

Virtusa Corporation Data Sheet**								
Quarter ended December 31, 2018								
	2018					2019		
	Q118	Q218	Q318	Q418	FY18	Q119	Q219	Q319
Revenue:								
Revenue (USD in MM)	\$ 227.3	\$ 248.2	\$ 263.8	\$ 281.3	\$ 1,020.7	\$ 300.0	\$ 305.5	\$ 314.7
Q/Q	1%	9%	6%	7%		7%	2%	3%
Y/Y	11%	18%	21%	25%	19%	32%	23%	19%
Margin:								
Gross margin	26.9%	28.1%	30.5%	29.9%	28.9%	27.8%	29.2%	29.6%
Operating margin	2.7%	4.1%	5.2%	5.8%	4.5%	4.6%	4.6%	6.1%
Non-GAAP Operating Margin	5.9%	8.0%	9.9%	9.9%	8.5%	9.1%	9.5%	10.4%
Revenue By Geography:								
North America	64%	66%	65%	66%	65%	70%	71%	71%
Europe	24%	23%	24%	24%	24%	22%	20%	21%
ROW	12%	11%	11%	10%	11%	8%	9%	8%
Revenue By Industry Group:								
BFSI	65%	68%	69%	66%	67%	63%	63%	63%
Communications and Tech	25%	23%	22%	25%	24%	28%	28%	28%
Media & Information and Other	10%	9%	9%	9%	9%	9%	9%	9%
Revenue by Product Type:								
Time & materials	63%	61%	58%	56%	59%	60%	60%	60%
Fixed bid	37%	39%	42%	44%	41%	40%	40%	40%
Revenue by Service Offering:								
Application outsourcing	58%	56%	56%	56%	56%	54%	53%	53%
Consulting	42%	44%	44%	44%	44%	46%	47%	47%
Effort Mix:								
Offshore effort	75%	74%	74%	75%	74%	73%	73%	73%
Onsite effort	25%	26%	26%	25%	26%	27%	27%	27%
Revenue mix :								
Offshore	43%	42%	42%	43%	42%	38%	41%	41%
Onsite	57%	58%	58%	57%	58%	62%	59%	59%
Clients:								
Active clients	196	198	200	215	215	216	212	216
Number of New clients	8	3	6	17	34	3	2	7
Number of 10% clients	1	1	1	1	1	1	1	1
Revenue from repeat clients >12 months	96%	98%	96%	95%	96%	89%	88%	88%
Top client	18%	20%	20%	19%	19%	17%	18%	18%
Top 10 clients	47%	50%	52%	52%	50%	54%	55%	56%
Clients Contribution (TTM)								
\$1M+	117	118	123	124	124	130	134	134
\$5M+	38	39	35	37	37	38	34	36
\$10M+	18	16	18	19	19	21	21	20
\$25M+	4	4	5	6	6	6	8	8
\$50M+	1	1	3	4	4	4	4	5
\$100M+	1	1	1	1	1	1	1	1
Utilization:								
Utilization, excluding trainees	82%	82%	83%	84%	83%	82%	83%	84%
Billed days^	834,900	880,900	892,400	940,800	3,549,000	1,025,000	1,035,900	1,048,500
Headcount:								
Total employees	18,120	18,452	19,062	20,491	20,491	21,145	21,325	21,476
Non IT professionals	1,636	1,665	1,707	1,843	1,843	1,938	1,995	2,210
IT professionals	16,484	16,787	17,355	18,648	18,648	19,207	19,330	19,266
Net addition	370	332	610	1,429	2,741	654	180	151
Global Attrition TTM	24%	21%	19%	19%	19%	20%	23%	26%
In-quarter attrition	5.2%	5.0%	4.6%	5.5%		6.1%	7.5%	7.0%
Balance sheet & Cash flows								
Cash, Cash Equivalents, Short term Investments & Long term Investments	\$ 235.1	\$ 254.0	\$ 303.9	\$ 244.9	\$ 244.9	\$ 213.0	\$ 232.5	\$ 253.1
- Cash	\$ 154.0	\$ 162.3	\$ 226.7	\$ 194.9	\$ 194.9	\$ 154.8	\$ 177.0	\$ 210.6
- Short term investments	\$ 62.4	\$ 76.7	\$ 66.5	\$ 45.9	\$ 45.9	\$ 56.4	\$ 54.1	\$ 41.6
- Long term investments	\$ 18.7	\$ 15.1	\$ 10.7	\$ 4.1	\$ 4.1	\$ 1.8	\$ 1.4	\$ 0.9
Operating Cash Flows#	0%	12%	9%	3%	6%	-2%	13%	12%
CAPEX#	1%	2%	1%	2%	2%	4%	2%	2%
Free cash flows#	-1%	10%	8%	1%	4%	-6%	11%	10%
DSO (days)	80	74	70	78		79	76	71

