EPLUS INC
Form 424B4
May 01, 2014
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Filed Pursuant to Rule 424(b)(4)

Registration No. 333-193457

PROSPECTUS SUPPLEMENT

To Prospectus dated February 14, 2014

1,573,913 Shares

Common Stock

This prospectus supplement relates to the shares of common stock of *e*Plus inc. being sold by the selling stockholders identified in this prospectus supplement. We will not receive any of the proceeds from the sale of the shares being sold by the selling stockholders.

The common stock of *e*Plus is listed on the NASDAQ Global Select Market under the symbol PLUS . The last reported sale price of the common stock on the NASDAQ Global Select Market on April 29, 2014 was $51.24 per share.

Subject to the completion of this offering, we are repurchasing from the underwriters 400,000 of the 1,573,913 shares of our common stock that are the subject of this offering at a price of $47.50 per share, being the price at which the underwriters will purchase such shares from the selling stockholders in this offering.

Investing in our common stock involves risks. See Risk Factors beginning on page S-11.

	Per Share	Total
Public offering price	$ 50.00	$ 78,695,650
Underwriting discount(1)(2)	$ 2.50	$ 2,934,783
Proceeds to selling stockholders, before expenses	$ 47.50	$ 74,760,867

(1) No underwriting discount will be paid to the underwriters with respect to the shares purchased by us in the offering.

(2) We have agreed to reimburse the underwriters for certain FINRA-related expenses. See Underwriting.

The selling stockholders named in this prospectus supplement have granted the underwriters an option, for a period of 30 days from the date of this prospectus supplement, to purchase up to 236,087 additional shares of our common stock to cover over-allotments, if any. We will not receive any proceeds from the sale of shares of common stock to be offered by the selling stockholders.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares against payment on or about May 5, 2014.

Stifel **William Blair**

Canaccord Genuity

Prospectus Supplement dated April 29, 2014.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document has two parts, this prospectus supplement and an accompanying prospectus dated February 14, 2014. This prospectus supplement and the accompanying prospectus are part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission, or the Commission, utilizing a shelf registration process. Under this shelf registration process, the selling stockholders named in a prospectus supplement over time may offer and sell our common stock in one or more offerings or resales. The accompanying prospectus provides you with a general description of our common stock, which the selling stockholders may offer pursuant to this prospectus supplement. This prospectus supplement, which describes certain matters relating to us and the specific terms of this offering of shares of our common stock, adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference herein. Any statement that we make in the accompanying prospectus will be modified or superseded by any inconsistent statement made by us in this prospectus supplement.

The rules of the Commission allow us to incorporate by reference information into this prospectus supplement. This information incorporated by reference is considered to be a part of this prospectus supplement, and information that we file later with the Commission, to the extent incorporated by reference, will automatically update and supersede this information. See Incorporation by Reference. You should read both this prospectus supplement and the accompanying prospectus together with the additional information described under the headings Incorporation by Reference in this prospectus supplement and Where You Can Find More Information in the accompanying prospectus before investing in our common stock.

We have not authorized anyone to give you any information or to make any representations about our common stock or any offers by our selling stockholders other than those contained in this prospectus supplement, the accompanying prospectus, or any free writing prospectus prepared by us or any other information to which we have expressly referred you. If you are given any information or representation about these matters that is not discussed in this prospectus supplement or the accompanying prospectus, you must not rely on that information. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell anywhere or to anyone where or to whom we are not permitted to offer to sell securities under applicable law.

You should not assume that the information incorporated by reference or provided in this prospectus supplement or the accompanying prospectus or any free writing prospectus prepared by us is accurate as of any date other than the date on the front cover of those documents. Our business, financial condition, results of operations and prospects may have changed since that date.

The Gartner Reports described herein, (the Gartner Reports) represent data, research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. (Gartner), and are not representations of fact. Each Gartner Report speaks as of its original publication date (and not as of the date of this prospectus supplement) and the opinions expressed in the Gartner Reports are subject to change without notice.

Unless the context otherwise requires, in this prospectus supplement, (i) ePlus means ePlus inc. and (ii) we, us and our mean ePlus and its consolidated subsidiaries.

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PROSPECTUS SUPPLEMENT SUMMARY

The following summary does not contain all the information that may be important to purchasers of our common stock. You should carefully read the entire prospectus supplement, including the Risk Factors section, the accompanying prospectus and other information incorporated by reference in this prospectus supplement before making any investment decision.

