

Earnings Presentation

QUARTER ENDED 31ST MARCH, 2018

Forward Looking Statements

Forward-looking statements

This presentation contains forward-looking statements which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. This presentation may make express or implied forward-looking statements relating to, among other things, Virtusa's expectations concerning management's forecast of financial performance; the growth of our business and management's plans, objectives, and strategies; the ability of Virtusa's clients to realize benefits from the use of Virtusa's IT services; Virtusa's ability to assimilate and integrate the operations of acquired businesses, including the eTouch & Polaris acquisitions, and management's plans, objectives, and strategies. 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 presentation, 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 our public filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the fiscal year ending March 31, 2017 as filed with the Securities and Exchange Commission.

Use of Non-GAAP measures

This presentation 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. This presentation includes non-GAAP consolidated statement of income measures including non-GAAP selling, general and administrative expense as a percentage of reported revenue (selling, general and administrative expenses, as reported on Virtusa's consolidated statements of income (loss) as a percentage of reported revenue, excluding stock-based compensation expense, acquisition-related charges and restructuring charges); non-GAAP operating margin, non-GAAP effective tax rate, non-GAAP minority interest and non-GAAP diluted earnings per share to provide further insights into the comparison of Virtusa's operating results among the periods, as well as enhancing comparability with operating results of peer companies. For more information regarding non-GAAP financial measures, including a qualitative and quantitative reconciliation of non-GAAP measures to the most directly comparable GAAP financial performance measures, see our earnings press release for the fourth quarter fiscal 2018 and our supplemental Analyst Data Sheet on our Investor Relations website at <http://www.virtusa.com/investors/company-overview/> and our "Non-GAAP Reconciliations Summary" slide in the appendix of this presentation.

Q4 FY18 AT A GLANCE

\$281.3M

REVENUE

20.0%

10-year CAGR
through FY18

215

ACTIVE CLIENTS
17 NEW CLIENTS

9.9%

OPM
(NON-GAAP)

\$0.55

EPS
(NON-GAAP)

\$244.9M

CASH & CASH EQUIVALENTS

20,491

EMPLOYEES
7.5% QoQ GROWTH

84%

UTILIZATION
25% ONSITE EFFORT

5.5%

In-quarter ATTRITION
18.8% LTM ATTRITION

MANAGEMENT PERSPECTIVE

Mr. Kris Canekeratne, Chairman and CEO's message

Kris Canekeratne, Virtusa's Chairman and CEO, stated, "We are pleased with our strong fiscal 2018 financial results, increasing our top-line by 19% and ending the year in excess of \$1 billion of revenue for the first time in our company's history. Our continued above-industry growth is a testament to the success of our strategy. As we look to fiscal 2019 and beyond, we believe Virtusa is in a position of strength, given our ability to help transform our clients' businesses at every level through end-to-end digital transformation and IT platform rationalization and modernization, driving significant ROI for our clients."

Mr. Ranjan Kalia, CFO's message

Ranjan Kalia, Chief Financial Officer, said, "We delivered strong fiscal year 2018 financial results highlighted by approximately 19% revenue growth, 200 basis points of non-GAAP operating margin accretion, and 30% non-GAAP earnings per share growth. Our fourth quarter revenue was modestly below the midpoint of our guidance range, and our non-GAAP EPS was above the midpoint driven by slightly better than expected eTouch contribution. Looking to fiscal 2019, our current guidance calls for continued above-industry organic revenue growth, coupled with earnings growing faster than consolidated revenue growth."