*Trailing twelve months (TTM) Includes voluntary and Involuntary attrition,

** Number and Percentages depicted above are subject to rounding

As a % of Revenue

^ Rounded to the nearest 100

Virtusa Corporation Non-GAAP Data Sheet

All amounts in USD thousands, except per share amounts	Quarter ended December 31, 2018**								
	Q1			Q2			Q3		
	2018	2018	2018	2018	2018	2018	2019	2019	2019
GAAP income (loss) from operations	6,070	10,379	13,663	16,376	46,387	12,924	14,019	19,285	
Add: Stock-based compensation expense	4,788	6,142	9,118	7,363	27,411	7,938	9,124	7,042	
Add: acquisition-related charges and restructuring charges ^(a)	2,509	3,351	3,227	4,191	13,278	5,665	5,829	6,378	
Non-GAAP income from operations	13,367	19,772	26,008	27,929	87,076	27,527	28,972	32,705	
GAAP Operating Margin	2.7%	4.1%	5.2%	5.8%	4.5%	4.6%	4.6%	6.1%	
Effect of above adjustments to income from operations	3.2%	3.9%	4.7%	4.1%	4.0%	4.5%	4.9%	4.3%	
Non-GAAP Operating Margin	5.9%	8.0%	9.9%	9.9%	8.5%	9.1%	9.5%	10.4%	
GAAP net income (loss) available to Virtusa common stockholders	2,957	3,681	(11,142)	1,795	(2,709)	(7,383)	417	11,489	
Add: Stock-based compensation expense	4,788	6,142	9,118	7,363	27,411	7,938	9,124	7,042	
Add: acquisition-related charges and restructuring charges ^(a)	2,509	3,351	3,227	4,259	13,346	6,127	6,300	6,852	
Add: Non-recurring third party financing costs ^(b)	-	-	-	701	701	-	-	-	
Add: Impairment of investment ^(c)	-	-	-	-	-	-	-	885	
Add: Foreign currency transaction (gains) or losses, net ^(d)	77	1,480	(2,576)	4,562	3,543	10,758	9,355	(8,319)	
Add: Impact from Tax Act ^(e)	-	-	19,815	2,909	22,724	-	-	(1,628)	
Tax adjustments ^(f)	(2,522)	(4,066)	(3,210)	(4,239)	(14,037)	(1,817)	(8,126)	3,370	
Noncontrolling interest, net of taxes ^(g)	(366)	(133)	(647)	(143)	(1,469)	177	50	(102)	
Non-GAAP net income available to Virtusa common stockholders	7,443	10,275	14,585	17,207	49,510	15,750	17,120	35,588	
GAAP diluted earnings (loss) per share^(h)	0.10	0.12	(0.38)	0.06	(0.09)	(0.25)	0.01	0.37	
Effect of Stock-based compensation expense ⁽ⁱ⁾	0.16	0.19	0.28	0.22	0.85	0.24	0.27	0.21	
Effect of acquisition-related charges and restructuring charges ^{(a)(i)}	0.08	0.10	0.10	0.13	0.41	0.18	0.19	0.20	
Effect of non-recurring third party financing costs ^{(b)(i)}	-	-	-	0.02	0.02	-	-	-	
Effect of impairment of investment ^{(c)(i)}	-	-	-	-	-	-	-	0.03	
Effect Foreign currency transaction (gains) or losses ^{(d)(i)}	-	0.05	(0.08)	0.14	0.11	0.32	0.28	(0.25)	
Effect of tax impact from Tax Act ^{(e)(i)}	-	-	0.60	0.09	0.70	-	-	(0.05)	
Effect tax adjustment ^{(f)(i)}	(0.06)	(0.13)	(0.10)	(0.13)	(0.43)	(0.05)	(0.24)	0.10	
Effect of noncontrolling interest ^{(g)(i)}	(0.02)	(0.02)	(0.02)	(0.02)	(0.05)	-	-	-	
Effect of dividend on Series A Convertible Preferred Stock ⁽ⁱ⁾⁽ⁱ⁾	-	0.03	0.03	0.03	0.10	0.03	0.03	-	
Effect of change in shares for non-GAAP WASO ⁽ⁱ⁾	-	-	0.04	(0.01)	0.01	0.03	-	-	
Non-GAAP diluted earnings per share^{(h)(i)}	0.25	0.35	0.47	0.55	1.63	0.50	0.54	0.61	