Our Business

We design, implement and provide information technology (IT) solutions for our customers. We are focused primarily on specialized IT segments including data center infrastructure, networking, security, cloud and collaboration. Our solutions incorporate hardware and software products from multiple leading IT vendors. As our customers IT requirements have grown increasingly complex, we have evolved our offerings by investing in our professional and managed services capabilities and by expanding our relationships with existing key vendors. We have also continued to strengthen our relationships with vendors focused on emerging technologies, which have enabled us to provide our customers with new and evolving IT solutions. We are an authorized reseller of products and services from over 1,000 vendors including Cisco, EMC, Hewlett Packard, McAfee, NetApp, Oracle, Palo Alto Networks and VMware, among many others. We possess top-level engineering certifications with a broad range of leading IT vendors that enable us to offer IT solutions that are optimized for each of our customers specific requirements. Our proprietary software solutions allow our customers to procure, control and automate their IT solutions environment.

Unlike many of our competitors, our scale and financial position have enabled us to invest in the engineering and technology resources required to deliver leading edge IT solutions. We believe we are a trusted IT advisor to our customers, delivering turn-key IT solutions that incorporate hardware, software, security and services. In addition, we offer a wide range of leasing and financing options for technology and other capital assets. Our ability to bundle IT solutions with our leasing solutions allows us to offer a customer service strategy that spans the continuum from fast delivery of competitively priced products to end-of-life disposal services, and a selling approach that permits us to grow with our customers and solidify our relationships.

We focus exclusively on enterprises, primarily those in the middle market as well as larger enterprises primarily in the education, financial services, healthcare, media and entertainment, state and local government, technology and telecommunications industries. We currently have over 2,300 customers and we believe there are over 50,000 potential customers in our target market. Sales to Verizon Communications, Inc. for the year ended March 31, 2013, represented approximately 14% of our total revenues. No other customer accounted for more than 10% of our total revenue for the year ended March 31, 2013 and we did not have any customer that accounted for more than 10% of our total revenues for the years ended March 31, 2012 and 2011.

We operate our business in two segments: (i) the Technology Segment and (ii) the Financing Segment. For the nine months ended December 31, 2013, our Technology Segment accounted for approximately 96% of our total revenue and 84% of our consolidated earnings before taxes, respectively, and our Financing Segment accounted for approximately 4% of our total revenue and 16% of our consolidated earnings before taxes, respectively.

Our offerings in the Technology Segment include:

- direct marketing of information technology equipment, third-party software and third-party maintenance and services;

professional services;

managed services;

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proprietary software (OneSource®), including order-entry and order-management software, procurement, asset management, document management and distribution software and electronic catalog content management software and services.

Our offerings in the Financing Segment include:

leasing assets, financing products and business process services to facilitate the acquisition and management of technology and capital assets.

Our Industry and Market Opportunity

We participate in the large and growing United States IT market which, according to Gartner, was estimated to generate sales of over $1.0 trillion in 2013, and is expected to grow at an annual rate of approximately 4% through 2017[1]. Based on data published by Gartner, we have calculated spending in the segments of the U.S. IT market that our solutions address, including cloud[2], security[3], managed services[4], virtualization[5] and mobility[6], to grow nearly three times faster than the overall market, or at an annual rate of 11% through 2017.

We have identified several specific trends that are driving growth in the broader U.S. IT market and the specific markets we focus on:

Greater complexity of the IT ecosystem has created challenges for enterprise customers. Historically, customers could procure disparate hardware and software solutions to satisfy their IT needs. However, the emergence of cloud computing, evolving trends and choices in data center and network architectures, the proliferation of mobile devices, increased security threats and the demand for big data analytics has made it increasingly difficult for customers to design, procure, implement and manage their IT systems. Moreover, increased budget pressures, fewer internal resources, a fragmented vendor landscape and fast time-to-value expectations make it increasingly challenging for customers to design, implement and manage secure, efficient and cost-effective IT environments.

Increasing sophistication and incidences of cyber-attacks. Over the last decade, cyber-attacks have become more sophisticated, more prevalent and increasingly difficult to safeguard against. We believe our customers are increasingly focused on all aspects of cyber security, including intellectual property, data and business processes. In order to meet current and future security threats, enterprises must implement solutions that are fully-integrated and capable of monitoring, detecting, containing and remediating security threats and attacks.

Lack of sufficient internal IT resources at mid-sized and large enterprises. We believe that IT organizations are increasingly facing pressure to deliver higher service levels with fewer resources. The prevalence of security threats, increased use of cloud computing, proliferation of mobile devices, bring-your-own-device (BYOD) policies, complexity of multi-vendor solutions, and the need for big data analytics have made it increasingly difficult for enterprises to manage their IT solutions needs.