Q4 FY18 FINANCIAL PERFORMANCE

	Q4FY17		Q3FY18		Q4FY18		QoQ		YOY		YTD	
REVENUE (\$ Mn)	\$226.0		\$263.8		\$281.3		6.6%		24.5%		\$1,020.7	
GM %	29.1%		30.5%		29.9%		-0.6%		0.8%		28.9%	
	GAAP	NON GAAP	GAAP	NON GAAP	GAAP	NON GAAP	GAAP	NON GAAP	GAAP	NON GAAP	GAAP	NON GAAP
SG&A %	24.6%	20.8%	25.3%	20.6%	24.0%	19.9%	-1.3%	-0.7%	-0.6%	-0.9%	24.4%	20.4%
OPM %	4.5%	8.3%	5.2%	9.9%	5.8%	9.9%	0.6%	0.0%	1.3%	1.6%	4.5%	8.5%
DILUTED EPS	\$0.34	\$0.43	-\$0.38	\$0.47	\$0.06	\$0.55	\$0.44	\$0.08	-\$0.28	\$0.12	-\$0.09	\$1.63

INCOME STATEMENT RELATED

	Q3FY18	Q4FY18	YTD
EFFECTIVE TAX RATE (ETR)			
GAAP	148.0%	57.1%	78.6%
Non GAAP	29.8%	27.1%	27.9%
NON GAAP ADJUSTMENT* (\$M)	\$12.3	\$11.6	\$40.7
DEPRECIATION (\$M)	\$4.5	\$4.4	\$17.4
OTHER INCOME (\$M) :			
INVESTMENT INCOME	\$1.3	\$1.3	\$4.3
INTEREST EXPENSE	(\$1.3)	(\$3.3)	(\$7.6)
FX & OTHER	\$2.9	(\$3.6)	(\$1.2)
TOTAL OTHER INCOME (EXPENSE)	\$2.8	(\$5.6)	(\$4.6)
DEBT INTEREST RATE**	4.7%	4.5%	4.9%
PREFERENCE DIVIDENDS	(\$1.1)	(\$1.1)	(\$4.0)
MINORITY INTEREST (\$M)			
GAAP	(\$2.1)	(\$1.7)	(\$7.7)
Non GAAP	(\$2.8)	(\$1.8)	(\$9.0)
EFFECTIVE EXCHANGE RATE			
GBP	1.33	1.40	1.33
EUR	1.18	1.23	1.18
INR	66.8	65.7	67.1

* to determine Non GAAP OPM

** including debt issuance and amortization

BALANCE SHEET & CASH FLOW RELATED

(\$M) * EXCLUDING DSO	Q3FY18	Q4FY18	YTD
CASH & CASH EQUIVALENT*	\$303.9	\$244.9	\$244.9
CASHFLOW FROM OPERATIONS	\$24.3	\$8.5	\$62.7
CAPEX	\$3.0	\$4.9	\$16.1
FREE CASH FLOWS (FCF)	\$21.3	\$3.6	\$46.6
DSO	70	78	
Debt**	\$130.4	\$299.6	\$299.6
Series A Convertible Preferred Stock**	\$107.0	\$107.0	\$107.0

