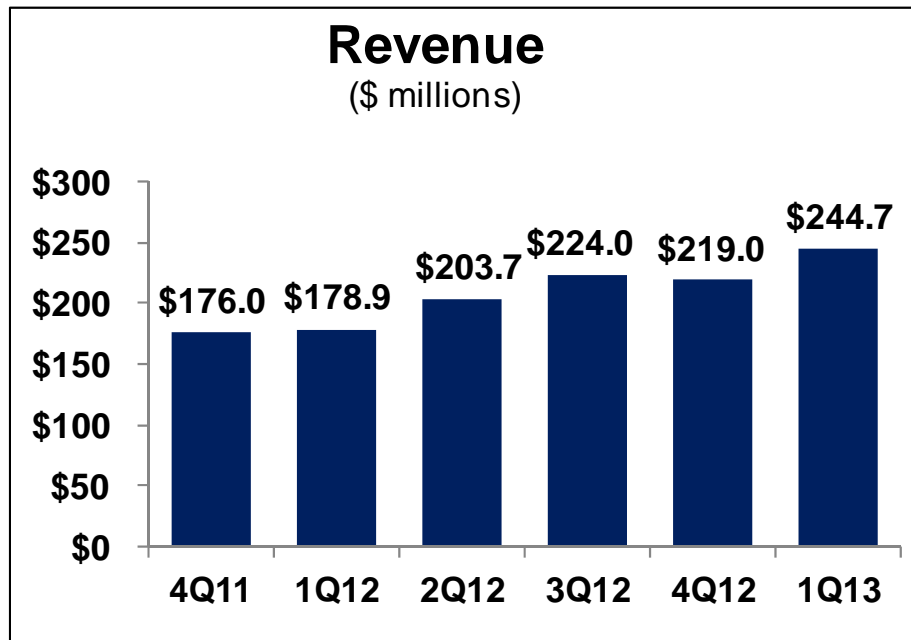
**Segment PreTax Earnings**  
(\$ millions)



- + Revenues totaled \$825.6 million, up 14.9% to year-over-year
- + Sales of product & services totaled \$785.0 million, up 16.8% year-over-year
- + Gross margin on products & services was 17.8%, as compared to 17.9% in FY11
- + Net earnings totaled \$23.4 million, or \$2.84 per diluted share, as compared to \$23.7 million, or \$2.82 per diluted share, for the year ended March 31, 2011



- + Revenues totaled \$244.7 million, up 36.8% year-over-year
- + Sales of product & services totaled \$234.3 million, up 38.4% year-over-year
- + Gross margin on products & services was 17.0%, as compared to 16.9% in 1Q12
- + Net earnings totaled \$8.1 million, or \$1.02 per diluted share, as compared to \$3.7 million, or \$0.44 per diluted share, for the quarter ended June 30, 2011



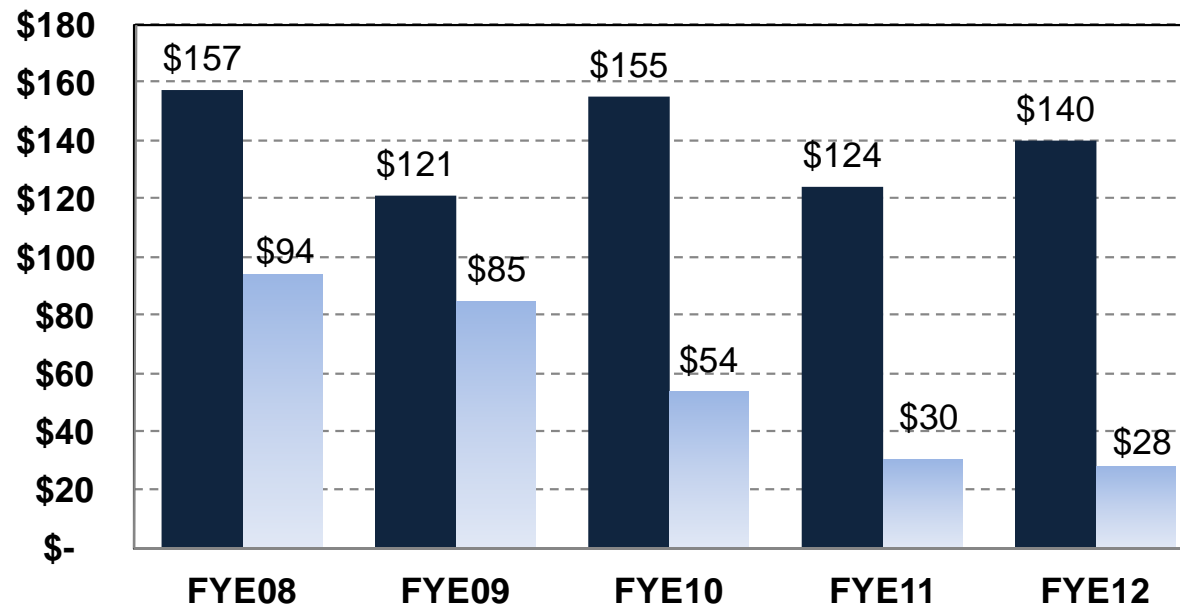


- + Strong Cash Position as of 6/30/2012
  - Cash and short-term investments: \$59.1 million
  - Total debt: \$34.5 million
- + Uses of cash: Invest in human capital, high credit quality leases, acquisitions, and share repurchases