1 Gartner, Market Databook, 1Q14 Update, 2013-2017 End-User Spending on IT Products and Services (U.S.).

2 Gartner, Forecast: IT Services, Worldwide, 2012-2018, 1Q14 Update, 2013-2017 Cloud Access (U.S.).

[3] Gartner, Forecast: Information Security, Worldwide, 2011-2017, 4Q13 Update, 2013-2017 Security Spending (U.S.).

[4] Gartner, Forecast: IT Services, Worldwide, 2012-2018, 1Q14 Update, 2013-2017 Data Center Outsourcing, Colocation, Hosting (U.S.).

[5] Gartner, Forecast: Enterprise Software Markets, Worldwide, 2011-2018, 1Q14 Update 2013-2017 Virtualization Infrastructure Software (U.S.).

[6] Gartner, Forecast: PCs, Ultramobiles and Mobile Phones Worldwide, 2011-2018, 1Q14 Update 2013-2017 Ultramobiles purchased by business customers (U.S.).

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Reduction in the number of IT solutions providers**.** We believe that customers are seeking to reduce the number of vendors they do business with to improve supply chain and internal efficiencies, enhance accountability, improve supplier management practices and reduce costs. As a result, customers are increasingly required to select IT solutions providers that are capable of delivering complex multi-vendor IT solutions.

Increasing need for third-party services. We believe that customers are increasingly relying on third-party service providers to manage all aspects of their IT infrastructure, from design, implementation, pre- and post-sales support, maintenance, engineering and other services.

Our Solutions

Technology Segment

Direct IT Sales: We are an authorized reseller of, or have the right to resell products and services from, over 1,000 vendors. These products include hardware, software, software assurance, professional services, and maintenance contracts. Our most important vendor relationships include Cisco, EMC, Hewlett Packard, McAfee, NetApp, Oracle, Palo Alto Networks and VMware. We hold various technical and sales related certifications that authorize us to market their products and enable us to provide advanced professional services. Our flexible platform and customizable catalogs facilitate the addition of new vendors with minimal incremental effort.

Advanced Technology Solutions: We provide a range of professional services to help our customers improve productivity, profitability and revenue growth while reducing operating costs. Our services include the following:

Data center solutions enable customers to streamline operations, reduce complexity and costs, and simplify vendor management;

Network services improve network performance for our customers;

Security and wireless services help safeguard our customers IT infrastructure through environment analysis, risk identification and the implementation of security processes;

Managed IT services enable customers to reduce costs and burdens of their day-to-day IT tasks while monitoring availability, reliability and performance;

Staff augmentation services provide customers with flexible headcount options while allowing them to access talent, fill specific technology skill gaps, or provide short-term or long-term IT professional help;

Server and desktop support provides outsourcing services to respond to our customers business demands while minimizing overhead;

Professional services support a full range of IT solutions;

Business intelligence and data management services help customers effectively use critical business information by enabling companies to aggregate, normalize, cleanse and analyze their data; and

Project management services enhance productivity and collaboration.

Proprietary Software: Our software solutions can be used as a stand-alone solution or be integrated as a component of a bundled solution.

Our line of proprietary software products is called OneSource® and consists of the following products:

OneSource®IT is online web based software portal for customers purchasing IT equipment, software, and services from us; **OneSource®IT+** is an online web based software portal for customers purchasing IT products from other suppliers and/or from us;

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OneSource® Procurement is a complete web-based software to facilitate procurement of any type of asset;

OneSource® Asset Management is a software platform for managing and tracking corporate assets including hardware maintenance contracts;

OneSource® Supplier Portal is a software application for catalog and content management used by customers and suppliers; and

OneSource® DigitalPaper is a document management software application.

Financing Segment

Leasing and Financing: We specialize in originating financing arrangements, underwriting and management of equipment and assets including IT equipment. Our financing operations include sales, pricing, credit, contracts, accounting, risk management and asset management.

We primarily finance information technology equipment including accessories and software, communication-related equipment, and medical equipment, and we may also lease industrial machinery and equipment, office furniture and general office equipment, transportation equipment, and other general business equipment. In anticipation of the expiration of the term of a lease, we initiate the remarketing process for the related equipment. Our goal is to maximize revenues from the remarketing effort by either (1) re-leasing or selling the equipment to the initial lessee, (2) renting the equipment to the initial lessee on a month-to-month basis, (3) selling the equipment to an equipment broker or (4) leasing the equipment to a different customer. The remarketing process is intended to enable us to recover or exceed the original estimated residual value of the leased equipment. Any amounts received over the estimated residual value less any commission expenses become profit to us and can significantly impact the degree of profitability of a financing transaction. We aggressively manage the remarketing process of our leases to maximize the profit margin on our leased equipment portfolio. To date, we have realized a premium over our estimated residual value.