* including ST & LT Investments

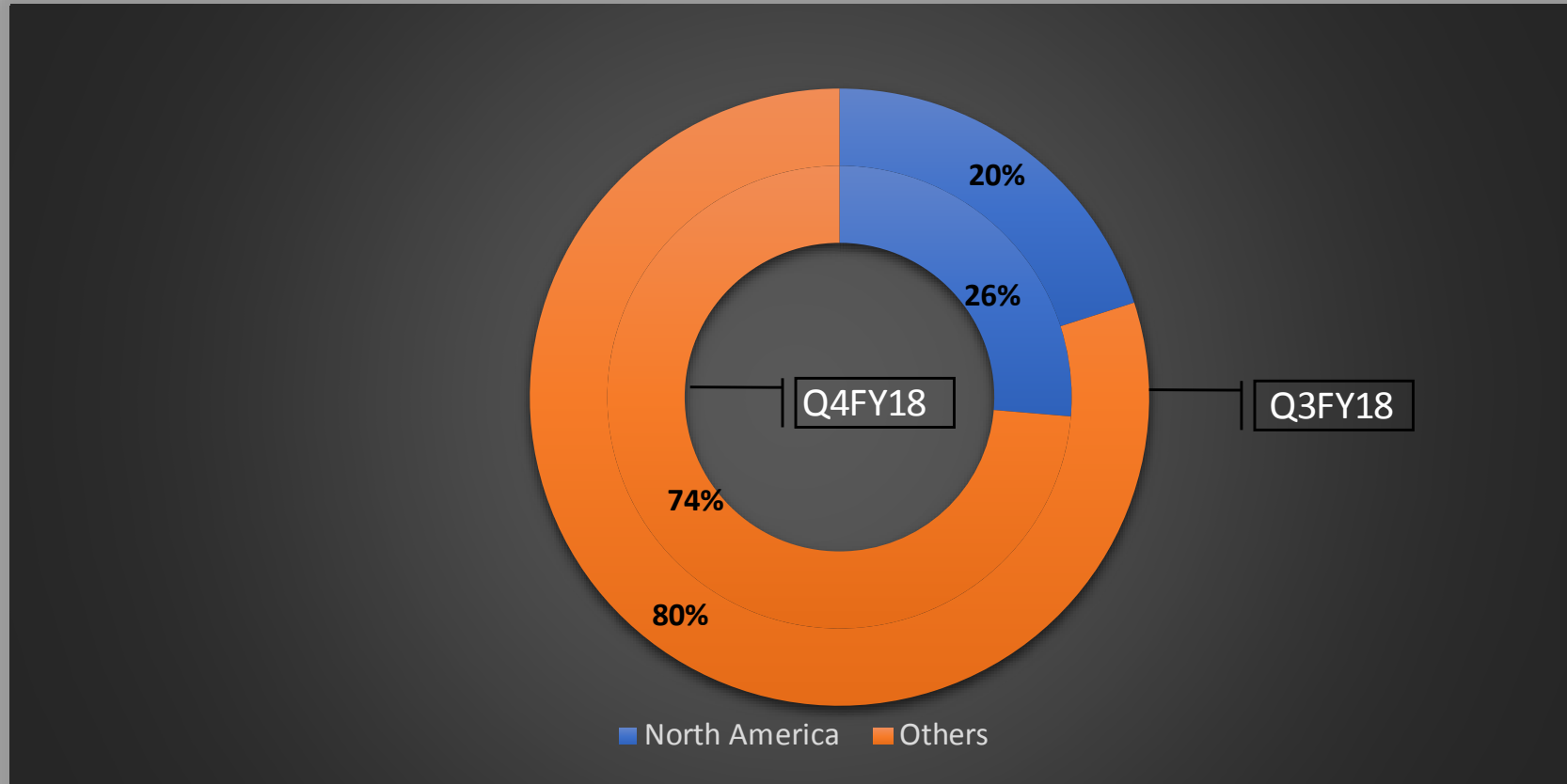
** Net of issuance costs

PERFORMANCE RATIOS

	Q3FY18	Q4FY18
FIXED CHARGED COVERAGE	4.70	3.96
LEVERAGE RATIO	1.42	2.90

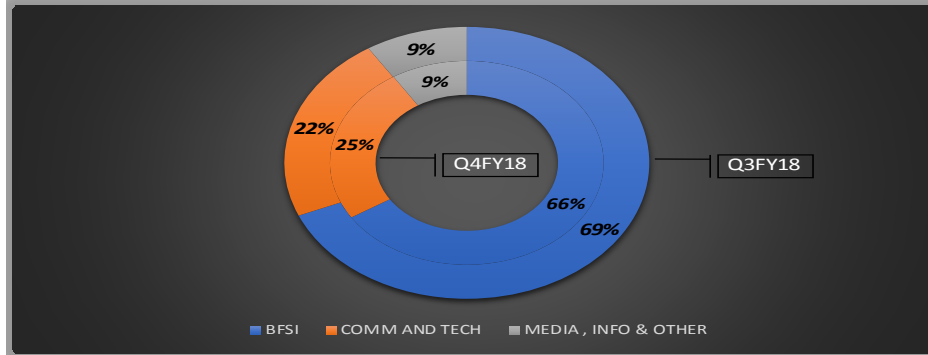