## Financing Segment

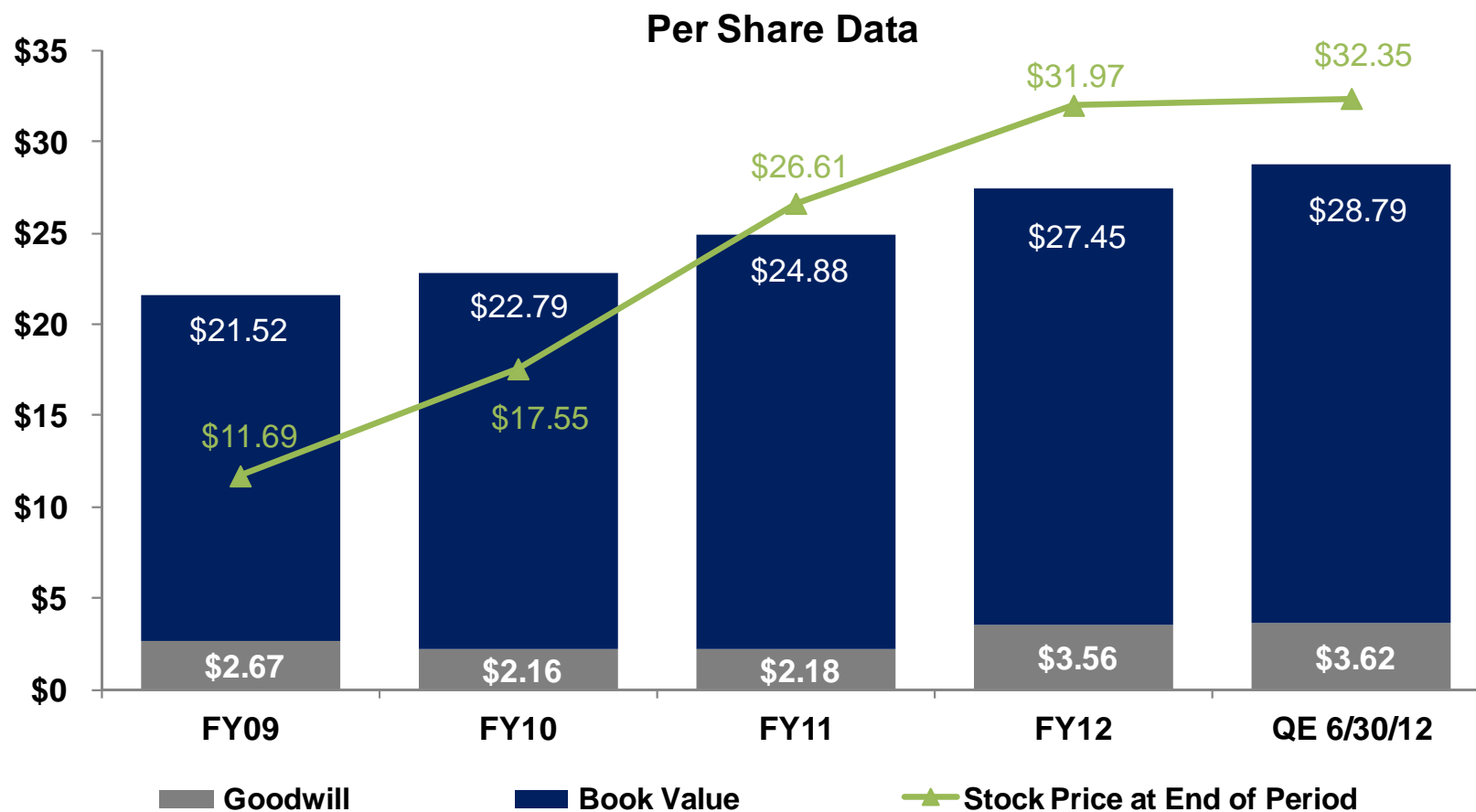
(\$ in millions)

■ Financed Assets    ■ Notes Payable



### + Solid Financial Position (as of 6/30/2012)

- Shareholders' equity: \$227.4 million
- Book value: \$28.22 per share
- Book value less goodwill: \$24.67 per share



- + Large addressable market
  - *CY 2012 forecast by Forrester Research: \$1 trillion market for IT products and services spending in U.S., 6.6% growth*
  - *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 (Cisco, HP, 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

Kley Parkhurst, SVP

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