We have originated, financed and managed billions of dollars in assets since inception in 1990.

Our Competitive Strengths

Large Addressable Market with Substantial Growth Opportunities Driven by Increasing IT Complexity

We participate in the large and growing United States IT market which, according to Gartner, was estimated to generate sales of over $1.0 trillion in 2013, and is expected to grow at an annual rate of approximately 4% through 2017[7]. Based on data published by Gartner, we have calculated spending in the segments of the U.S. IT market that our solutions address, including cloud[8], security[9], managed services[10], virtualization[11] and mobility[12], to grow nearly three times faster than the overall market, or at an annual rate of 11% through 2017. We believe we are well positioned in the complex high-growth IT solutions segment and can achieve outsized growth relative to the overall IT market.

[7] Gartner, Market Databook, 1Q14 Update, 2013-2017 End-User Spending on IT Products and Services (U.S.).
[8] Gartner, Forecast: IT Services, Worldwide, 2012-2018, 1Q14 Update, 2013-2017 Cloud Access (U.S.).
[9] Gartner, Forecast: Information Security, Worldwide, 2011-2017, 4Q13 Update, 2013-2017 Security Spending (U.S.).
[10] Gartner, Forecast: IT Services, Worldwide, 2012-2018, 1Q14 Update, 2013-2017 Data Center Outsourcing, Colocation, Hosting (U.S.).
[11] Gartner, Forecast: Enterprise Software Markets, Worldwide, 2011-2018, 1Q14 Update 2013-2017 Virtualization Infrastructure Software (U.S.).
[12] Gartner, Forecast: PCs, Ultramobiles and Mobile Phones Worldwide, 2011-2018, 1Q14 Update 2013-2017 Ultramobiles purchased by business customers (U.S.).

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We focus exclusively on enterprises, primarily large and middle market companies as well as state, local and educational entities. Our products and services are targeted at the approximately 50,000 middle market companies in the United States. We believe IT organizations within these companies are increasingly facing pressure to deliver higher service levels with fewer resources, increasing their reliance on integrators of complex technology solutions, such as our company.

Broad and Diverse Customer Base across a Wide Range of End Markets

We have a broad and diverse customer base across a wide range of end markets. We currently have more than 2,300 customers, with only one customer representing more than 10% of total revenue for the fiscal year ended March 31, 2013. We serve a wide range of end markets, including education, financial services, healthcare, media and entertainment, state and local government, technology and telecommunications.

Differentiated Business Model Serving Entire IT Lifecycle Solutions, Services, Software, Financing

We believe we are a trusted IT advisor, delivering differentiated products and services to enable our customers to meet increasingly complex IT requirements. We are able to provide complete, turn-key solutions serving the entire IT lifecycle solutions, services, software and financing.

We provide upfront assessments, configuration capabilities, installation and implementation, and ongoing services to support our customers solutions.

Deep Expertise in Advanced Technology to Address Emerging Data Center and IT Infrastructure Trends

We focus on complex, high-growth segments of IT infrastructure, including cloud, security, managed services, virtualization and mobility.

We believe our customers choose us for their complex IT infrastructure needs based on our track record of delivering best-of-breed solutions, value-added services and close relationships with emerging vendors. Our close relationships with emerging vendors such as Arista, Barracuda, FireEye, Palo Alto and others enable us to provide new and evolving IT solutions to our customers.

Strategic Ability to Design and Integrate Cloud Solutions Across Multiple Vendors

We believe our relationships with over 1,000 vendors focused on the design and integration of cloud systems allows us to provide differentiated, market-leading cloud offerings. We have developed long standing, strategic partnerships with leading cloud systems vendors, including Cisco, NetApp, Hewlett Packard, EMC, and VMware.

Additionally, we believe our vendor agnostic approach allows us to provide the best customer-specific solutions. Our experienced professionals are trained in various product lines across vendors and have achieved top-level certifications at multiple strategic partners.

Proven Track Record of Successfully Integrating Acquisitions and Accelerating Growth

We view acquisitions as an important factor in our strategic growth plan. Since 1997, we have successfully identified and integrated 16 acquisitions. Most recently, we have been active in tuck-in acquisitions to broaden our product offerings, sector reach and geographic footprint, with recent acquisitions including:

AdviStor	Broadened storage offerings and expertise
pbm	Expansion of West Coast operations

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Vanticore	Gained municipal contracts and call center expertise
NCC Networks	Broadened security expertise, Midwest presence
Interchange Technologies	Acquired Cisco / Tandberg resale capability nationwide

Our proven integration methodology allows us to retain customers, vendors and employees from acquired firms, seamlessly integrate acquired firms into the ePlus platform, and accelerate growth.