CASH PROFILE

CASH BY GEO

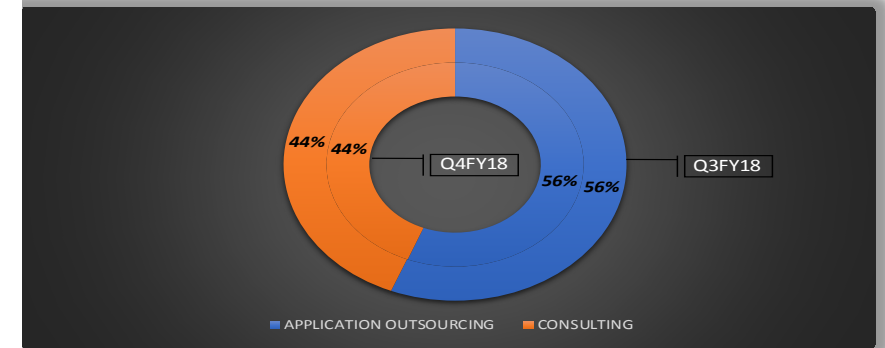


REVENUE PROFILE

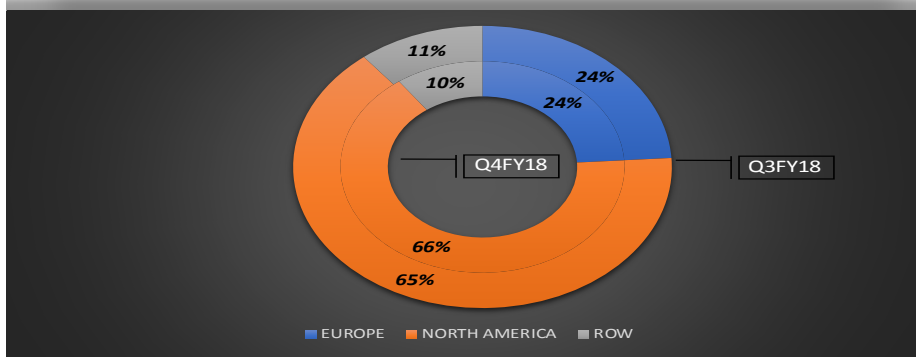
REVENUE BY VERTICAL



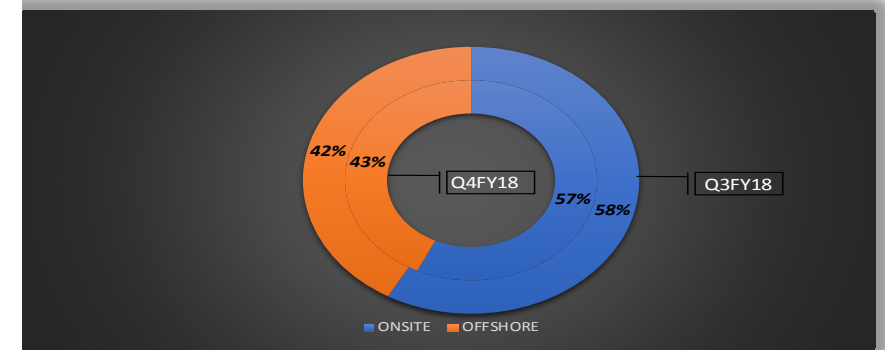
REVENUE BY SERVICE OFFERING