(a) Acquisition-related charges include, when applicable, amortization of purchased intangibles, external deal costs, transaction-related professional fees, acquisition-related retention bonuses, changes in the fair value of contingent consideration liabilities, accreted interest related to deferred acquisition payments, charges for impairment of acquired intangible assets and other acquisition-related costs including integration expenses consisting of outside professional and consulting services and direct and incremental travel costs. Restructuring charges, when applicable, include termination benefits, as well as certain professional fees related to the restructuring. The following table provides the details of the acquisition-related charges and restructuring charges:

	Three Months Ended		Nine Months Ended	
	Dec 31,		Dec 31,	
	2018	2017	2018	2017
Amortization of intangible assets	\$ 2,860	\$ 2,568	\$ 8,629	\$ 7,671
Acquisition & integration costs	\$ 3,518	\$ 431	\$ 9,243	\$ 431
Restructuring charges	\$ -	\$ 228	\$ -	\$ 985
Acquisition-related charges included in costs of revenue and operating expense	\$ 6,378	\$ 3,227	\$ 17,872	\$ 9,087
Accreted interest related to deferred acquisition payments	\$ 474	\$ -	\$ 1,607	\$ -
Total acquisition-related charges and restructuring charges	\$ 6,852	\$ 3,227	\$ 19,279	\$ 9,087

(b) Foreign currency transaction gains and losses are inclusive of gains and losses on related foreign exchange forward contracts not designated as hedging instruments for accounting purposes.

(c) Tax adjustments reflect the tax effect of the non-GAAP adjustments using the tax rates at which these adjustments are expected to be realized for the respective periods, excluding the initial impact of our election to treat certain subsidiaries as disregarded entities for U.S. tax purposes. Tax adjustments also assumes application of foreign tax credit benefits in the United States.

(d) Noncontrolling interest represents the minority shareholders interest of Polaris.

(e) Non-GAAP diluted earnings per share is subject to rounding

(f) During the three months ended December 31, 2018, the weighted average shares outstanding of Series A Convertible Preferred Stock of 3,000,000 were included in the calculations of GAAP diluted earnings per share as their effect would have been dilutive using the if-converted method. During the nine months ended December 31, 2018, the weighted average shares outstanding of Series A Convertible Preferred Stock of 3,000,000 were excluded from the calculations of GAAP diluted earnings per share as their effect would have been anti-dilutive using the if-converted method.

During the three and nine months ended December 31, 2017, the weighted average shares outstanding of Series A Convertible Preferred Stock of 3,000,000 and 2,637,363, respectively, were excluded from the calculations of GAAP diluted earnings per share as their effect would have been anti-dilutive using the if-converted method.