We continue to review new acquisition opportunities to grow our national footprint and expand our offerings.

Strong Financial Performance Characterized by Growth and Profitability

We have focused on achieving strong top-line revenue growth while maintaining industry-leading gross margins with a 21% revenue CAGR from FY2010 to FY2013 and gross margins of over 20% in the fiscal year ended March 31, 2013.

Through our organic expansion as well as acquisitions, we have increased our employee base by 35% from FY2010 to FY2013 while increasing revenue per employee by approximately 29%. Our increase in our employee base has largely been in customer facing roles focusing on complex IT solutions.

Our Growth Strategy

We are focused on becoming a leading provider of bundled product and service solutions in the IT supply chain. The key elements of our growth strategy include the following:

Grow Revenues from Existing Clients

We seek to become the primary provider of IT solutions for each of our customers by delivering excellent customer service, pricing, availability, and professional services in the most efficient manner. We continue to focus on improving our sales efficiency by providing on-going training and targeted incentive compensation as well as implementing better automation processes to reduce costs and improve productivity. Our account executives are trained on our broad solutions capabilities and to sell in a consultative manner that increases the likelihood of cross-selling our solutions. We believe that our bundled offerings are an important differentiating factor from our competitors.

We also have experienced telesales professionals, pre-sales engineers and inside sales representatives to support our outside sales representatives. During fiscal year 2013, we further expanded the telesales group to an east and west coast presence to better support our customer base. The group is focused on lead generation in key focus areas like cloud, security and services while also uncovering net new customer in their regions. This includes supporting vendor demand generation campaigns and marketing to specific verticals such as healthcare.

Attract New Clients

We actively seek to acquire new account relationships through an outbound telesales effort, face-to-face field sales, electronic commerce, leveraging our partnerships with vendors, and targeted direct marketing to increase awareness of our solutions and acquisitions. In particular, we are developing several industry market focuses, including healthcare, and financial services. In addition to marketing to the private sector, we are expanding our public sector customers which include state, local and municipal governments, and educational institutions.

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Expand Professional and Managed Services

We have focused on gaining top-level engineering certifications and advanced professional services expertise in advanced technologies of strategic vendors, such as Cisco Systems, Hewlett Packard, NetApp, VMware, and EMC. In April 2014, we received a Cisco Partner Summit Global award, which recognized us as Cloud Builder of the Year. Cisco Partner Summit Global awards are designed to recognize best-in-class business practices and to serve as a model for other Cisco IT solutions providers. We are especially focused on helping our customers develop their cloud capabilities including private, public, and hybrid infrastructures. We are actively working on virtual desktop infrastructure, unified communications, collaboration, networking, security, visual communications, audio / visual, storage, big-data, and managed services offerings, all of which remain in high demand. We believe our ability to deliver advanced professional services provides benefits in two ways. First, we gain recognition and mindshare of our strategic vendor partners and become the go-to partner in selected regional markets as well as the national market. This significantly increases direct and referral sales opportunities for our products and services, and allows us to achieve optimal pricing levels. Second, within our existing and potential customer base, our advanced professional services are a key differentiator against competitors who cannot provide services or advanced services for these key technologies or across multiple vendor product lines.

Innovate and Deliver New Solutions

We continuously offer best-of-breed solutions to provide our clients with next generation capabilities. In fiscal year 2014, we have invested in capabilities related to our professional and managed service offerings; Enhanced Maintenance Support, designed to lower operational support and improve customer service experiences, and a new managed services center in North Carolina, strategically placed in proximity to many of our key partners. Our proprietary ePlus software, OneSource, allows companies to take control of their purchasing environment, including procurement and supplier and asset management.

We will continue to invest responsibly and aggressively in strong industry trends, such as increased professional and managed services and high-growth sectors such as cloud, security, managed services, virtualization and mobility to create a comprehensive solution set for our clients.

Pursue Strategic Acquisitions

We are focused on making strategic acquisitions that broaden our customer base, expand our geographic reach, scale our existing operating structure, and / or enhance our product and service offerings. Part of our growth strategy is to hire purposefully and evaluate and consider strategic hiring opportunities if and when they become available.