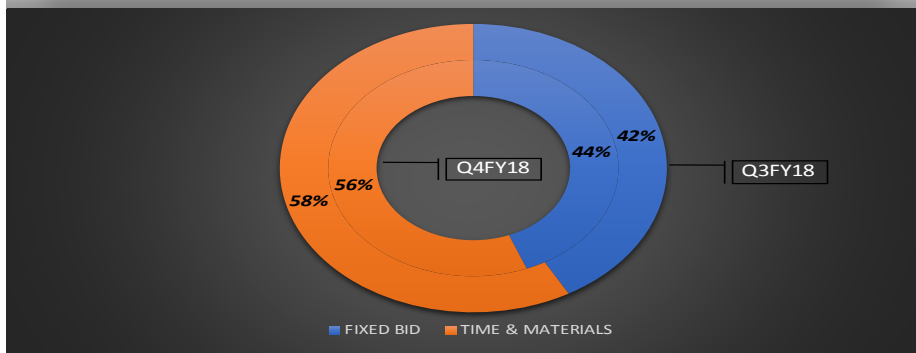
REVENUE BY GEOGRAPHY



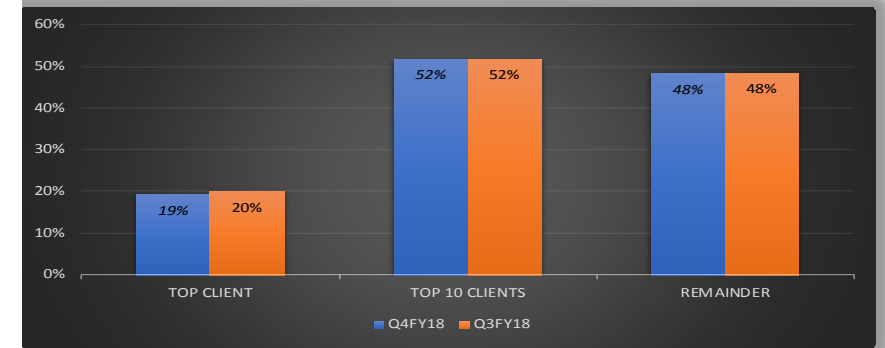
ONSITE / OFFSHORE REVENUE MIX



REVENUE BY PRODUCT TYPE



CLIENT CONCENTRATION



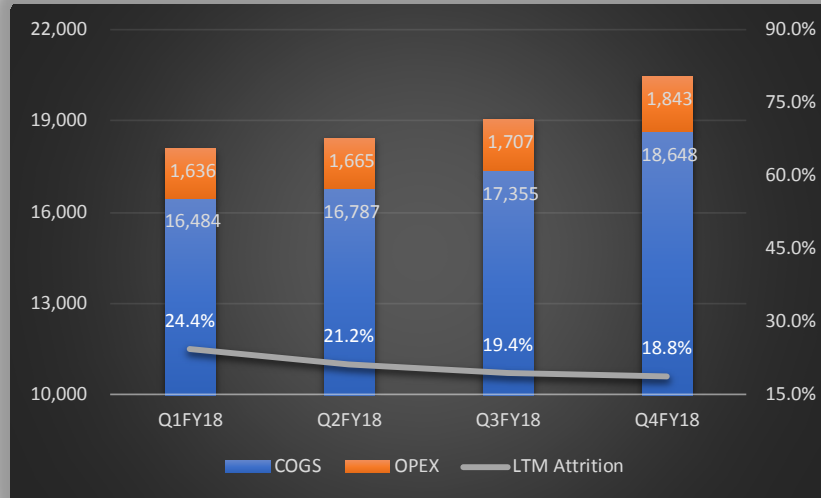
REVENUE PROFILE (CONT.)