The following table provides the non-GAAP net income available to Virtusa common stockholders and non-GAAP dilutive weighted average shares outstanding using if-converted method to calculate the non-GAAP diluted earnings per share for the three and nine months ended December 31, 2018 and 2017:

	Three Months Ended		Nine Months Ended	
	Dec 31,		Dec 31,	
	2018	2017	2018	2017
Non-GAAP net income available to Virtusa common stockholders	\$ 19,588	\$ 14,585	\$ 52,460	\$ 32,303
Add: Dividends and accretion on Series A Convertible Preferred Stock	\$ 1,087	\$ 1,087	\$ 3,262	\$ 2,175
Non-GAAP net income available to Virtusa common stockholders and assumed conversion	\$ 20,675	\$ 15,672	\$ 55,722	\$ 34,478
GAAP dilutive weighted average shares outstanding	33,661,728	29,295,730	30,598,114	29,387,977
Add: Dilutive effect of employee stock options and unvested restricted stock awards and restricted stock units	-	709,961	-	637,830
Add: Series A Convertible Preferred Stock as converted	-	3,000,000	3,000,000	2,000,000
Non-GAAP dilutive weighted average shares outstanding	33,661,728	33,005,691	33,598,114	32,025,807

(g) To the extent the Series A Convertible Preferred Stock is dilutive using the if-converted method, the Series A Convertible Preferred Stock is included in the weighted average shares outstanding to determine non-GAAP diluted earnings per share.

(h) Impact from the U.S. government enacted comprehensive tax legislation ("Tax Act")

(i) Non-recurring third party financing costs related to the new credit facility

(j) Other-than-temporary impairment of a available-for-sale securities recognized in earnings

Non-GAAP Financial Information

This data sheet includes certain non-GAAP financial measures as defined by Regulation G by the Securities and Exchange Commission. These non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles and should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and may be different from non-GAAP measures used by other companies. In addition, these non-GAAP measures should be read in conjunction with Virtusa's financial statements prepared in accordance with GAAP.

Fourth Fiscal Quarter and Full Fiscal Year 2019 revised Guidance Assumptions

as of Feb 7, 2019

	Q4'19	FY'19
GAAP Effective Tax Rate*	NA	58.1%
Non-GAAP Effective Tax Rate**	NA	30.1%
Annual Effective Interest Rate Yield***	NA	1.8%
Debt Interest Rate****	5.16%	4.97%
Preferred Dividend	3.875%	3.875%
FX*****		
GBP vs. USD (1)	1.27	1.30
INR vs. USD (2)	70.00	69.30
Capex as a % of total revenue	NA	1.8%

* Our effective tax rate is sensitive to the geographical mix of profit for the fiscal year and is subject to change. Also, such rate does not include the effect of Minority interest on both the taxable income & income tax expense. Our effective tax rate is subject to change as the Tax Act's effects are better understood and additional guidance is published.

** Our Non-GAAP effective tax rate reflects the impact of Non-GAAP adjustments tax effected for statutory tax rates. Also, such rate does not include the effect of Minority interest on both the taxable income & Income tax expense.

*** includes short and long-term investments.

**** Debt interest rate is based on LIBOR plus the credit spread, and includes debt issuance fee amortization.

***** In our guidance, we have not considered any potential impact to other income associated with foreign exchange gains or losses.

(1) Our guidance considers the impact to revenue and costs from hedging contracts already in place for our fourth quarter.

(2) Indian rupee foreign currency hedge contracts are in place for a large portion of our Indian rupee expenses for the fiscal year ending March 31, 2019. Our guidance considers the impact to costs from hedging contracts already in place for the quarter. Our guidance does not consider the possible impact of having ineffective hedging contracts for the remainder of the fiscal year 2019.

Forward-Looking Statements

Certain statements made in this document that are not based on historical information are forward-looking statements which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are neither promises nor guarantees, but are subject to a variety of risks and uncertainties, many of which are beyond Virtusa's control, which could cause actual results to differ materially from those contemplated in these forward-looking statements. Existing and prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Virtusa undertakes no obligation to update or revise the information contained in this document, whether as a result of new information, future events or circumstances or otherwise. For additional disclosure regarding these and other risks faced by Virtusa, see the disclosure contained in Virtusa's public filings with the Securities and Exchange Commission, including Virtusa's Annual Report on Form 10-K for the fiscal year ended March 31, 2018 and subsequent Quarterly Reports on Form 10-Q, as filed with the Securities and Exchange Commission.