Recent Developments

Our consolidated financial statements for the three months and fiscal year ended March 31, 2014 are not yet available. We expect our revenue for the fourth quarter ended March 31, 2014 to be between $255 million and $261 million, compared to $236.3 million for the fourth quarter ended March 31, 2013, reflecting an 8% 10% increase in revenue from the fourth quarter ended March 31, 2013. The increase in revenues is primarily due to higher sales of IT products and services to our large customers. We expect our earnings per fully diluted share for the fourth quarter ended March 31, 2014 to be between $1.00 $1.06, compared to $0.95 for the fourth quarter ended March 31, 2013. We expect our revenue for the fiscal year ended March 31, 2014 to be between $1,052 million and $1,058 million, compared to $983.1 million for the fiscal year ended March 31, 2013, reflecting a 7% 8% increase in revenue from the fiscal year ended March 31, 2013. The increase is primarily due to higher demand for IT products and services from our large customers. We expect our earnings per fully diluted share for

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the fiscal year ended March 31, 2014 to be between $4.34 $4.40, compared to $4.32 for the fiscal year ended March 31, 2013. This preliminary financial information for the three months ended March 31, 2014 and fiscal year ended March 31, 2014 is based upon our estimates and subject to completion of our financial closing procedures. Moreover, these data have been prepared solely on the basis of currently available information by, and are the responsibility of, management. Our independent registered public accounting firm, Deloitte & Touche LLP, has not audited or reviewed, and does not express an opinion with respect to, these data. This preliminary financial information is not a comprehensive statement of our financial results for this period, and our actual results may differ materially from these estimates due to the completion of our financial closing procedures, final adjustments, completion of the audit of our financial statements and other developments that may arise between now and the time the audit of our financial statements is completed. Our actual results for the three months ended March 31, 2014 and fiscal year ended March 31, 2014 will not be available until after this offering is completed. There can be no assurance that these estimates will be realized, and estimates are subject to risks and uncertainties, many of which are not within our control.

Share Repurchase

On November 14, 2013, our Board of Directors authorized the repurchase of up to 750,000 shares of our common stock. Accordingly, we have entered into an agreement with the underwriters to repurchase 400,000 shares of our common stock that are the subject of this offering at a price of $47.50 per share, being the price at which the underwriters will purchase such shares from the selling stockholders in this offering. We intend to fund this concurrent stock repurchase with approximately $20 million from borrowings of non-recourse notes payable collateralized by a portion of our financing investments and the remaining amount from cash on hand. The closing of this concurrent stock repurchase is contingent on the closing of this offering and the satisfaction of certain other customary conditions. The terms and conditions of this concurrent stock repurchase were reviewed and approved by a special committee of our Board of Directors, which is composed entirely of independent directors who are unaffiliated with the selling stockholders. The closing of this offering is not contingent upon the consummation of this concurrent stock repurchase, and there can be no assurance that it will be consummated.

The description and the other information in this prospectus supplement regarding this concurrent stock repurchase are included in this prospectus supplement solely for informational purposes. Nothing in this prospectus supplement should be construed as an offer to sell, or the solicitation of an offer to buy, any shares of our common stock subject to the concurrent stock repurchase.

Corporate Information

We were incorporated in Delaware in 1990 and completed our initial public offering in November 1996. Our principal executive offices are located at 13595 Dulles Technology Drive, Herndon, Virginia 20171. Our main telephone number is (703) 984-8400. Our Internet website is *www.eplus.com*. Information contained on our website is not incorporated by reference in this prospectus supplement and you should not consider information contained on our website as part of this prospectus supplement.

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THE OFFERING

Common stock offered by the selling stockholders	1,573,913 shares (1,810,000 shares if the underwriters exercise in full their option to purchase additional shares)
Common stock outstanding after this offering and the share repurchase	7,635,919 shares (7,635,919 shares if the underwriters exercise in full their option to purchase additional shares)(1)
Common stock to be beneficially owned by the selling stockholders after the offering	1,199,287 shares (963,200 shares if the underwriters exercise in full their option to purchase additional shares)
Use of proceeds	We will not receive any proceeds from the sale of any shares of our common stock offered by the selling stockholders.
Voting rights	Each holder of our common stock is entitled to one vote per share on all matters to be voted on by stockholders.
Dividend policy	Holders of our common stock are entitled to dividends if and when declared by our Board of Directors out of funds legally available. Generally we do not pay a regular dividend and have retained our earnings for use in the business. We intend to retain future earnings to fund ongoing operations and finance the growth and development of our business. Any future determination concerning the payment of dividends will depend upon our financial condition, results of operations, capital requirements and any other factors deemed relevant by our Board of Directors. During the year ended March 31, 2013, our Board of Directors approved a one-time special cash dividend of $2.50 per share, which was paid December 26, 2012 to shareholders of record as of the close of business on December 17, 2012. Prior to this dividend paid December 26, 2012, we had never paid a cash dividend to stockholders.
NASDAQ symbol	Our common stock is listed on the NASDAQ Global Select Market under the symbol PLUS
Risk factors	You should carefully read and consider the

information set forth under the section entitled Risk Factors beginning on page S-11 of this prospectus supplement before investing in our common stock.