CATEGORIES	SEGMENTS	Q4FY17		Q3FY18		Q4FY18		QoQ		YOY		YTD	
		\$(Mn)	%	\$(Mn)	%	\$(Mn)	%	\$(Mn)	%	\$(Mn)	%	\$(Mn)	%
REVENUE BY GEOGRAPHY	EUROPE	\$ 54.3	24%	\$ 63.3	24%	\$ 68.7	24%	\$ 5.4	9%	\$ 14.4	27%	\$ 242.6	24%
	NORTH AMERICA	\$ 143.7	64%	\$ 172.1	65%	\$ 184.8	66%	\$ 12.7	7%	\$ 41.1	29%	\$ 665.6	65%
	ROW	\$ 28.0	12%	\$ 28.4	11%	\$ 27.8	10%	\$ (0.6)	-2%	\$ (0.2)	-1%	\$ 112.5	11%
REVENUE BY INDUSTRY GROUP	BFSI	\$ 142.1	63%	\$ 181.1	69%	\$ 186.3	66%	\$ 5.2	3%	\$ 44.2	31%	\$ 683.2	67%
	COMM AND TECH	\$ 61.3	27%	\$ 58.8	22%	\$ 69.8	25%	\$ 11.0	19%	\$ 8.5	14%	\$ 240.9	24%
	MEDIA , INFO & OTHER	\$ 22.6	10%	\$ 23.9	9%	\$ 25.2	9%	\$ 1.3	5%	\$ 2.6	12%	\$ 96.5	9%
REVENUE BY PRODUCT TYPE	FIXED BID	\$ 98.2	43%	\$ 110.3	42%	\$ 124.3	44%	\$ 14.1	13%	\$ 26.1	27%	\$ 416.2	41%
	TIME & MATERIALS	\$ 127.8	57%	\$ 153.5	58%	\$ 157.0	56%	\$ 3.5	2%	\$ 29.2	23%	\$ 604.5	59%
REVENUE BY SERVICE OFFERING	APPLICATION OUTSOURCING	\$ 138.3	61%	\$ 148.0	56%	\$ 156.3	56%	\$ 8.3	6%	\$ 18.0	13%	\$ 575.7	56%
	CONSULTING	\$ 87.7	39%	\$ 115.8	44%	\$ 125.1	44%	\$ 9.2	8%	\$ 37.4	43%	\$ 445.0	44%

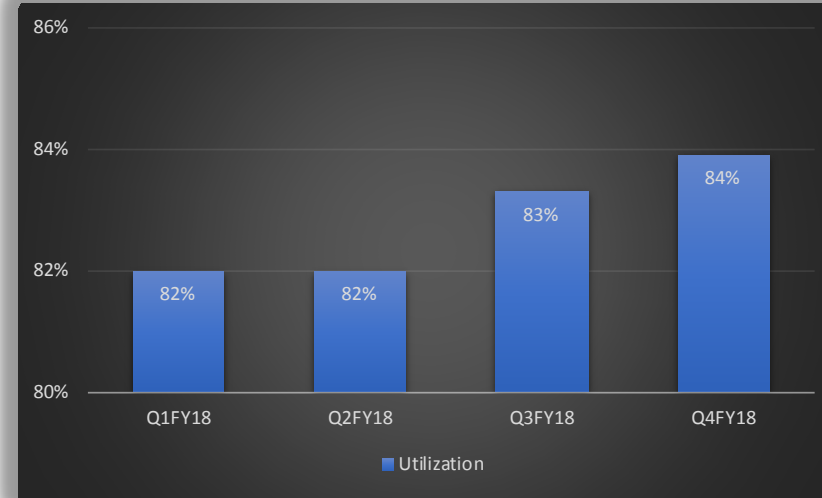
Numbers shown in millions and are subject to rounding