(1) Based on 8,035,919 shares outstanding as of March 31, 2014, minus 400,000 shares that we are repurchasing from the underwriters and will no longer be outstanding following the consummation of this offering.

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Unless otherwise indicated, all information in this prospectus supplement:

- assumes the underwriters option to purchase additional shares of common stock from the selling stockholders has not be exercised;

- is based on the number of shares of our common stock outstanding as of March 31, 2014, excluding 822,608 shares of common stock reserved for future issuance under our equity incentive plans; and

- reflects the repurchase of 400,000 shares of our common stock in the share repurchase.

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RISK FACTORS

Our business is subject to a number of important risks and uncertainties, some of which are described below. The risks and uncertainties described below, however, are not the only risks and uncertainties that we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also significantly impact us. Any of these risks and uncertainties may materially and adversely affect our business, financial condition or results of operations, liquidity and cash flows. In such a case, you may lose all or part of your investment in our common stock. You should carefully consider each of the following risks and uncertainties, together with the other information in or incorporated by reference in this prospectus supplement and the accompanying prospectus, including, without limitation, those risks and uncertainties discussed in Item 1A Risk Factors of our Annual Report on Form 10-K for the year ended March 31, 2013, and subsequent Forms 10-Q, prior to investing in our common stock. Any such risks and uncertainties could materially and adversely affect our business, financial condition, operating results or cash flow and we believe that the information in or incorporated by reference in this prospectus supplement identifies the material risks and uncertainties affecting our company; however, such risks and uncertainties are not the only risks and uncertainties facing us and it is possible that other risks and uncertainties might significantly impact us.

Risks Relating to Our Common Stock and This Offering

The loss of the services of our executive officers and failure to successfully implement a succession plan could disrupt management of our business and impair the execution of our business strategies.

We believe that our success depends in part upon our ability to retain the services of our executive officers and successfully implement a succession plan. Our executive officers have been instrumental in determining our strategic direction and focus. The loss of our executive officers services without replacement by qualified successors could adversely affect our ability to manage effectively our overall operations and successfully execute current or future business strategies.

This offering will result in a substantial amount of shares of our common stock that are freely tradable, which may depress the market price of our common stock.

Of the 8,035,919 shares of our common stock outstanding as of March 31, 2014, approximately 34.5% were held by the selling stockholders. Most of the shares of common stock being sold in this offering were not freely tradable on the NASDAQ Global Select Market prior to the completion of this offering and the sale by the selling stockholders of the shares of common stock in this offering will increase the number of shares of our common stock eligible to be traded on the NASDAQ Global Select Market, which could depress the market price of our common stock.

Because we have no plans to pay dividends on our common stock, investors must look solely to stock appreciation for a return on their investment in us.

We do not pay a regular dividend. Any determination relating to dividend policy and payment of future dividends will be made at the discretion of our board of directors.

Future offerings of debt or equity securities, which would rank senior to our common stock, may adversely affect the market price of our common stock.

If, in the future, we decide to issue debt or equity securities that rank senior to our common stock, it is likely that such securities will be governed by an indenture or other instrument containing covenants restricting our operating flexibility. Additionally, any convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of our common stock and may result in dilution to owners of our common stock. We and, indirectly, our stockholders, will bear the cost of issuing and servicing

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such securities. Because our decision to issue debt or equity securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, holders of our common stock will bear the risk of our future offerings reducing the market price of our common stock and diluting the value of their stock holdings in our common stock.

If securities analysts do not publish research or reports about our company, or if they issue unfavorable commentary about us or our industry or downgrade our common stock, the price of our common stock could decline.

The trading market for our common stock depends in part on the research and reports that third-party securities analysts publish about our company and industry. One or more analysts could downgrade our common stock or issue other negative commentary about our company or our industry. Since our initial public offering in 1996, our common stock has received minimal coverage from third-party securities analysts. If one or more of the analysts that covers us cease coverage of our company, we could lose visibility in the market. As a result of one or more of these factors, the trading price of our common stock could decline.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement contains or incorporates by reference statements that constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). These statements involve known and unknown risks, uncertainties, and other factors that may cause our or our industry s actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by those forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as may, should, intend, expect, plan, budget, forec guidance, anticipate, believe, estimate, project, predict, potential, continue, seek, will, would, of such terms or other comparable terminology. You are cautioned that such forward-looking statements involve significant known and unknown risks, uncertainties and other factors that may cause our or our industry s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by those forward-looking statements.