OPERATIONAL METRICS - HEADCOUNT

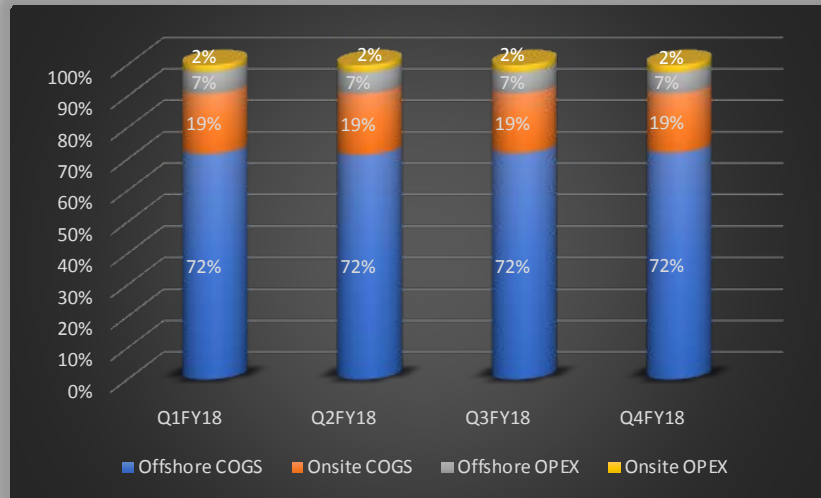
HEADCOUNT & ATTRITION



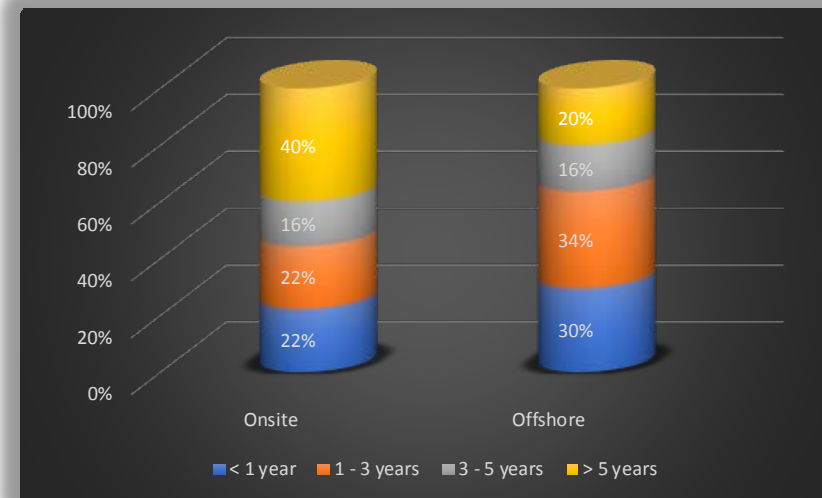
UTILIZATION



ONSITE / OFFSHORE HEADCOUNT MIX

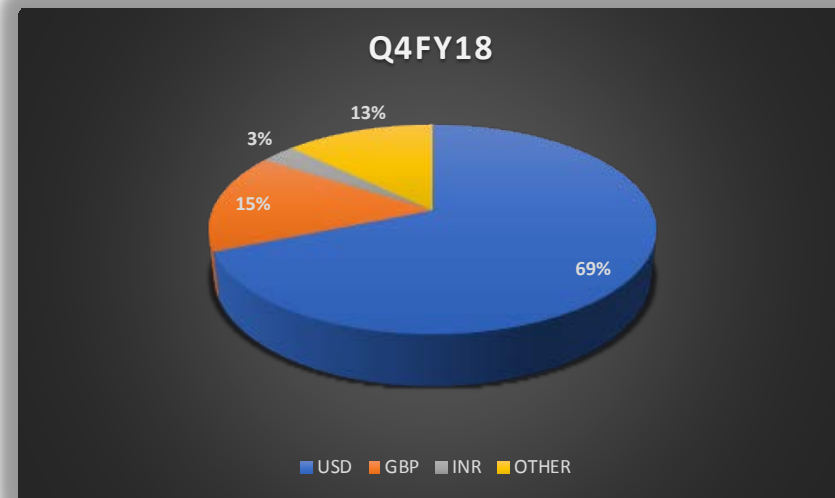
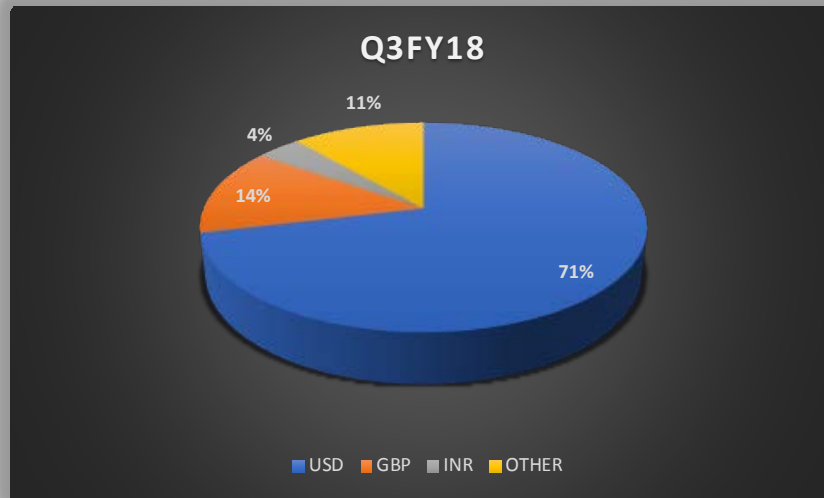