The forward-looking statements contained in this prospectus supplement and in the documents incorporated by reference into this prospectus supplement are largely based on our expectations, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect management s best judgment based on currently known market conditions and other factors. Although we believe such estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties beyond our control. In addition, management s assumptions may prove to be inaccurate. We caution you that the forward-looking statements contained in this prospectus supplement and in the documents incorporated by reference into this prospectus supplement are not guarantees of future performance, and we cannot assure any reader that such statements will be realized or the forward-looking statements or events will occur. Future results may differ materially from those anticipated or implied in forward looking statements due to factors described below and other factors that are unknown to us. If one or more of these factors materialize, or if any underlying assumptions prove incorrect, our future results, performance or achievements may vary materially from any future results, performance or achievements expressed or implied by these forward-looking statements. Such factors include, but are not limited to, the matters set forth below:

- we offer a comprehensive set of solutions integrating information technology (IT) hardware sales, third-party software assurance and maintenance, professional services, proprietary software, and financing, and may encounter some of the challenges, risks, difficulties and uncertainties frequently faced by similar companies, such as:
  - managing a diverse product set of solutions in highly competitive markets with a small number of key vendors;
  - increasing the total number of customers utilizing integrated solutions by up-selling within our customer base and gaining new customers;
  - adapting to meet changes in markets and competitive developments;

maintaining and increasing advanced professional services by retaining highly skilled personnel and vendor certifications;

integrating with external IT systems, including those of our customers and vendors;

continuing to enhance our proprietary software and update our technology infrastructure to remain competitive in the marketplace; and

reliance on third parties to perform some of our service obligations;

our dependence on key personnel, and our ability to hire and retain sufficient qualified personnel;

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our ability to implement comprehensive plans for the integration of sales forces, cost containment, asset rationalization, systems integration and other key strategies;

a possible decrease in the capital spending budgets of our customers or purchases from us;

our ability to protect our intellectual property rights and successfully defend any challenges to the validity of our patents, and, when appropriate, protect license required technology;

the creditworthiness of our customers and our ability to reserve adequately for credit losses;

the possibility of goodwill impairment charges in the future;

uncertainty and volatility in the global economy and financial markets;

changes in the IT industry and/or rapid changes in product offerings;

our ability to secure our electronic and other confidential information;

our ability to raise capital, maintain or increase as needed our lines of credit with vendors or floor planning facility, or obtain debt for our financing transactions;

future growth rates in our core businesses;

our ability to realize our investment in leased equipment;

significant adverse changes in, reductions in, or losses of relationships with major customers or vendors;

our ability to successfully integrate acquired businesses;

our ability to maintain effective disclosure controls and procedures and internal control over financial reporting;

reduction of vendor incentives provided to us;

- exposure to changes in, interpretations of, or enforcement trends related to tax rules and other regulations;

- 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;

- changes to our senior management team; and

- other risks and uncertainties discussed in this prospectus supplement and in the documents incorporated by reference.

The forward-looking statements speak only as of the date made, and other than as required by law, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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USE OF PROCEEDS

All of the shares of our common stock offered by this prospectus supplement will be sold by the selling stockholders. We will not receive any of the proceeds from the sale of these shares.

PRICE RANGE OF COMMON STOCK

Our common stock is listed on the NASDAQ Global Select Market under the symbol PLUS.

On April 29, 2014, the closing price per share of our common stock on the NASDAQ Global Select Market was $51.24. As of March 31, 2014, there were 8,035,919 shares of our common stock outstanding and we had 170 holders of record of our common stock.

The following table sets forth the high and low closing sales prices per share of our common stock as reported on the NASDAQ Global Select Market:

Quarter Ended	High	Low
Fiscal Year 2013		
June 30, 2012	$ 33.58	$ 29.13
September 30, 2012	$ 39.28	$ 31.00
December 31, 2012	$ 42.54	$ 35.46
March 31, 2013	$ 48.84	$ 42.82
Fiscal Year 2014		
June 30, 2013	$ 62.41	$ 40.48
September 30, 2013	$ 65.91	$ 51.68
December 31, 2013	$ 58.25	$ 48.57
March 31, 2014	$ 58.08	