ONSITE / OFFSHORE AVERAGE TENURE

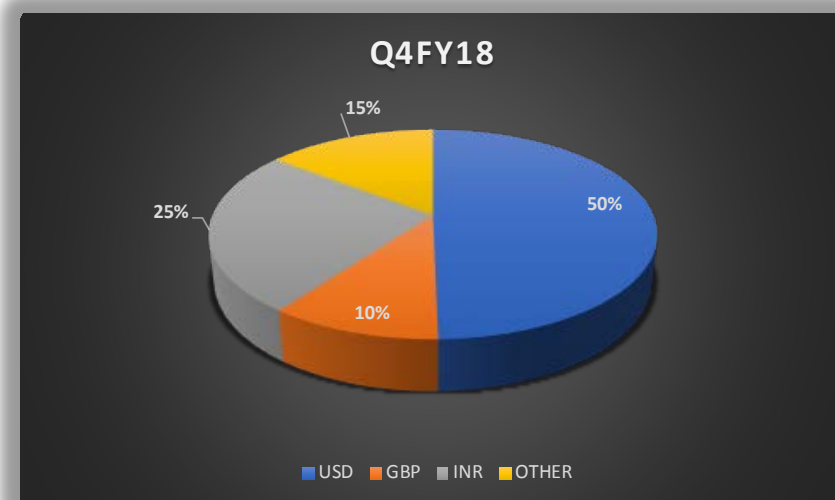
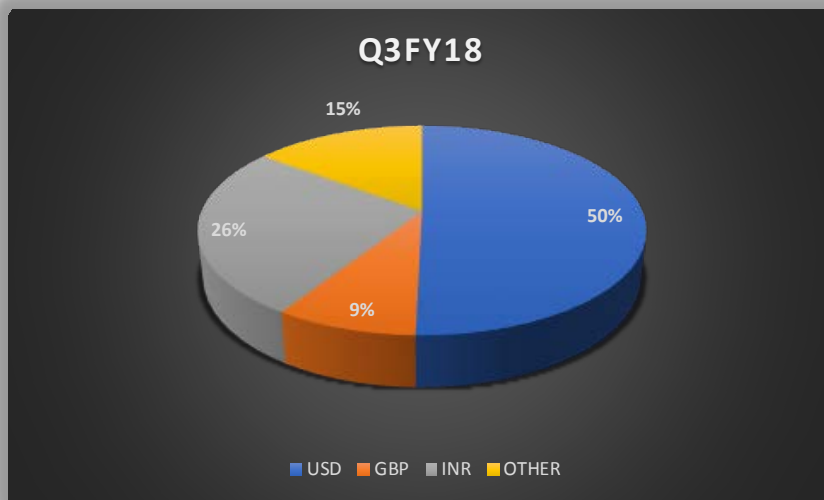


Revenue and Cost Mix by Currency

REVENUE BY CURRENCY



COST BY CURRENCY



AWARDS & RECOGNITIONS



Recognized in Gartner Market Guide for MDM External Service Providers



Positioned as a Major Player in IDC MarketScape for Worldwide Payment System Implementation Services 2018 Vendor Assessment



Recognized among the 100 global outsourcing leaders by IAOP. Also awarded the All Star Company distinction for outstanding scores under innovation programs, client satisfaction, company size & growth, and CSR sub-categories



Recognized among the leading providers in The Breakthrough Top 15 Sourcing Standouts for the Americas, Europe, Middle East and Africa (EMEA) and the Asia Pacific regions



Recognized in Gartner Market Guide for Blockchain Consulting and Proof of Concept Development Services

THANK YOU
